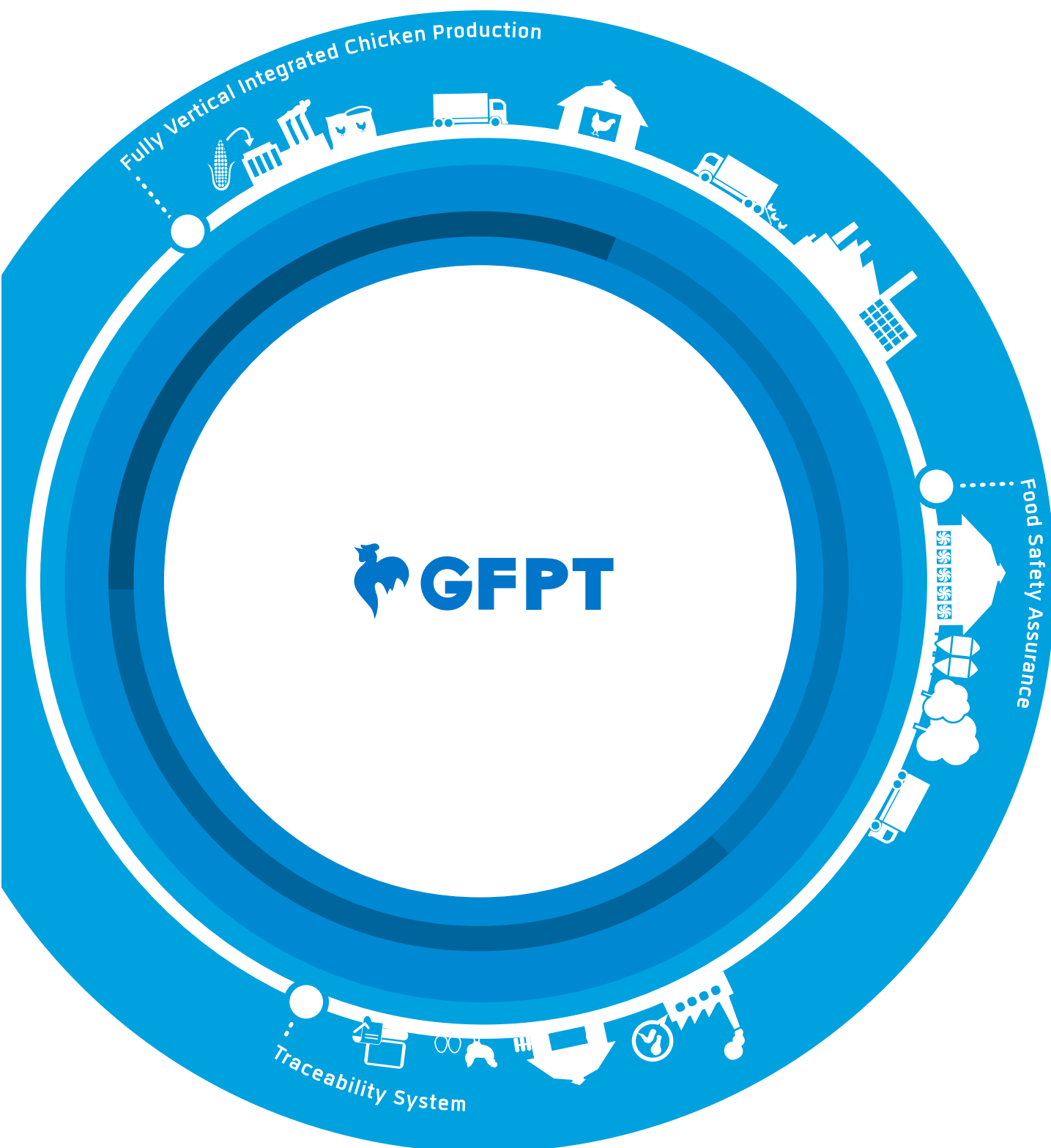


ANNUAL REPORT 2012

GFPT Public Company Limited





CONTENTS

03	FINANCIAL HIGHLIGHTS	04	CHAIRMAN'S MESSAGE	06	COMPANY INFORMATION
09	MAJOR DEVELOPMENT OF THE COMPANY	10	GROUP STRUCTURE	11	BUSINESS OPERATIONS
12	INCOME STRUCTURE	14	BUSINESS OUTLOOK	18	MANAGEMENT DISCUSSION AND ANALYSIS
24	RISK MANAGEMENT	28	CONNECTED TRANSACTIONS	30	SHAREHOLDING STRUCTURE
31	DIVIDEND POLICY	32	ORGANIZATION CHART	34	MANAGEMENT
36	BOARD OF DIRECTORS	42	GOOD CORPORATE GOVERNANCE	55	INTERNAL CONTROL
58	INSIDER TRADING POLICY	60	REPORT OF THE AUDIT COMMITTEE	62	REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS
63	AUDIT FEE	66	AUDITOR'S REPORT	67	FINANCIAL STATEMENTS



Financial Highlights

GFPT Public Company Limited and its Subsidiary Companies

Unit : Million Baht

	2012	2011	2010
Consolidated Operating			
Revenue from Sales	15,370	14,210	12,472
Total Revenue	15,651	14,433	12,692
Profit Margin	996	2,224	2,025
Profit from Operation	197	1,435	1,380
Net Profit	41	1,203	1,166
Earning per Share (Baht)	0.03	0.96	0.93

Consolidated Financial Position

Total Current Assets	5,504	3,847	3,295
Total Assets	12,869	10,068	9,216
Total Current Liabilities	4,655	1,427	1,258
Total Liabilities	7,249	4,084	3,839
Shareholders' Equity	5,620	5,984	5,377

Financial Ratio

Liquidity Ratio (time)	1.18	2.70	2.62
Profit Margin Ratio (%)	6.48	15.65	16.24
Return on Asset Ratio (%)	0.36	12.48	13.44
Debt to Equity Ratio (time)	1.29	0.68	0.71

Chairman's Message



In 2012, the broiler industry faced significant challenges such as declining of commodity prices, increasing in production cost, increasing of minimum wage, and higher transportation cost. The oversupply situation in domestic market caused significant decline in market price of domestic commodities such as day-old-chicks, live-chicken, chicken meat, chicken parts and processed chicken products. In addition, the drought in the agricultural area in the United States during the month of July 2012 caused the price of commodities such as soybean increased significantly. With these factors, the 2012 result of the Company's operation was not in line with our expectation.

Even though year 2012 would be difficult year for the industry, there were several opportunities for the broiler industry including the re-open of frozen chicken to EU market and the higher consumption of chicken meat in domestic market. Since the Thai frozen chicken was ban in 2004 from the AI epidemic, the European Union has

approved the import of Thai frozen chicken in July 2012. The export volume of frozen chicken products has been growing since the ban was lifted in late 2012. In addition, the domestic consumption of chicken has increased due to the low price of chicken meat. Thus, the food business also used more chicken meat in their operations.

GFPT set a high priority on adapting to the changes in consumer demand. Thus, GFPT has focused on new product strategy to develop new chicken products in order to meet the needs of consumers both domestically and internationally. GFPT has focused on continuous improvement of its production process in order to sustain competitive advantage in low cost production through efficiency. In addition, GFPT emphasizes on its fully vertical integrated poultry production system, which is the strength of the Company, through high nutrition of broiler feed, world-class broiler production system, and modern technology of chicken processing and further processing.



Moreover, GFPT always pays attention to its production system and quality assurance to make sure that its products and processes are met with international standard. The Company has several quality management systems, which are certified and accredited i.e. GMP, HACCP, ISO 9001, ISO 14001, and the British Retail Consortium (BRC).

However, food safety is vital for us. GFPT highly concerns on its traceability system to allow the ability to trace back to the origin of the product along the food supply chain starting from feed materials, feed production, GP farm, breeder farm, broiler farm, and chicken meat processing to ensure our products are safe for consumption.

GFPT focuses on sustainable growth for the Company by applying good corporate governance and corporate social responsibility in its business operations. We also pay close attention to the healthcare, welfare, and safety of employees as well as the competency improvement to make sure that our employees are satisfied and happy. In addition, GFPT

has been supporting community and social activities on regular basis. The Company puts best effort on strengthen employees' awareness on energy efficient energy usages and environmental protection.

As the Chairman of GFPT, I wish to thank shareholders for their trust and confidence in the Company. We really appreciate our customers and partners for their supports and thanks to the management team and all employees for their hard works and dedications that bring proud and success to the Company. Finally, I sincerely hope to get your full support and kind cooperation that will drive the sustainable growth of GFPT.

A handwritten signature in black ink, appearing to read '2/3/3'.

(Mr. Prasit Sirimongkolkasem)
Chairman

Company Information



GFPT

Name	: GFPT Public Company Limited
Type of Business	: Chicken Evisceration, Processed Chicken Food, and By-Products
Head Office	: 312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Certificate No	: 0107537001471
Telephone	: 0 2473 8000
Facsimile	: 0 2473 8398
Home Page	: www.gfpt.co.th
Registered Capital	: 1,400,000,000 baht
Paid-up Capital	: 1,253,821,000 baht
No. of Shares	: 1,253,821,000 shares
Type of Share	: Common Stock

KT

Subsidiary Company

Name	: Krungthai Feedmill Public Company Limited
Type of Business	: Feed Mill and Parent Chicken Farm
Head Office	: 312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Certificate No	: 0107537001463
Telephone	: 0 2473 8000
Facsimile	: 0 2473 8398
Home Page	: www.ktfeedmill.co.th
Registered Capital	: 400,000,000 baht
Paid-up Capital	: 400,000,000 baht
No. of Shares	: 40,000,000 shares
Type of Share	: Common Stock
% of Shareholding	: 97.86%

GP

Subsidiary Company

Name	: GP Breeding Company Limited
Type of Business	: Grandparent Chicken Farm
Head Office	: 312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Certificate No	: 0105536132457
Telephone	: 0 2473 8000
Facsimile	: 0 2473 8398
Registered Capital	: 200,000,000 baht
Paid-up Capital	: 200,000,000 baht
No. of Shares	: 20,000,000 shares
Type of Share	: Common Stock
% of Shareholding	: 99.99%



FKT

Subsidiary Company

Name	: Krungthai Farm Company Limited
Type of Business	: Parent Chicken Farm and Hatchery
Head Office	: 312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Certificate No	: 0105521016944
Telephone	: 0 2473 8000
Facsimile	: 0 2473 8398
Registered Capital	: 350,000,000 baht
Paid-up Capital	: 350,000,000 baht
No. of Shares	: 35,000,000 shares
Type of Share	: Common Stock
% of Shareholding	: 99.99%



MKS

Subsidiary Company

Name	: M.K.S. Farm Company Limited
Type of Business	: Broiler Farm
Head Office	: 312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Certificate No	: 0105524028536
Telephone	: 0 2473 8000
Facsimile	: 0 2473 8398
Registered Capital	: 550,000,000 baht
Paid-up Capital	: 550,000,000 baht
No. of Shares	: 55,000,000 shares
Type of Share	: Common Stock
% of Shareholding	: 99.99%



GFF

Subsidiary Company

Name	: GF Foods Company Limited
Type of Business	: Processed Chicken Food
Head Office	: 312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Certificate No	: 0105525001496
Telephone	: 0 2473 8000
Facsimile	: 0 2473 8398
Registered Capital	: 40,000,000 baht
Paid-up Capital	: 40,000,000 baht
No. of Shares	: 400,000 shares
Type of Share	: Common Stock
% of Shareholding	: 99.99%



McKey

Associated Company

Name	: McKey Food Services (Thailand) Limited
Type of Business	: Frozen Processed Food
Head Office	: 210 Moo 1, Teparak Road, K.M. 20.5 Bangsaothong District, Bangsaothong Sub District, Samuthprakam 10540
Certificate No	: 0115536003282
Telephone	: 0 2315 4763-4 0 2315 4766-7
Facsimile	: 0 2315 4765
Registered Capital	: 100,000,000 baht
Paid-up Capital	: 100,000,000 baht
No. of Shares	: 1,000,000 shares
Type of Share	: Common Stock
% of Shareholding	: 49.00%



GFN

Associated Company

Name	: GFPT Nichirei (Thailand) Company Limited
Type of Business	: Chicken Evisceration and Processed Chicken Food
Head Office	: 77 Moo 4, Hang Sung, Nong Yai, Chonburi 20190
Certificate No	: 0105551130397
Telephone	: 038 932 900
Facsimile	: 038 932 999
Registered Capital	: 3,014,000,000 baht
Paid-up Capital	: 3,014,000,000 baht
No. of Shares	: 30,140,000 shares
Type of Share	: Common Stock
% of Shareholding	: 49.00%

Other Information

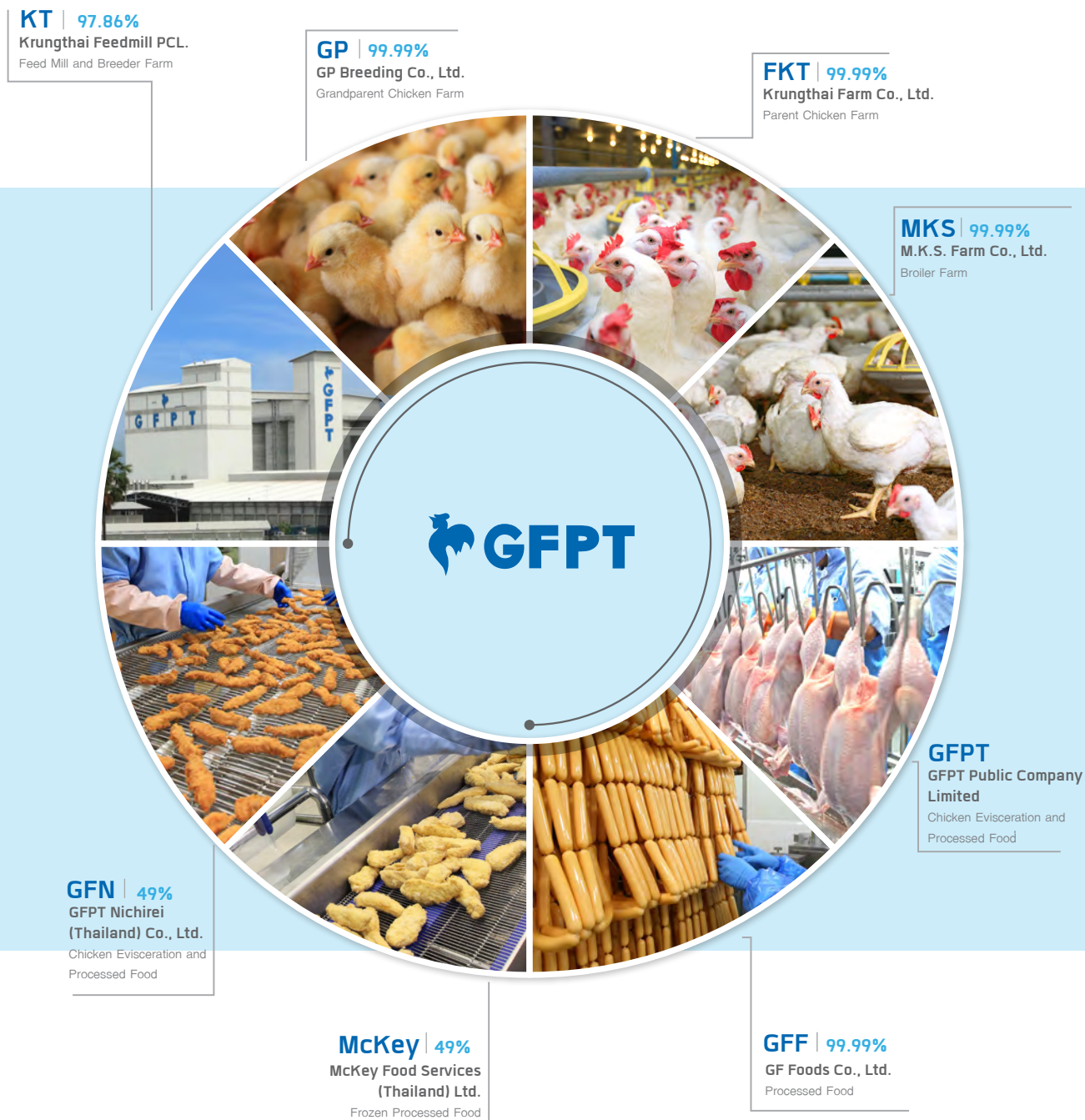
Registrar Name	: The Securities Exchange of Thailand
Address	: The Securities Exchange of Thailand Building, 62 Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 0 2229 2888
Home Page	: www.tsd.co.th
Registrar Debenture	: None
Auditor	: S.K. Accountant Services Co., Ltd.
Address	: Phyathai Plaza Building, 14th Floor, 128/150-153 Phyathai Road, Bangkok 10400
Telephone	: 0 2214 6464
Facsimile	: 0 2214 6065
e-mail	: skaudit@skaccountant.com

Major Development of the Company

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

- 1981** : Registered in the name of General Foods Poultry (Thai) Company Limited with the objective to produce fresh frozen chicken for export with the registered capital 77.7 Million Baht, consisted of 3 parties of shareholders
- | | |
|--|-----|
| 1. P. Charoen Phan Feedmill Company Limited (Thailand) | 51% |
| 2. General Foods Poultry Company Limited (New Zealand) | 34% |
| 3. United Trading Corporation (Luxemburg) | 15% |
- 1985** : 2 parties of shareholders; General Foods Poultry Company Limited and United Trading Corporation withdrawn their shares so, P. Charoen Phan Group purchased the whole shares.
- 1987** : The company increased in share capital 100 million baht, the company expanded the production capacity 6,000 birds/hour.
- 1989** : The company increased in capital 150 million baht, the company expanded the production capacity 7,200 birds/hour. The company changed the company's name to "P. Charoen Phan Poultry Company Limited".
: The company changed the company's name to "GFPT Company Limited".
- 1990** : The company increased capital 420 million baht for purchasing 99.99% of 2 subsidiary companies:
1. Krungthai Farm Company Limited, operated parent chicken farm.
 2. M.K.S. Farm Company Limited, operated broiler farm.
- 1991** : The company invested 99.99% in 1 subsidiary company, GF Foods Company Limited, operated the production and distribution sausages and chicken ball.
: The company increased in capital from 420 million baht to 1,000 million baht.
: The company purchased 65.00% of one subsidiary company, Krungthai Feedmill Public Company Limited, operated feed mill business.
- 1992** : The company was listed in the Stock Exchange of Thailand with the share capital of 1,000 million baht and paid-up capital 570 million baht.
- 1993** : The company invested 49% in McKey Food Services (Thailand) Limited, operated processed chicken products, joint-venture with Keystone Food Corporation (USA) held 51%.
- 1994** : GFPT Company Limited changed to "Public Company Limited".
: Krungthai Feedmill Company Limited changed to "Public Company Limited".
- 1998** : Krungthai Feedmill Public Company Limited delisted from the Stock Exchange of Thailand.
- 2000** : The company increased capital from 570 million baht to 626.91 million baht.
- 2002** : The company bought shares of Krungthai Feedmill Public Company Limited to have share ownership from 65% to 96.5%.
- 2003** : The company increased registered capital from 1,000 million baht to 1,400 million baht and paid-up capital from 626.91 million baht to 1,253.82 million baht.
: The company invested 99.99% in one subsidiary company, GP Breeding Company Limited, operated rearing grand-parent chicken.
- 2008** : The company set up new feed mill for producing broiler feed exclusively used for internally only. The company invested 49% in GFPT Nichirei (Thailand) Company Limited, operated fully cooked chicken products and chicken meat for domestic and international sales, joint-venture with Nichirei Foods, Inc. (Japan) held 51%. GFN has registered capital and paid-up capital of 1,170 million baht.
- 2010** : The company performed stock split from 10 baht per share to 1 baht per share. The register capital of GFPT Public Company Limited is 1,400 million baht with the number of share outstanding increased from 140 million shares to 1,400 million shares.
- 2011** : The company bought Krungthai Feedmill Public Company Limited from minority shareholders to have share ownership from 96.5% to 97.85%.
- 2012** : The company increased its capital in GFPT Nichirei (Thailand) Company Limited, a joint-venture, in amount of 903.56 million baht to remain its 49% of share ownership. The details of GFN registered capital are as follows:
- In May, GFN increased registered capital from 1,170 million baht to 1,514 million baht. (GFPT 168.56 million baht)
 - In December, GFN increased registered capital from 1,514 million baht to 3,014 million baht. (GFPT 735.00 million baht)
- : The company bought shares of Krungthai Feedmill Public Company Limited to have share ownership from 97.85% to 97.86%.

Group Structure



Business Operations



GFPT Public Company Limited (“GFPT”) has registered capital of 1,400,000,000 baht and paid-up capital of 1,253,821,000 baht. GFPT is the parent company of the group who operates the chicken production and distribution of frozen chicken meat, processed chicken, and its by-products under the customer and company brand name for both domestic and overseas market. In 2012, GFPT has chicken processing capacity of 124,600 tons per year and cooked chicken product capacity of 24,000 tons per year from the plant located at Samutprakarn Province.

GFPT Public Company Limited and its subsidiary companies operate integrated poultry business that are chicken evisceration and processed food, hatchery farm, selling day-old-chicks, parent chicken farm, broiler farm, feed mill, processed food production.

The GFPT group is an integrated poultry business. Beginning with the investment of 97.86% in Krungthai Feedmill Public Company Limited (“KT”), with paid-up capital of 400 million baht. KT engages in feed mill business under the Company’s brand. KT’s main products are land animal feed and aquatic animal feed. KT distributes land animal feed especially chicken feed to the Company’s subsidiaries namely MKS, FKT, GP, and also other animal raisers in general. For the aquatic animal feed, KT distributes aquatic animal raisers in general.

In 2012, KT has total capacity of 1,111,000 tons. The first came from 1 land animal feed mill plant and 2 aquatic animal feed mill plant which are located in Samutprakarn Province with the total capacity of 599,000 tons. The second came from a new land animal feed mill plant at Banbueng, Chonburi with the total capacity of 512,000 tons. Moreover, there are parent chicken farms which produce seed eggs for FKT. In 2012, KT has total capacity of 21,000,000 of seed eggs from its 3 farms in Chonburi. There is no conflict of interest between the rest of shareholders and the Company.

The company invests 99.99% in GP Breeding Company Limited (“GP”), with registered capital 200 million baht, GP engages grandparent chicken farming to produce parent stocks for FKT and KT. In 2012, GP produces 1,000,000 of parent stocks from its 4 farms in Chonburi.

The company invests 99.99% in Krungthai Farm Company Limited (“FKT”), with registered capital of 350 million baht, FKT engages in hatchery farm business by purchasing parent stocks from GP to produce both commercial day-old-chicks and layer day-old chicks. FKT sells wholly commercial day-old-chicks to MKS and KT. In 2012, FKT produces 90 million commercial day-old-chicks from its 5 farms and 5 million layer day-old chicks from its 1 layer day-old chick farm in Chonburi.

The company invests 99.99% in M.K.S. Farm Company Limited (“MKS”), with registered capital of 550 million baht. MKS engages in broiler farm by purchasing commercial day-old-chicks from FKT and after raising them around 41–43 days, MKS sells broiler to GFPT and GFN (associated company) for evisceration and process. In 2012, MKS has total capacity of 73 million broilers from its 12 farms in Chonburi. The excess amount of the production will be sold to local market.

The company invests 99.99% in GF Foods Company Limited (“GFF”), with paid-up capital of 40 million baht. GFF engages in production and distribution of processed foods business. Its main products are sausages, meat balls, chicken rolls, and other processed products which are distributed under its own brand through fresh markets and wholesalers. In 2012, GFF has total capacity of 6,600 tons from 1 factory in Samutprakarn.

The company invests 49% in McKey Food Services (Thailand) Company Limited (“McKey”), with registered capital of 100 million baht. McKey engages in production and distribution of semi-finished frozen foods for export market. McKey’s products are distributed to McDonalds’ restaurants both in Thailand and overseas. In 2012, McKey has a total production 30,000 tons from 1 factory in Samutprakarn. There is no conflict of interest between the rest of shareholders and the Company.

The company invests 49% in GFPT Nichirei (Thailand) Company Limited (“GFN”), with registered capital of 3,014 million baht. GFN engages in chicken evisceration and processing and distribution for export domestic market. The capacity of chicken processing is 81,600 tons per year and the capacity of cooked chicken products is 18,000 tons per year from 1 factory in Chonburi. There is no conflict of interest between the rest of shareholders and the Company.



Income Structure

Product line	Operated by	% of Share holding	2012 Income (MB)	%	2011 Income (MB)	%	2010 Income (MB)	%
Evisceration / Processed Foods	GFPT		5,803.86	37.76	6,101.15	42.94	7,040.91	56.45
Feed Mill	KT	97.86	5,294.03	34.44	4,838.82	34.05	4,319.61	34.63
Chicken Farms	FKT,GP, MKS	99.99	3,528.15	22.96	2,521.11	17.75	463.03	3.72
Day-Old-Chicks	MKS KT	99.99 97.86	136.10	0.89	291.72	2.05	400.99	3.22
Processed Foods	GFF	99.99	607.67	3.95	456.75	3.21	247.46	1.98
Total			15,369.81	100.00	14,209.55	100.00	12,472.00	100.00

In 2012, the company had evisceration and processed foods income at 37.76%, feed mill business at 34.44%, chicken farms at 22.96%, selling day-old-chicks at 0.89%, processed foods at 3.95%, respectively. More detail is provided in the notes to financial statements no.28 “Segment Information”.

The Company, the subsidiary companies, and the joint venture companies were granted investment promotional certificates from the Board of Investment (BOI) as follows:

(1) Benefits and Privileges from Investment Promotion

Company	Province	Certificate No.	Type of Promotional Activities	The First year – The Expiry Year
GFPT Pcl.	Samutprakarn	1776(2)/2545	Finished Chicken Products	2005 – 2013
		1699(3)/2547	Finished Chicken Products	2007 – 2015
		1329(2)/2552	Evisceration Chicken	2011 – 2019
		1051(3)/2553	Finished Chicken Products	2011 – 2019
Krungthai Feedmill 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	1632(2)/2546	Broiler Farm	2005 – 2013
		1571(2)/2551	Broiler Farm	2010 – 2018
		2085(2)/2551	Broiler Farm	2010 – 2018
		1341(2)/2552	Broiler Farm	2011 – 2019
		1470(2)/2552	Broiler Farm	2011 – 2019
		1897(2)/2553	Broiler Farm	2011 – 2019
		1898(2)/2553	Broiler Farm	None Income Yet
		2106(2)/2553	Broiler Farm	None Income Yet
		2107(2)/2553	Broiler Farm	None Income Yet
		2108(2)/2553	Broiler Farm	None Income Yet
		1674(2)/2554	Broiler Farm	None Income Yet
		1022(2)/2555	Broiler Farm	None Income Yet
Krungthai Farm Co., Ltd.	Chonburi	1187(2)/2553	Chicken Farm	None Income Yet
		1591(2)/2553	Chicken Farm	None Income Yet
GP Breeding Co., Ltd.	Chonburi	1932(2)/2548	Parent Chicken Farm	2006 – 2014
McKey Food Services (Thailand) 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	Finished Products and Frozen Chicken	None Income Yet

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

Company	Province	Certificate No.	Type of Promotional Activities	The First year – The Expiry Year
McKey Food Services (Thailand) Ltd.	Samutprakarn	1106/2541	Chicken Products	1998 – 2014

Business Outlook

Situation in 2012

Production

In 2012, world broiler production managed to increase despite the declining in production in major broiler producing countries such as the United States and Brazil. The increase in production was mainly due to the rising demand for chicken meat which was relatively cheaper and has lower cholesterol, when compared to other types of meat product. Furthermore, demand for chicken meat also increased favorably in the countries where per capita chicken meat consumptions were still low such as Mexico, China and the eastern European countries. However, the production growth was reduced somewhat by the rising cost of animal feeds.

In 2012, total world broiler production was approximately 82.422 million tons, an increase of 1.71% from 2011. The United States was still the world's largest broiler raiser followed by China, Brazil, and the European Union, respectively.

The United States produced approximately 16.476 million tons of chicken meat in 2012, a decrease of 1.7% from 2011. The chicken meat production in China, the second largest global producer, increased from 2011 by 3.8% to reach 13.700 million tons in 2012. Brazil, the world's third largest producer, produced 12.750 million tons of chicken meat which decreased from 2011 by 1.54% while the EU which was the world fourth largest producer increased its production by approximately 1.8% to reach 9.480 million tons in 2012.

As for Thailand, approximately 1,264 million broilers were raised in 2012 which accounted for about 1.830 million tons of chicken meat. The production was higher than that of 2011 by 6.9%. The increase was partly caused by higher domestic demand. Steady rising export demand also helped raise Thailand broiler production.



Market Situation

Domestic Market

Demand for chicken meat product expanded in accordance with the recovering of Thai economy. Despite the continuous rising of oil price that caused inflation rate to increase successively in 2012, its effect on chicken meat consumption was trivial since its price was still at the level that most consumers can easily afford and relatively low compared with other types of meat. Furthermore, competition in the growing fast food business also helped raise domestic demand because chicken meat was widely used as part of raw material in various fast food chained outlets. This continued growing domestic demand had lessened the impact of higher cost of production caused by rising prices of animal feed raw materials on Thai broiler business.

In 2012, domestic consumption of chicken meat was approximately 1.292 million tons, an increase of 3.4% from 2011. Average annual consumption per capita also increases from 18.9 kilograms in 2011 to 19.8 kilograms during the same period.

Export market

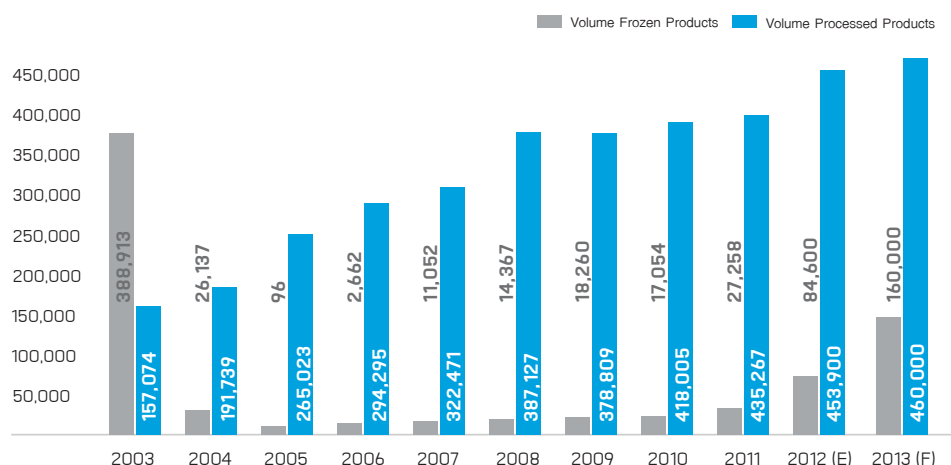
Volume of chicken meat export in 2012 was about 538,500 tons, an increase of 16.4% from 2011, while its value increased by 11.18% to reach 68,055 million Baht. The higher rate of increase in export volume was due to the rather low export price, especially during the first half of the year.

Obstacles facing Thai broiler export were mainly the appreciation of Baht against US Dollar together with the slow recovery of world economy especially in the EU countries which were the major export market of Thai chicken meat products. Furthermore, since the ban on uncooked Thai chicken meat export imposed by the EU was still enforced in the first half of the year, only cooked chicken meat products were exported to the EU during that period. The ban on uncooked chicken meat had been a major problem of Thai exporters because export of this product was worth more than 20,000 million Baht annually before the outbreak of Avian Flu in 2004.

As for the export market, the European Union was the most important market of Thai chicken meat products. In 2012, export of chicken meat products to the European Union was approximately 229,900 tons, an increase of 16.0% from the previous year. This high export growth was due to the lift of import ban on Thai uncooked chicken meat in the second half of the year. The export volume growth to the EU market was not

Volume of Thai Chicken Meat Export

Volume : ton



as high as expected because the quota allocated for Thai products was considerably lower than the export volume before the Avian Flu outbreak in 2004. The economic recession in Europe was also an important obstacle facing Thai chicken meat export to the EU in 2012.

The Japan market is the second largest of Thai chicken meat export. In 2012, export of chicken meat products to Japan was approximately 218,100 tons, an increase of 6.1% from the previous year. The growth of Thai chicken meat export was due to the import tax cut resulted from the signing of Japan-Thailand Economic Partnership Agreement (JTEPA). Moreover, Thai products also gained high advantage in both labor skill and transportation cost over Brazil, the main competitor in Japanese market.

Besides these two major markets, the export of Thai chicken meat products to other countries in 2012 was approximately 90,500 tons, an increase of 54.0% from the previous year. The increase was resulted from the successful attempt of Thai exporter to expand export beyond the existing major markets to reduce the export risk. Moreover, the high rate of export growth was due to the lift of import ban on uncooked chicken meat by many countries such as South Africa, Ghana, Bahrain, the United Arab Emirates, Egypt, Oman, Israel, Vietnam, Malaysia, Hong Kong, Laos, Brunei, Nepal, and Sri Lanka.

Export of Thai Chicken Meat Products (2011 – 2013)

Market	2011		2012 (E)		2013 (F)	
	Volume (ton)	Proportion (%)	Volume (ton)	Proportion (%)	Volume (ton)	Proportion (%)
Japan	205,602	44.5	218,100	40.5	240,000	38.7
EU	198,151	42.8	229,900	42.7	280,000	45.2
Others	58,772	12.7	90,500	16.8	100,000	16.1
Total	462,525	100.0	538,500	100.0	620,000	100.0

Source: Thai Broiler Processing Exporters Association
 Note: 2012 (E) is estimated figure
 2013 (F) is forecasted figure

Prospects for 2013

Production

The broiler production in Thailand is likely to expand consistently. The estimated production in 2013 is 1,322 million broilers or 1.914 million tons of chicken meat, an increase of 1.1% from the year 2012. The cause of this increase in production is the forecasted brighter economic situation while the high competitive potentiality of Thai producers also helps enhance export especially in the EU where its quota of uncooked chicken meat export will be filled. Furthermore, it is expected that Japan will eventually lift the import ban on Thai uncooked chicken meat in 2013.

However, cost of production is forecasted to increase continuously as a result of rising oil price as well as prices of animal feed raw materials. Wage cost raised by the government minimum wage policy would also adversely affect the growth of broiler production.

We realize that there are many obstacles and risks that may negatively affect the production so that the chicken meat products might be less than forecasted especially the rising cost of broiler production. Since Thailand needs to import animal feed raw materials of which prices are subject to change, higher prices of raw materials will raise the price of animal feed and hence the cost of broiler production.

Volume and Value of Thai Chicken Meat Export

Volume: ton
Value: million baht

Year	Frozen Products		Processed Products		Total	
	Volume	Value	Volume	Value	Volume	Value
1997	151,120	10,951	41,114	4,951	192,234	15,902
1998	220,776	17,221	60,943	9,020	281,719	26,241
1999	211,675	14,817	61,924	8,669	273,599	23,486
2000	245,994	15,990	86,800	11,284	332,794	27,274
2001	320,779	23,096	117,018	15,212	437,797	38,308
2002	336,837	24,589	127,406	16,244	464,243	40,833
2003	388,913	28,105	157,074	19,763	545,987	47,868
2004	26,137	1,725	191,739	22,408	217,876	24,133
2005	96	6	265,023	30,478	265,119	30,484
2006	2,662	97	294,295	35,742	296,957	35,839
2007	11,052	522	322,471	36,791	333,523	37,313
2008	14,367	862	387,127	54,567	401,494	55,429
2009	18,260	1,242	378,809	51,492	397,069	52,734
2010	17,054	1,147	418,005	53,805	435,059	54,952
2011	27,258	1,886	435,267	60,264	462,525	62,150
2012 (E)	84,600	6,007	453,900	63,092	538,500	69,099
2013 (F)	160,000	11,361	460,000	68,253	620,000	79,614

Source: Thai Broiler Processing Exporters Association

Note: 2012 (E) is estimated figure

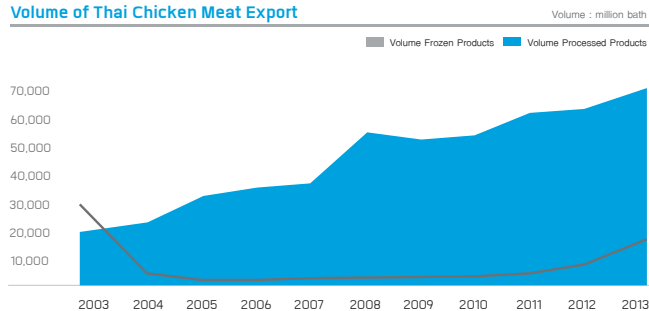
2013 (F) is forecasted figure

Market Situation

The expected growth of Thai economy in 2013 will sufficiently support the rise of domestic demand for chicken meat products. Furthermore, since chicken meat has rich protein content while its price is relatively low when compare with other types of meat, the recovering of Thai economy should markedly raise domestic demand for chicken meat products.

Although the export of Thai chicken meat products is forecasted to increase, the real growth of export market depends on various positive and negative factors as follows:

Volume of Thai Chicken Meat Export



Positive Factors

- In 2012, there was no sign of Avian Flu outbreak in Thailand and the EU lifted ban on Thai uncooked chicken meat export that had been imposed since 2004. As a result, it is expected that for the year 2013, the Thai uncooked chicken meat product will also has a chance to export to Japan and many other countries.
- Pressure on competition with China has been relaxed due to the increase of domestic consumption of chicken meat in China while its export declines. Chinese producers have shifted their target to focus more on domestic market.
- Skill of Thai labors specialized in cutting-up chicken parts, together with short transportation time of only 10–14 days from Thailand to Japan compare with 8 weeks from Brazil, help Thai uncooked chicken meat export gain comparative advantage over Brazil. If Japan lifts ban on Thai uncooked chicken meat in 2013, it is likely that Thailand will be able to earn some of Brazil market shares.

Negative Factors

- Higher cost of energy used in the production of animal feeds and the shortage of some raw materials that has been switched to produce more gasohol and bio-diesel would enhance the cost of animal feed raw materials and hence the cost of broiler production. This higher production cost will lower the competitiveness of Thai chicken meat products in the world market. Moreover, price of chicken meat that has to rise in accordance with its production cost might slowdown or even reduce demand for chicken meat products.
- Prolonged economic recession in many European countries such as Greece, Italy, Portugal and Spain will lower economic growth as well as consumer's purchasing power in the EU. The economic downturn will negatively affect all Thai exports including the chicken meat products.
- The fixed import quota allocated by the EU could cause a problem when the import quantity reaches the quota limit. Since the out-of-quota tariff is as high as 1,024 Euros per ton, the export of Thai cooked chicken meat may not be able to increase further. In addition, the allocated import quota for Thai salted chicken meat is rather small because it is only about half of the usual amount imported from Thailand before 2004.
- The continued appreciation of Baht at higher rate than the currencies of major competitors in chicken meat export will relatively reduce the competitiveness of Thai products.
- The nationwide increase of minimum wage rate to 300 Baht per day at the beginning of 2013 in accordance with the government policy 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.

Management Discussion and Analysis

Statements of Consolidated Financial Statement

Consolidated Financial Statement of GFPT Public Company Limited
as of December 31, 2012 2011 and 2010

	As of December 31,					
	2012		2011		2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and Cash Equivalent	283	2	179	2	191	2
Accounts Receivable	1,003	8	847	8	793	9
Inventories–Net	4,212	33	2,816	28	2,306	25
Other Current Assets	6	–	5	–	5	–
Total Current Assets	5,504	43	3,847	38	3,295	36
Investment in Associated Companies–Net	1,429	11	630	6	746	8
Grandparent Chickens–Net	38	–	41	–	40	1
Parent Chickens–Net	288	2	309	3	300	3
Investment Property–Net	328	3	263	3	285	3
Property, Plant and Equipment–Net	5,225	41	4,933	49	4,522	49
Other Non–Current Assets	57	–	45	1	28	–
Total Non– Current Assets	7,365	57	6,221	62	5,921	64
Total Assets	12,869	100	10,068	100	9,216	100
Short–Term Loans from Financial Institutions	3,533	27	666	7	453	5
Accounts and Notes Payable	1,033	8	633	6	620	7
Current Portion of Long–Term Loans	80	1	80	1	143	2
Other Current Liabilities	9	–	48	–	42	–
Total Current Liabilities	4,655	36	1,427	14	1,258	14
Long–Term Loans	2,160	17	2,240	22	2,413	26
Provision for Employee Benefit	271	2	253	3	–	–
Other Non–Current Liabilities	163	1	164	2	168	2
Total Non–Current Liabilities	2,594	20	2,657	27	2,581	28
Total Liabilities	7,249	56	4,084	41	3,839	42
Total Shareholders' Equity	5,620	44	5,984	59	5,377	58
Total Liabilities and Shareholders' Equity	12,869	100	10,068	100	9,216	100

**Comprehensive Income Statement of GFPT Public Company Limited
for the year ended December 31, 2012 2011 and 2010**

	2012		2011		2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales	15,370	98	14,210	98	12,472	98
Other Income	281	2	223	2	220	2
Total Revenue	15,651	100	14,433	100	12,692	100
Cost of Sales	14,374	92	11,986	83	10,446	82
Selling and Administrative Expenses	1,005	6	901	6	864	7
Total Expenses	15,379	98	12,887	89	11,310	89
Participating Loss in Associated Companies	75	1	111	1	2	–
Profit Before Financial Costs and Income Taxes	197	1	1,435	10	1,380	11
Financial Costs	147	1	136	1	135	1
Income Taxes	1	–	77	1	58	1
Profit for The Period	49	–	1,222	8	1,187	9
Non-Controlling Interests	(8)	–	(19)	–	(21)	–
Net Profit	41	–	1,203	8	1,166	9

**Consolidated Cash Flows Statements of GFPT Public Company Limited
for the year ended December 31, 2012 2011 and 2010**

Unit : Million Baht

	2012	2011	2010
Net Cash Provided (Used) from Operating Activities	(135)	1,546	1,509
Net Cash Provided (Used) from Investing Activities	(1,991)	(1,018)	(1,254)
Net Cash Provided (Used) from Financing Activities	2,230	(540)	(273)
Net Increase (Decrease) in Cash and Cash Equivalent	104	(12)	(18)
Cash and Cash Equivalent at the Beginning Balance	179	191	209
Cash and Cash Equivalent at the Ending Balance	283	179	191

Financial Ratios of GFPT Public Company Limited and its subsidiaries

	2012	2011	2010
Liquidity Ratio			
Current Ratio ^{1/} (times)	1.18	2.70	2.62
Quick Ratio ^{2/} (times)	0.28	0.72	0.78
Cash Ratio ^{3/} (times)	(0.04)	1.15	0.89
Account Receivable Turnover ^{4/} (times)	17.17	17.83	17.41
Average Collection Period ^{5/} (days)	21.00	20.00	21.00
Inventory Turnover ^{6/} (times)	73.90	71.56	76.87
Inventory Turnover Period ^{7/} (days)	5.00	5.00	5.00
Account payable Turnover ^{8/} (times)	22.27	26.47	20.59
Average Payment Period ^{9/} (days)	16.00	14.00	17.00
Cash Cycle ^{10/} (days)	10.00	12.00	8.00
Profitability Ratio			
Gross Profit Margin ^{11/} (%)	6.48	15.65	16.24
Operating Profit Margin ^{12/} (%)	1.28	10.10	11.07
Net Profit Margin ^{13/} (%)	0.26	8.34	9.19
Return On Equity or ROE ^{14/} (%)	0.70	21.18	23.56
Efficiency Ratio			
Return on Assets or ROA ^{15/} (%)	10.46	34.98	36.06
Total Assets Turnover ^{16/} (days)	1.34	1.47	1.44
Leverage Ratio or Financial Ratio			
Debt/Equity Ratio ^{17/} (times)	1.29	0.68	0.71
Interest Coverage ^{18/} (times)	(0.86)	10.27	10.74
Debt Service Coverage ^{19/} (time)	(0.02)	0.53	0.27
Dividend Payout ^{20/} (%)	-	97.24	91.71

Remark : 1/ Current Ratio = Current Assets / Current Liabilities

2/ Quick Assets = (Cash + Short-term Investments + Accounts Receivable) / Current Liabilities

3/ Cash Ratio = Cash Flow from Operating / Current Liabilities

4/ Account Receivable Turnover = Net Credit Sales / Average Accounts Receivable

5/ Average Collection Period = 360 / Account Receivable Turnover

6/ Inventory Turnover = Cost of Goods Sold / Average Inventory

7/ Inventory Turnover Period = 360 / Inventory Turnover

8/ Account payable Turnover = Cost of Goods Sold / Average Account payable

9/ Average Payment Period = 360 / Account payable Turnover

10/ Cash Cycle = Average Collection Period + Inventory Turnover Period - Average Payment Period

11/ Gross Profit Margin = Gross Profit / Sales

12/ Operating Profit Margin = Operating Profit / Sales

13/ Net Profit Margin = Net Profit / Sales

14/ Return On Equity or ROE = Net Profit / Equity x 100

15/ Return on Assets or ROA = (Net Profit + Depreciation) / Total Assets x 100

16/ Total Assets Turnover = Sales / Total Assets

17/ Debt/Equity Ratio = Total Debt / Equity

18/ Interest Coverage = EBIT / Interest

19/ Debt Service Coverage = EBITDA / (Debt payment + Capital Expenditure + Investment in Fixed Assets + Dividend Payment)

20/ Dividend Payout = Dividends / Net Income x 100

Management Discussion and Analysis

The financial analysis has been prepared based on the consolidated financial statements of GFPT and the separated financial statement of its subsidiaries (collectively, the “Company”) as described in Note 3. Basis of Preparation of Consolidated Financial Statements.

As stated in Note 2.2 Basis of Preparation, the financial statements were presented in compliance with the notification of Department of Business Development regarding “Brief particulars must be contained in financial statements B.E. 2554” dated on September 28, 2011, notified according to Accounting Act B.E. 2543.

The reclassified financial statements for some items in comparative financial statements, in order to comply with the present financial statement, does not have any effects on net profit (loss) or shareholder’s equity already presented. The details of reclassification are described in Note 33. Reclassification of Accounts.

1. Results of Operations

Overall operation

For the consolidated financial statements for the year ended 2012, the Company reported net profit of THB 41 million or THB 0.03 per share decreasing about THB 1,162 million or 96% of net profit from the previous year (2011 net profit of THB 1,203 million) due to the higher feed materials price increased particularly corn and soybeans, key feed materials in animal feed composition, and the increasing of minimum wage to THB 300 per day. The percentage of selling and administrative expenses was about 6% of sales unchanged from previous year.

In 2012, the Company took participating loss in associated companies THB 75 million reducing from THB 111 million from year 2011 because GFN had less amount of loss from its operation in 2012 comparing to 2011.

For the separated financial statements of GFPT Public Company Limited for the year ended 2012, GFPT reported net loss in amount of THB 575 million or THB (0.46) per share. Meanwhile, GFPT had net profit of THB 425 million or 0.34 baht per share in year 2011. Share of operating loss of 103 million, according to the above mentioned reasons. And the loss on impairment of investments totaling THB 408 million.

The operational results of the Company are described as follows:

1.1 The operational results of the Company are described as follows:

1.1.1 Revenue from the sales

The Company had total revenue from sales in 2012 in amount of THB 15,370 million or 8% increased from 2011. The revenue increased mostly from the export volume of chicken meat products about 33%, the volume of animal feed sales increased about 10%, the shrimp feed sales volume increased about 8%, and the volume of live-chicken sales increased about 45% compare to the year 2011.

1.1.2 Other Incomes

In 2012, the Company had other income in amount of THB 281 million increased from last year about THB 58 million or 26% which primarily from the gains on foreign exchange and the tax refund under the Section 19 bis tax. The Company reversed an impairment loss on the investment properties due to the higher land valuation appraised by the independent appraiser.

1.1.3 Cost of Sales

In 2012, the Company had cost of sales in amount of THB 14,374 million increased about 20% from year 2011 due to the higher price of feed materials in particular corn and soybean. In addition, the increasing of minimum wage of THB 300 per day impacted on the labor cost.

1.1.4 Gross Profit

The gross profit of the Company in 2012 was significantly lower than 2011 in the amount of THB 1,228 million or decreased about 55% from previous year. The gross profit margin of the Company reduced from 15.7% in 2011 to 6.5% in 2012.

1.1.5 Selling and Administration Expenses

In 2012, the selling and administration expenses of the Company increased in amount of THB 105 million or increase about 12% from 2011 primarily from increasing in freight expenses and transportation cost. The freight expenses increased because the higher export volume of chicken products and the higher price of freight. In addition, the transportation cost increased due to higher volume of feed sales as well as the higher price of fuel. Moreover, the Company has a loss from the sale of the retired grandparent chicken and breeders as the market price of the spent breeder were sharply dropped.

1.1.6 Participating Loss in Associated Companies

In 2012, the Company had participating loss in associated companies THB 75 million reducing from year 2011 about 33% because GFN had less amount of loss from its operation in 2012 comparing to 2011.

1.1.7 Impairment Loss of Investments

For the separated financial statement, GFPT had to book an impairment loss on its investment in associates in amount of THB 408 million in the year 2012 because GFN, the joint venture, has been operating in loss consecutively for 3 years since its operation initially started in late 2010. In addition, the commodity price in domestic market still has not recovered due to the oversupply situation. Based on the GFN's projection, the value in use is less than the investment value; thus, the impairment loss is booked.

1.1.8 Return on Equity

For the separated financial statement, GFPT had a net loss in 2012 in amount of THB 575 million in which GFPT may not pay dividend according to its dividend policy. GFPT's dividend policy is set out as "the Company shall pay dividend at the rate of not more than 50 percent of net profit of the Company's separated financial statement after deductions as required by law or by the Company; subjected to the Company's cash flow, liquidity, future investment plans, and economic situation".

1.2 Revenue Breakdown based on Business Segment

Business Sector	2012		2011		2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Evisceration / Processed Foods	5,803.86	37.76	6,101.15	42.94	7,040.91	56.45
Feed Mill	5,294.03	34.44	4,838.82	34.05	4,319.61	34.63
Chicken Farm	3,528.15	22.96	2,521.11	17.75	463.03	3.72
Day-Old-Chicks	136.10	0.89	291.72	2.05	400.99	3.22
Processed Foods	607.67	3.95	456.75	3.21	247.46	1.98
Total Revenue from Sales	15,369.81	100.00	14,209.55	100.00	12,472.00	100.00

1.2.1 Chicken Processing:

In 2012, the revenue from the sales of chicken processing was in amount of THB 5,804 million, decreased about THB 297 million or 5% from 2011; which primarily from the chicken meat and parts sales in domestic market. The sales of chicken meat and parts in domestic market declined about 20% from previous year due to the chicken meat price in domestic market sharply dropped resulting from the oversupply situation in chicken industry. Nonetheless, the revenue from export sales of chicken products significantly grew due to the export volume increased about 33% from previous year.

1.2.2 Feed:

In 2012, the revenues from feed sales of food increased in amount of THB 437 million, or 9% from 2011; mostly from the increasing in animal feed and shrimp feed sales to domestic farmers. The volume sales increased about 16,395 tons or 10% for animal feed; whilst, the volume sales of shrimp feed increased about 4,500 tons or 8% from previous year.

1.2.3 Farm:

The Company's revenues from live-chicken sale increased 38 percent from 2011 due to the higher volume sale of live-chicken subsequently from the fact that GFN has operated at its full capacity in 2012.

1.2.4 Day-Old-Chicks:

In 2012, the Company's revenues from day-old-chicks sales to domestic chicken farmers were lower than last year due to the prices of day-old-chicks sharply dropped subsequently from the domestic oversupply situation of the chicken industry. Most of the revenue in year 2012 comprised of the sales of layer day-old-chicks and broiler day-old-chicks when the day-old-chicks output exceeds the capacity of the Company's broiler farms.

1.2.5 Processed Foods:

In 2012, the revenue from the food product such as chicken sausages, meatballs, and other processed products sales to wholesalers and retailers grew in amount of THB 155 million or 33% increase from 2011 since the Company has expanded additional 5 stores in 2012 in 5 provinces including Phuket, Hat Yai, Nakorn Pathom, Bureerum, and Chiang Mai.

2. Financial Position

2.1 Assets

For the consolidated financial statements as at 31 December 2012, total assets of the Company were in amount of THB 12,869 million comprising of current assets THB 5,504 million; property plant and equipment-net THB 5,225 million, the investments in associates companies THB 1,429 million, and other assets THB 711 million.

The assets as at 31 December 2012 increased in amount of THB 2,800 million, representing 28% increased from year 2011 mainly from the increasing in its inventory, trade and other receivables, investment in associated companies, investments in property, plant, and equipment – net, and properties for investment. As at 31 December 2012, the Company had inventory in amount of THB 4,212 million increased THB 1,396 million from the year 2011 due to the increasing in production volume and the rising in feed material price. In addition, the investments in subsidiaries and associated companies increased THB 800 million mainly from the capital injection in GFPT Nichirei (Thailand) Company Limited.

2.2 Liabilities

For the consolidated financial statements as at 31 December 2012, the Company had total liabilities in amount of THB 7,249 million comprising of THB 4,655 million in current liabilities and THB 2,160 million in long-term loans, and THB 434 million in other current liabilities.

The Company's liabilities as at 31 December 2012 increased in amount of THB 3,165 million, or 77% from previous year; which primarily increased from the loans from financial institutions and trade and other payables. The loan from financial institutions of the Company increased THB 2,867 million in 2012 due to the increasing in feed stock preparing for production level increased. In addition, the Company used the loan from financial institutions for capital injection in the joint venture.

2.3 Liquidity

2.3.1 Cash Flow

In 2012, the Company used cash in its operating activities in amount of THB 135 million and in the investing activities in amount of THB 1,991 million. The cash in the investment activities mostly went into the capital injection in GFN in amount of THB 903 million, purchased fixed assets in amount of THB 731 million, invested in properties and other assets in amount of THB 357 million. The Company received net cash from its financing activities in amount of 2,230 million; which received from the loan from financial institutions in total of THB 6,207 million and used for loan-repayment, interest payment, dividend payment, and others in amount of THB 3,977 million. Thus, the

Company had cash and cash equivalents as at 31 December 2012 in amount of THB 283 million.

2.3.2 Financial Ratios

For the consolidated financial statements as at 31 December 2012, the liquidity ratio of the Company was 1.18 times decreased from previous year which was 2.70 times. However, the Company has no liquidity problems.

2.3.3 The Impact of Short-Term Liability

In 2012, the Company had short-term debt increased in amount of THB 3,228 million mainly from the short-term loans from financial institutions and trade payables. However, the Company has not anticipated any problems in the loan repayment according to the terms set in the loan agreements.

3. Capital Expenditure

3.1 Capital Expenditure for past investments

In 2012, the used of cash in the investing activities of the Company was in amount of THB 1,991 million, increased about THB 973 million from 2011 mainly in the capital injection in the joint venture and the investments in fixed assets.

3.2 Investment Plan

In 2012, the Company continues to expand its broiler production capacity. The Company invested in the construction of breeder farms and broiler farms. The sources of fund were mainly from cash flow from operations, short-term loans from financial institutions, long-term loans from financial institutions, and long-term loans from directors and their related parties.

4. Capital Structure

For the consolidated financial statements as at 31 December 2012, the Company's debt to equity ratio was 1.29 : 1. The debt portion of the Company and its subsidiaries was THB 7,249 million comprising of non-interest-bearing liabilities and interest-bearing liabilities in amount of THB 1,476 million and THB 5,773 million, respectively. For the interest-bearing liabilities consisted of short-term and long-term loan of THB 3,613 million and THB 2,160 million, respectively. Both long-term loans and short term loans of the Company were borrowed in THB currency only. The Company has no foreign currency loans.

As at 31 December 2012, the shareholders' equity of the Company was THB 5,546 million, decreased 6% from year 2011 due to changes in retained earnings being the increasing in net profit of THB 41 million in 2012 and dividend payment in amount of THB 414 million.

5. Factors that may affect future operations or financial position

- None -

Risk Management

Nowadays, business trend and competition have changed dramatically and rapidly. Risk management is essential for the Company to survive and persist when unexpected situation occur. The Company has been monitoring the situation and risk factors closely and continuously 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 management mechanism to cope with the problems.

The Company applies the COSO ERM Framework. The Company has established a risk management committee to identify risk factors, determine 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.

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

1. Risks on Operation

1.1 Disease Outbreaks

The disease outbreak may have an impact in the animal farming business. Although, the animal disease may not be able to contact with people directly, it may impact directly to the Company's performance due to the declining in meat consumption. In particular, the avian influenza (AI) outbreak in Thailand or other countries in South East Asia has no direct impact on the Company's operation, it significantly impacts the confidence of consumers to avoid the consumption of chicken meat in domestic market and also continue to impact the international trade and export limitation.

Risk Management

The Company has been monitoring and surveillance of the disease in animals both domestic and other countries.

The Company mitigates the risk of disease outbreak by improving its chicken farm management system and technology including using the closed chicken houses with Evaporative Cooling System (EVAP), the Bio-security system at the farm area and surroundings, and the animal welfare policy that can comply with 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 good agricultural practices in 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, be able to assess risks associated with the disease outbreaks, and can perform the 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 generate revenue. The latest epidemic of avian influenza in Thailand occurred in 2009 which has been resolved and there is no AI outbreak until now. Many countries have lifted the ban of Thai fresh frozen chicken including EU. However, Japan has not lifted the banned of Thai fresh frozen chicken since the AI outbreak.

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

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

Risk Management

The Company mitigated the risk of commodity price by assigning the specialized purchasing unit with highly expertise and experience in procurement of these raw materials to follow up related news closely, to look for alternative sources in terms of quality and availability to meet the demands of production. In addition, the Company builds more storage to store these raw materials for keeping higher stock level.

The Company has feed nutritionists to modify the feed formulation by using other equivalent feed materials. The Company sometimes uses derivative financial instruments to manage its exposure to 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 feed price is controlled by the government, the feed price adjustment may not be able to compensate the total increase in commodity prices.

1.3 Price Volatility of Live Animals and Meats

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

Risk Management

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

1.4 Price Volatility on Fuel

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

Risk Management

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

1.5 The Confidence of Consumer in Food Safety.

The consumer behavior trend is more focused on fresh, clean, and safety of chicken meat products and cooked products. Therefore, the Company's operations may be affected if the confidence of consumer on the food safety of its products is reduced according to the risk of contaminated products or perishable products; which may occur in any process such as production, transportation, storage, consumer handling, or even contaminate from other raw materials. Thus, the Company shall ensure that its products are fresh, clean, and safe for consumption.

Risk Management

The Company pays highly attention to the quality assurance system of its production process and also meets with international standards. The Company has effective traceability system for its products. The quality control is done at all stages starting from packaging design, raw materials selection, receiving of raw materials, production, packing, transportation, storage, and handling to ensure that the standard are met. In addition, the Company set out procedure for product compliant and product recall to ensure the safety of consumers and gain customers' confidence in the product quality.

1.6 The Response to Customers' Demand and the Satisfaction Factor

In today's society, consumer behavior is changing rapidly which inevitably affects the product development of the Company. It is necessary to study and understand the consumers' behavior both domestically and internationally in order to deliver the products that meet consumers' demand and satisfaction.

Risk Management

The Company has a team that studies the trend and change of its consumers' behavior trend in the key market segments. 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.



2. Risk on Administrative Management

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

Risk Management

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



3. Risk on Financial Position

3.1 The Volatility on Foreign Currency Exchange Rate

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

Risk Management

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



3.2 The Volatility on Interest Rates

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

Risk Management

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

4. Risks on Rules and Regulations

The Company exports its chicken meat products to several countries which can be impacted by the international trade barriers. According to the free trade agreement, the tax barriers i.e. tariff had become less popular; however, the non-tax barriers are imposed for example, the quota system, the additional measures to improve hygiene standards, and setting higher importing standard. However, 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 as well as the competitiveness of the Thai chicken export industry.

Risk Management

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

Apart from the above, the Company may have unknown risks, unjustified risks, or the risks that the Board considered and view that it does not have any material impact on the Company's business.



Connected Transactions

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

Reason for Inter-Transactions

In the approval process of executing the inter-transaction, the Company shall execute the inter-transactions similarly to other normal business transaction done with other parties. As normal, the Company sets the authorized person and specifies the amount of credit limit for the inter-transaction. Moreover, the Audit Committee is responsible for reviewing the inter-transactions of the Company, its subsidiaries and related persons quarterly to eliminate conflicts of interest for the best interest of the Company. For the inter-transactions that occurred in 2012, 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, 2012 and 2011, the Company and its subsidiaries had the inter-transactions disclosed in the notes to audited financial statements by the Company's auditor. As reviewed by the Audit Committee, the audit committee had opinion that all transactions were carried out as normal business transaction with normal terms and conditions.

Inter-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 and consider the reasonableness, appropriateness in commercial terms for the equitable treatment of the shareholders and any stakeholders according to the "Good Corporate Governance Policy". However, the inter-transactions, that may be carried out in the future, shall be executed according to the approval process as mentioned above.



Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter- Transactions for the year ended December 31, 2012 (Million Baht)		Value of Inter- Transactions for the year ended December 31, 2011 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1.Other Income 2.Rental Income 3.Other Expense	- 6.65 2.39	6.72 14.42 71.89	- 6.36 2.05	0.01 13.79 59.66	Providing rental office building / Pricing by Independent Appraiser.
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1.Other Income	1.02	2.52	1.02	2.52	Providing rental farms / Pricing by Agreement Price
3. Panalab Co., Ltd. / Common Management	1.Other Income 2.Rental Income 3.Other Expense	- - -	0.13 0.12 0.02	- - -	0.28 0.16 0.02	Selling on plant drug / Pricing by Market Price
4. P.Vet. Co., Ltd. / Common Management	1.Sales 2.Other Income 3.Other Expense	- - -	0.44 0.02 -	- - -	0.67 - 0.02	Selling on animal drug / Pricing by Market Price
5. P. Charoen Phan G.P.Farm Co., Ltd. / Common Management	1.Rental Income	-	0.48	-	0.48	Providing land lease for broiler farms / Pricing by Agreement Price
6. Krungthai Aqua-Culture Co., Ltd. / Common Management	1.Purchases	-	3,022.79	-	2,388.69	Expertise in Corn Supply for Feed Production / Pricing by Market Price
7. M.K.S. Condotown Co., Ltd. / Common Management	1.Other Income 2.Rental Income 3.Other Expense	1.28 0.34 0.85	1.28 0.34 0.85	0.52 0.33 0.84	0.52 0.33 0.84	Providing Rental Accommodations / Pricing by Market Price
8. Nichirei Food Inc. / Related Companies by Major Shareholding	1.Sales 2.Other Income 3.Other Expense	683.72 0.27 0.05	683.72 0.27 0.05	393.92 1.30 2.32	393.92 1.30 2.32	Producing and Selling of Chicken Meat Products / Pricing by Market Price
9. KEYSTONE FOODS (AP) LTD. / Related to the Associated Company by Shareholding with the Associated Company	1.Sales	317.78	317.78	210.23	210.23	Producing and Selling of Chicken Meat Products / Pricing by Market Price
10.Surapon Foods Public Co., Ltd. / Related to the Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.	1.Sales	4.64	4.64	5.46	5.46	Producing and Selling of Chicken Meat Products / Pricing by Market Price
11.Surapon Nichirei Foods Co., Ltd / Related to the Associated Company by Joint Venturing with the Associated Company	1.Sales	654.35	654.35	794.64	794.64	Producing and Selling of Chicken Meat Products / Pricing by Market Price
12.Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1.Interest Expenses	41.65	113.45	41.53	117.06	According to the Minute of Extraordinary General Meeting No.1/2009 dated January 29, 2009, was approved that the Company and its subsidiaries to receive financial assistance from related persons to help the Company has more liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate is not over 6.00%

Shareholding Structure

Shareholding Structure

Company Security

As of December 31, 2012, the company's registered capital was 1,400,000,000 Baht, with the paid-up capital was 1,253,821,000 Baht, comprising 1,253,821,000 shares at the par value of 1 Baht per share.

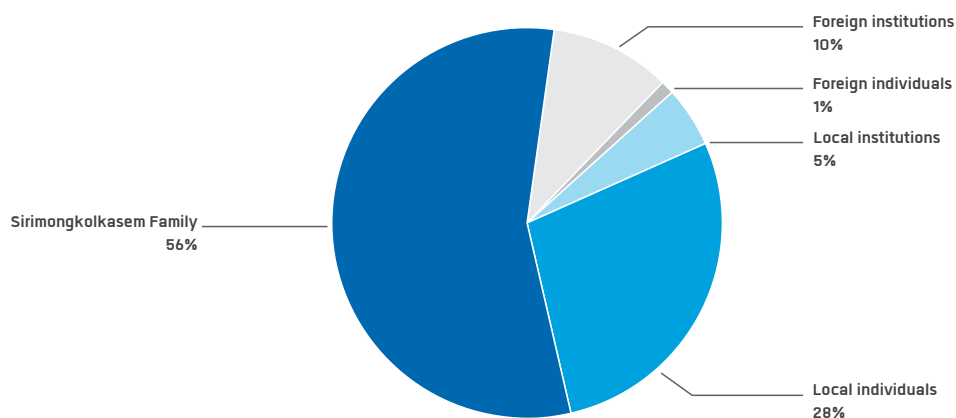
Shareholder Structure

At the closing date of registrar book dated on April 5, 2012, the top ten major shareholders are as follows:

No.	Name of shareholders		No. of shares	%
1	Mr. Sujin	Sirimongkolkasem	222,795,100	17.77
2	Mr. Prasit	Sirimongkolkasem	220,000,000	17.55
3	Mr. Virach	Sirimongkolkasem	180,000,000	14.36
4	Thai NVDR Co., Ltd.		71,689,270	5.72
5	NICHIREI FOODS INC.		56,716,050	4.52
6	Mr. Anucha	Kittanamongkolchai	47,140,000	3.76
7	Mr. Somkiat	Limsong	25,065,200	2.00
8	Mr. Pitsanu	Sirimongkolkasem	22,794,100	1.82
9	Mrs. Piangjai	Chayawiwatkul	20,000,000	1.60
10	NORTRUST NOMINEES LTD.		15,393,100	1.23
Total			881,592,820	70.33

As of April 5, 2012, the major shareholders who have authority to set up the company policy and business operation are:

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



Dividend Policy

Dividend Policy of the Company

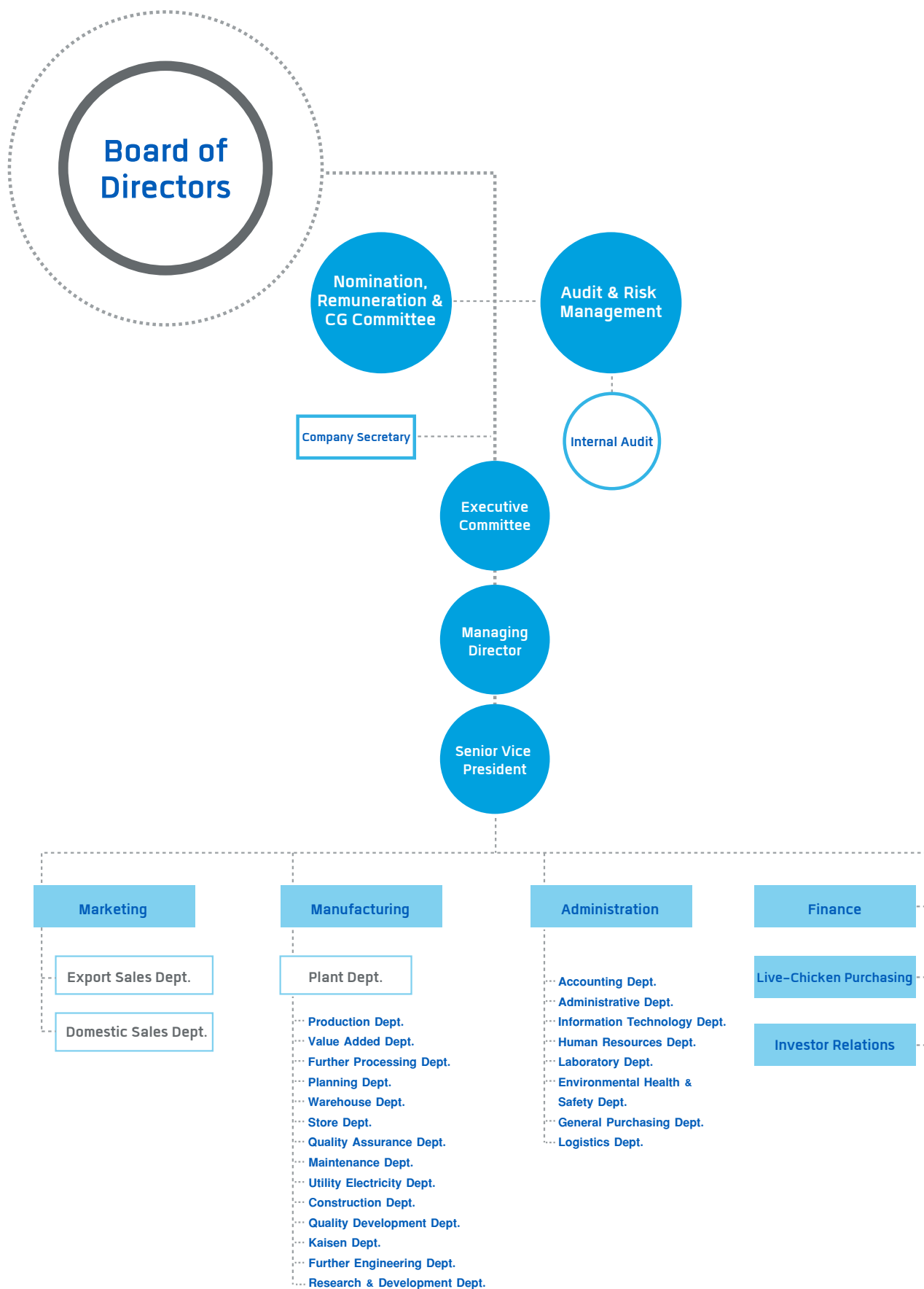
The Company shall pay dividend at the rate of not more than 50% of net profit of the Company's separate financial statement after all deductions as required by law or by the Company, subject to the Company's cash flow, liquidity, future investment plans, and economic situation.

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

As of December 31, 2012, the Company received the dividend from a subsidiary company in amount of THB 60 Million and a joint-venture company in amount of THB 29.40 Million.



Organization Chart



CSR Policy

GFPT is committed to operate its business under ethical principles and good corporate governance practices for the importance of stakeholders.

We aim to contribute to sustainable development to economic, community, society, and environment that led to growth and success.

Management

In 2012, the management structure of GFPT Public Company Limited composes of (1) the Board of Directors, (2) the Audit and Risk Management Committee, (3) the Nomination, Remuneration, and Corporate Governance Committee, (4) the Code of Conduct Committee, and (5) the Executive Committee.

(1) Board of Directors

In 2012, the Board of Directors of GFPT Public Company Limited comprised of 9 directors as follows;

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

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

(2) Audit and Risk Management Committee

In 2012, the Audit and Risk Management Committee comprised of 3 directors as follows;

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

* Audit committee who has extensive knowledge and experiences in reviewing financial statement.

** Audit committee who has extensive knowledge and experiences in legal aspect.

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

(3) Nomination, Remuneration, and Corporate Governance Committee

In 2012, the Nomination, Remuneration, and Corporate Governance Committee comprised of 5 directors as follows;

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

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

(4) Code of Conduct Committee

In 2012, the Code of Conduct Committee comprised of 7 members as follows;

Name – Surname		Title
1. Dr. Sathit	Karanes	Chairman of Code of Conduct Committee
2. Dr. Anan	Sirimongkolkasem	Member of Code of Conduct Committee
3. Mr. Sujin	Sirimongkolkasem	Member of Code of Conduct Committee
4. Ms. Jutamas	Ingpochai	Member of Code of Conduct Committee
5. Mr. Thiti	Wanachate	Member of Code of Conduct Committee
6. Mr. Theerasak	Piamsuphakphong	Member of Code of Conduct Committee
7. Mr. Arnut	Phungkaew*	Member of Code of Conduct Committee

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

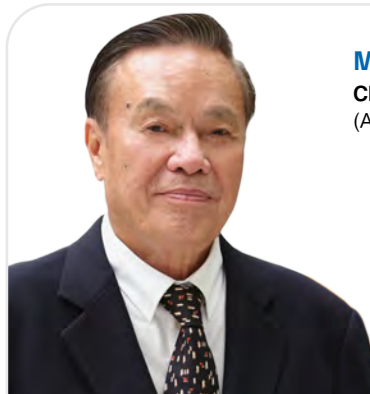
(5) Executive Committee

In 2012, the Executive Committees of GFPT comprised of 10 executives as follows:

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



Board of Directors



Mr. Prasit Sirimongkolkasem
Chairman
(Authorized Director)

Age : 72 years

Education / Training

- Secondary School
- Directors Accreditation Program

Experience / Other Positions

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

Number of Shareholding

(as of 31 December 2012)

220,000,000 shares (17.55%)

Family Relations

The 3rd Son of the
Sirimongkolkasem Family

Year of Nomination

1981 – Present (32 years)



Mr. Virach Sirimongkolkasem
Vice Chairman and
Managing Director
(Authorized Director)

Age : 63 years

Education / Training

- Primary School
- Directors Accreditation Program

Experience / Other Positions

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

Number of Shareholding 180,000,000 shares (14.36%)
(as of 31 December 2012)

Family Relations The 7th Son of the
Sirimongkolkasem Family

Year of Nomination 1981 – Present (32 years)



Dr. Anan Sirimongkolkasem
Chairman of Executive Committee
and Deputy Managing Director
(Authorized Director)

Age : 61 years

Education / Training

- Faculty of Science, Mahidol University
- Faculty of Medicine, Ramathibodi Hospital, Mahidol University
- Directors Accreditation Program

Experience / Other Positions

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

Number of Shareholding 4,134,080 shares (0.33%)
(as of 31 December 2012)

Family Relations The 8th Son of the
Sirimongkolkasem Family

Year of Nomination 1991 – Present (22 years)



Dr. Sathit Karanes
Chairman of Audit Committee
and Independent Director

Age : 60 years

Education / Training

- Faculty of Science, Mahidol University
- Directors Accreditation Program
- Audit Committee Program

Experience / Other Positions

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

Number of Shareholding

(as of 31 December 2012)

- none -

Family Relations

- none -

Year of Nomination

1998 – Present (15 years)



Mr. Parameth Hettrakul
Director of Audit Committee
and Independent Director

Age : 49 years

Education / Training

- University of Hartford, Connecticut, USA
- The Institute of Chartered Financial Analysts, Virginia, USA
- Directors Accreditation Program

Experience / Other Positions

1. Director of Si-Phya Publishing 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

(as of 31 December 2012)

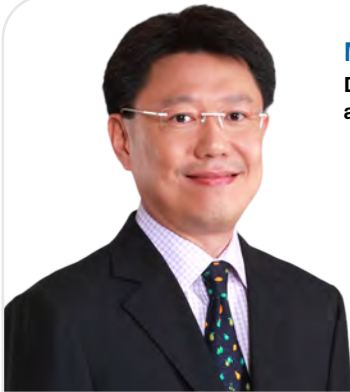
50,000 shares (0.004%)

Family Relations

- none -

Year of Nomination

2005 – Present (8 years)



Mr. Thanathip Pichedvanichok
Director of Audit Committee
and Independent Director

Age : 48 years

Education / Training

- Law, LL. M. University of Pennsylvania
- Law, LL. M. Southern Methodist University
- Law, LL. B. Thammasat University
- Directors Accreditation Program

Experience / Other Positions

1. Director of Thanathip and Partners Law Consultant Co., Ltd.

Number of Shareholding

(as of 31 December 2012)

- none -

Family Relations

- none -

Year of Nomination

2008 – Present (5 years)



Mrs. Somsiri Ingpochai
Executive Director

Age : 65 years

Education / Training

- Primary School
- Directors Accreditation Program

Experience / Other Positions

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

Number of Shareholding

(as of 31 December 2012)

2,979,930 shares (0.24%)

Family Relations

The 5th Daughter of the Sirimongkolkasem Family

Year of Nomination

1981 – Present (32 years)



Ms. Wannee Sirimongkolkasem
Director

Age : 55 years

Education / Training

- Bachelor Degree in Education, Srinakharinwirot University
- Directors Accreditation Program

Experience / Other Positions

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

Number of Shareholding 10,100,000 shares (0.81%)
(as of 31 December 2012)

Family Relations The 10th Daughter of the Sirimongkolkasem Family

Year of Nomination 1982 – Present (31 years)



Mr. Sujin Sirimongkolkasem
Director

Age : 42 years

Education / Training

- B.B.A. in Economic, Boston University
- Directors Certification Program

Experience / Other Positions

1. Vice President, Live-Chicken Purchasing Department of GFPT PCL.
2. Vice President, Marketing Department of Krungthai Feedmill PCL.
3. Director of P.Vet Co., Ltd.
4. Director of Panalab Co., Ltd.
5. Director of Ferma Co., Ltd.

Number of Shareholding 222,795,100 shares (17.77%)
(as of 31 December 2012)

Family Relations A Son of Mr. Charoen Sirimongkolkasem (The 1st Son of the Sirimongkolkasem Family)

Year of Nomination 2004 – Present (9 years)

VISION



We aim to be the leader in the food processing industry by focusing on high food quality and safety standards throughout our operation, right from the animal feeds through to the end products received by our customers.



CORE VALUE

Food Quality Enhance product quality to the international standards.

Food Safety Confidence through the traceability system

Food Innovation New product development using modern technology

Operation by Excellence Empowering people to become the expert

Customer Satisfaction Attention to the needs of the customers and gain their highest satisfaction

Network Collaboration Build strong relationship among partners

Good Corporate Governance

Good Corporate Governance

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

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

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

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



Chapter 1: Rights of Shareholders

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

1. The statutory rights of shareholders including, the right to vote, the right to receive dividend, the right to sell, buy, or transfer shares, the right to attend shareholders’ meetings, and the right to receive GFPT information that is sufficient, timely, equitable and fair.
2. The right to appoint and dismiss directors including independent auditor.
3. The right to allocate the dividend equally.
4. The right to post questions in advance for the shareholders’ meeting through the Company’s website or e-mail to companysecretary@gfpt.co.th.
5. The right to receive the invitation notice for the shareholders’ meeting containing the location, date, time, and agendas of the shareholders’ meeting; conditions, criteria and procedures governing the shareholder meetings; and the voting procedure for each agenda.
6. The shareholders are encouraged to raise questions and provide suggestions to the Board in the shareholders’ meeting, in which the questions and answers shall be recorded in the minute of the meeting.
7. The Company has set up an Investor Relations Department to communicate, provide information, and answer questions to the shareholders and investors sufficiently, fairly and adequately.
8. The Company posts information for the shareholders’ meeting on the Company’s website (www.gfpt.co.th) in both Thai and English at least 30 days in advance of the meeting date.
9. The Company uses computerize system for shareholders’ meeting registration to count number of attendants. The voting cards are used for all agenda items. The vote counting process also uses computerize system to record and count votes of each agenda to ensure accuracy and timeliness. Also, the Company records the meeting in VDO clips format and separates them into each agenda to ensure transparency and verifiability.
10. After the shareholders’ meeting, the Company will prepare the minutes of the meeting with the resolution specified voting detail (yes, no, abstention, and incomplete), and details of important matters discussed. The minute of the meeting will be disclosed to the Stock Exchange of Thailand (SET) and the Company’s website within 14 days from the shareholders’ meeting date.

11. The Company shall not have any additional agenda items other than specified in the AGM invitation letter nor change any important information at the shareholders' meeting. The Company shall invite one shareholder to witness the vote counting. The Company uses ballots for all agenda. For the agenda to approve the election of directors, shareholders can vote for directors individually.

In 2012, the Company held the Annual General Meeting of shareholders on Monday April 30, 2012 at 09.30 a.m. at GFPT tower 312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150. All 9 directors and the Company's independent auditors attended the meeting for discussion or answer questions which shareholders may have. The meeting was conducted in the sequences as given in the agenda and the voting was undertaken sequentially according to the agenda. The ballots are duly kept as evidence. Each agenda was approved by the shareholders.

Chapter 2: Equitable Treatment of Shareholders

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

1. The Company encourages the use of the proxy form by shareholders who are unable to attend the meeting to appoint a person to attend the meeting and cast votes on their behalf. Shareholders may appoint one independent director or executive director as their proxy based on their satisfaction. The Company provides all proxies including Proxy Form A., Proxy Form B., and Proxy Form C. in the format that the shareholders can specify the voting direction, and also clearly indicates the evidence for proxy. In addition, shareholders can download the proxy through the Company's website. At the 2012 Annual General Shareholders' Meeting, there are totally 464 shareholders consisting of 210 shareholders and 254 proxies attended, accounting for 832,574,334 shares or 66.40%.
2. The Company stipulates the policy on the use of Company information. It is the responsibility of the Company's directors, executives and staffs to keep corporate information strictly confidential and it should not use the information for their own benefit or for the benefit of others so, the directors, executives and staffs including those held by their spouse and dependents to refrain from dealing in the shares of

the Company for one month prior to the disclosure of such information to the public and within 24 hours after blackout period. Thus, the Company set the penalty in case of using inside information for their own interests in "The Code of Conduct" of the Company. The penalties can be verbal warning or leave the job.

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

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



Chapter 3: Roles of Stakeholders

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

Shareholder	The Company is committed to creating sustainable growth and returns to shareholders.
Customer	The Company is committed to gain the highest customer satisfaction by continuously improving our product and service quality and by ensuring that our customers receive good quality products and services at reasonable prices.
Supplier	The Company is committed to fair and equal treatment of its suppliers and business partners to establish mutual trust.
Creditor	The Company adheres to terms and financial obligations under any loan agreement undertake with creditors in order to build strong relationships.
Employee	The Company is committed to treating employees fairly, respectfully, equitably, and professionally so that its employees will have a reasonable salary, personal career development, good quality of life, and safeguard at work.
Competitor	The Company is committed to comply with the international trade rules and promote fair competition. The Company shall not perform any illegal or unethical transaction. The Company shall not allege its competitors in disgrace without real information.
Community Society and Environment	The Company is committed to be consciously preserved and protect the environment that is affected by our business activities; to implant a spirit of social responsibility in its employees at all levels; to support useful social activities that benefit society as a whole; and to promote the use of environmental friendly products.

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

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

Contact Independent Directors

By e-mail : independentdirectors@gfpt.co.th
 By fax : 0 2473 8398
 By mail : Independent Directors
 GFPT Public Company Limited
 GFPT Tower, 18th Floor,
 312 Rama 2 Road,
 Bangmod, Jomthong,
 Bangkok 10150

Contact Board of Directors

By e-mail : boardofdirectors@gfpt.co.th
 By fax : 0 2473 8398
 By mail : Board of Directors
 GFPT Public Company Limited
 GFPT Tower, 18th Floor,
 312 Rama 2 Road,
 Bangmod, Jomthong,
 Bangkok 10150

Contact Code of Conduct Committee

By e-mail : codeofconductcommittee@gfpt.co.th
 By fax : 0 2473 8398
 By mail : Code of Conduct Committee
 GFPT Public Company Limited
 GFPT Tower, 18th Floor,
 312 Rama 2 Road,
 Bangmod, Jomthong,
 Bangkok 10150

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

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

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



In 2012, the Company and its subsidiaries participated in many CSR activities as followed:

1. Blood donation to the Red Cross.
2. Providing scholarship program for employees' children.
3. Providing lunch program for students on a weekly basis to Baan Muan Jit School, Amphur Ban-Bung, Chonburi province.
4. Providing chicken products to schools and government agencies on the National Children's Day.
5. Providing Textbooks, books, school supplies, and electric rice cooker to Wat-Anek-Ditharam School, Aumphy Bang Yai, Nonthaburi province.
6. Donating fund to Koa-Huay-Mara Temple, Amphur Nongyai, Chonburi province.
7. Donating books to school affected by floods in 2011, which is Wat-Anek-Ditharam School, Aumphy Bang Yai, Nonthaburi province.
8. Donating fund and supplies to Pra-Bath-Nam-Pu Temple, Lopburi province for supporting AIDS patients.
9. Providing 7,500 eggs to 18 schools in outreach area
10. CSR activities including charities and planting on the Mother's Day.
11. Donating fund and supplies to the Child Center for Special Education
12. Supporting fund (THB 100,000) for library construction to Pa-Yup Shool (Boon Kee Prachanukroh), Chonburi province
13. Setting up Sport day with local communities
14. Supporting the Mini Marathon in honor of the Father's Day
15. Providing scholarship and career guidance to the schools in the outreach province.
16. Supporting environmental projects in the factories i.e. waste management
17. Supporting drug-free program
18. Supporting the Safety Week Campaign and activities

Chapter 4: Disclosure and Transparency

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

In 2012, the Company fully complied with the disclosure rules and regulation set out by the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET). At present, the Company has assigned the Company Secretary and the Investor Relations Department to provide information and communicate with investors including institutional shareholders, minority shareholders, stock analysts, and relevant government agencies which can be contacted through investor relations department at telephone number 0 2473 8000. For further information, please visit Company’s website. The Company also organizes Analyst Meetings at least twice a year to clarify and present business performance. In 2012, GFPT held 4 analyst meetings:

- 19 January 2012 (financial result for year end 2011)
- 11 April 2012 (financial result for 1st quarter 2012)
- 9 August 2012 (financial result for 2nd quarter 2012)
- 15 November 2012 (financial result for 3rd quarter 2012)

Moreover, in 2012, the Company gives the opportunities to the institutional investors, individual investors including analysts and related persons to share the information and opinions as followed:

	Frequency (Times)
Analyst Meeting	4
Plant Visit	3
Local Road Show	3
One on One Meeting	48

Chapter 5: The Responsibilities of the Board of Directors

1. Board of Director Structure and Sub-Committees

1.1 Structure of the Board

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

As of 31 December 2012, GFPT Public Company Limited has a total of 9 directors, consisting of:

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

1.2 Director’s Qualifications

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

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

- 6) The Board of Directors must have a variety of skills and expertise. At least three of the directors must have knowledge and expertise in the Company's business. At least one of the directors must be knowledgeable in law. At least one of the directors must be knowledgeable in accounting and finance.

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

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

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

1.3 Limitation of the Number of Companies for Directorship Position

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

1.4 Combination and Segregation of Positions

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

1.5 The Qualification of the Chairman

The Chairman should have the following qualifications

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

2. Roles, Duties and Responsibilities of the Board

2.1 Roles of Directors and their Independence from the Management

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

2.2 Duties and Responsibilities of the Board

- 1) To perform duties in compliance with the laws, objectives and regulations provided by the Company and take action according to the meeting's resolutions with accountability, care, integrity, and most beneficial to the Company based on the Principle of Good Corporate Governance.
- 2) Set out the main policy with respect to business operation and the policies in finance, fund raising, fund management and risk management for the Company, and supervise the management to perform its duties efficiently and effectively under such policies to add value on the economic and the plenty of the shareholders.
- 3) To consider and approve important matters such as approving the credit line from the financial institutions, borrowing, pledging, new investment project, sale and purchase of assets, inter-transaction, and any conflicts of interest between the Company and the subsidiary companies in accordance with the regulations of the Securities and Exchange Commission (SEC), and Stock Exchange of Thailand (SET), and laws, and regulations of the Company.
- 4) To consider approval of the financial statements prior to submission to the Stock Exchange of Thailand.
- 5) To set up accounting and financial reports and trusted auditing.
- 6) To set up the internal audit system for the operation, financial reports and effective risk management.

- 7) To supervise the disclosure of financial reporting and other important information in a correct, timely and transparent manner and set up a channel of communication properly for each group of shareholders and stakeholders of the Company.
- 8) To consider and appoint the Audit Committee, the Executive Committee and other sub-committees in order to assist the Board of Directors in supervising the Company's business undertaking to achieve the Company's objectives. Majority of the sub-committees consist of independent directors, and the Chairmen of subcommittees are all independent directors.
- 9) To make an assessment on compliance with the supervision policy and revise such policy.
- 10) To set up the director and management development plan and succession plan.
- 11) To define and amend the list of authorized directors.
- 12) To authorize one or more directors, or any other persons, to take any action on their behalf within the authority approved by the Board and define the authority of the authorized person clearly.

3. Sub-Committees

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

At present, GFPT has the following supporting committees:

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

3.1 The Audit and Risk Management Committee

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

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

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

3.2 The Nomination, Remuneration, and Corporate Governance Committee

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

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

- 1) To determine the qualifications of directors and the criteria for nomination of a person to such position to nominate to directors, supporting directors by considering the appropriateness of the structure and composition of the Company's Board of Directors to nominate to directors or ask approval to the shareholders' meeting.

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

3.3 Code of Conduct Committee

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

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

- 1) To set the policy and direction of the code of conduct and business ethics to propose to the Board of Directors for approval to implement in all operational levels.
- 2) To monitor the operation of the Company and the performance of the directors, committees, executives, managers, and employees of the Company to follow the above policy (no.1)
- 3) To review and update the code of conduct policy, practices, and guidelines of the Company in accordance with the international practice and suggestions from any institution to propose to the Board of Directors for approval.
- 4) To follow the trends of the code of conduct of other leading companies and compare with the Company's Code of Conduct Policy.
- 5) To encourage the implementation of the Code of Conduct at all levels in the Company according to the above policy (no.1) continuously and suitably.
- 6) To advise directors, executives, managers, and employees of the Company about the code of conduct.
- 7) Investigate facts and rationales in case of a possible violation of business ethics.
- 8) Provide clarification and information regarding the Code of Conduct of the Company
- 9) Maintain awareness and staff training to have a deep understanding about business ethics and code of conduct.
- 10) To report to the Board of Directors annually regarding the Company's code of conduct in case of the important matter that significantly affect the Company's operation and provide opinions and suggestions to improve as appropriate.

4. Work Performance of the Board

4.1. Meeting Schedule

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

For the year 2012, the directors attended the meeting as following:

Name	Title	Meeting in 2012			
		Board of Director Meeting	Audit Committee Meeting	Nomination & Remuneration Meeting	Annual General Meeting
		total 9 meetings/year	total 4 meetings/year	total 1 meetings/year	total 1 meetings/year
1. Mr. Prasit Sirimongkolkasem	Chairman	9(9)	–	–	1(1)
2. Mr. Virach Sirimongkolkasem	Vice Chairman and Managing Director	9(9)	–	–	1(1)
3. Dr. Anan Sirimongkolkasem	Chairman of Executive Committee and Deputy Managing Director	9(9)	–	1(1)	1(1)
4. Dr. Sathit Karanes	Chairman of Audit Committee and Independent Director	9(9)	4(4)	1(1)	1(1)
5. Mr. Paramet Hetrakul	Director of Audit Committee and Independent Director	9(9)	4(4)	1(1)	1(1)
6. Mr. Thanathip Pichedvanichok	Director of Audit Committee and Independent Director	8(9)	4(4)	1(1)	1(1)
7. Mrs. Somsiri Ingpochai	Executive Director	8(9)	–	–	1(1)
8. Ms. Wannee Sirimongkolkasem	Director	9(9)	–	–	1(1)
9. Mr. Sujin Sirimongkolkasem	Director	8(9)	–	1(1)	1(1)

4.2 Meeting Agenda

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

4.3 Meeting Documents

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

4.4 Meeting

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

4.5 Contact with the Management to the Meeting

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

4.6 Access to Information

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



4.7 Meeting with Non-Executive Directors

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

4.8 Company Secretary

The Board of Directors has arranged to have the Company Secretary to take charge of consultations regarding directors' activities in accordance with the relevant laws, rules and regulations, and monitoring the director's activities and coordinating with directors to comply with the Board's resolutions. At present, the Board of Directors appoints Ms. Jutamas Ingpochai as the Company Secretary under Section 89/15 of the Act. Securities and Exchange Commission Securities and Exchange Act B.E. 2535 amended by Act No. 4 in B.E. 2551.

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

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

On 30 January 2013, The Board of Directors had evaluated the performance of the whole Board of Directors of 2012 based on evaluation of SET (Stock Exchange of Thailand) that the result has reached to the satisfactory level.

Besides, The Board of Directors shall arrange the evaluation of "Chief Executive Officer" (CEO) annually.

6. Remuneration of the Board of Directors and Executives

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

The Board of Directors has delegated to the Nomination and Remuneration Committee for considering the appropriateness of the directors' remuneration for each year. Then, the directors' remuneration shall be proposed to the Board for Directors and the General Meeting of Shareholders for final approval. For the remuneration for the executives, the Executive Directors appointed by the Board of Directors is responsible for determining the remuneration of senior management with a framework for action in accordance with duty performance and compare it with that observed in the same industry.

6.1. Monetary Remuneration for Directors

As of December 31, 2012, the total remuneration for 9 persons is 4,225,000 baht in the form of 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 0.52 million. The details of monetary remuneration of each director are shown as follow:

Unit : THB

No.	Name	Surname	GFPT	Its Subsidiaries
			Director and Independent Director	Director
1.	Mr. Prasit	Sirimongkolkasem	520,000	130,000
2.	Mr. Virach	Sirimongkolkasem	455,000	130,000
3.	Dr. Anan	Sirimongkolkasem	455,000	130,000
4.	Dr. Sathit	Karanes	520,000	
5.	Mr. Paramet	Hetrakul	455,000	
6.	Mr. Thanathip	Pichedvanichok	455,000	
7.	Mrs. Somsiri	Ingpochai	455,000	130,000
8.	Ms. Wannee	Sirimongkolkasem	455,000	
9.	Mr. Sujin	Sirimongkolkasem	455,000	

6.2. Monetary Remuneration for Executives

As of December 31, 2012, the Company had 10 executives and paid 24,798,312 baht for salary, bonus, and other remuneration.

6.3. Other Remuneration

–None–

7. Development of Directors and Executives

7.1 Orientation

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

7.2 Succession Plan and Knowledge Development

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

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



Chapter 6: Other Policies and Regulations

Vision

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

Corporate Governance Policy

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

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

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, social and economic environment that led to the development of sustainable business success.

(More detail is provided in the Company's Corporate Social Responsibility and Sustainable Growth Report 2012)

Code of Conduct Policy

The Company stipulates principles of honesty, integrity and ethical business practices as well as compliance with the relevant laws, rules and regulations in consideration of the rights of stakeholders including shareholders, employees, customers, suppliers, creditors, competitors, communities and the environment equally.

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

Internal Control

Internal Control System and Risk Management

The Company's policy is to conduct business for sustainable growth by focusing on the importance of internal control and risk management by setting up the internal audit and risk management team, assigning the role and responsibilities and authorities in writing for management and operational level including financial control, operations, management, and governance practices to ensure compliance with laws and regulations in order to reasonably ensure the achievement of the business objectives as follows:

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

The Company's internal controls and risk management are suitable and effective based on the framework of internal control and risk management which follows the international standards of The Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management (COSO – ERM). The Company applies the COSO-ERM in its operations and management practices which can be specified into 8 elements as follows:

1. Organizational Environment

The Company sees high importance in having a good working environment as well as a good management structure according to the business size of the Company. The Company's operations are in compliance with the good corporate governance and adhering to business ethics. The Company sets rules and practices as guidelines in writing specified in

the Company's Code of Conduct Manual. The Company also has the Code of Conduct Committee which has the Company's directors and executives as members to closely monitor the Company's operation, ensuring the compliance with its corporate governance policy and also being a role model in the aspect of having good business ethics and being honest and transparent. The Company's stakeholders are treated based on fairness, equality, and equitability. The job duty and responsibility of each junction is clearly specified. The risk management committee and its roles and responsibilities are set properly and recorded in writing. The Company has internal control system and risk management policies are in place and are continuously updated in order to assure that the business risks which may affect the Company's operation and performance are minimized and controlled.

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

2. Setting Goal and Target

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

3. Cause of Event

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

4. Risk Assessment

The Company uses risk assessment tools and techniques in a systematic way. The risk management and risk assessment are recorded in writing as a guideline for best practices. The qualitative and quantitative risk assessments are set at all levels in both management and operational levels based on the risk acceptable level of the Company. The risks are assessed based

on the likelihood of the events and the impact of the event in determination of the acceptance level of risk as being low, medium, or high.

5. Risk Management

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

6. Internal Control

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

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

7. Information and Communication

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

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

8. Monitoring

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

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

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

The Company's auditor, S.K. Accountant Services Company Limited, has audited the Company's financial statement for the year 2012 and evaluated the effectiveness of the Company's internal control system; and has opinion that there is no significant improvement needed in the Company's internal system.



Internal Audit

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

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

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

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

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

In evaluating the control self-assessment system, the internal audit reviews the self-assessment of internal control process of each function to ensure that the risks and the internal control are specified in the business operations; so that the

business operational performance shall achieve its target and in line with business objective and strategic direction that the Board has set within the specified period.

Conflict of Interests

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

1. Receiving Money or Other Remuneration

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

2. Giving Gifts, Entertainment and Gratuities

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

3. Outside Directorships

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

4. Engaging in Other Business Outside of the Company

Directors, executives, managers and staff members at all levels shall not engage in any other businesses that affect their performance, 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 directly or indirectly benefiting from that business.

5. Engaging in Business with Companies within the Group

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

6. Related Transactions within the Group

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

Compliance with Laws, Rules and Regulations

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

Safeguarding of Interest and Assets of the Company

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

Responsibility on Internal Information Usage

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

- Directors, executives, managers and employees must not use internal information of the Company that significantly affects the changes in the company's stock price for trading in securities of the Company for their own interests and others. Especially, the internal information has not been disclosed to the public or the Stock Exchange of Thailand. Directors, executives, managers, and employees who can assess in such internal information shall avoid buying or selling the Company's shares for 1 month prior to submission of the financial statements to the Stock Exchange of Thailand.
- The Company is responsible for disclosing information regarding the operations of the Company to the public promptly via the media set by the Stock Exchange of Thailand and other channels of communication through Investor Relations Department and public relations to ensure that all investors have access to information in a timely and equitable manner.
- Directors and executives are responsible for reporting the Company's shares own by their spouses and dependents to The Securities and Exchange Commission and the Board of Directors quarterly.
- The Company sets regulation about the security of the computer systems and information technology strictly to prevent the sensitive information being disclosed. If a director, executive, or employee of the Company uses the internal information illegally, the Company sets the violations to them and considers a serious offense and disciplinary action prescribed by law. The Company restricts the access of internal information which is not disclosed to the public including accounting officers, financial officers, and investor relations officers.
- Investor relations avoid forecasting or having any ideas about the period which is less than six months to adhere to the policies of the Stock Exchange of Thailand and international standard. Thus, investors still are able to meet with the investor relations officers for further comments and views on business in the long run.

Distribution of Information and Interviews with the Press or Public

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

Supervision and Administration of Code of Conduct

- It is the duty of every director, manager and member of staff to read the Code of Conduct, including all amendments that are made, and sign an agreement to abide by its conditions. The Company shall communicate the Code of Conduct to its directors, executives, and member of staff so that they can perform them in accordance with the Code of Conduct appropriately.
- Every director, manager and member of staff shall strictly adhere to the Company's Code of Conduct in the performance of his or her duties. If any unethical conduct is discovered, the wrongdoer shall be punished according to the Company's guidelines.
- All executives and supervisors shall behave as role models for the staff, promoting the Code of Conduct among their subordinates and encouraging all of them to comply with its conditions.
- The Code of Conduct Committee is nominated and approved by the Board of Directors and is responsible for review and update the Code of Conduct Manual in accordance with the business operations of the Company as well as the laws and relevant regulations. The Code of Conduct Committee shall have meeting at least 1 time per year and report the meeting minute to the Board of Director.

Reporting of Non-Compliance

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

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

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

Copyright and Intellectual Property Policy

GFPT has a policy to comply with the law regarding copyright and intellectual property and is committed to prohibit use of illegal software in the Company's computer system.

Personnel

As of December 31, 2012, the Company employs 4,201 persons with total compensation of Baht 843.21 million, which includes salaries, wages, bonuses and other benefits of the employees of the Company. The personnel of the Company shall be divided into the following main areas as follow:

Department	No. of People
1. Management	221
2. Finance	21
3. Marketing	36
4. Live-Chicken Purchasing	3
5. Investor Relations	7
6. Production	3,913
Total	4,201

Employees Trainings and Development Policy

The Company's training program is divided into three levels as follow:

(1) Staff Level

The training program for staff level focuses on providing knowledge before performing the actual works and on-the-job training including basic training for ISO 9002 and other food quality standards. In addition, the safety training in the workplace is required for all employees.

(2) Supervisor Level

The training program for supervisor level focuses on the monitoring and controlling aspect of the specific tasks which includes on-the-job training, specific technical training, and management training. Likewise, the quality standards (ISO 9002) and the safety training in the workplace are also required.

(3) Executive Level

The training program for executive level focuses on the business management aspect of the Company which includes specific technical training, management training, and leadership program. Likewise, the quality standards (ISO 9002) and the safety training in the workplace are also required.

Report of the Audit Committee

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

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

In 2012, the Audit Committee held 4 meetings. All members of the Audit Committee attended all meetings and discussed with the management, the Internal Audit and the auditor in related matters as follows:

1. A Review of Accuracy, completeness and credibility of the Financial Statements

The Audit Committee reviewed the Quarterly and Year End financial statements of the Company, both on a standalone and consolidated basis, together with the auditors and management for integrity and propriety prior to proposing them to the Board for approval. The review focused on material accounts, changes, adjustments, provisions, estimates as well as significant information disclosures to ensure that they were properly stated, clear, adequate, timely and meaningful for the shareholders and other users of the published financial statements. From the reviews conducted, the Audit Committee was of the opinion that the financial statements

reported to the SET and the public in 2012 were complete, accurate, and credible, and in compliance with generally accepted accounting principles of Thailand as well as information disclosure to ensure that the financial statements presented properly, clearly, adequately, timely, and literally useful for the shareholders and other.

2. A Review of Risk Management

The Audit 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 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 the better improvement.

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 quality checks, both in personnel and performance audit in accordance with professional standards continuously based on the Internal Audit from Annual Report 2012 of the Internal Audit. Moreover, the Audit Committee has visited the actual operations in order to understand the process of the Company and has provided a valuable internal control system efficiently. The Committee will report significant deficiencies with the solution to the Board of Directors. This approach will encourage the management of the Company to provide adequate and effective internal controls for the management to achieve results with efficient operation, property maintenance, and personnel management. Moreover, we also evaluate the effectiveness of the internal control and financial management which are compliance with the law set by the Securities and Exchange Commission, which not found significant weaknesses or deficiencies that consistent with the evaluation of the auditor. The Audit Committee has opinion that the Company and its subsidiaries have appropriate internal control system which consists of general business conditions, risk assessment in the areas of manufacturing, marketing, finance, information systems, and communications reliability of data used in the administration that the result has reached to the satisfactory level.

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

The Company has a Legal & Compliance Unit that monitors, analyses and reports changes in laws, rules and regulations relevant to the Company, as well as ensures compliance. The Audit Committee, in its reviews, also monitored to ensure the Company was in compliance with relevant laws and regulations of the SEC and SET, as well as other laws relevant to the business of the Company. The Audit Committee was of the opinion that the Company was in compliance with the relevant laws, rules, and regulations applicable to the Company and effective in 2012.

5. Overseeing Company Internal Audit Function

The Audit Committee to oversee the internal audit to ensure that internal audit is effective and efficient to maximize the benefits of the Company and shareholders. The Audit Committee reviewed the scope of work, obligations, and responsibilities of the Internal Audit Department to review and approve the annual audit of the Internal Audit Department which covers the Company and its subsidiaries. In the review of the Audit Committee that consider the adequacy of staffing, the results of the audit risk, the independence of internal audit, and provide useful suggestions for continuous improvement. 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. 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 2013, and considered the appropriate compensation to be proposed 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 assesses the performance by themselves on the composition of the Audit Committee meeting, the relationship between management and external auditors according to the good practice of the Stock Exchange of Thailand and the Charter of the Audit Committee. The Audit Committee found that the scope and duties are in accordance with the guidelines of good practice and the Charter of the Audit Committee. It contributed to strengthen the good corporate governance. The Audit Committee has an opinion that the Audit Committee has performed its duties and responsibilities as assigned by using of knowledge, capability, caution, and independent. There is no limitation in obtaining information from the management, employees, and related person as well as comments and suggestions which are equally useful for various stakeholders.

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



Dr. Sathit Karanes
Chairman of Audit Committee



Mr. Paramet Hetrakul
Director of Audit Committee



Mr. Thanathip Pichedvanichok
Director of Audit Committee

Report of the Board of Directors' Responsibilities for Financial Statements

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

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

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

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

The Board of Directors has an opinion that the internal control system of the Company is effective and build confidence that the GFPT's financial statements and the GFPT and its subsidiaries' financial statements for the year ended December 31, 2012 have rendered credibility in accordance with generally accepted accounting principles, laws, and related regulations.



(Dr. Anan Sirimongkolkasem)
Chairman of Executive Committee



(Mr. Virach Sirimongkolkasem)
Managing Director

Audit Fee

The auditors the Company and subsidiary companies in accounting period of the year 2012 is Ms. Wanlaya Puttasatien, Authorized Auditor No. 4387 from S.K. Accountant Services Co., Ltd.

The Company and subsidiary companies paid the audit fee to S.K. Accountant Services Co., Ltd. in accounting period of the year 2012 as follows:

1. Audit Fee to Related Party Involve with the Auditor

The Company and subsidiary companies paid the audit fee in amount of 2,486,700 Baht that comprised of the audit fee of the Company in amount of 769,000 Baht, the audit fee of subsidiary companies in amount of 1,717,700 Baht.

2. Non-Audit Fee

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

However, in accounting period of the year 2012, the Company and subsidiary company had not pay any remuneration to individual person or related party involve with the auditor.





To efficiently produce high quality products
under the regulations and food safety



CERTIFICATE

ISO 9001:2008

ISO/IEC 17025

GMP

HACCP

HALAL

BRC

FINANCIAL STATEMENTS

GFPT Public Company Limited 2012



INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying consolidated and separate financial statements of GFPT PUBLIC COMPANY LIMITED and its subsidiaries and of GFPT PUBLIC COMPANY LIMITED, which comprise the consolidated and separate statements of financial position as of December 31, 2012, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flow for the year then ended, and a summary of significant accounting policies and explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with 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 financial statements are free of 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 separate financial statements present fairly, in all material respects, the financial position of GFPT PUBLIC COMPANY LIMITED and its subsidiaries and of GFPT PUBLIC COMPANY LIMITED as of December 31, 2012, and their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards.

Other Matter

The consolidated and separate financial statements of GFPT PUBLIC COMPANY LIMITED and its subsidiaries and of GFPT PUBLIC COMPANY LIMITED for the year ended December 31, 2011, were audited by another auditor who expressed an unmodified opinion on those statements on February 23, 2012.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED.



(Wanraya Puttasatien)

Authorized Auditor No. 4387

Bangkok,
February 21, 2013

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

		As of	As of	As of
	Note	December 31, 2012	December 31, 2011	January 1, 2011
		Baht	Baht	Baht
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	7	282,975,277.73	178,940,427.14	190,933,514.35
Temporary Investments		-	20,000.00	-
Trade and Other Receivables - Net	8	1,002,606,975.87	847,532,084.49	793,238,707.05
Inventories - Net	9	4,212,363,986.85	2,816,233,442.09	2,306,033,019.04
Other Current Assets		6,283,443.65	4,804,700.83	4,407,572.50
TOTAL CURRENT ASSETS		5,504,229,684.10	3,847,530,654.55	3,294,612,812.94
NON-CURRENT ASSETS				
Investments in Associates - Net	10	1,429,312,831.91	629,542,149.14	746,157,099.47
Other Long-term Investments		5,000.00	5,000.00	25,000.00
Grandparent Chickens - Net	12	38,152,701.86	41,003,404.75	40,557,764.87
Parent Chickens - Net	13	287,823,495.35	309,440,843.03	300,099,744.75
Investment Property - Net	14	327,852,931.46	263,101,888.24	284,668,618.95
Property, Plant and Equipment - Net	15	5,224,905,850.15	4,933,335,643.46	4,521,885,161.52
Intangible Assets - Net	16	7,991,022.17	7,803,441.48	6,012,745.86
Goodwill	3.1	1,294,911.36	1,294,911.36	1,294,911.36
Other Non-Current Assets		47,248,138.55	35,337,772.78	21,122,064.79
TOTAL NON-CURRENT ASSETS		7,364,586,882.81	6,220,865,054.24	5,921,823,111.57
TOTAL ASSETS		12,868,816,566.91	10,068,395,708.79	9,216,435,924.51

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

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

		As of	As of	As of
	Note	December 31, 2012	December 31, 2011	January 1, 2011
		Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term Borrowings from Financial Institutions	17, 18	3,532,732,267.60	666,223,163.49	452,858,369.47
Trade and Other Payables	19	1,032,677,135.11	633,225,861.87	620,126,395.98
Current Portion of Long-term Borrowings	20	80,000,000.00	80,000,000.00	143,160,000.00
Current Income Tax Payable		229,823.36	35,825,002.64	32,863,958.60
Short-term Provisions		9,606,300.00	12,005,600.00	9,235,000.00
TOTAL CURRENT LIABILITIES		4,655,245,526.07	1,427,279,628.00	1,258,243,724.05
NON-CURRENT LIABILITIES				
Long-term Borrowings from Financial Institutions - Net	20	160,000,000.00	240,000,000.00	414,730,000.00
Long-term Borrowings from Related Persons	30.2	2,000,000,000.00	2,000,000,000.00	1,998,100,000.00
Employee Benefit Obligation	21	270,724,632.45	253,193,907.00	-
Advance Received for Rental Income-				
Associated Company		140,938,451.00	147,760,864.00	154,682,509.00
Other Non-Current Liabilities		22,256,874.05	15,778,590.08	13,570,626.95
TOTAL NON-CURRENT LIABILITIES		2,593,919,957.50	2,656,733,361.08	2,581,083,135.95
TOTAL LIABILITIES		7,249,165,483.57	4,084,012,989.08	3,839,326,860.00

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

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

	Note	As of December 31, 2012 Baht	As of December 31, 2011 Baht	As of January 1, 2011 Baht
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital:	22			
1,400,000,000 Ordinary Shares @ Baht 1.00		1,400,000,000.00	1,400,000,000.00	1,400,000,000.00
Issued and Paid-up Share Capital				
1,253,821,000 Ordinary Shares @ Baht 1.00		1,253,821,000.00	1,253,821,000.00	1,253,821,000.00
Share Premium Account		525,000,000.00	525,000,000.00	525,000,000.00
Retained Earnings				
Appropriated				
Legal Reserve		140,000,000.00	140,000,000.00	140,000,000.00
Unappropriated		3,624,627,970.29	3,997,532,628.26	3,404,614,388.15
Other Component of Equity		2,919,780.34	2,693,811.16	2,505,154.90
SHAREHOLDERS' EQUITY OF GFPT PUBLIC COMPANY LIMITED		5,546,368,750.63	5,919,047,439.42	5,325,940,543.05
Non-Controlling Interests		73,282,332.71	65,335,280.29	51,168,521.46
TOTAL SHAREHOLDERS' EQUITY		5,619,651,083.34	5,984,382,719.71	5,377,109,064.51
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,868,816,566.91	10,068,395,708.79	9,216,435,924.51

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

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

		As of	As of	As of
	Note	December 31, 2012	December 31, 2011	January 1, 2011
		Baht	Baht	Baht
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	7	116,960,647.15	42,018,247.42	54,472,030.69
Trade and Other Receivables - Net	8	402,773,682.79	309,745,679.63	369,391,276.90
Short-term Loans to Subsidiary	30.2	10,000,000.00	-	-
Inventories - Net	9	462,283,062.61	274,030,082.23	176,805,126.59
Other Current Assets		1,374,811.12	1,554,174.05	1,332,889.90
TOTAL CURRENT ASSETS		993,392,203.67	627,348,183.33	602,001,324.08
NON-CURRENT ASSETS				
Investments in Associates - Net	10	1,117,712,771.81	622,299,700.00	622,299,700.00
Investments in Subsidiaries - Net	11	1,661,814,542.35	1,661,654,542.35	1,661,436,142.35
Investment Property - Net	14	291,301,530.61	288,806,599.75	317,156,978.06
Property, Plant and Equipment - Net	15	1,233,720,902.40	1,230,221,835.20	1,235,265,866.42
Intangible Assets - Net	16	7,991,022.17	7,803,441.48	6,012,745.86
Other Non-Current Assets		1,951,815.00	1,791,747.54	1,271,325.02
TOTAL NON-CURRENT ASSETS		4,314,492,584.34	3,812,577,866.32	3,843,442,757.71
TOTAL ASSETS		5,307,884,788.01	4,439,926,049.65	4,445,444,081.79

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

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

	Note	As of December 31, 2012 Baht	As of December 31, 2011 Baht	As of January 1, 2011 Baht
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term Borrowings from Financial Institutions	17, 18	1,720,000,000.00	180,000,000.00	280,000,000.00
Short-term Borrowings from Subsidiary	30.2	-	-	5,000,000.00
Trade and Other Payables	19	559,118,480.16	240,530,329.24	193,797,569.14
TOTAL CURRENT LIABILITIES		2,279,118,480.16	420,530,329.24	478,797,569.14
NON-CURRENT LIABILITIES				
Long-term Borrowings from Related Persons	30.2	692,200,000.00	692,200,000.00	692,200,000.00
Employee Benefit Obligation	21	109,886,640.82	103,544,170.00	-
Advance Received for Rental Income- Associated Company		140,938,451.00	147,760,864.00	154,682,509.00
Other Non-Current Liabilities		10,573,537.69	11,617,451.72	11,187,759.59
TOTAL NON-CURRENT LIABILITIES		953,598,629.51	955,122,485.72	858,070,268.59
TOTAL LIABILITIES		3,232,717,109.67	1,375,652,814.96	1,336,867,837.73

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

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

		As of	As of	As of
	Note	December 31, 2012	December 31, 2011	January 1, 2011
		Baht	Baht	Baht
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital:	22			
1,400,000,000 Ordinary Shares @ Baht 1.00		1,400,000,000.00	1,400,000,000.00	1,400,000,000.00
Issued and Paid-up Share Capital				
1,253,821,000 Ordinary Shares @ Baht 1.00		1,253,821,000.00	1,253,821,000.00	1,253,821,000.00
Share Premium Account		525,000,000.00	525,000,000.00	525,000,000.00
Retained Earnings				
Appropriated				
Legal Reserve		140,000,000.00	140,000,000.00	140,000,000.00
Unappropriated		156,346,678.34	1,145,452,234.69	1,189,755,244.06
TOTAL SHAREHOLDERS' EQUITY		2,075,167,678.34	3,064,273,234.69	3,108,576,244.06
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,307,884,788.01	4,439,926,049.65	4,445,444,081.79

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Revenues from Sales		15,369,810,863.37	14,209,553,166.98	6,302,405,614.03	6,459,908,358.26
Cost of Sales		(14,374,227,825.23)	(11,985,496,028.60)	(6,304,445,133.02)	(5,984,182,277.16)
GROSS PROFIT (LOSS)		995,583,038.14	2,224,057,138.38	(2,039,518.99)	475,726,081.10
Dividend Income from Subsidiary and Associate Company		-	-	89,399,919.00	196,980,006.00
Other Income		281,130,371.56	222,960,281.48	147,045,769.27	110,458,040.15
Selling Expenses		(490,446,254.16)	(420,590,609.19)	(112,950,119.56)	(86,047,135.93)
Administrative Expenses		(514,916,565.48)	(479,817,700.88)	(224,408,815.08)	(219,188,593.81)
Loss from Impairment in Investments in Associate		-	-	(408,146,928.19)	-
Share of Profit (Loss) of Associates		(74,389,377.23)	(111,293,275.48)	-	-
Finance Costs		(147,224,464.01)	(135,830,351.07)	(64,271,365.80)	(47,362,356.14)
PROFIT (LOSS) BEFORE INCOME TAX		49,736,748.82	1,299,485,483.24	(575,371,059.35)	430,566,041.37
Income Tax Expense	25	(573,867.19)	(76,748,962.19)	-	(5,058,081.74)
PROFIT (LOSS) FOR THE YEARS		49,162,881.63	1,222,736,521.05	(575,371,059.35)	425,507,959.63
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME (EXPENSES) FOR THE YEARS		49,162,881.63	1,222,736,521.05	(575,371,059.35)	425,507,959.63
PROFIT (LOSS) ATTRIBUTABLE :					
Equity Holders of the GFPT PUBLIC COMPANY LIMITED		40,829,839.03	1,203,385,204.67		
Non-Controlling Interests		8,333,042.60	19,351,316.38		
		49,162,881.63	1,222,736,521.05		
BASIC EARNINGS (LOSS) PER SHARE OF					
GFPT PUBLIC COMPANY LIMITED		0.03	0.96	(0.46)	0.34

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 YEARS ENDED DECEMBER 31, 2012 AND 2011
CONSOLIDATED FINANCIAL STATEMENTS

	Note	Retained Earnings					Other Component of Equity			Total	Non-Controlling Interests	Total
		Issued and Paid-up Share Capital	Share Premium Account	Appropriated	Unappropriated	Discount from Purchase Investment in Subsidiary Company						
				Legal Reserve	Baht		Baht					
								Baht	Baht			
Balance as of December 31, 2010		1,253,821,000.00	525,000,000.00	140,000,000.00	3,404,614,388.15	2,505,154.90	5,325,940,543.05	51,168,521.46	5,377,109,064.51			
Adjust Employee Benefit Obligation		-	-	-	(234,345,714.56)	-	(234,345,714.56)	(1,757,507.29)	(236,103,221.85)			
Total Comprehensive Income (Expenses) for the Year		-	-	-	1,203,385,204.67	-	1,203,385,204.67	19,351,316.38	1,222,736,521.05			
Discount from Purchase Investment in Subsidiary Company		-	-	-	-	188,656.26	188,656.26	(188,656.26)	-			
Dividend Payment	23.2	-	-	-	(376,121,250.00)	-	(376,121,250.00)	-	(376,121,250.00)			
Decreased in Non-Controlling Interests		-	-	-	-	-	-	(3,238,394.00)	(3,238,394.00)			
Balance as of December 31, 2011		1,253,821,000.00	525,000,000.00	140,000,000.00	3,997,532,628.26	2,693,811.16	5,919,047,439.42	65,335,280.29	5,984,382,719.71			
Total Comprehensive Income (Expenses) for the Year		-	-	-	40,829,839.03	-	40,829,839.03	8,333,042.60	49,162,881.63			
Discount from Purchase Investment in Subsidiary Company		-	-	-	-	225,969.18	225,969.18	(225,969.18)	-			
Dividend Payment	23.1	-	-	-	(413,734,497.00)	-	(413,734,497.00)	-	(413,734,497.00)			
Decreased in Non-Controlling Interests		-	-	-	-	-	-	(160,021.00)	(160,021.00)			
Balance as of December 31, 2012		1,253,821,000.00	525,000,000.00	140,000,000.00	3,624,627,970.29	2,919,780.34	5,546,368,750.63	73,282,332.71	5,619,651,083.34			

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

SEPARATE FINANCIAL STATEMENTS

	Note	Issued and Paid-up		Share		Retained Earnings		Total
		Share Capital	Baht	Premium Account	Baht	Appropriated	Unappropriated	
						Legal Reserve	Baht	
Balance as of December 31, 2010		1,253,821,000.00		525,000,000.00		140,000,000.00	1,189,755,244.06	3,108,576,244.06
Adjust Employee Benefit Obligation		-		-		-	(93,689,719.00)	(93,689,719.00)
Total Comprehensive Income (Expenses) for the Year		-		-		-	425,507,959.63	425,507,959.63
Dividend Payment	23.2	-		-		-	(376,121,250.00)	(376,121,250.00)
Balance as of December 31, 2011		1,253,821,000.00		525,000,000.00		140,000,000.00	1,145,452,234.69	3,064,273,234.69
Total Comprehensive Income (Expenses) for the Year		-		-		-	(575,371,059.35)	(575,371,059.35)
Dividend Payment	23.1	-		-		-	(413,734,497.00)	(413,734,497.00)
Balance as of December 31, 2012		1,253,821,000.00		525,000,000.00		140,000,000.00	156,346,678.34	2,075,167,678.34

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Note	2012	2011	2012
		Baht	Baht	Baht
CASH FLOW FROM OPERATING ACTIVITIES				
Profit (Loss) before Income Tax		49,736,748.82	1,299,485,483.24	(575,371,059.35)
Adjustment to Profit (Loss) before Income Tax for Cash				
Received (Paid) from Operations				
Depreciation-Grandparent Chickens		49,812,476.12	47,538,393.57	-
Depreciation-Parent Chickens		346,560,512.60	317,266,814.11	-
Depreciation-Investment Property		5,297,486.57	4,574,801.79	12,408,089.24
Depreciation-Fixed Assets		490,319,721.53	450,441,271.60	159,850,945.61
Amortization Expenses		2,994,305.68	2,371,248.50	2,994,305.68
Loss from Assets Dilapidation		144,106.50	208,818.11	-
Bad Debts-Trade Receivables		-	264,619.79	-
(Reversal) Doubtful Debts-Trade and Other Receivables		138,680.67	(3,793,539.25)	-
Loss from Impairment in Investments Associate		-	-	408,146,928.19
Loss from Sales of Grandparent Chickens Retirement		1,157,426.96	288,186.22	-
(Gain) Loss from Sales of Parent Chickens Retirement		26,083,102.98	(5,186,888.08)	-
Loss from Value of Disposal of Chickens		3,845,389.29	3,732,609.74	-
Loss from Value of Destroy of Parent Chickens		1,321,284.48	-	-
Loss from Decline in Value of Inventories		6,038,848.15	21,421,602.17	11,097,155.97
Reversal of Loss from Decline in Non-Movement Inventories		-	(6,622.12)	-
Reversal of Loss from Decline in Office Supplies		(32,790.18)	(774.80)	-
Gain from Sales of Investment Property		(2,413,060.00)	(50,000.00)	-
Reversal of Loss from Allowance for Impairment-Investment Property		(27,060,432.19)	2,887,500.00	(13,933,086.50)
Loss from Impairment-Property, Plant and Equipment		43,200.00	-	-
Gain from Sales of Fixed Assets		(3,362,069.83)	(6,479,658.54)	(478,305.93)
(Gain) Loss from Unrealized Exchange Rate		(2,293,401.78)	2,406,611.55	(911,160.51)
Average Tax Miss (Plus)		-	(17,976.29)	-
Transferred Assets to be Expenses		-	365,951.63	-
Dividend Income from Investments in Subsidiaries		-	-	(59,999,979.00)
Dividend Income from Investments in Associate		-	-	(29,399,940.00)
Income Tax Payable recognize as Revenues		(1,741,368.04)	-	-
Employee Benefit Obligation		27,397,546.45	24,429,906.00	12,449,008.82
Advance Received for Rental Income		(6,822,413.00)	(6,921,645.00)	(6,822,413.00)
Interest Income		(1,877,764.17)	(2,050,782.92)	(505,669.83)

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
CASH FLOW FROM OPERATING ACTIVITIES (CONTINUE)					
Interest Expenses		147,015,160.59	135,806,078.74	60,997,545.90	46,658,224.58
Share of Loss of Associates		74,389,377.23	111,293,275.48	-	-
Profit (Loss) from Operating Activities before					
Changes in Operating Assets and Liabilities		1,186,692,075.43	2,400,275,285.24	(19,477,634.71)	454,410,555.26
(Increase) Decrease in Operating Assets					
Trade and Other Receivables		(144,547,516.99)	(28,739,509.15)	(87,678,487.90)	78,733,964.58
Inventories		(1,447,693,855.59)	(652,311,691.82)	(198,476,436.74)	(99,291,475.00)
Other Current Assets		(1,511,554.97)	(513,260.51)	179,362.93	(221,284.15)
Other Non-Current Assets		(13,226,465.77)	(20,174,160.33)	(160,067.46)	(520,422.52)
Increase (Decrease) in Operating Liabilities					
Trade and Other Payables		331,802,965.87	(64,889,430.98)	315,898,810.02	43,514,085.49
Short-term Provisions		(2,399,300.00)	2,770,600.00	-	-
Other Non-Current Liabilities		6,478,283.97	2,207,963.13	(1,043,914.03)	429,692.13
Cash Received (Paid) from Operating Activities		(84,405,368.05)	1,638,625,795.58	9,241,632.11	477,055,115.79
Cash Received from Interest Income		1,877,764.17	2,050,782.92	505,669.83	440,396.62
Cash Payment in Employee Benefit Obligation		(9,866,821.00)	(2,017,546.00)	(6,106,538.00)	(105,085.00)
Cash Received in Income Tax		-	4,327,640.43	-	1,293,798.66
Cash Payment in Income Tax		(42,499,643.03)	(97,095,000.46)	(4,469,265.24)	(25,112,646.71)
Net Cash Provided (Used) from Operating Activities		(134,894,067.91)	1,545,891,672.47	(828,501.30)	453,571,579.36
CASH FLOW FROM INVESTING ACTIVITIES					
Cash Received from Temporary Investments		20,000.00	-	-	-
Cash Payment from Short-term Loans to Subsidiary		-	-	(10,000,000.00)	-
Cash Received from Dividend from Investments in Subsidiaries		-	-	59,999,979.00	196,980,006.00
Cash Received from Dividend from Investments in Associate		29,399,940.00	-	29,399,940.00	-
Cash Payment from Investments in Subsidiary		(160,000.00)	(218,400.00)	(160,000.00)	(218,400.00)
Cash Payment from Investments in Associate		(903,560,000.00)	-	(903,560,000.00)	-
Cash Received from Sales of Grandparent Chickens Retirement		2,979,951.57	4,237,885.75	-	-
Cash Payment from Investments in Grandparent Chickens		(47,436,985.50)	(45,728,872.41)	-	-
Cash Received from Sales of Parent Chickens Retirement		64,362,036.90	97,123,345.00	-	-
Cash Payment from Investments in Parent Chickens		(363,346,578.27)	(374,792,546.06)	-	-
Cash Received from Sales of Investment Property		9,500,000.00	400,000.00	-	-

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
CASH FLOW FROM INVESTING ACTIVITIES (CONTINUE)					
Cash Payment from Purchase of Investment Property		(50,075,037.60)	(26,464,771.08)	(969,933.60)	(26,464,771.08)
Cash Received from Sales of Fixed Assets		14,703,704.43	22,183,901.52	529,583.56	3,185,433.49
Cash Payment from Purchase of Fixed Assets		(731,472,681.75)	(675,235,537.11)	(163,471,785.28)	(107,917,620.55)
Cash Payment from Purchase of Intangible Assets		(3,181,886.37)	(4,161,944.12)	(3,181,886.37)	(4,161,944.12)
Cash Payment in Interest Expenses Capitalize to Assets		(12,601,092.42)	(15,324,745.28)	-	-
Net Cash Provided (Used) from Investing Activities		(1,990,868,629.01)	(1,017,981,683.79)	(991,414,102.69)	61,402,703.74
CASH FLOW FROM FINANCING ACTIVITIES					
Increase (Decrease) in Trust Receipt Payables		1,057,902,011.68	340,480,477.27	-	-
Cash Received from Short-term Borrowings from Financial Institutions		5,150,000,000.00	1,050,000,000.00	4,730,000,000.00	980,000,000.00
Cash Payment from Short-term Borrowings from Financial Institutions		(3,340,000,000.00)	(1,180,000,000.00)	(3,190,000,000.00)	(1,080,000,000.00)
Cash Received from Short-term Borrowings from Subsidiary		-	-	-	145,000,000.00
Cash Payment from Short-term Borrowings from Subsidiary		-	-	-	(150,000,000.00)
Cash Payment from Long-term Borrowings from Financial Institutions		(80,000,000.00)	(237,890,000.00)	-	-
Cash Received from Long-term Borrowings from Related Persons		3,000,000.00	1,900,000.00	-	-
Cash Payment from Long-term Borrowings from Related Persons		(3,000,000.00)	-	-	-
Cash Payment from Interest Expenses		(144,369,946.17)	(135,252,309.16)	(59,080,499.28)	(46,306,816.37)
Cash Payment for Dividends		(413,734,497.00)	(376,121,250.00)	(413,734,497.00)	(376,121,250.00)
Non-Controlling Interests in Dividend		(21.00)	(3,019,994.00)	-	-
Net Cash Provided (Used) from Financing Activities		2,229,797,547.51	(539,903,075.89)	1,067,185,003.72	(527,428,066.37)
Net Increase (Decrease) in Cash and Cash Equivalents		104,034,850.59	(11,993,087.21)	74,942,399.73	(12,453,783.27)
Cash and Cash Equivalent at the Beginning of the Period	7	178,940,427.14	190,933,514.35	42,018,247.42	54,472,030.69
Cash and Cash Equivalent at the Ending of the Period	7	282,975,277.73	178,940,427.14	116,960,647.15	42,018,247.42

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**NOTES TO FINANCIAL STATEMENTS****December 31, 2012 AND 2011****1. General Information**

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

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

2. Basis of Preparation

- 2.1 The financial statements have been prepared in accordance with Financial Reporting Standards of Thailand including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand.
- 2.2 The financial statements were presented in compliance with the notification of Department of Business Development regarding "Brief particulars must be contained in financial statements B.E. 2554" dated on September 28, 2011, notified according to Accounting Act B.E. 2543.
- 2.3 In order to prepare the financial statements to comply with financial reporting standards, the Company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.
- 2.4 For the convenience of the user, an English translation of the consolidated and separate financial statements has been prepared from the statutory financial statements that are issued in Thai language.

3. Basis of Consolidation

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

<u>Company's Name</u>	<u>Category</u>	Percentage of Shareholdings		Country of Registration
		As of December 31,		
		2012	2011	
M.K.S.FARM CO., LTD.	Broiler Farm	99.9999	99.9999	Thailand
KRUNGTHAI FARM CO., LTD.	Parent Chickens Farm and Chicks Distribution	99.9999	99.9999	Thailand
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	Production and Distribution Feed Mill and Parent Chickens Farm	97.8601	97.8476	Thailand
GF FOODS CO., LTD.	Production and Distribution of Processed Food	99.9999	99.9999	Thailand
GP BREEDING CO., LTD.	Grandparent Chickens Farm	99.9999	99.9999	Thailand

For consolidated financial statements, as of December 31, 2012 and 2011, the Company had goodwill with subsidiary companies were as follows:

	<u>Goodwill Outstanding</u>			
	<u>Goodwill</u>	<u>Goodwill</u>	<u>As of</u>	<u>As of</u>
	<u>As of</u>	<u>Amortization</u>	<u>December 31, 2012</u>	<u>December 31, 2011</u>
	<u>Date of Purchase</u>	<u>Accumulated</u>		
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
KRUNGTHAI FARM CO., LTD.	3,703	(2,408)	1,295	1,295
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	83,927	(53,853)	30,074	30,074
<u>Less</u> Impairment of Goodwill -				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	(30,074)	(30,074)
Goodwill-Net	<u>87,630</u>	<u>(56,261)</u>	<u>1,295</u>	<u>1,295</u>

3.2 Accounting policy for subsidiary companies will utilize the same policy as the GFPT PUBLIC COMPANY LIMITED.

3.3 In the preparation of the consolidated financial statements, the accounting period of subsidiary companies are ended at the same period of GFPT PUBLIC COMPANY LIMITED. The percentage of shareholding at 99.99% of the subsidiary companies, the Company is treated as holding of 100% of consolidated financial statements.

4. New Financial Reporting Standard

New accounting standard which is effective for accounting period beginning on or after January 1, 2012, is as follow:

TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
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The above accounting standard has no impact on these financial statements.

5. New Financial Reporting Standards Not Yet Effective

New accounting standards, financial reporting standards, interpretations accounting standards, interpretations financial reporting standards and accounting guidance, which are effective for accounting periods beginning on or after January 1, 2013 and 2014, that the Company has not adopted, are as follow:

Effective on or after January 1, 2013

Accounting Guidance	Transfer of Financial Asset
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance – No Specific Relation to Operation Activities
TSIC 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes – Changes in Tax Status of an Enterprise or its Shareholder

Effective on or after January 1, 2014

TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 12	Service Concession Arrangement
TFRIC 13	Customer Loyalty Programs
TSIC 29	Disclosure - Service Concession Arrangement

The management of the Company believes that above financial reporting standards will not have any impact on the financial statements when they are applied. Except, TAS 12 “Income Taxes” requires the Company to specify the temporary difference occurring from the difference in the value of assets and liabilities between the accounting criteria and tax for the acknowledgement on the tax impact which is the deferred tax assets or liabilities following the specified criteria.

6. Significant Accounting Policies

6.1 Measurements bases used in the Preparation of Financial Statements

Measurement bases used in the preparation of financial statements are historical cost measurement basis and combination of variety measurement bases used. Some assets and liabilities that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

6.2 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.

6.3 Financial Instruments

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

6.4 Cash and Cash Equivalents

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

6.5 Trade and Other Receivables

Trade and other receivables are stated at the net realizable value.

6.6 Inventories

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

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

6.7 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.

6.8 Parent Chickens and Grandparent Chickens

Parent chickens and grandparent 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 parent chickens and grandparent chickens (if any).

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

6.9 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 |

6.10 Property, Plant and Equipment

Land is recorded at cost price. Plant and equipment are recorded at cost price after deduction of accumulated depreciation and calculated 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.

6.11 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.

6.12 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.

6.13 Goodwill

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

6.14 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.

6.15 Trade and Other Payables

Trade and other payables were shown in cost value.

6.16 Employee Benefit

Short-term Employee Benefits

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

Long-term Employee Benefits

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

6.17 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.

6.18 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.

6.19 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.

6.20 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.

6.21 Income Tax

Income tax expenses are recognized as expenses in profit or loss as income tax to be paid, using tax rates enacted at the end of each reporting period.

6.22 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.

6.23 Significant Accounting Judgments and Estimates

In order to prepare the financial statements to comply with financial reporting standards, the Company's management had to make some judgment and estimates which may have an effect on the amount shown in financial statements and notes to financial statements, therefore the actual result may differ from the estimated amount. Significant estimates and provisions are as follows:

Lease

In determining whether a lease is to be classified as an operating lease or finance 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 Accounts –Trade and Other Receivables

In determining an allowance for doubtful accounts-trade and other receivables, 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.

Parent Chickens and Grandparent 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 parent chickens and grandparent chickens was due. Besides, the residual value must be revised if any change occurs. The management has to verify the residual value of parent chickens and grandparent chickens with the indication of residual value on the first day of giving produce of parent chickens and grandparent 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 parent chickens and grandparent chickens. The management is requires judgments regarding forecast of future revenues and expense related to parent chickens and grandparent chickens.

Property, Plant and Equipment and Investment Property and Depreciation

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

In addition, the management is required to review plant and equipment and investment property 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.

Investments in Associates and Subsidiaries and Allowance for Impairment

The management is required to review investments in the associates and subsidiaries for impairment. The loss from impairment is recorded when it is determined that their recoverable amount is lower than the value of investment and the use of discretion is for considering that such value of investment significantly reduces and is permanent or not.

Short-term Provisions

In estimating the short-term provisions for the sale promotion, the management is necessary to perform the estimation on the obligation from selling products to customers who have right to receive the sale promotion value considering the experience in selling the products in the past.

Post Employment Benefits

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

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.

7. Cash and Cash Equivalents

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Cash	3,667,720.00	1,580,026.00	3,072,720.00	1,139,026.00
Cheque in Hand	20,332,454.00	5,898,118.25	-	-
Cash Deposit – Current Account	89,980,310.89	70,759,828.00	13,182,413.27	9,991,405.23
Cash Deposit – Savings Account	168,994,792.84	90,702,454.89	100,705,513.88	30,887,816.19
Government Bond-Debt Instruments				
90 days	-	10,000,000.00	-	-
Total	282,975,277.73	178,940,427.14	116,960,647.15	42,018,247.42

8. Trade and Other Receivables - Net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Trade Receivables-Local	639,717,116.07	561,252,877.68	131,877,527.02	136,613,352.82
Trade Receivables-Foreign	221,369,917.90	133,232,503.77	220,310,616.62	132,160,288.04
Notes Receivables	114,722,305.00	119,497,381.00	-	679,896.00
<u>Less</u> Allowance for Doubtful Accounts	(47,670,991.24)	(48,191,826.57)	(4,357,499.95)	(4,357,499.95)
Trade and Notes Receivables-Net	928,138,347.73	765,790,935.88	347,830,643.69	265,096,036.91
Other Receivables	82,629,568.11	89,956,249.58	60,212,227.43	49,918,831.05
<u>Less</u> Allowance for Doubtful Accounts	(8,160,939.97)	(8,215,100.97)	(5,269,188.33)	(5,269,188.33)
Other Receivables -Net	74,468,628.14	81,741,148.61	54,943,039.10	44,649,642.72
Total	1,002,606,975.87	847,532,084.49	402,773,682.79	309,745,679.63

Trade and notes receivables were classified by aging as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Trade and Notes Receivables within due period	623,680,048.47	510,419,600.72	276,554,246.17	207,485,159.71
Trade and Notes Receivables over due period				
- Less than 3 months	302,409,222.74	251,995,343.67	69,369,594.44	57,610,877.20
- More than 3 months	49,720,067.76	51,567,818.06	6,264,303.03	4,357,499.95
Total	975,809,338.97	813,982,762.45	352,188,143.64	269,453,536.86
<u>Less</u> Allowance for Doubtful Accounts	(47,670,991.24)	(48,191,826.57)	(4,357,499.95)	(4,357,499.95)
Net	928,138,347.73	765,790,935.88	347,830,643.69	265,096,036.91

Other receivables as of December 31, 2012 and 2011 consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Account Receivable – Revenue Department	4,586,340.56	1,971,785.57	4,586,340.56	1,971,785.57
Prepaid Income Tax	40,765,569.94	38,113,016.88	34,629,740.44	31,026,595.52
Prepaid Expense	13,796,376.76	30,109,669.31	3,989,976.29	3,171,455.91
Advance Payment	2,727,999.41	2,083,459.49	19,700.00	49,780.00
Other Receivables	20,753,281.44	17,678,318.33	16,986,470.14	13,699,214.05
Total	82,629,568.11	89,956,249.58	60,212,227.43	49,918,831.05
<u>Less</u> Allowance for Doubtful Accounts	(8,160,939.97)	(8,215,100.97)	(5,269,188.33)	(5,269,188.33)
Net	74,468,628.14	81,741,148.61	54,943,039.10	44,649,642.72

For the years ended December 31, 2012 and 2011, the movement of allowance for doubtful accounts was as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended		For the years ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Beginning Balance	(56,406,927.54)	(61,099,686.00)	(9,626,688.28)	(9,266,216.71)
Increased during the Period	(7,351,442.23)	(4,740,786.10)	-	(360,471.57)
Reversed during the Period	7,212,761.56	8,534,325.35	-	-
Write off to Bad Debts	713,677.00	899,219.21	-	-
Ending Balance	(55,831,931.21)	(56,406,927.54)	(9,626,688.28)	(9,626,688.28)

9. Inventories - Net

Consist of :

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Finished Goods-Processed Chicken Products	120,969,613.12	92,076,179.76	119,546,514.85	93,582,339.01
Finished Goods-Feed Mill	71,873,997.82	104,091,711.55	-	-
Finished Goods-Chicken	30,379.18	-	-	-
Raw Materials	2,044,946,285.52	1,361,406,994.56	12,684,256.16	9,601,982.69
Raw Materials in Transit	760,730,910.17	241,901,348.82	-	-
Work in Process	346,351,296.79	161,191,361.82	307,916,958.97	138,284,476.58
Seed Eggs and Eggs during Hatching	69,722,778.78	74,204,374.54	-	-
Rearing Chicken	310,535,674.50	316,822,535.58	-	-
Medical Supplies, Supplies and Others	522,870,085.65	494,167,121.99	43,735,787.17	43,064,582.52
Total	4,248,031,021.53	2,845,861,628.62	483,883,517.15	284,533,380.80
<u>Less</u> Allowance for Decline in Value of				
Non-Movement Inventories	(3,139,476.62)	(3,139,476.62)	(2,878,872.85)	(2,878,872.85)
Allowance for Decline in Value of				
Inventories	(32,527,558.06)	(26,488,709.91)	(18,721,581.69)	(7,624,425.72)
Net	4,212,363,986.85	2,816,233,442.09	462,283,062.61	274,030,082.23

For the years ended December 31, 2012 and 2011, the movement of allowance for non-movement inventories and allowance for decline in value of inventories was as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended		For the years ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Allowance for Decline in Value of Non-				
Movement Inventories-Beginning	(3,139,476.62)	(3,146,098.74)	(2,878,872.85)	(2,878,872.85)
Reversed/Sold during the Period	-	6,622.12	-	-
Allowance for Decline in Value of Non-				
Movement Inventories-Ending	(3,139,476.62)	(3,139,476.62)	(2,878,872.85)	(2,878,872.85)

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended		For the years ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Allowance for Decline in Value of Beginning	(26,488,709.91)	(5,067,107.74)	(7,624,425.72)	(3,870,445.17)
Increased during the Period	(21,649,281.69)	(21,730,229.87)	(11,097,155.97)	(3,753,980.55)
Reversed/Sold during the Period	15,610,433.54	308,627.70	-	-
Allowance for Decline in Value of Ending	<u>(32,527,558.06)</u>	<u>(26,488,709.91)</u>	<u>(18,721,581.69)</u>	<u>(7,624,425.72)</u>

10. Investments in Associates - Net

As of December 31, 2012 and 2011, the Company had investments in associates as follows:

Name of Company	Paid-up Share Capital	% Share- Holding	Consolidated Financial Statements			
			Equity Method		Dividend	
			As of December 31,		For the years ended December 31,	
			2012	2011	2012	2011
	<u>'000 Baht</u>	<u>%</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
Investments in Associates						
- MCKEY FOOD SERVICES						
(THAILAND) LTD.	100,000	49.00	360,491,453.73	309,048,546.46	29,399,940.00	-
- GFPT NICHIREI (THAILAND)						
CO., LTD.	3,014,000	49.00	1,068,821,378.18	320,493,602.68	-	-
Total			<u>1,429,312,831.91</u>	<u>629,542,149.14</u>	<u>29,399,940.00</u>	<u>-</u>
Name of Company	Paid-up Share Capital	% Share- Holding	Separate Financial Statements			
			Cost Method		Dividend	
			As of December 31,		For the years ended December 31,	
			2012	2011	2012	2011
	<u>'000 Baht</u>	<u>%</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
Investments in Associates						
- MCKEY FOOD SERVICES						
(THAILAND) LTD.	100,000	49.00	49,000,000.00	49,000,000.00	29,399,940.00	-
- GFPT NICHIREI (THAILAND)						
CO., LTD.	3,014,000	49.00	1,476,859,700.00	573,299,700.00	-	-
Total			<u>1,525,859,700.00</u>	<u>622,299,700.00</u>	<u>29,399,940.00</u>	<u>-</u>
Less Allowance for Impairment			<u>(408,146,928.19)</u>	<u>-</u>		
Net			<u>1,117,712,771.81</u>	<u>622,299,700.00</u>		

For the year ended December 31, 2012, the Company determining impairment of investment in GFPT INCHIREI (THAILAND) CO., LTD., since the recoverable amount is lower the value of investment which the cost of investment, which is associate company has loss from operate.

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

Associates	As of December 31, 2012		For the year ended December 31, 2012	
	Total Assets	Total Liabilities	Total Revenue	Net Profit (Loss)
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
MCKEY FOOD SERVICES (THAILAND) LTD.	1,114,262	377,817	2,803,549	163,789
GFPT NICHIREI (THAILAND) CO., LTD.	3,125,482	944,436	4,580,321	(317,855)

Associates	As of December 31, 2011		For the year ended December 31, 2011	
	Total Assets	Total Liabilities	Total Revenue	Net Profit (Loss)
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
MCKEY FOOD SERVICES (THAILAND) LTD.	917,331	284,675	2,592,204	135,489
GFPT NICHIREI (THAILAND) CO., LTD.	2,631,759	1,976,858	3,132,327	(361,287)

According to the minute of Board of Director of 4/2012 of Company on May 10, 2012, the resolution is approved for the Company to additional investment in GFPT NICHIREI (THAILAND) COMPANY LIMITED, which is an associate company in the amount of Baht 168.56 million for the expansion of productivity of cooked processed food for exporting to European Union (EU). According to the minute of Board of Director of 9/2012 of Company on December 20, 2012, the resolution is approved for the Company to additional investment in GFPT NICHIREI (THAILAND) COMPANY LIMITED in amount of Baht 735.00 million for the repayment of loans, reduction of interest and increase the liquidity in the operation by buying in the par value and proportion of shareholding.

11. Investments in Subsidiaries - Net

As of December 31, 2012 and 2011, the Company had investments in subsidiaries as follows:

Name of Company	Paid-up Share Capital	% Share- Holding	Separate Financial Statements			
			Cost Method		Dividend	
			As of December 31,		For the years ended December 31,	
			2012	2011	2012	2011
	<u>'000 Baht</u>	<u>%</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
Investments in Subsidiaries						
- M.K.S. FARM CO., LTD.	550,000	99.99	549,999,910.00	549,999,910.00	-	-
- KRUNGTHAI FARM CO., LTD.	350,000	99.99	349,999,910.00	349,999,910.00	-	-
- KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	400,000	97.8601 (2011 : 97.8476)	521,315,727.35	521,155,727.35	-	136,980,027.00
- GF FOODS CO., LTD.	40,000	99.99	39,999,100.00	39,999,100.00	-	-
- GP BREEDING CO., LTD.	200,000	99.99	200,499,895.00	200,499,895.00	59,999,979.00	59,999,979.00
Total			<u>1,661,814,542.35</u>	<u>1,661,654,542.35</u>	<u>59,999,979.00</u>	<u>196,980,006.00</u>

For the year ended December 31, 2012, the Company additional investment in KRUNGTHAI FEEDMILL PUBLIC CO., LTD., which is a subsidiary for 5,000 shares in the amount of Baht 0.16 million. The proportion of shareholding increases from 97.8476% to 97.8601%. The purchase in lower price than the book value results in the discount from purchasing the investment amount of Baht 0.23 million representing in the shareholder's equity as it is considered as the change of shareholders after the control in such subsidiary.

12. Grandparent Chickens - Net

Consist of :

	Consolidated Financial Statements		
	Grandparent	Grandparent Chickens	Total
	Chickens	During Rearing	
	Baht	Baht	Baht
As of December 31, 2010			
Cost	52,522,591.56	13,109,897.21	65,632,488.77
<u>Less</u> Accumulated Depreciation	(25,074,723.90)	-	(25,074,723.90)
Book value	27,447,867.66	13,109,897.21	40,557,764.87
Transactions during the year ended December 31, 2011			
Purchase	-	45,728,872.41	45,728,872.41
Transfer in /(Transfer out)	52,755,702.31	(52,755,702.31)	-
Depreciation Transferred to Costs of Rearing	-	6,781,233.01	6,781,233.01
Sale	(52,522,591.56)	-	(52,522,591.56)
Depreciation for the year	(47,538,393.57)	-	(47,538,393.57)
Depreciation for sale /Retirement	47,996,519.59	-	47,996,519.59
Ending book value	28,139,104.43	12,864,300.32	41,003,404.75
As of December 31, 2011			
Cost	52,755,702.31	12,864,300.32	65,620,002.63
<u>Less</u> Accumulated Depreciation	(24,616,597.88)	-	(24,616,597.88)
Book value	28,139,104.43	12,864,300.32	41,003,404.75
Transactions during the year ended December 31, 2012			
Purchase	-	47,436,985.50	47,436,985.50
Transfer in /(Transfer out)	51,049,076.44	(51,049,076.44)	-
Depreciation Transferred to Costs of Rearing	-	4,983,450.74	4,983,450.74
Sale	(52,755,702.31)	-	(52,755,702.31)
Written off from Destroy of Parent Chickens	-	(1,321,284.48)	(1,321,284.48)
Depreciation for the year	(49,812,476.12)	-	(49,812,476.12)
Depreciation for sale /Retirement	48,618,323.78	-	48,618,323.78
Ending book value	25,238,326.22	12,914,375.64	38,152,701.86
As of December 31, 2012			
Cost	51,049,076.44	12,914,375.64	63,963,452.08
<u>Less</u> Accumulated Depreciation	(25,810,750.22)	-	(25,810,750.22)
Book value	25,238,326.22	12,914,375.64	38,152,701.86

13. Parent Chickens - Net

Consist of :

	Consolidated Financial Statements		
	Grandparent	Grandparent Chickens	Total
	Chickens	During Rearing	
	Baht	Baht	Baht
As of December 31, 2010			
Cost	296,881,209.79	117,072,618.49	413,953,828.28
<u>Less</u> Accumulated Depreciation	(113,854,083.53)	-	(113,854,083.53)
Book value	183,027,126.26	117,072,618.49	300,099,744.75
Transactions during the year ended December 31, 2011			
Purchase	-	402,912,546.06	402,912,546.06
Transfer in /(Transfer out)	419,618,606.14	(419,618,606.14)	-
Depreciation Transferred to Costs of Rearing	-	17,910,193.25	17,910,193.25
Sale	(414,318,179.26)	-	(414,318,179.26)
Depreciation for the year	(317,266,814.11)	-	(317,266,814.11)
Depreciation for sale /Retirement	320,103,352.34	-	320,103,352.34
Ending book value	191,164,091.37	118,276,751.66	309,440,843.03
As of December 31, 2011			
Cost	302,181,636.67	118,276,751.66	420,458,388.33
<u>Less</u> Accumulated Depreciation	(111,017,545.30)	-	(111,017,545.30)
Book value	191,164,091.37	118,276,751.66	309,440,843.03
Transactions during the year ended December 31, 2012			
Purchase	-	399,850,578.27	399,850,578.27
Transfer in /(Transfer out)	418,227,208.22	(418,227,208.22)	-
Depreciation Transferred to Costs of Rearing	-	17,252,173.53	17,252,173.53
Sale	(397,052,491.30)	-	(397,052,491.30)
Depreciation for the year	(346,560,512.60)	-	(346,560,512.60)
Depreciation for sale /Retirement	304,892,904.42	-	304,892,904.42
Ending book value	170,671,200.11	117,152,295.24	287,823,495.35
As of December 31, 2012			
Cost	323,356,353.59	117,152,295.24	440,508,648.83
<u>Less</u> Accumulated Depreciation	(152,685,153.48)	-	(152,685,153.48)
Book value	170,671,200.11	117,152,295.24	287,823,495.35

14. Investment Property - Net

Consist of :

	Consolidated Financial Statements		
	Land and Improvements	Building	Total
	Baht	Baht	Baht
As of December 31, 2010			
Cost	236,136,553.20	76,637,624.04	312,774,177.24
<u>Less</u> Accumulated Depreciation	-	(2,534,984.44)	(2,534,984.44)
<u>Less</u> Allowance for Impairment of Assets	(25,570,573.85)	-	(25,570,573.85)
Book value	210,565,979.35	74,102,639.60	284,668,618.95
Transactions during the year ended December 31, 2011			
Purchase	-	26,464,771.08	26,464,771.08
Transfer in /(Transfer out)	(40,219,200.00)	-	(40,219,200.00)
Sale	(350,000.00)	-	(350,000.00)
Depreciation for the year	-	(4,574,801.79)	(4,574,801.79)
Allowance for Impairment of Assets	(2,887,500.00)	-	(2,887,500.00)
Ending book value	167,109,279.35	95,992,608.89	263,101,888.24
As of December 31, 2011			
Cost	195,567,353.20	103,102,395.12	298,669,748.32
<u>Less</u> Accumulated Depreciation	-	(7,109,786.23)	(7,109,786.23)
<u>Less</u> Allowance for Impairment of Assets	(28,458,073.85)	-	(28,458,073.85)
Book value	167,109,279.35	95,992,608.89	263,101,888.24
Transactions during the year ended December 31, 2012			
Purchase	48,847,096.60	1,227,941.00	50,075,037.60
Sale	(7,086,940.00)	-	(7,086,940.00)
Depreciation for the year	(43,460.00)	(5,254,026.57)	(5,297,486.57)
Reverse of Allowance for Impairment of Assets	27,142,731.85	-	27,142,731.85
Allowance for Impairment of Assets	-	(82,299.66)	(82,299.66)
Ending book value	235,968,707.80	91,884,223.66	327,852,931.46
As of December 31, 2012			
Cost	237,327,509.80	104,330,336.12	341,657,845.92
<u>Less</u> Accumulated Depreciation	(43,460.00)	(12,363,812.80)	(12,407,272.80)
<u>Less</u> Allowance for Impairment of Assets	(1,315,342.00)	(82,299.66)	(1,397,641.66)
Book value	235,968,707.80	91,884,223.66	327,852,931.46

	Separate Financial Statements		
	Land and Improvements	Building	Total
	Baht	Baht	Baht
As of December 31, 2010			
Cost	220,343,874.97	246,254,462.64	466,598,337.61
<u>Less</u> Accumulated Depreciation	-	(138,352,573.05)	(138,352,573.05)
<u>Less</u> Allowance for Impairment of Assets	(11,088,786.50)	-	(11,088,786.50)
Book value	209,255,088.47	107,901,889.59	317,156,978.06
Transactions during the year ended December 31, 2011			
Purchase	-	26,464,771.08	26,464,771.08
Transfer in /(Transfer out)	(40,219,200.00)	-	(40,219,200.00)
Depreciation for the year	-	(11,708,449.39)	(11,708,449.39)
Allowance for Impairment of Assets	(2,887,500.00)	-	(2,887,500.00)
Ending book value	166,148,388.47	122,658,211.28	288,806,599.75
As of December 31, 2011			
Cost	180,124,674.97	272,719,233.72	452,843,908.69
<u>Less</u> Accumulated Depreciation	-	(150,061,022.44)	(150,061,022.44)
<u>Less</u> Allowance for Impairment of Assets	(13,976,286.50)	-	(13,976,286.50)
Book value	166,148,388.47	122,658,211.28	288,806,599.75
Transactions during the year ended December 31, 2012			
Purchase	969,933.60	-	969,933.60
Depreciation for the year	(43,460.00)	(12,364,629.24)	(12,408,089.24)
Reverse of Allowance for Impairment of Assets	13,933,086.50	-	13,933,086.50
Ending book value	181,007,948.57	110,293,582.04	291,301,530.61
As of December 31, 2012			
Cost	181,094,608.57	272,719,233.72	453,813,842.29
<u>Less</u> Accumulated Depreciation	(43,460.00)	(162,425,651.68)	(162,469,111.68)
<u>Less</u> Allowance for Impairment of Assets	(43,200.00)	-	(43,200.00)
Book value	181,007,948.57	110,293,582.04	291,301,530.61

- Consolidated Financial Statements

As of December 31, 2012 and 2011, 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 17).

- Separate Financial Statements

As of December 31, 2012 and 2011, the Company pledged investment property at cost value of Baht 15.07 million for both periods to guarantee credit of the Group with commercial banks and financial institutions, (Note 17).

The Group's investment property is their owned land and building without specifies purpose of use in future and exploiting for rental income.

- Consolidated Financial Statements

As of December 31, 2012 and 2011, which its investment property which had the book value amount of Baht 321.70 million and Baht 263.10 million, respectively, and fair value amount of Baht 835.42 million and Baht 250.82 million, respectively, and investment property book value amount of Baht 6.15 million, pending for independent appraiser.

- Separate Financial Statements

As of December 31, 2012 and 2011, which its investment property which had the book value amount of Baht 256.40 million and Baht 288.81 million, respectively, and fair value amount of Baht 687.86 million and Baht 188.23 million, respectively, and investment property book value amount of Baht 34.90 million, pending for independent appraiser.

15. Property, Plant and Equipment-Net

Consist of :

	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		Total	
								Baht	Baht		
As of December 31, 2010											
Cost	409,666,918.11	4,374,665,504.62	1,860,889,660.99	719,467,955.77	300,559,757.79	479,599,285.56	1,042,639.00	998,421,308.31		9,144,313,030.15	
Less Accumulated Depreciation	(16,707,979.68)	(2,097,580,986.72)	(1,337,682,759.97)	(578,198,059.65)	(198,626,046.76)	(392,710,524.89)	(921,510.96)	-		(4,622,427,868.63)	
Book value	392,958,938.43	2,277,084,517.90	523,206,901.02	141,269,896.12	101,933,711.03	86,888,760.67	121,128.04	998,421,308.31		4,521,885,161.52	
Transactions during the year ended December 31, 2011											
Purchase	27,211,688.46	945,680.74	24,256,184.45	23,321,472.38	23,478,680.65	59,083,691.78	-	566,080,751.81		724,378,150.27	
Transfer in/(Transfer out)	48,533,360.27	571,454,017.18	442,841,504.41	47,330,746.91	18,640,157.87	16,884,568.00	-	(967,453,762.78)		178,230,591.86	
Sale	-	(880,667.65)	(591,203.18)	(224,674.34)	(3,375,033.92)	(21,059,773.99)	-	(14,612,219.73)		(40,743,572.81)	
Written-off Assets	-	(107,875.00)	-	(744,782.69)	(3,078,141.12)	(32,300.00)	-	-		(3,963,098.81)	
Depreciation for the year	(1,914,823.43)	(193,745,357.93)	(148,973,730.01)	(54,631,640.94)	(34,321,702.03)	(41,615,225.66)	(42,719.10)	-		(475,245,199.10)	
Depreciation for											
Sale/Written-off Assets	-	472,087.32	199,689.50	918,535.59	6,350,877.20	20,852,420.92	-	-		28,793,610.53	
Ending book value	466,789,163.73	2,655,222,402.56	840,939,346.19	157,239,553.03	109,628,549.68	121,002,141.72	78,408.94	582,436,077.61		4,933,335,643.46	
As of December 31, 2011											
Cost	485,411,966.84	4,946,076,659.89	2,327,396,146.67	789,150,718.03	336,225,421.27	534,475,471.35	1,042,639.00	582,436,077.61		10,002,215,100.66	
Less Accumulated Depreciation	(18,622,803.11)	(2,290,854,257.33)	(1,486,456,800.48)	(631,911,165.00)	(226,596,871.59)	(413,473,329.63)	(964,230.06)	-		(5,068,879,457.20)	
Book value	466,789,163.73	2,655,222,402.56	840,939,346.19	157,239,553.03	109,628,549.68	121,002,141.72	78,408.94	582,436,077.61		4,933,335,643.46	
For the year ended December 31, 2011											
Depreciation was shown in Statements of Comprehensive Income											
Depreciation Transferred to Costs of Rearing											
Depreciation Transferred to Costs of Assets											
450,441,271.60											
24,691,426.26											
112,501.24											

Consolidated Financial Statements

	Land and Land Improvement	Building and Building Improvement	Machines and Equipment	Tools	Office Equipment	Vehicles	Others Fixed Assets	Construction in Progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As of December 31, 2011									
Cost	485,411,966.84	4,946,076,659.89	2,327,396,146.67	789,150,718.03	336,225,421.27	534,475,471.35	1,042,639.00	582,436,077.61	10,002,215,100.66
Less Accumulated Depreciation	(18,622,803.11)	(2,290,854,257.33)	(1,486,456,800.48)	(631,911,165.00)	(226,596,871.59)	(413,473,329.63)	(964,230.06)	-	(5,068,879,457.20)
Book value	466,789,163.73	2,655,222,402.56	840,939,346.19	157,239,553.03	109,628,549.68	121,002,141.72	78,408.94	582,436,077.61	4,933,335,643.46
Transactions during the year ended December 31, 2012									
Purchase	1,281,090.90	499,017.92	47,237,044.24	23,132,217.29	15,555,114.61	62,179,281.56	-	610,106,820.41	759,990,586.93
Transfer in/(Transfer out)	-	344,971,887.76	108,604,197.86	39,567,160.84	12,413,043.84	65,561,253.52	-	(515,253,050.42)	55,864,493.40
Sale	-	(23,056.28)	(3,839,621.76)	(417,295.43)	(1,234,122.41)	(8,224,847.51)	-	(9,520,796.22)	(23,259,739.61)
Written-off Assets	-	-	(640,000.00)	(5,433,940.89)	(2,263,420.58)	(12,843.00)	-	-	(8,350,204.47)
Depreciation for the year	(2,096,347.68)	(211,038,943.52)	(152,417,235.49)	(58,006,258.14)	(38,324,807.66)	(50,832,030.27)	(40,309.78)	-	(512,755,932.54)
Depreciation for									
Sale/Written-off Assets	-	23,055.28	4,479,600.76	5,794,483.86	3,348,269.10	6,478,793.98	-	-	20,124,202.98
Allowance for Impairment of									
Assets	(43,200.00)	-	-	-	-	-	-	-	(43,200.00)
Ending book value	465,930,706.95	2,789,654,363.72	844,363,331.80	161,875,920.56	99,122,626.58	196,151,750.00	38,099.16	667,769,051.38	5,224,905,850.15
As of December 31, 2012									
Cost	486,693,057.74	5,291,524,509.29	2,478,757,767.01	845,998,859.84	360,696,036.73	653,978,315.92	1,042,639.00	667,769,051.38	10,786,460,236.91
Less Accumulated Depreciation	(20,719,150.79)	(2,501,870,145.57)	(1,634,394,435.21)	(684,122,939.28)	(261,573,410.15)	(457,826,565.92)	(1,004,539.84)	-	(5,561,511,186.76)
Less Allowance for Impairment									
of Assets	(43,200.00)	-	-	-	-	-	-	-	(43,200.00)
Book value	465,930,706.95	2,789,654,363.72	844,363,331.80	161,875,920.56	99,122,626.58	196,151,750.00	38,099.16	667,769,051.38	5,224,905,850.15
For the year ended December 31, 2012									
Depreciation was shown in Statements of Comprehensive Income									
Depreciation Transferred to Costs of Rearing									490,319,721.53
Depreciation Transferred to Costs of Assets									22,235,624.27
									200,586.74

Separate Financial Statements

	Land and Land Improvement	Building and Building Improvement	Machines and Equipment	Tools	Office Equipment	Vehicles	Construction in Progress	Asset in Transit	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As of December 31, 2010									
Cost	67,722,951.81	737,985,438.61	669,736,638.78	117,101,654.11	139,354,238.90	107,745,802.13	477,269,269.81	1,677.41	2,316,917,671.56
Less Accumulated Depreciation	(16,707,979.68)	(326,560,756.28)	(478,366,106.66)	(89,950,130.40)	(90,518,770.30)	(79,548,061.82)	-	-	(1,081,651,805.14)
Book value	51,014,972.13	411,424,682.33	191,370,532.12	27,151,523.71	48,835,468.60	28,197,740.31	477,269,269.81	1,677.41	1,235,265,866.42
Transactions during the year ended December 31, 2011									
Purchase	454,588.46	945,680.74	7,437,757.17	4,953,617.05	10,629,652.34	5,323,000.00	78,332,109.97	2,651,057.56	110,727,463.29
Transfer in/(Transfer out)	44,533,360.27	140,332,266.96	350,563,452.53	10,598,770.37	15,987,447.20	1,062,433.00	(522,259,208.18)	(2,652,734.97)	38,165,787.18
Sale	-	-	(14,419.87)	(46,834.34)	(1,872,061.23)	(3,265,000.00)	(2,039,547.49)	-	(7,237,862.93)
Written-off Assets	-	-	-	-	(630,850.00)	-	-	-	(630,850.00)
Depreciation for the year	(1,914,823.43)	(32,798,008.10)	(79,453,199.62)	(9,286,229.97)	(16,992,936.83)	(11,451,102.53)	-	-	(151,896,300.48)
Depreciation for									
Sale/Written-off Assets	-	-	14,418.87	45,465.62	2,502,848.23	3,264,999.00	-	-	5,827,731.72
Ending book value	94,088,097.43	519,904,621.93	469,918,541.20	33,416,312.44	58,459,568.31	23,132,069.78	31,302,624.11	-	1,230,221,835.20
As of December 31, 2011									
Cost	112,710,900.54	879,263,386.31	1,027,723,428.61	132,607,207.19	163,468,427.21	110,866,235.13	31,302,624.11	-	2,457,942,209.10
Less Accumulated Depreciation	(18,622,803.11)	(359,358,764.38)	(557,804,887.41)	(99,190,894.75)	(105,008,858.90)	(87,734,165.35)	-	-	(1,227,720,373.90)
Book value	94,088,097.43	519,904,621.93	469,918,541.20	33,416,312.44	58,459,568.31	23,132,069.78	31,302,624.11	-	1,230,221,835.20

Separate Financial Statements

	Land and Land Improvement	Building and Building Improvement	Machines and Equipment	Tools	Office Equipment	Vehicles	Construction in Progress	Asset in Transit	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As of December 31, 2011									
Cost	112,710,900.54	879,263,386.31	1,027,723,428.61	132,607,207.19	163,468,427.21	110,866,235.13	31,302,624.11	-	2,457,942,209.10
Less Accumulated Depreciation	(18,622,803.11)	(359,358,764.38)	(557,804,887.41)	(99,190,894.75)	(105,008,858.90)	(87,734,165.35)	-	-	(1,227,720,373.90)
Book value	94,088,097.43	519,904,621.93	469,918,541.20	33,416,312.44	58,459,568.31	23,132,069.78	31,302,624.11	-	1,230,221,835.20
Transactions during the year ended December 31, 2012									
Purchase	388,056.90	499,017.92	23,397,156.77	5,418,057.91	4,359,778.60	11,226,498.13	28,375,411.03	90,611,012.79	164,274,990.05
Transfer in/(Transfer out)	-	27,326,271.84	9,473,980.03	4,985,456.27	8,013,493.64	-	39,938,111.40	(90,611,012.79)	(873,699.61)
Sale	-	(23,056.28)	(309,789.76)	(402,495.43)	(1,077,488.74)	(1,008,278.51)	-	-	(2,821,108.72)
Written-off Assets	-	-	-	(14,800.00)	(4,269.30)	-	-	-	(19,069.30)
Depreciation for the year	(2,096,347.68)	(35,354,026.42)	(81,972,613.66)	(11,410,223.50)	(19,350,702.84)	(9,667,031.51)	-	-	(159,850,945.61)
Depreciation for									
Sale/Written-off Assets	-	23,055.28	309,778.76	416,790.56	1,079,597.41	959,678.38	-	-	2,788,900.39
Ending book value	92,379,806.65	512,375,884.27	420,817,053.34	32,409,098.25	51,479,977.08	24,642,936.27	99,616,146.54	-	1,233,720,902.40
As of December 31, 2012									
Cost	113,098,957.44	907,065,619.79	1,060,284,775.65	142,593,425.94	174,759,941.41	121,084,454.75	99,616,146.54	-	2,618,503,321.52
Less Accumulated Depreciation	(20,719,150.79)	(394,689,735.52)	(639,456,722.31)	(110,184,327.69)	(123,279,964.33)	(96,441,518.48)	-	-	(1,384,782,419.12)
Book value	92,379,806.65	512,375,884.27	420,817,053.34	32,409,098.25	51,479,977.08	24,642,936.27	99,616,146.54	-	1,233,720,902.40

- Consolidated Financial Statements

For the years ended December 31, 2012 and 2011, three subsidiary companies a cost of borrowings to cost of construction in progress amount of Baht 12.60 million and Baht 15.27 million respectively. 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. In 2012, the interest rate was 2.95% – 8.25% per annum and in 2011, the interest rate was 2.17% – 7.38% per annum.

As of December 31, 2012 and 2011, three subsidiary companies guaranteed the credit line to commercial banks and financial institutions with both existing and to be acquired in the future of land and land improvement, machines in the book value of Baht 240.58 million and Baht 261.34 million, respectively. (Note 17).

As of December 31, 2012 and 2011, five subsidiary companies had the assets which had not the depreciation but they still used. The cost price was Baht 2,489.39 million and the book value was Baht 339,136.00 and the cost price was Baht 2,166.22 million and the book value was Baht 330,742.00 respectively.

- Separate Financial Statements

As of December 31, 2012 and 2011, The Company had land with buildings and improvement, machines and equipment, both existing and to be acquired in the future, as collateral against credit line to commercial banks and financial institutions. (Note 17).

As of December 31, 2012 and 2011, the Company had the assets which had not the depreciation but they still used. The cost price was Baht 722.77 million and the book value was Baht 8,401 and the cost price was Baht 557.26 million and the book value was Baht 8,088.00, respectively.

16. Intangible Assets - Net

Consist of :

Consolidated/Separate Financial Statements

Software Royalty

Baht

As of December 31, 2010

Cost 9,277,467.50

Less Accumulated Amortization (3,264,721.64)**Book value** **6,012,745.86****Transactions during the year ended December 31, 2011**

Purchase 4,161,944.12

Amortization Expenses (2,371,248.50)

Ending book value **7,803,441.48****As of December 31, 2011**

Cost 13,439,411.62

Less Accumulated Amortization (5,635,970.14)**Book value** **7,803,441.48****Transactions during the year ended December 31, 2012**

Purchase 3,181,886.37

Amortization Expenses (2,994,305.68)

Ending book value **7,991,022.17****As of December 31, 2012**

Cost 16,621,297.99

Less Accumulated Amortization (8,630,275.82)**Book value** **7,991,022.17****17. Credits and Guarantees**

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

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

18. Short-term Borrowings from Financial Institutions

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Short-term Borrowings from				
Financial Institutions	1,990,000,000.00	180,000,000.00	1,720,000,000.00	180,000,000.00
Trust Receipts Payables	1,542,732,267.60	486,223,163.49	-	-
Total	<u>3,532,732,267.60</u>	<u>666,223,163.49</u>	<u>1,720,000,000.00</u>	<u>180,000,000.00</u>

18.1 Terms and Conditions on Short-term Borrowings from Financial Institutions :

Consolidated Financial Statements

As of December 31, 2012, the one subsidiary company have short-term borrowings from financial institutions in the amount of Baht 270.00 million, were in the form of promissory notes from commercial banks with 1-3 months, at the annual interest rates of 2.97% - 3.30%.

Separate Financial Statements

As of December 31, 2012 and 2011, short-term borrowings from financial institutions in the amount of Baht 1,720.00 million and Baht 180.00 million, respectively, were in the form of promissory notes from several commercial banks with 30 days and the type of call, at the annual interest rates of 2.95% - 3.55% and 3.20% - 3.64%, respectively.

18.2 Trust Receipts Payables

For consolidated financial statements, as of December 31, 2012 and 2011, trust receipts payables with annual interest rates at 0.71% -3.29% and 1.03% -1.80%, respectively. Under term of trust receipt contract, the Group receives merchandise ordered by using credit of the finance institutes. Hence, the Group constitutes obligation commitment to the finance institutes for such merchandise fee both that kept or disposed.

Credits and guarantees, bank overdrafts and short-term borrowings from financial institutions, please see the notes to financial statements No. 17.

19. Trade and Other Payables

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Trade Payables - Local	559,311,410.15	438,126,501.27	472,391,859.87	177,088,759.79
Trade Payables - Foreign	280,175,885.09	13,038,301.55	1,038,852.39	2,322,410.73
Other Payables	193,189,839.87	182,061,059.05	85,687,767.90	61,119,158.72
Total	1,032,677,135.11	633,225,861.87	559,118,480.16	240,530,329.24

Other payables as of December 31, 2012 and 2011 consist of;

	Consolidated Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Payables for Assets	28,517,905.18	49,142,613.16	803,204.77	2,809,842.74
Accrued Tax	14,828,964.12	22,179,313.50	4,440,159.45	6,370,139.95
Accrued Expenses	123,984,977.03	90,031,398.11	68,869,871.67	40,631,885.15
Advance Received	11,659,313.98	7,631,765.63	5,233,730.59	4,288,135.11
Other Payables	14,198,679.56	13,075,968.65	6,340,801.42	7,019,155.77
Total	193,189,839.87	182,061,059.05	85,687,767.90	61,119,158.72

20. Long-term Borrowings from Financial Institutions - Net

Consist of:

	Consolidated Financial Statements	
	As of	
	December 31, 2012	December 31, 2011
	Baht	Baht
Long-term Borrowings from Financial Institutions	240,000,000.00	320,000,000.00
<u>Less</u> Current Portion of Long-term Borrowings	<u>(80,000,000.00)</u>	<u>(80,000,000.00)</u>
Net	160,000,000.00	240,000,000.00

The movement of long-term borrowings for the years ended December 31, 2012 and 2011 are as follows:

	Consolidated Financial Statements	
	For the years ended	
	December 31, 2012	December 31, 2011
	Baht	Baht
Beginning Balance	320,000,000.00	557,890,000.00
Repayment for the Period	(80,000,000.00)	(237,890,000.00)
Ending Balance	<u>240,000,000.00</u>	<u>320,000,000.00</u>

Long-term borrowings from financial institutions of the subsidiary company, the credit line of Baht 400.00 million, as of December 31, 2012 and 2011, credit used amount of Baht 240.00 million and Baht 320.00 million, respectively, and which has been repaid every 3 months, totally 20 installments. Baht 20.00 million per installment commences the first installment repayment on the final business day of the 13th month commenced from the month the first installment loan is withdrawn forwards and following installments is repayable every final business day of the month that due for repayment while there is interest charged from the first month commenced from the month that the first installment loan is withdrawn—twelve installment in the rate equivalent to interest rate of THBFIX plus interest rate of 1.35% and from the 13th month forwards in the interest rate of THBFIX plus interest rate of 1.75%.

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

21. Employee Benefit Obligation

Employee Benefit Obligation were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Present value of the obligation as of January 1,	253,193,907.00	230,781,547.00	103,544,170.00	93,689,719.00
Current service cost	18,521,869.58	16,006,531.00	8,669,646.61	6,539,911.00
Interest expenses	8,875,676.87	8,423,375.00	3,779,362.21	3,419,625.00
<u>Less</u> Repayment for the Period	<u>(9,866,821.00)</u>	<u>(2,017,546.00)</u>	<u>(6,106,538.00)</u>	<u>(105,085.00)</u>
Present value of the obligation as of December 31,	<u>270,724,632.45</u>	<u>253,193,907.00</u>	<u>109,886,640.82</u>	<u>103,544,170.00</u>

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

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

22. Share Capital

	Par Value Baht	For the year ended December 31, 2012		For the year ended December 31, 2011	
		Number of Share	Amount	Number of Share	Amount
		Shares	Baht	Shares	Baht
Authorized Share Capital					
- Beginning Ordinary Shares	1.00	1,400,000,000	1,400,000,000.00	1,400,000,000	1,400,000,000.00
- Ending Ordinary Shares	1.00	1,400,000,000	1,400,000,000.00	1,400,000,000	1,400,000,000.00
Issued and Paid-up Share Capital					
- Beginning Ordinary Shares	1.00	1,253,821,000	1,253,821,000.00	1,253,821,000	1,253,821,000.00
- Ending Ordinary Shares	1.00	1,253,821,000	1,253,821,000.00	1,253,821,000	1,253,821,000.00

23. Dividend Payment

23.1 The Minutes of Annual General Shareholders' Meeting in 2012 dated on April 30, 2012 was unanimously approved the dividend payment from the Company's performance in 2011 at Baht 0.33 per share, the number of shares was 1,253,821,000 and amounting to Baht 413.76 million (paid in amount of Baht 413.74 million), whereby the Company has already paid dividend.

23.2 The Minutes of Annual General Shareholders' Meeting in 2011 dated on April 28, 2011 was unanimously approved the dividend payment from the Company's performance in 2010 at Baht 0.30 per share, the number of shares was 1,253,821,000 and amounting to Baht 376.15 million (paid in amount of Baht 376.12 million), whereby the Company has already paid dividend.

24. Capital Management

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

As of December 31, 2012 and 2011, debt to equity ratio in the consolidated financial statements are 1.29 : 1 and 0.68 : 1, respectively, and the separate financial statements are 1.56 : 1 and 0.45 : 1, respectively.

25. Income Tax Expense

For the years ended December 31, 2012 and 2011, the Company and its subsidiaries calculates income tax expense of the net profit from promotional privileges under the condition of BOI and calculated income tax expense of the net profit from without promotional privileges at 23% and 30%, respectively, and the Company and its subsidiaries calculates income tax expense of the net profit from without promotional privileges after less and plus the adjustment transactions from the Revenue Code. The significant plus or minus of the adjustment transactions are carry forward loss no exceed 5 years, premium on vehicle depreciation, doubtful accounts, charity and loss from decline in value of inventories etc.

26. Promotional Privileges

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

The Company

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

The Subsidiary Companies

<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
1632(2)/2546	November 11, 2003	Broiler Farm	May 12, 2005	May 11, 2013
1571(2)/2551	June 6, 2008	Broiler Farm	April 17, 2010	April 16, 2018
2085(2)/2551	November 19, 2008	Broiler Farm	October 8, 2010	October 7, 2018
1341(2)/2552	April 28, 2009	Broiler Farm	June 9, 2011	June 8, 2019
1470(2)/2552	June 5, 2009	Broiler Farm	June 5, 2011	June 4, 2019
1897(2)/2553	August 24, 2010	Broiler Farm	October 25, 2011	October 24, 2019
1898(2)/2553	August 24, 2010	Broiler Farm	None Income Yet	-
2106(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
2107(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
2108(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
1674(2)/2554	June 9, 2011	Broiler Farm	None Income Yet	-
1022(2)/2555	January 12, 2012	Broiler Farm	None Income Yet	-
1187(2)/2553	January 26, 2010	Chicken Farm	None Income Yet	-
1591(2)/2553	March 16, 2010	Chicken Farm	None Income Yet	-

Separate Financial Statements

For the year ended December 31, 2012

	Activities with Investment Promotional Benefits Baht	Activities without Investment Promotional Benefits Baht	Total Baht
Revenue from Sales	3,232,273,438.69	3,070,132,175.34	6,302,405,614.03
Dividend Income from Subsidiary and Associate Companies	-	89,399,919.00	89,399,919.00
Other Income	33,885,544.92	113,160,224.35	147,045,769.27
Total Income	<u>3,266,158,983.61</u>	<u>3,272,692,318.69</u>	<u>6,538,851,302.30</u>

Separate Financial Statements

For the year ended December 31, 2011

	Activities with Investment Promotional Benefits Baht	Activities without Investment Promotional Benefits Baht	Total Baht
Revenue from Sales	2,296,027,733.52	4,163,880,624.74	6,459,908,358.26
Dividend Income from Subsidiary and Associate Companies	-	196,980,006.00	196,980,006.00
Other Income	15,714,667.79	94,743,372.36	110,458,040.15
Total Income	<u>2,311,742,401.31</u>	<u>4,455,604,003.10</u>	<u>6,767,346,404.41</u>

27. Expenses by Nature

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended		For the years ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Changes in Inventories of Finished Goods				
and Work in Progress	(171,097,576.94)	(196,810,592.71)	(195,596,658.23)	(103,088,092.11)
Raw Materials and Consumables Used	11,895,049,185.78	9,873,247,675.20	5,405,957,935.49	5,159,568,103.79
Loss in Value of Inventories	6,038,848.15	21,421,602.17	11,097,155.97	3,753,980.55
Reverse Loss in Value of Non-Movement				
Inventories	-	(6,622.12)	-	-
Loss from Impairment of Investment	-	-	408,146,928.19	-
Employee Benefit Expenses	1,580,618,423.93	1,374,760,990.43	837,639,638.45	713,183,119.39
Management's Remuneration	46,236,851.00	56,226,635.00	29,023,312.00	34,654,713.00
Depreciation of Fixed Assets	495,617,208.10	455,016,073.39	172,259,034.85	163,604,749.87
Depreciation of Chickens	396,372,988.72	364,805,207.68	-	-
Amortization Expenses	2,994,305.68	2,371,248.50	2,994,305.68	2,371,248.50
Transportation Expenses	320,317,765.98	271,149,679.51	100,319,792.07	75,538,308.41
Operating Lease Expenses	20,149,461.22	18,690,130.13	8,052,315.00	7,763,943.95
Utility Expenses	572,084,473.69	463,361,000.74	216,919,066.40	179,071,299.96
Fee Expenses	9,369,424.24	7,551,347.55	2,541,447.28	1,721,710.79
Traveling Expenses	24,398,516.89	24,942,793.93	5,177,310.20	6,886,114.84
Sale Promotion Expenses	19,148,963.86	21,623,270.49	971,695.82	928,426.58
Loss from Sales of Parent Chickens	26,083,102.98	-	-	-
Retirement				
Loss from Sales of Grandparent Chickens	1,157,426.96	288,186.22	-	-
Retirement				
Loss from Value of Destroy of Chickens	5,166,673.77	3,732,609.74	-	-
Doubtful Accounts (Reverse)	138,680.67	(3,793,539.25)	-	360,471.57
Other Expenses	129,745,920.19	127,326,642.07	44,447,716.68	43,099,907.81
Total	15,379,590,644.87	12,885,904,338.67	7,049,950,995.85	6,289,418,006.90

28. Segment Information

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

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

Consolidated Financial Statements

For the year ended December 31, 2012

(Unit : Million Baht)

	Evisceration Chicken	Broiler Farm	Feed Mill	Parent Chickens	Chicks Distribution	Processed Food Production and Distribution	Grandparent Chickens	Eliminate	Total
Sales - General Customers	5,803.86	3,005.79	5,294.03	470.05	136.10	607.67	52.31	-	15,369.81
- Transfer between Sectors	498.55	3,832.89	5,936.30	1,592.83	-	10.66	128.95	(12,000.18)	-
	6,302.41	6,838.68	11,230.33	2,062.88	136.10	618.33	181.26	(12,000.18)	15,369.81
Profit (Loss) from Operation	(256.62)	(28.86)	415.06	(72.85)	2.25	2.19	62.95		124.12
Share of Loss of Associates									(74.39)
Income Tax Expense									(0.57)
Profit (Loss) of Non-Controlling Interests									(8.33)
Profit (Loss) of GFPT PUBLIC COMPANY LIMITED									40.83
Assets by Business Sector									
- Fixed Assets	950.27	1,661.13	1,312.24	673.58	-	18.58	206.19		4,821.99
- Center Fixed Assets	283.45	0.50	72.77	1.79	-	44.35	0.06		402.92
- Other Assets	778.83	693.54	3,437.68	477.28	12.23	34.37	54.99		5,488.92
Common Assets									2,154.99
Total Assets									12,868.82

Consolidated Financial Statements

For the year ended December 31, 2011

(Unit : Million Baht)

	Evisceration Chicken	Broiler Farm	Feed Mill	Parent Chickens	Chicks Distribution	Processed Food Production and Distribution	Grandparent Chickens	Eliminate	Total
Sales - General Customers	6,101.15	2,175.91	4,838.82	305.92	291.72	456.75	39.28	-	14,209.55
- Transfer between Sectors	358.76	4,110.53	5,340.69	1,619.41	-	12.14	132.51	(11,574.04)	-
	6,459.91	6,286.44	10,179.51	1,925.33	291.72	468.89	171.79	(11,574.04)	14,209.55
Profit (Loss) from Operation	233.59	17.74	860.49	171.72	61.04	1.59	64.61		1,410.78
Share of Loss of Associates									(111.29)
Income Tax Expense									(76.75)
Profit (Loss) of Non-Controlling Interests									(19.35)
Profit (Loss) of GFPT PUBLIC COMPANY LIMITED									1,203.39
Assets by Business Sector									
- Fixed Assets	930.13	1,682.28	1,197.93	517.01	-	14.99	215.74		4,558.08
- Center Fixed Assets	300.09	0.63	64.55	2.28	-	7.64	0.06		375.25
- Other Assets	528.27	625.13	2,212.13	471.63	19.64	26.22	56.29		3,939.31
Common Assets									1,195.75
Total Assets									10,068.39

Basis in the determination of transferred prices between sectors of the Company and its subsidiaries and associates (see note to financial statements Note. 30.1)

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

Pricing Policy

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

For the years ended December 31, 2012 and 2011, the Company and subsidiary companies had domestic sales and export sales as follows:

(Unit : % of Net Total Sales)

Consolidated Financial Statements

For the years ended December 31,

	2012	2011
Domestic Sales - Net	84.40	86.72
Export Sales - Net	15.60	13.28

29. Financial Instruments

29.1 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.

29.2 Risk on Interest Rates

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

Consolidated Financial Statements

	Amount		Annual Interest Rate	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
	<u>Million Baht</u>	<u>Million Baht</u>	%	%
Cash Deposit – Savings Account	168.99	90.70	0.625-0.75	0.75
Government Bond-Debt Instruments 90 days	-	10.00	-	3.10
Short-term Borrowings from Financial Institutions	1,990.00	180.00	2.95-3.55	3.20-3.64
Trust Receipts Payables	1,542.73	486.22	0.71-3.29	1.03-1.80
Long-term Borrowings from Financial Institutions	240.00	320.00	4.18-4.64	2.17-5.19
Long-term Borrowings from Related Persons	2,000.00	2,000.00	6.00	6.00

Separate Financial Statements

	Amount		Annual Interest Rate	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
	<u>Million Baht</u>	<u>Million Baht</u>	%	%
Cash Deposit – Savings Account	100.71	30.89	0.625-0.75	0.75
Short-term Borrowings from Financial Institutions	1,720.00	180.00	2.95-3.55	3.20-3.64
Long-term Borrowings from Related Persons	692.20	692.20	6.00	6.00

29.3 Risks on Exchange Rate

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

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
Assets				
Value of Foreign Exchange Forward Contract				
(Million USD)	21.37	13.39	21.37	13.39
(Million EURO)	12.10	0.67	12.10	0.67
Value of Foreign Exchange Contract (Million Baht)	1,174.18	444.15	1,174.18	444.15
Fair Value of Foreign Exchange Contract (Million Baht)	1,163.22	457.74	1,163.22	457.74
Liabilities				
Value of Foreign Exchange Forward Contract (Million USD)	0.58	-	-	-
Value of Foreign Exchange Contract (Million Baht)	17.95	-	-	-
Fair Value of Foreign Exchange Contract (Million Baht)	17.89	-	-	-

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

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

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
Assets that were not Hedged by Derivative Financial Instruments				
(Million USD)	0.03	0.03	-	-
(Million EURO)	-	0.28	-	0.28
Liabilities that were not Hedged by Derivative Financial Instruments				
(Million USD)	48.21	15.67	0.01	-
(Million YEN)	1.64	5.29	1.64	5.29

29.4 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.

29.5 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.

30. Inter-Transactions within the Group

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

30.1 Inter-Revenues and Expenses

		Consolidated Financial Statements		Separate Financial Statements	
		For the years ended December 31,		For the years ended December 31,	
		2012	2011	2012	2011
Pricing Policy		'000 Baht	'000 Baht	'000 Baht	'000 Baht
Inter-Transaction with Subsidiaries					
(Eliminated from Consolidate Financial Statements)					
Sales	Agreement Price, Reference to Market Price	-	-	498,546	358,760
Purchase	Agreement Price, Reference to Market Price	-	-	4,318,906	4,401,126
Interest Income	Annual Interest Rate at 3.10%, 3.25%	-	-	114	-
Rental Income	Contract Price	-	-	2,340	2,340
Other Income	Cost Price and Agreement Price	-	-	22,597	21,444
Dividend Received	Approved of Shareholder's Meeting	-	-	60,000	196,980
Other Expenses	Cost Price	-	-	3,680	1,278
Interest Expenses	Annual Interest Rate at 2.00%-3.20%	-	-	-	1,139
Inter-Transaction with Associates					
Sales	Agreement Price, Reference to Market Price	3,747,220	3,004,844	779,768	861,700
Purchase	Agreement Price, Reference to Market Price	126,203	121,029	93,488	98,483
Rental Income	Contract Price	11,032	9,946	11,032	9,946
Other Income	Cost Price and Market Price	147,483	132,249	109,556	91,988
Other Expenses	Cost Price	2,046	433	847	433
Dividend Received	Approved of Shareholder's Meeting	-	-	29,400	-

		Consolidated Financial Statements		Separate Financial Statements	
		For the years ended December 31,		For the years ended December 31,	
		2012	2011	2012	2011
Pricing Policy		<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Inter-Transaction with Related Companies					
Sales	Agreement Price, Reference to Market Price	1,160,941	1,404,925	1,660,496	1,404,255
Purchase	Agreement Price, Reference to Market Price	3,022,788	2,388,694	-	-
Other Income	Cost Price and Market Price	8,421	2,115	1,558	1,818
Rental Expenses	Contract Price	17,869	17,275	8,000	7,710
Other Expenses	Cost Price and Market Price	72,824	62,858	3,291	5,205
Interest Expenses	Annual Interest Rate at 6%	113,447	117,060	41,646	41,532

30.2 Inter-Assets and Liabilities

		Consolidated Financial Statements		Separate Financial Statements	
		As of December 31,		As of December 31,	
		2012	2011	2012	2011
		<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Trade Receivables					
Subsidiaries					
	KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	3,139	3,115
	GF FOODS CO., LTD.	-	-	28,120	5,801
Associates					
	MCKEY FOOD SERVICES (THAILAND) LTD.	48,247	84,480	48,247	84,480
	GFPT NICHIREI (THAILAND) CO., LTD.	158,729	113,524	2,480	4,079
Related Companies					
	NICHIREI FOODS INC.	82,811	48,418	82,811	48,418
	KEYSTONE FOODS (AP) LIMITED	16,978	8,951	16,978	8,951
	SURAPON NICHIREI FOODS CO., LTD.	11,412	9,979	11,412	9,979
	SURAPON FOODS PUBLIC CO., LTD.	589	557	589	557
	P.VET. CO., LTD.	44	189	-	-
Total		<u>318,810</u>	<u>266,098</u>	<u>193,776</u>	<u>165,380</u>

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Other Receivables				
Subsidiaries				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	148	74
M.K.S. FARM CO., LTD.	-	-	257	269
KRUNGTHAI FARM CO., LTD.	-	-	97	54
GP BREEDING CO., LTD.	-	-	16	12
GF FOODS CO., LTD.	-	-	3	1,207
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	8,880	6,147	8,880	6,045
GFPT NICHIREI (THAILAND) CO., LTD.	3,594	4,074	1,082	636
Related Companies				
M.K.S. CONDOTOWN CO., LTD.	55	-	55	-
PANALAB CO., LTD.	17	126	-	-
P.CHAROEN PHAN FEEDMILL CO., LTD.	14	-	-	-
P.VET. CO., LTD.	4	-	-	-
KRUNGTHAI AQUA-CULTURE CO., LTD.	1	-	1	-
Total	12,565	10,347	10,539	8,297
Short-Term Loans to				
Subsidiary Company				
Balance as of Beginning	-	-	-	-
Increase	-	-	10,000	-
Decrease	-	-	-	-
Balance as of Ending	-	-	10,000	-
Advance Payment				
Subsidiary Company				
GF FOODS CO., LTD.	-	-	945	761
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	668	-	-	-
Total	668	-	945	761
Prepaid Expenses				
Related Company				
P.CHAROEN PHAN PRODUCE CO., LTD.	594	594	594	594

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Deposit Payment				
Related Companies				
P.CHAROEN PHAN FEEDMILL CO., LTD.	2,104	2,104	911	911
P.CHAROEN PHAN PRODUCE CO., LTD.	125	125	-	-
Total	<u>2,229</u>	<u>2,229</u>	<u>911</u>	<u>911</u>
Trade and Notes Payables				
Subsidiaries				
M.K.S. FARM CO., LTD.	-	-	294,025	104,223
KRUNGTHAI FARM CO., LTD.	-	-	55,841	-
GF FOODS CO., LTD.	-	-	995	691
Associates				
GFPT NICHIREI (THAILAND) CO., LTD.	1,259	1,228	670	869
MCKEY FOOD SERVICES (THAILAND) LTD.	29	-	29	-
Related Companies				
NICHIREI FOODS INC.	-	2,322	-	2,322
P.CHAROEN PHAN FEEDMILL CO., LTD.	16	-	-	-
Total	<u>1,304</u>	<u>3,550</u>	<u>351,560</u>	<u>108,105</u>
Accrued Expenses				
Subsidiaries				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	304	34
M.K.S. FARM CO., LTD.	-	-	75	17
KRUNGTHAI FARM CO., LTD.	-	-	75	17
Associated Company				
MCKEY FOOD SERVICES (THAILAND) LTD.	1,199	1,747	-	-
Related Companies				
M.K.S. CONDOTOWN CO., LTD.	77	-	77	-
PANALAB CO., LTD.	6	-	-	-
Total	<u>1,282</u>	<u>1,747</u>	<u>531</u>	<u>68</u>

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Other Payables				
Subsidiaries				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	75	89
KRUNGTHAI FARM CO., LTD.	-	-	-	1
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	1	5	1	5
GFPT NICHIREI (THAILAND) CO., LTD.	66	66	66	66
Total	67	71	142	161
Deposit Income				
Subsidiaries				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	25	25
M.K.S. FARM CO., LTD.	-	-	140	140
Total	-	-	165	165
Advance Received for Rental Income				
Subsidiary Company				
M.K.S. FARM CO., LTD.	-	-	25	25
Associated Company				
MCKEY FOOD SERVICES (THAILAND) LTD.	140,938	147,761	140,938	147,761
Short-term Borrowings				
Subsidiary Company				
Balance as of Beginning	-	-	-	5,000
Increase	-	-	-	145,000
Decrease	-	-	-	(150,000)
Balance as of Ending	-	-	-	-
Long-term Borrowings				
Directors in				
Parent Company				
Balance as of Beginning	692,200	692,200	692,200	692,200
Increase	-	-	-	-
Decrease	-	-	-	-
Balance as of Ending	692,200	692,200	692,200	692,200
Subsidiaries				
Balance as of Beginning	746,400	744,500	-	-
Increase	2,000	1,900	-	-
Decrease	-	-	-	-
Balance as of Ending	748,400	746,400	-	-

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Related Persons in Subsidiaries				
Balance as of Beginning	561,400	561,400	-	-
Increase	1,000	-	-	-
Decrease	(3,000)	-	-	-
Balance as of Ending	<u>559,400</u>	<u>561,400</u>	<u>-</u>	<u>-</u>
Total	<u>2,000,000</u>	<u>2,000,000</u>	<u>692,200</u>	<u>692,200</u>

As of December 31, 2012, the whole amount of short-term loans to subsidiary company has loan in form of promissory note in the type of call, carried interest rate at 3.10 % per annum.

As of December 31, 2012 and 2011, the whole amount of long-term borrowings from related persons has borrowings in form of promissory note will be gradually matured within 2014, carried interest rate at 6.00 % per annum.

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

30.3 Key Management Personnel Compensation

	Consolidated Financial Statements		Separate Financial Statements	
	for the years ended		for the years ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
Short-term Employee Benefits	45,205	55,241	28,339	33,971
Post-Employment Benefits	<u>1,032</u>	<u>986</u>	<u>684</u>	<u>684</u>
Total	<u>46,237</u>	<u>56,227</u>	<u>29,023</u>	<u>34,655</u>

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.

30.4 Relationship among the Companies

Consist of:

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

31. Non-Cash Transactions

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended		For the years ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Write off Trade Receivables to Bad Debt	713,677.00	899,219.21	-	-
Purchased Assets with Credit	28,517,905.18	49,142,613.16	803,204.77	2,809,842.74
Transfers from Inventories to Property, Plan and Equipment	41,613,471.06	116,800,185.80	-	-
Transfers from Other Current Assets to Property, Plan and Equipment	65,602.33	116,906.98	-	-
Transfers from Deposit to Property, Plan and Equipment	1,316,100.00	5,958,452.34	-	-
Transfers from Construction in Progress to Inventories	-	-	873,699.61	1,687,461.19
Transfers from Investment Property to Land	-	40,219,200.00	-	40,219,200.00
Purchased Parent Chickens with Credit	36,504,000.00	28,120,000.00	-	-
Sold Parent Chickens Retirement with Credit	1,714,447.00	2,278,370.00	-	-
Decreasing for Beginning Retained Earnings from Employee Benefit Obligations	-	234,345,714.56	-	93,689,719.00

32. Obligation and Contingent Liabilities

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

	Consolidated Financial Statements	
	As of December 31,	
	2012	2011
	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Guarantee	89.98	88.47
Letter of Credit (Unused)	1,255.22	1,814.63
Guarantee on Bank Credit with Subsidiaries		
- Credit Line Baht 1,457.65 Million, Credit Used	440.00	-
- Credit Line Baht 1,398.57 Million, Credit Used	-	320.00
Joint Guarantee on Bank Credit with Subsidiaries		
- Credit Line Baht 1,305.28 Million, Credit Used	86.15	-

Separate Financial Statements		
As of December 31,		
	2012	2011
	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Guarantee	41.77	41.77
Letter of Credit (Unused)	71.55	73.66
Guarantee on Bank Credit with Subsidiaries		
- Credit Line Baht 1,457.65 Million, Credit Used	440.00	-
- Credit Line Baht 1,398.57 Million, Credit Used	-	320.00
Joint Guarantee on Bank Credit with Subsidiaries		
- Credit Line Baht 1,305.28 Million, Credit Used	86.15	-

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

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
The agreement of buy back broiler and layer chickens	62.84	40.35	-	-
Service fee of high speed signal	0.18	0.24	-	-
Rental Fee:-				
Within 1 year	19.35	10.58	7.54	4.23
1 – 5 years	35.21	7.20	15.79	4.32
Over 5 years	14.78	15.98	12.02	12.74
Total Rental Fee	<u>69.34</u>	<u>33.76</u>	<u>35.35</u>	<u>21.29</u>

32.3 The Group has obligation of capital expenditure as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2012	2011	2012	2011
Obligation of Capital Expenditure				
Million Baht	5.14	23.79	-	11.68
Million USD	-	0.59	-	-
Million EURO	2.14	1.71	-	-

33. Reclassification of Accounts

The Company reclassified some items in comparative financial statements in order to comply with the present financial statement, which does not have any affects on net profit (loss) or shareholder's equity already presented. The details of reclassification are as follows:

	Consolidated Financial Statements		
	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
Statement of Financial Position as of January 1, 2011			
Cash and Cash Equivalents	181,589,484.35	9,344,030.00	190,933,514.35
Trade and Other Receivables - Net	511,518,509.96	281,720,197.09	793,238,707.05
Trade and Notes Receivables-Subsidiaries, Associated and Related Companies	228,914,181.39	(228,914,181.39)	-
Other Current Assets	56,083,717.64	(51,676,145.14)	4,407,572.50
Investment Property - Net	202,923,392.85	81,745,226.10	284,668,618.95
Property, Plant and Equipment - Net	4,603,630,387.62	(81,745,226.10)	4,521,885,161.52
Other Non-Current Assets	31,595,965.35	(10,473,900.56)	21,122,064.79
Trade and Other Payables	451,326,621.32	168,799,774.66	620,126,395.98
Trade and Notes Payables-Subsidiaries, Associated and Related Companies	3,218,422.50	(3,218,422.50)	-
Current Income Tax Payable	-	32,863,958.60	32,863,958.60
Accrued Expenses	131,721,914.93	(131,721,914.93)	-
Other Payables	49,484,245.93	(49,484,245.93)	-
Other Current Liabilities	29,821,278.90	(29,821,278.90)	-
Short-term Provisions	-	9,235,000.00	9,235,000.00
Advance Received for Rental Income - Associated Company	-	154,682,509.00	154,682,509.00
Other Non-Current Liabilities	164,906,006.95	(151,335,380.00)	13,570,626.95

Consolidated Financial Statements

	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
Statement of Financial Position as of December 31, 2011			
Cash and Cash Equivalents	173,042,308.89	5,898,118.25	178,940,427.14
Temporary Investments	-	20,000.00	20,000.00
Trade and Other Receivables - Net	507,869,427.68	339,662,656.81	847,532,084.49
Trade and Notes Receivables-Subsidiaries, Associated and Related Companies	266,097,996.45	(266,097,996.45)	-
Other Current Assets	71,648,439.90	(66,843,739.07)	4,804,700.83
Other Long-term Investment	25,000.00	(20,000.00)	5,000.00
Investment Property - Net	159,363,390.55	103,738,497.69	263,101,888.24
Property, Plant and Equipment - Net	5,037,074,141.15	(103,738,497.69)	4,933,335,643.46
Other Non-Current Assets	47,956,812.32	(12,619,039.54)	35,337,772.78
Trade and Other Payables	447,614,039.59	185,611,822.28	633,225,861.87
Trade and Note Payables-Subsidiaries, Associated and Related Companies	3,550,763.23	(3,550,763.23)	-
Current Income Tax Payable	-	35,825,002.64	35,825,002.64
Accrued Expenses	137,872,462.57	(137,872,462.57)	-
Other Accounts Payable	61,026,839.53	(61,026,839.53)	-
Other Current Liabilities	34,045,476.59	(34,045,476.59)	-
Short-term Provisions	-	12,005,600.00	12,005,600.00
Advance Received for Rental Income - Associated Company	-	147,760,864.00	147,760,864.00
Other Non-Current Liabilities	160,486,337.08	(144,707,747.00)	15,778,590.08
Statement of Comprehensive Income for the Year Ended December 31, 2011			
Revenue from Sales	14,214,030,746.47	(4,477,579.49)	14,209,553,166.98
Cost of Sales	12,002,517,124.30	(17,021,095.70)	11,985,496,028.60
Other Income	218,482,701.99	4,477,579.49	222,960,281.48
Selling Expenses	328,065,276.29	92,525,332.90	420,590,609.19
Administrative Expenses	490,671,928.08	(10,854,227.20)	479,817,700.88
Management's Remuneration	56,226,635.00	(56,226,635.00)	-
Finance Costs	144,253,726.07	(8,423,375.00)	135,830,351.07

	Separate Financial Statements		
	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
Statement of Financial Position as of January 1, 2011			
Trade and Other Receivables - Net	149,480,487.43	219,910,789.47	369,391,276.90
Trade and Notes Receivables-Subsidiaries, Associated and Related Companies	182,804,116.28	(182,804,116.28)	-
Other Current Assets	37,145,764.43	(35,812,874.53)	1,332,889.90
Investment Property – Net	301,460,328.06	15,696,650.00	317,156,978.06
Property, Plant and Equipment - Net	1,250,962,516.42	(15,696,650.00)	1,235,265,866.42
Other Non-Current Assets	2,565,123.68	(1,293,798.66)	1,271,325.02
Trade and Other Payables	114,918,977.74	78,878,591.40	193,797,569.14
Trade and Notes Payables-Subsidiaries, Associated and Related Companies	11,697,430.70	(11,697,430.70)	-
Accrued Expenses	45,039,049.12	(45,039,049.12)	-
Other Payables	13,486,459.67	(13,486,459.67)	-
Other Current Liabilities	11,669,251.91	(11,669,251.91)	-
Advance Received for Rental Income - Associated Company	-	154,682,509.00	154,682,509.00
Other Non-Current Liabilities	162,856,668.59	(151,668,909.00)	11,187,759.59
Statement of Financial Position as of December 31, 2011			
Trade and Other Receivables - Net	99,715,462.26	210,030,217.37	309,745,679.63
Trade and Notes Receivables-Subsidiaries, Associated and Related Companies	165,380,574.65	(165,380,574.65)	-
Other Current Assets	37,118,975.76	(35,564,801.71)	1,554,174.05
Investment Property – Net	273,109,949.75	15,696,650.00	288,806,599.75
Property, Plant and Equipment - Net	1,245,918,485.20	(15,696,650.00)	1,230,221,835.20
Other Non-Current Assets	10,876,588.55	(9,084,841.01)	1,791,747.54
Trade and Other Payables	71,305,901.67	169,224,427.57	240,530,329.24
Trade and Notes Payables-Subsidiaries, Associated and Related Companies	108,105,268.85	(108,105,268.85)	-
Accrued Expenses	40,640,076.26	(40,640,076.26)	-
Other Accounts Payables	9,828,998.51	(9,828,998.51)	-
Other Current Liabilities	13,454,833.95	(13,454,833.95)	-
Advance Received for Rental Income - Associated Company	-	147,760,864.00	147,760,864.00
Other Non-Current Liabilities	156,573,565.72	(144,956,114.00)	11,617,451.72

	Separate Financial Statements		
	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
Statement of Comprehensive Income for the Year Ended December 31, 2011			
Cost of Sales	5,981,504,104.92	2,678,172.24	5,984,182,277.16
Selling Expenses	85,881,972.13	165,163.80	86,047,135.93
Administrative Expenses	183,957,591.85	35,231,001.96	219,188,593.81
Management's Remuneration	34,654,713.00	(34,654,713.00)	-
Finance Costs	50,781,981.14	(3,419,625.00)	47,362,356.14

34. Approval of the Financial Statements

The financial statements have been approved to issue by the board of directors' the Company on February 21, 2013.

ANNUAL REPORT 2012

GFPT PUBLIC COMPANY LIMITED



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