



GOOD FOOD GOOD CHICKEN

Integrated Annual Report 2018

VISION

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

Missions and Core Value

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

1

Quality

Enhance product quality to international standards

Strategy : Selecting the finest raw materials in our food processing factory and placing strictly control in all production processes to ensure that our chicken products meet international standards and are valued by both domestic and international customers.

2

Food Safety

Achieve confidence through the traceability system

Strategy : With our traceability system in place, we can be fully confident to ensure that our products are safe before being delivered to the consumers.

3

Innovation

New product development using modern technology

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

4

Expertise

Encourage personnel's capabilities to become experts

Strategy : Encourage the development of each personnel's capabilities in all divisions to become experts in their field of operation and to establish long term stability by creating confidence in a better quality of life with the Company which shall in turn lead the Company to the international level.

5

Satisfaction

Be attentive to the customers' needs to ensure their highest satisfaction

Strategy : Be attentive to the customers' needs as well as offering products which meets international standards at a fair pricing policy.

6

Alliance

Build long term relationship with business partners

Strategy : Establish good relationship on the foundation of trust and fairness to maintain long term business cooperation.

7

Responsibility

Build awareness and be responsible towards the society and environment

Strategy : Establish good principle of morality and an awareness of a responsibility towards the society and environment; maintain a balance between the impact on the environment, society, and economic profits to achieve a sustainable growth of our business.



GOOD FOOD GOOD CHICKEN

“Good Food ...

...is the beginning of good health”

For good health and happiness, we are committed to produce quality chicken meat according to international standards with attention to every stage of production to ensure, our chicken is fresh, clean, safe, and delicious in every bite

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About this report

GFPT Public Company Limited prepares “Integrated Annual Report” for the first year in order to communicate sustainability strategies, management processes, operating results of economic, society, and environment, and issues that are considered to have material impact to the Company and its stakeholders. This report is prepared based on the Global Reporting Initiative Guidelines (GRI) Standards, “Core” Option, reporting on annual basis starting from 1 January 2018 to 31 December 2018. The GRI Content Index is also disclosed in the end of this report.

GFPT is committed to improve communication to stakeholders in all forms and all channels, in order to provide information accessibility efficiently and beneficial for its stakeholders. The report is prepared in both Thai and English language in form of hard copies and on the Company’s website (www.gfpt.co.th). For further information, contact Company Secretary at telephone: 0-2473-8000, facsimile: 0-2473-8398, e-mail: cs@gfpt.co.th.



Sustainability Award

In 2018, The Company received Thailand Sustainability Investment 2018 or sustainable stock for the year 2018 for 2 consecutive years. This reward is for the listed company that conduct business sustainably by focusing on environmental, social and governance prepared by SET to provide information to investors to invest in sustainable stocks.

Message from the Chairman



Handwritten signature of Mr. Prasit Sirimongkolkasem in black ink.

Mr. Prasit Sirimongkolkasem
Chairman

Growth of both domestic consumption and export of chicken meat products were the main supporting factors of GFPT's business achievement in 2018. There were also many other supporting factors such as increasing of export demand for chicken meat products in the EU to replace products from Brazil that suffered from the spoiled meat scandal. Moreover, limited growth of broiler raising in China not only lessen its competitive advantage but also lead to the export of Thai chicken meat products to China for the first time for more than 10 years.

Under fierce competitive situation currently facing the Company, GFPT has to focus on research and development in order to produce chicken meat products that can attract and satisfy tastes of consumers in various markets. Moreover, high standard of hygiene and environmental conservation in production process have to be maintained and consistently improved to comply with international standard. Traceability is the essential mechanism to ensure that our products are safe and can be traced back to every stage of production with the linkage of production information from feed production, farm operation, and food processing.

Apart from business strategies aiming at enhancing competitive potentiality as mention above, GFPT also set strategic policy to achieve sustainable growth through ideology adhere to the social responsibility and anti-corruption

principles. As for the social responsibility policy, the Company has consistently and regularly carried out the Corporate Social Responsibility (CSR) projects and activities. Some of these activities are development of community surrounding each of the Company's plant and skill development for youth. Moreover, the Company has also engaged in a campaign to strengthen the energy-saving consciousness among the Company's employees and gave priority to environmental conservation management so that our operations will affect the environment as least as possible.

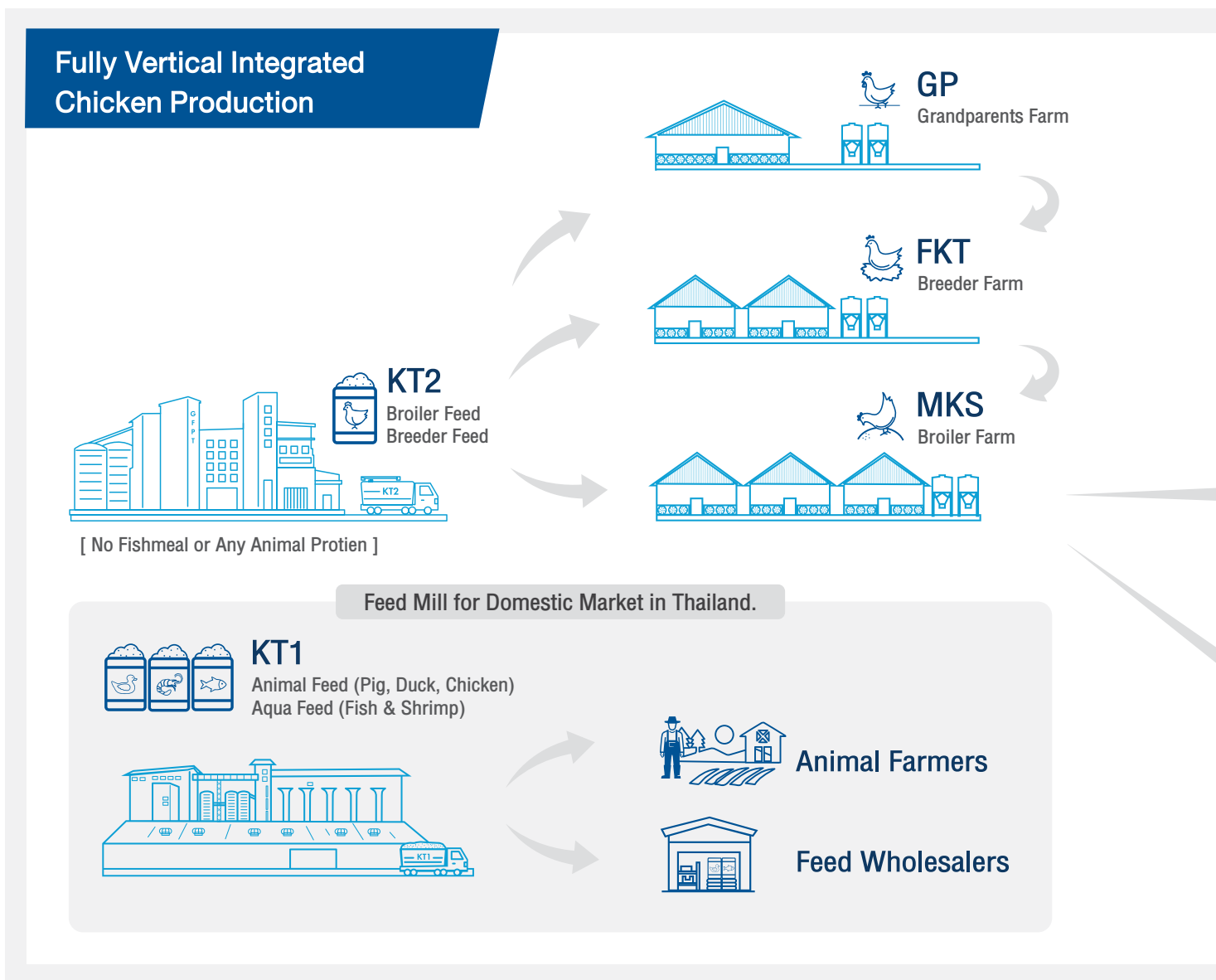
According to anti-corruption, GFPT has placed great importance on countering corruption by becoming a member of the Private Sector Collective Action Coalition Against Corruption (CAC). The Company has encouraged its personnel at all levels to be aware of corruption in all forms. Furthermore, various anti-corruption activities and campaigns are planned and supervised consistently.

Lastly, on behalf of the chairman of the Board of Directors, I would like to offer my sincere thanks to all shareholders and employees for their kindly supports and dedications. Without these valuable contributions, success of GFPT may be less impressive. I really wish that all these support will continue and help the Company achieve its ultimate goal of sustained growth in the future.

About the Company

GFPT Public Company Limited (“GFPT”) founded in 1981 and became a public company in 1994. Head office is located at 312 Rama 2 Road, Bangmod, Jomthong, Bangkok. Nowadays, GFPT has registered capital of 1,400,000,000 Baht and paid-up capital of 1,253,821,000 Baht with Thai nationality holds 85.61% and a foreign ownership of 14.39% accordingly which is below the legal threshold of foreign ownership of 49% of the registered paid-up capital.

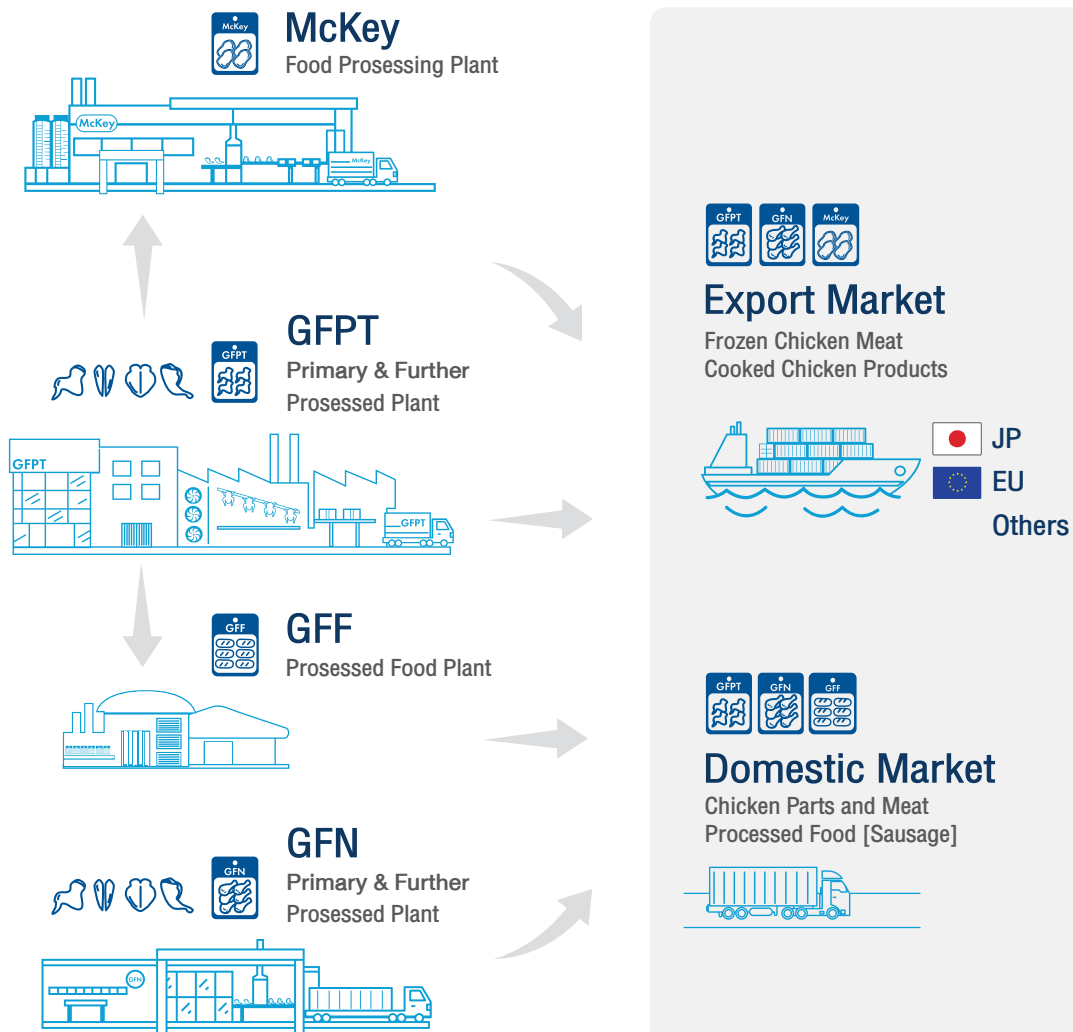
Presently, the Company has 5,453 employees and a total of 12,230 employees for the Group. In 2018, the Group generated income of Baht 16,647 million. Main business of the Company is chicken meat processing and further processing. Core products are fresh chicken parts and cooked further processed chicken parts as well as by-products under the customers’ and company brand names for both domestic and overseas markets. In 2018, GFPT has chicken processing capacity of 122,000 tons per year and cooked chicken



products capacity of 24,000 tons per year from the plant located at Samutprakarn, Thailand.

With more than 30 years in the of chicken meat processing industry, the Company presently owns 5 subsidiaries and 2 joint venture companies all under the name of “GFPT Group” mainly conducting agriculture business focusing on vertical integrated chicken production starting from chicken processing and further processing, hatchery farm, grandparent

chicken farm, parent chicken farm, broiler farm, feed mill, and processed food production. The Company sets policy to be a leader of integrated further production of livestock and agriculture. The Company undertakes to provide food safety products and traceability. The Company is committed to operating business with environmental friendliness and contributing to society.







GOOD FARM

Business Operations

GFPT Public Company Limited (“GFPT”) founded in 1981 and became a public company in 1994. Nowadays, GFPT has registered capital of 1,400,000,000 Baht and paid-up capital of 1,253,821,000 Baht. GFPT is the parent company of the group who operates chicken production and distribution of frozen chicken meat, processed chicken, and its by-products under the customers’ and company brand names for both domestic and overseas markets. In 2018, GFPT has chicken processing capacity of 122,000 tons per year and cooked chicken products capacity of 24,000 tons per year from the plant located at Samutprakarn.



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

The GFPT group operates integrated poultry business. Beginning with the investment of 98.26% in Krungthai Food Public Company Limited (“KT”), with paid-up capital of 400 million Baht, KT engages in feed mill business under the Company’s brand. KT’s main products are animal feed and aquatic feed. KT distributes animal feed especially chicken feed to the Company’s subsidiaries namely MKS, FKT, GP, and domestic animal raisers. For the aquatic feed, KT distributes to domestic aquatic raisers. In 2018, KT has total capacity of 1 million tons per year. The first feed mill, located at Samutprakarn province, consists of 1 animal feed line and 2 aquatic feed lines, with the total capacity of 599,000 tons. The second feed mill, at Banbueng, Chonburi province, has 1 broiler feed line with the total capacity of 512,000 tons per year. There is no conflict of interest between the rest of shareholders and The Company.

The Company invested 99.99% in GP Breeding Company Limited (“GP”), with registered capital 200 million Baht, GP engages in grandparent chicken farming to produce parent day-old-chicks for FKT and customers. In 2018, GP has total capacity of 2.60 million per year of parent stocks from its 1 farm in Chonburi province.

The Company invested 99.99% in Krungthai Farm Company Limited (“FKT”), with registered capital of 350 million Baht, FKT engages in parent breeder farming and hatchery business. For the commercial day-old-chicks, FKT purchases parent breeders from GP to produce commercial day-old-chicks and sells to MKS. In addition, FKT also imports the layer breeders to produce layer day-old-chicks and sells to KT and domestic layer farmers. In 2018, FKT produces 113 million per year commercial day-old-chicks from its 7 farms and 3 million per year layer day-old chicks from its 1 layer farm in Chonburi province.

The Company invested 99.99% in M.K.S. Farm Company Limited (“MKS”), with registered capital of 550 million Baht. MKS engages in broiler farm business by purchasing commercial day-old-chicks from FKT and raising them for 41-43 days. MKS sells broilers to GFPT and GFN (joint venture company). In 2018, MKS has total capacity of 103 million per year broilers from its 13 farms in Chonburi province.

The Company invested 99.99% in GF Foods Company Limited (“GFF”), with paid-up capital of 160 million Baht. GFF engages in production and distribution of processed foods business. Its main products are sausages, meat balls, chicken rolls, and other processed products which are distributed under “GF Foods” brand through fresh markets and wholesalers. In 2018, GFF has total capacity of 37,800 tons per year from 1 factory in Samutprakarn province.

The Company invested 49.00% in McKey Food Services (Thailand) Limited (“McKey”), with registered capital of 100 million Baht. McKey engages in production and distribution of semi-finished frozen foods for export market. McKey’s products are distributed to McDonalds’ restaurants both in Thailand and overseas. In 2018, McKey has a total production of 73,000 tons per year from 3 factories in Samutprakarn and Chonburi province. There is no conflict of interest between the rest of shareholders and The Company.

The Company invested 49.00% in GFPT Nichirei (Thailand) Company Limited (“GFN”), with registered capital of 3,014 million Baht. GFN engages in chicken evisceration, processing and distribution for domestic and export markets. In 2018, the capacity of chicken processing is 67,000 tons per year and the capacity of cooked chicken products is 52,000 tons per year from 1 factory in Chonburi province. There is no conflict of interest between the rest of shareholders and The Company.

Benefits and Privileges from Board of Investment (BOI) Promotion

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

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

Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year – Ending Year
GFPT PCL.	Samutprakarn	1329(2)/2552	Evisceration Chicken	2011 - 2019
		1051(3)/2553	Finished Chicken Products	2011 - 2019
M.K.S. Farm Co.,Ltd.	Chonburi	1571(2)/2551	Broiler Farm	2010 - 2018
		2085(2)/2551	Broiler Farm	2010 - 2018
		1341(2)/2552	Broiler Farm	2011 - 2019
		1470(2)/2552	Broiler Farm	2011 - 2019
		1897(2)/2553	Broiler Farm	2011 - 2019
		1898(2)/2553	Broiler Farm	2014 - 2022
		2108(2)/2553	Broiler Farm	2014 - 2022
		1674(2)/2554	Broiler Farm	2014 - 2022
		2084(2)/2557	Broiler Farm	2015 - 2023
		2106(2)/2553	Broiler Farm	2016 - 2024
		1022(2)/2555	Broiler Farm	2016 - 2024
		2107(2)/2553	Broiler Farm	2017 - 2025
		2083(2)/2557	Broiler Farm	2018 - 2026
		2085(2)/2557	Broiler Farm	2017 - 2025
2086(2)/2557	Broiler Farm	No Income Yet		
2576(2)/2557	Broiler Farm	No Income Yet		
2577(2)/2557	Broiler Farm	No Income Yet		
2578(2)/2557	Broiler Farm	No Income Yet		
Krungthai Farm Co.,Ltd.	Chonburi	1187(2)/2553	Chicken Farm	No Income Yet
		1591(2)/2553	Chicken Farm	2013 - 2021
GP Breeding Co.,Ltd.	Chonburi	1233(2)/2557	Primary Breeder Farm and Hatchery	2014 - 2022
GF Foods Co.,Ltd.	Samutprakarn	60-1254-0-00-1-2	Producing or Preserving Food or Flavoring by Using Modern Technology	2018 - 2026
Mckey Food Services (Thailand) Ltd.	Chonburi	59-1125-0-00-2-0	Frozen Cooked Chicken Products	2017 - 2025
GFPT Nichirei (Thailand) Co.,Ltd.	Chonburi	1977(2)/2552	Evisceration Chicken and Premix	2010 - 2018
		1978(3)/2552	Finished Products and Frozen Chicken	2010 - 2018
		2258(3)/2555	Frozen Cooked Chicken	2013 - 2021
		2225(3)/2557	Finished Products and Frozen Chicken	2015 - 2023
		59-1079-0-00-2-0	Finished Products and Frozen Chicken	2017 - 2025

2. Benefits and Privileges from Import Duties as follows:

Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year – Ending Year
Mckey Food Services (Thailand) Ltd.	Samutprakarn	1106/2541	Finished Chicken Products	2004 - 2018 (Renew every 2 years)
	Samutprakarn	2109(3)/a/2553	Finished Chicken Products	2002 - 2018 (Renew every 2 years)
	Chonburi	59-1125-0-00-2-0	Frozen Cooked Chicken Products	Not Import Yet



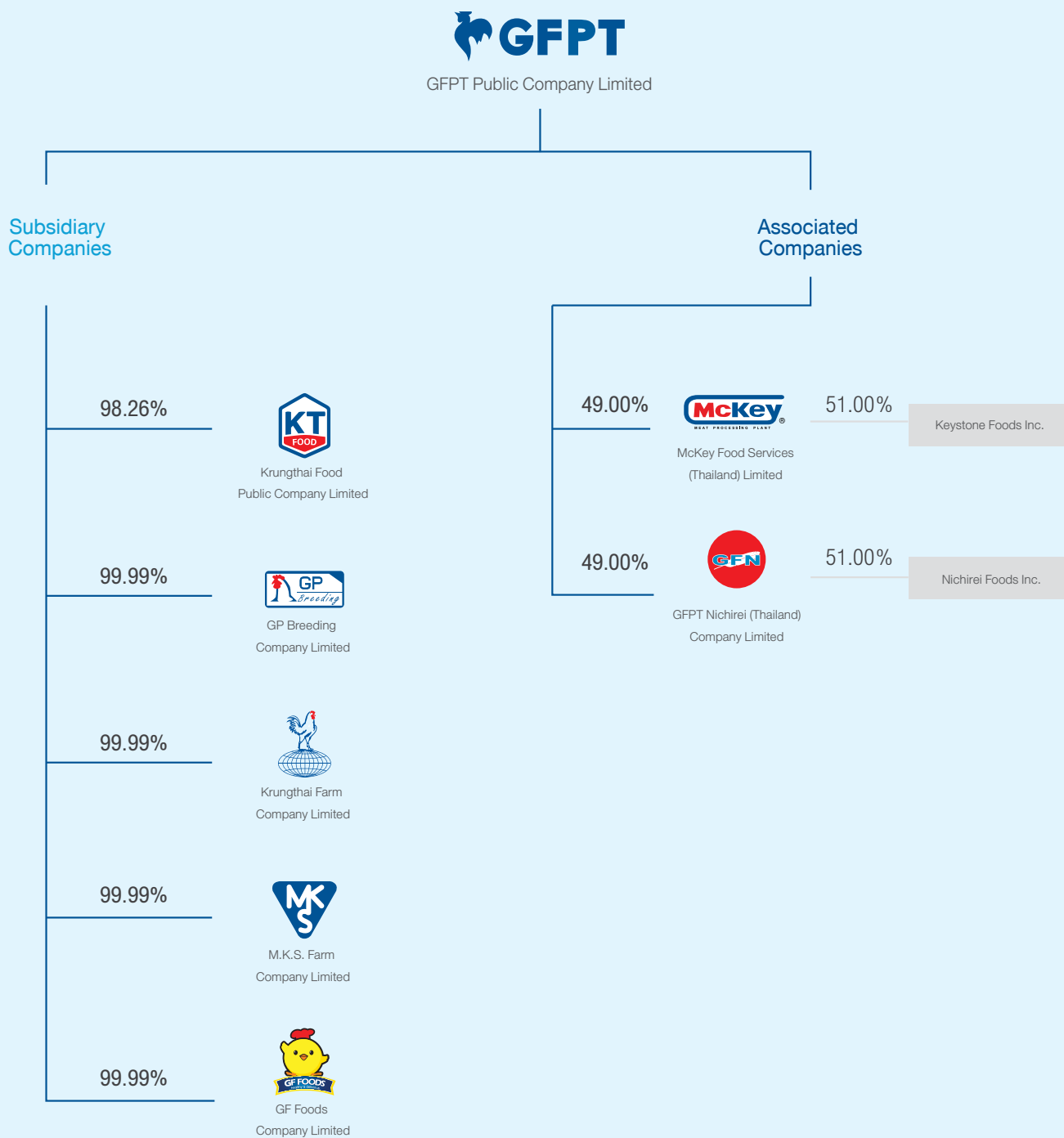
GOOD
HEALTH



GOOD MANUFACTURING

Group Structure

Group Structure as at December 31, 2018







GOOD FEED

Company Information, Subsidiary Companies, and Associated Companies

NAME

GFPT

**GFPT Public Company Limited
Issuing Company**

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

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

WEBSITE

www.gfpt.co.th



KT

**Krungthai Food Public Company Limited
Subsidiary Company**

Feed Mill and
Chicken Distribution

312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

0107537001463
0 2473 8000
0 2473 8398
400,000,000 Baht
400,000,000 Baht
40,000,000 shares
Common Stock
www.ktfood.co.th

GP

**GP Breeding Company Limited
Subsidiary Company**

Grandparent Chicken Farm for
Parent Stock Chicks Production
and Distribution

312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

0105536132457
0 2473 8000
0 2473 8398
200,000,000 Baht
200,000,000 Baht
20,000,000 shares
Common Stock

FKT

**Krungthai Farm Company Limited
Subsidiary Company**

Parent Chicken Farm and Hatchery
for Chicks Production and
Distribution

312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

0105521016944
0 2473 8000
0 2473 8398
350,000,000 Baht
350,000,000 Baht
35,000,000 shares
Common Stock



NAME

MKS

M.K.S. Farm Company Limited

GFF

GF Foods Company Limited

Subsidiary Company

Subsidiary Company

TYPE OF BUSINESS

Broiler Farm

Processed Chicken Food

HEAD OFFICE

312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

CERTIFICATE NO.

0105524028536

0105525001496

TELEPHONE

0 2473 8000

0 2473 8000

FACSIMILE

0 2473 8398

0 2473 8398

REGISTERED CAPITAL

550,000,000 Baht

160,000,000 Baht

PAID-UP CAPITAL

550,000,000 Baht

160,000,000 Baht

NO. OF SHARES

55,000,000 shares

1,600,000 shares

TYPE OF SHARE

Common Stock

Common Stock



McKey

McKey Food Services (Thailand)
Limited

Associated Company

GFN

GFPT Nichirei (Thailand)
Company Limited

Associated Company

Frozen Processed Food

Chicken Evisceration and
Processed Chicken Food

210 Moo 1, Teparak Road K.M.20.5,
Bangsaothong, Bangsaothong,
Samutprakarn 10570

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

0115536003282

0105551130397

0 2315 4763-4, 0 2315 4766-7

038 932 900

0 2315 4765

038 932 999

100,000,000 Baht

3,014,000,000 Baht

100,000,000 Baht

3,014,000,000 Baht

1,000,000 shares

30,140,000 shares

Common Stock

Common Stock

Other Important Information

Registrar Name

Thailand Securities
Depository Co., Ltd.

Address

93 Ratchadaphisek Road, Dindaeng,
Dindaeng, Bangkok 10400

Telephone

0 2009 9000

0 2009 9991

www.set.or.th/tsd

Registrar Debenture

-None-

Auditor

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

Address

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

Telephone

0 2231 3980-7

Facsimile

0 2231 3988

www.amc-mri.com



Major Development of the Company

- 1981**

 - Registered in the name of General Foods Poultry (Thai) Company Limited.
- 1985**

 - P. Charoen Phan Group purchased all the shares.
- 1989-1991**

 - The Company's name changed to "GFPT Company Limited".
 - Backward business expansion to complete vertical integrated chicken production by investing 99.99% share in Krungthai Farm Company Limited (parent chicken farm), M.K.S. Farm Company Limited (broiler farm), and GF Foods Company Limited (processed food factory) and acquiring 65.00% shares in Krungthai Feedmill Company Limited (feed mill).
 - Gradually increased its registered capital to THB 1,000 million.
- 1992**

 - Listed in the Stock Exchange of Thailand with registered share capital of THB 1,000 million and paid-up capital of THB 570 million.
- 1993**

 - Invested 49.00% shares in McKey Food Services (Thailand) Limited (processed food products factory).
- 1994**

 - GFPT Company Limited changed to "Public Company Limited".
- 2000**

 - Increased its paid-up capital from THB 570 million to THB 626.91 million.
- 2002**

 - Bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company's share ownership increased to 96.50%.
- 2003**

 - Invested 99.99% shares in GP Breeding Company Limited (Grandparent chicken farm).
 - Increased its registered share capital THB 1,400 million and paid-up capital of THB 1,253.82 million.
- 2008**

 - Invested 49.00% shares in GFPT Nichirei (Thailand) Company Limited (chicken processing plant and further processing factory).
- 2010**

 - Performed stock split from THB 10 per share to THB 1 per share.
- 2011**

 - Bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company's share ownership increased to 97.85%.
- 2012**

 - Bought additional shares being offered amounted THB 903.56 million to maintain its 49.00% share ownership.
 - Bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company's share ownership increased to 97.86%.

2013

- Bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company's share ownership increased to 97.87%.

2014

- "Krungthai Feedmill Public Company Limited" name changed to "Krungthai Food Public Company Limited".
- Bought additional shares of Krungthai Food Public Company Limited, consequently, the Company's share ownership increased to 98.03%.

2015

- Bought additional shares of Krungthai Food Public Company Limited, consequently, the Company's share ownership increased to 98.06%.

2016

- Bought additional shares of Krungthai Food Public Company Limited, consequently, the Company's share ownership increased to 98.10%.

2017

- GF Foods Company Limited increased its registered share capital to THB 160 million to expand its sausage production capacity.
- McKey Food Services (Thailand) Limited set up its new further processing plant.

2018

- Bought additional shares of Krungthai Food Public Company Limited, consequently, the Company's share ownership increased to 98.26%.
- Started construction of its new chicken processing plant and further processing factory.



Future Project

In the next 3-5 years, the Group has planned to focus on organic growth through capacity expansion along the stream of our vertical integrated chicken production. Expansion of grandparent chicken farm, parent chicken farm, broiler farm is a foundation for our future business expansion.

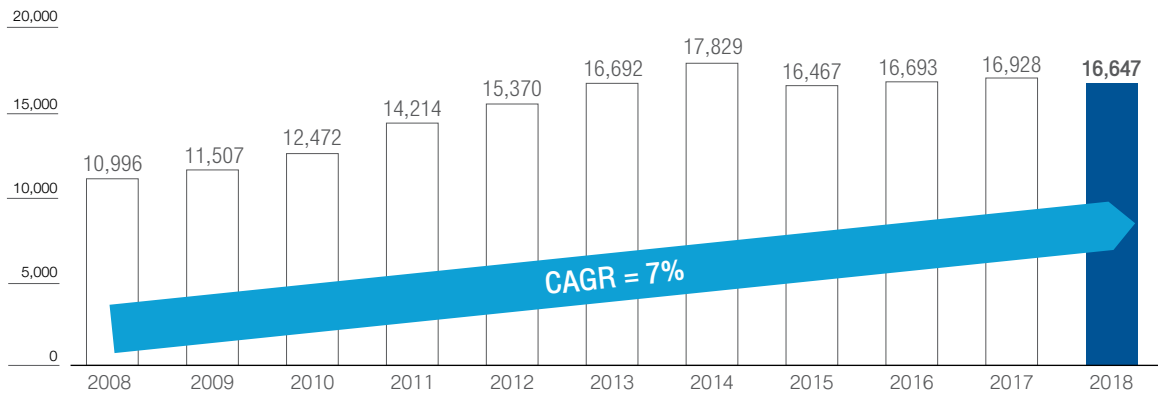
GFPT plans to construct new chicken processing plant on an area of over 700 rai at Thung Khwang Sub-district, Chonburi province. New slaughter house with target capacity at 150,000 birds per day and further processing factory with capacity at 24,000 tons per year to facilitate demand increase from export markets.

Financial Highlights

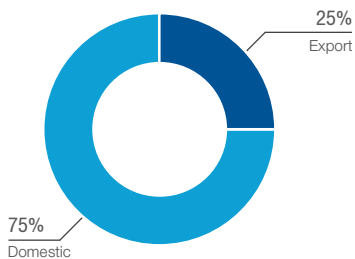
GFPT Public Company Limited and its Subsidiary Companies

	2016	2017	2018
Consolidated Income Statement			
Revenue from Sales <i>(Million Baht)</i>	16,693	16,928	16,647
Total Revenue <i>(Million Baht)</i>	17,023	17,247	16,944
Gross Profit <i>(Million Baht)</i>	2,502	2,778	2,383
Profit from Operation <i>(Million Baht)</i>	1,960	2,052	1,379
Net Profit <i>(Million Baht)</i>	1,644	1,662	1,038
Earnings per Share <i>(Baht per Share)</i>	1.31	1.33	0.83
Consolidated Financial Position			
Total Current Assets <i>(Million Baht)</i>	4,915	5,372	5,770
Total Assets <i>(Million Baht)</i>	16,160	17,279	18,130
Total Current Liabilities <i>(Million Baht)</i>	3,198	2,975	2,988
Total Liabilities <i>(Million Baht)</i>	5,381	5,205	5,403
Shareholders' Equity <i>(Million Baht)</i>	10,779	12,075	12,726
Financial Ratio			
Liquidity Ratio <i>(times)</i>	1.54	1.81	1.93
Gross Profit Margin Ratio (%)	14.99	16.41	14.32
Return on Asset Ratio (%)	10.56	9.94	5.86
Debt to Equity Ratio <i>(times)</i>	0.50	0.43	0.42

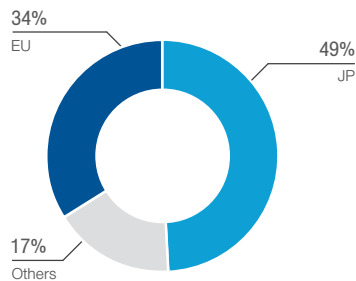
Consolidated Revenue



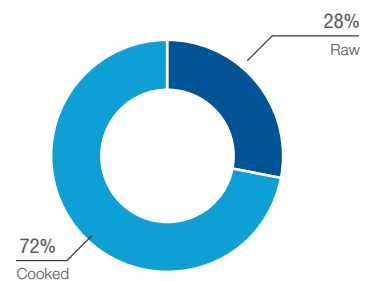
Revenue by Destination



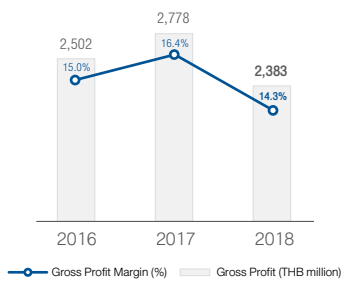
Export by Country



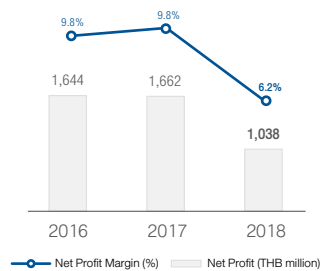
Export by Product Type



Gross Profit & GP Margin (%)

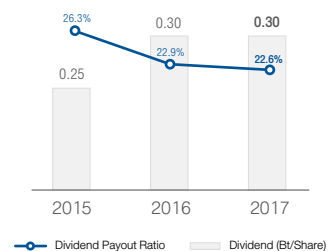


Net Profit & NP Margin* (%)

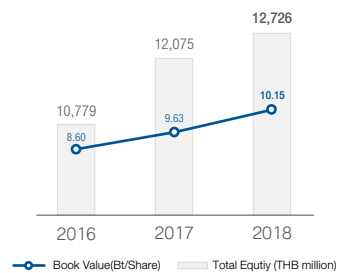


* Net Profit Margin = (Net Profit / Revenue from Sales) x 100

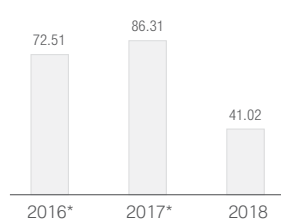
Dividend & Dividend Payout Ratio (%)



Book Value (Baht per Share)

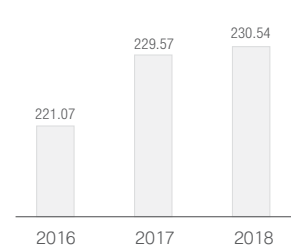


Tax Benefits from the Board of Investment (BOI) – Separate Financial Statements (million Baht)



* Updated year 2016 and 2017 according to current database system

Corporate Income Tax (million Baht)





CRISPY CHICKEN

Income Structure

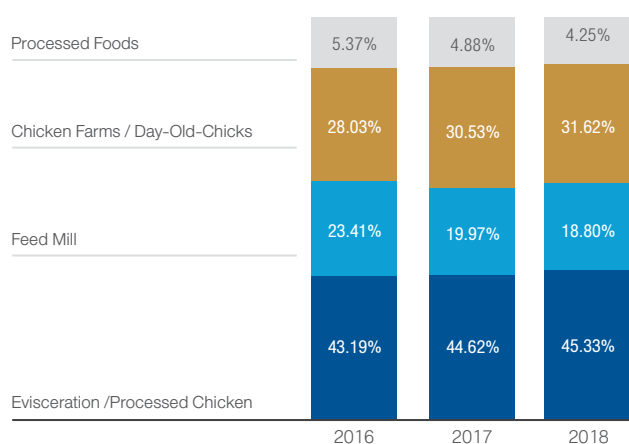
Revenue Breakdown of GFPT and its Subsidiaries

In 2018, the consolidated revenue was THB 16,647.02 million, which consisted of 45.33% from evisceration and processed chicken business, 18.80% from feed mill business, 31.62% from chicken farms and day-old-chicks distribution business and 4.25% from processed foods business. More detail are provided in the notes to financial statements no. 29 "Segment Information".

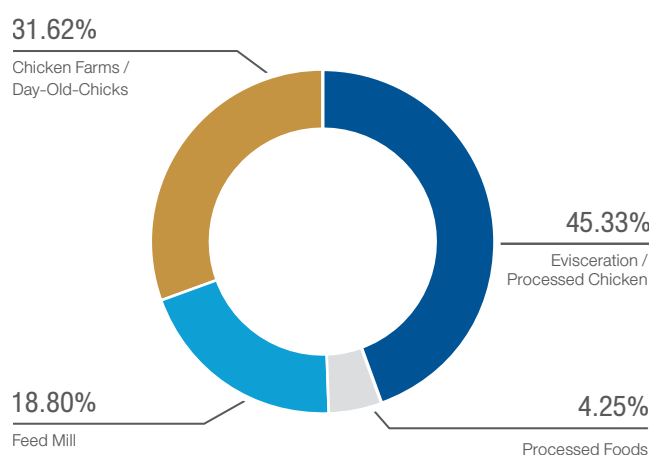
Revenue Breakdown of GFPT and its Subsidiaries

Type of Business	Operated by	% of Share holding	2016		2017		2018	
			Income (MB)	%	Income (MB)	%	Income (MB)	%
Evisceration/ Processed Chicken	GFPT		7,209.37	43.19	7,554.13	44.62	7,545.44	45.33
Feed Mill	KT	98.26	3,907.83	23.41	3,379.98	19.97	3,129.01	18.80
Chicken Farms / Day-Old-Chicks	FKT, GP, MKS	99.99	4,679.54	28.03	5,167.70	30.53	5,264.13	31.62
	KT	98.26						
Processed Foods	GFF	99.99	896.28	5.37	826.66	4.88	708.44	4.25
Total			16,693.02	100.00	16,928.47	100.00	16,647.02	100.00

Income Structure



Revenue Breakdown of GFPT and its Subsidiaries in 2018





Management Discussion and Analysis

This MD&A report has been prepared based on the consolidated of GFPT Public Company Limited (“GFPT” or “the Company”) and its subsidiaries (collectively, “GFPT Group”) for the year ended December 31, 2018 as well as included any significant transactions occurred during the year 2018.

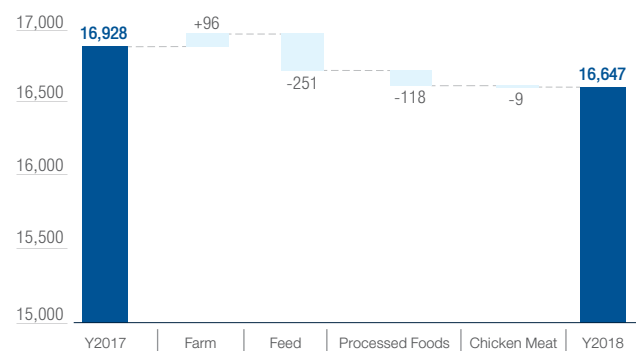


GFPT Group operates fully integrated poultry business involving the production and distribution of feeds, frozen chicken meat, processed chicken and its by-products under both the customers' and the company's brand name for both domestic and international markets.

GFPT's strategy is committed to being one of a leader in the poultry processing industry by focusing on the highest quality of food and safety standards throughout our operation, right from the animal feeds through the end products delivered to our customers. Furthermore, the Company maintains its competitive advantage by concentrating on its own farm policy and cost efficiencies through economies of scale.

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

Overall Financial Performance and Profitability (Million Baht)



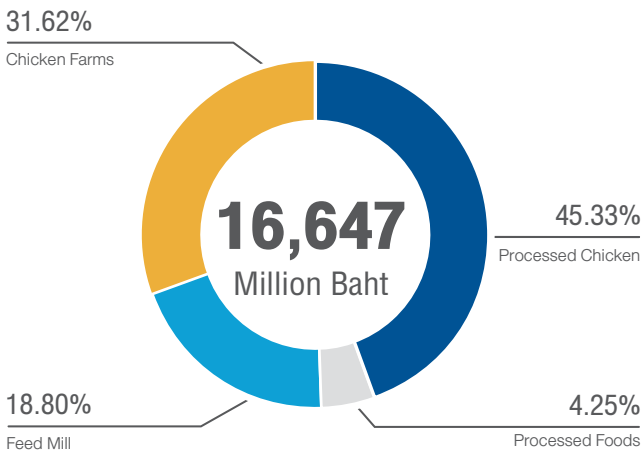
Overall Financial Performance and Profitability

Revenue from Sales

The consolidated revenue from sales for 2018 were THB 16,647.02 million, decreased by THB 281.45 million or 1.66% down from 2017, Revenue from feed segment declined by THB 250.97 million or 7.43% down from 2017 mostly from lower revenue from fish feed. In addition, revenue from processed foods segment decreased by THB 118.22 million or 14.30 down from 2017 and revenue from chicken processing segment decreased by THB 8.69 million or 0.12 down from 2017. However, revenue from farm segment increased by THB 96.43 million or 1.87 up from 2017.

The consolidated revenue from sales consisted of chicken processing segment represented 45.33%, feed segment represented 18.80%, farm segment represented 31.62%, and processed food segment represented 4.25%.

Revenue from Sales in 2018



Chicken Processing Segment

Revenue from chicken processing segment in 2018 consisted of revenue from direct export cooked chicken products and fresh frozen chicken meat, indirect export of chicken meat, and domestic sales of chicken parts, represented 45.33% of consolidated revenue from sales amounting THB 7,545.44 million, slightly decreased by THB 8.69 million or 0.12% down from 2017 due to lower selling price of chicken parts for domestic market.

However, the Company's total export of chicken products was 32,700 metric tons, a growth of 2,100 metric tons or 6.86% up from 2017 mostly from significantly increased in export volume of fresh frozen chicken products to EU Countries and China, our new export market in this year.

Feed Segment

Revenue from feed segment in 2018 consisted of revenue from animal feed, fish feed, and shrimp feed, represented 18.80% of consolidated revenue, amounting THB 3,129.01 million, reduced by THB 250.97 million or 7.43% down from 2017.

The revenue from feed business continued declining due to intense competition in Thailand reflecting falling in revenue from fish feed which dropped by 23.69% comparing to 2017 from lower sales volume of fish feed. Furthermore, revenue from animal feed decreased by 4.49% comparing to 2017 from lower sales volume of animal feed. However, revenue from shrimp feed rose by 14.31% from 2017 mainly from higher selling price and sales volume of shrimp feed.



Farm Segment

Revenue from farm segment in 2018 consisted of revenue from live broilers sales to GFN (our joint venture) and selling day-old-chicks to both international and domestic market, represented 31.62% of consolidated revenue, amounting THB 5,264.13 million, an increase of THB 96.43 million or 1.87% up from 2017.

Revenue from selling live broilers to GFN has been snowballing since GFN started its operation in 2010. As a result, revenue from selling live broilers to GFN in 2018 improved by 14.80% comparing to 2017.

Processed Foods Segment

Revenue from processed foods segment in 2018 consisted of chicken sausage, and other processed chicken products for domestic market, represented 4.25% of consolidated revenue. In 2018, the revenue from processed foods was THB 708.44 million, dropped by THB 118.22 million, or 14.30% down from 2017.

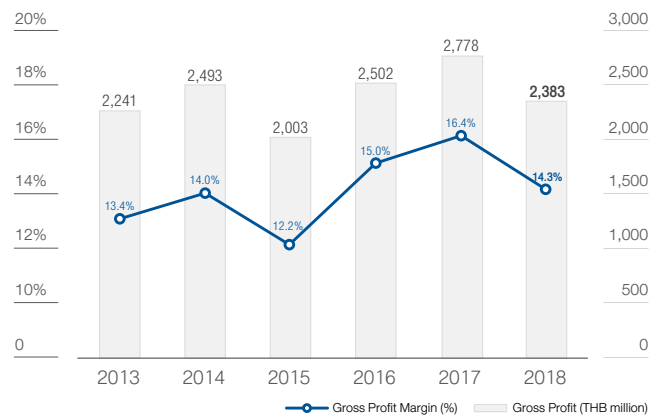
Revenue from processed foods segment in 2018 decreased from lower selling price of processed foods for domestic market which declined by 8.48% comparing to 2017.

Cost of Sales and Gross Profit

Cost of sales for 2018 was THB 14,263.56 million, an increase of THB 112.64 million or 0.80% up from 2017 while gross profit in 2018 was THB 2,383.46 million, dropped by THB 394.09 million or 14.19% down from 2017 primarily from higher corn price.

Consequently, cost of sales for 2018 contributed of 85.68% of total sales, raised from 83.59% in 2017 while gross profit margin contributed of 14.32% in 2018, decreased from 16.41% in 2017.

Gross Profit & GP Margin



Other Income

The consolidated other income in 2018 was THB 296.85 million, decreased by THB 21.39 million or 6.72% down from 2017, predominantly from decreasing of duty import tax return under section 19 bis. The consolidated other incomes in 2018 was 1.78% of total sales, slightly decreased from 1.88% in 2017.



Selling General and Administrative Expense

The consolidated SG&A expenses in 2018 equaled to THB 1,372.02 million, increased by THB 55.82 million or 4.24% up from 2017. The Consolidated SG&A expenses increased from higher loss from selling grandparent chicken retirement and higher employee benefit expense comparing to 2017. The consolidated SG&A expenses in 2018 were 8.24% of total sales, slightly increased from 7.78% in 2017.

Share of Profit from Associated Company

The consolidated share of profit from associated companies based on the equity method in 2018 was THB 71.13 million, decreased by THB 200.89 million, or 73.85% down from 2017 mainly from GFN's loss contribution was THB 70.98 million, decreased by THB 171.05 million or 170.93% down comparing to 2017 due to lower selling price of chicken parts for domestic market. Furthermore, McKey's profit contribution was THB 142.11 million, dropped by THB 29.85 million or 17.36% down from 2017 due to higher operating expense from new further processing factory which was not reach target utilization in the first half of 2018.

Financial Cost

Financial costs of the group include the interest paid to financial institutions and related persons. The Company's financial costs in 2018 were THB 78.74 million, rose by THB 4.38 million or 5.89% up from 2017 mainly from higher interest rate of short-term loan within 1 year comparing to 2017. Costs of funds were 2.29% as at December 31, 2018 slightly increased from December 31, 2017 at 2.08%. The consolidated financial costs of the group in 2018 were 0.47% of total sales, slightly increased from 0.44% in 2017.

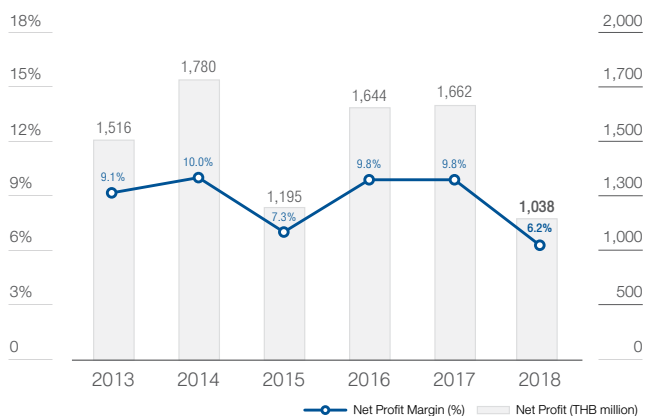
Income Tax Expense

Income tax expense of the Group in 2018 was THB 252.24 million, decreased by THB 53.25 million or 17.43% down comparing to income tax expense of THB 305.49 million in 2017. A decrease in income tax expense in 2018 was impacted by lower deferred income tax expense comparing to 2017.

Net Profit

The consolidated net profit in 2018 was THB 1,037.97 million, decreased in amount of THB 624.22 million or 37.55% down from THB 1,662.19 million in 2017. The EPS of 2018 was THB 0.83 per share. The decrease in consolidated net profit was primarily driven from lower revenue from sales and lower share of profit from associated companies comparing to 2017. The consolidated net profit margin in 2018 was 6.24% of net sales, decreased from 9.82% in 2017.

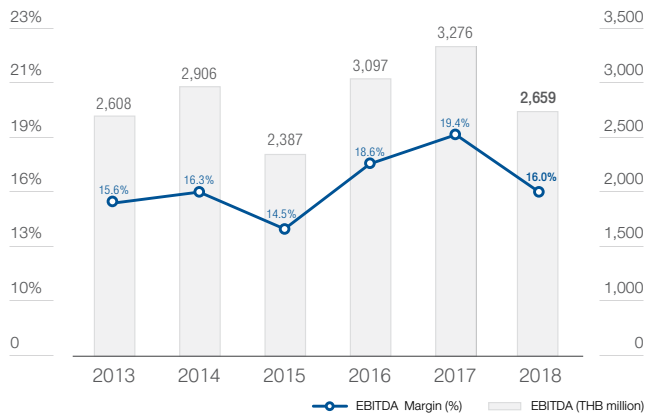
Net Profit & NP Margin *



* Net Profit Margin = (Net Profit / Revenue from Sales) x 100

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

The consolidated EBITDA in 2018 was THB 2,658.75 million, decreased by THB 617.62 million or 18.85% down from 2017. The decreasing in consolidated EBITDA resulted from lower revenue from sales. EBITDA margin in 2018 was 15.97%, decreased from 19.35% in 2017.



Return on Equity

In 2018, return on equity of the Company and its subsidiaries was 8.37% decreased from 14.55% in 2017; resulting from lower efficiency in profit generation; whilst, slightly lower asset utilization and slightly lower risk from 2017 as follow:

DuPont Analysis	2016	2017	2018
Return on Equity or ROE ¹⁵ (%)	16.26	14.55	8.37
Operating Profit Margin ¹² (%)	11.74	12.12	8.29
Total Assets Turnover ¹⁸ (times)	1.09	1.03	0.96
Equity Multiplier (times)	1.54	1.46	1.43



Financial position

Asset

For the consolidated financial position as of December 31, 2018, total assets of GFPT Group equal to THB 18,129.66 million including THB 5,770.02 million (31.83% of total assets) in current assets, THB 8,447.16 million (46.59% of total assets) in property, plant and equipment (PP&E), THB 2,687.52 million (14.82% of total assets), in investments in associated companies, THB 500.61 million (2.76% of total assets) in grandparent chicken and parent chicken and THB 724.35 million (4.00% of total assets) in investment in property and other assets.

Total assets as at December 31, 2018 increased in amount of THB 850.26 million or 4.92% up from December 31, 2017 from an increase in cash and cash equivalent of THB 503.83 million and increase in PP&E of THB 429.40 million. In 2018, the consolidated return on asset was 5.86% times, lower than 2017 at 9.94%.

Trade and other Receivable

In 2018, the Company and its subsidiaries recorded allowance for doubtful accounts in amount of THB 35.36 million, slightly increased from THB 34.41 million in 2017. The allowance for doubtful accounts was at acceptable level of 3.68% of total trade receivables. The average collection period of the Company and its subsidiaries was 21 days in 2018, slightly increased from 20 days in 2017. The account receivable turnover was 17.11 times, slightly decreased from 17.78 times in 2017.

Inventory

In 2018, the consolidated inventories of THB 3,527.98 million, decreased by THB 80.21 million or 2.22% down from 2017; primarily from decreasing in raw materials in transit and rearing chicken. The inventory turnover period was 5 days, remained the same as 2017. The Company and its subsidiaries recorded allowance for non-movement inventories in amount of THB 2.88 million and allowance for decline in value of inventories in amount of THB 29.97 million which accounted only 0.92% of total inventories value. It showed that the Company managed inventory appropriately.

Liability

As at December 31, 2018, total liabilities of the Company and its subsidiaries was THB 5,403.47 million comprising of current liabilities of THB 2,988.18 million (55.30% of total liabilities), long-term loans from related persons of THB 1,760.00 million (32.57% of total liabilities), provision for employees benefit of THB 520.12 million (9.63% of total liabilities), advance received for rental income of THB 115.93 million (2.14% of total liabilities), and other non-current liabilities of THB 19.24 million (0.36% of total liabilities).

The total liabilities as at December 31, 2018 increased by THB 198.89 million or 3.82% up from December 31, 2017 primarily from trade and other payables increased in amount of THB 219.40 million. All short-term and long-term loans of the group are in THB currency only, thus; The Company has no exposure in foreign currency borrowings. The consolidated interest-bearing liabilities as at December 31, 2018 were THB 3,440.00 million (63.66% of total liabilities).

In 2018, trade and other payables of the Company and its subsidiaries was THB 1,143.42 million, increased in amount of THB 219.40 million or 23.74% up from 2017. In 2018, account payable turnover was 18.03 times, decreased from 2017 at 20.43 times. The consolidated average payment period in 2018 was 20 days, slightly increased from 18 days in 2017.

Shareholders' Equity

As December 31, 2018, the consolidated shareholders' equity in amount of THB 12,726.19 million, increased by THB 651.37 million or 5.39% up from December 31, 2017; primarily from the increase in retained earnings in amount of THB 657.42 million. The consolidated book value as at December 31, 2018 was THB 10.15 per share, increased from THB 9.63 per share in 2017.

Liquidity

Cash Flow Activity

In 2018, the Company and its subsidiaries generated cash flows from operating activities of approximately THB 2,478.04 million, increased by THB 22.59 million from 2017. The cash cycle of the Company and its subsidiaries was 7 days in 2018, decreased from 8 days in 2017.

The Company and its subsidiaries used cash in its investing activities in amount of THB 1,375.10 million, increased by THB 25.24 million from 2017. The investing activities was made mostly in the investment in fixed assets in amount of THB 881.63 million and the grandparent and parent breeder stocks in amount of THB 581.47 million.

The Company and its subsidiaries used net cash from its financing activities in an amount of THB 599.11 million, decreased by THB 81.09 million from 2017, mainly from dividend payment of THB 376.06 million.

As at December 31, 2018, the Company and its subsidiaries' cash position in cash and cash equivalents was THB 1,240.09 million, increased by THB 503.83 million from 2017.

Liquidity Ratios

In 2018, the liquidity of the Company and its subsidiaries was considerably appropriate for its operations and had strong financial position. As at December 31, 2018, the consolidated current ratio was 1.93 times, slightly increased from 1.81 times in 2017. The quick ratio in 2018 was 0.72 times, increased from 2017 at 0.57 times. The cash ratio of the Company was 0.83 time, slightly increased from 2017 of 0.80 time.

Short-Term Debt Maturity

As at December 31, 2018, the Company and its subsidiaries' current liabilities of THB 2,988.18 million comprise of short-term loans from financial institutions of THB 1,380.00 million, trade payables and other payables THB 1,143.42 million, other current liabilities THB 180.76 million, and the current portion of long-term loans from related persons of THB 284.00 million.

Due to its strong position in cash flow and liquidity, the Company and its subsidiaries can repay the debt obligations including trade payables and other payables, short term loans, the current portion of long-term loans from financial institutions, and interest expenses. The repayment can be made from cash flow from operation activities. In 2018, the consolidated current ratio was 1.93 times, the net debt to equity ratio was low at 0.27 time.

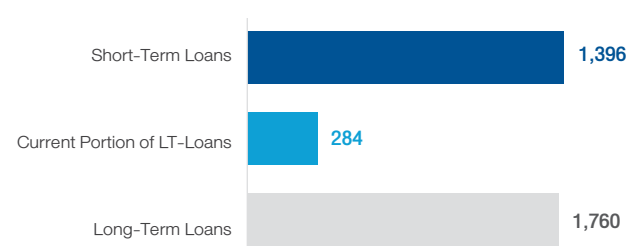
The Company and its subsidiaries still had available credit line of the revolving short-term borrowings with financial institutions including bank overdraft in amount of THB 242.00 million and short-term loans, letters of credit, trust receipts, packing credit and forward foreign exchange contract in amount of THB 7,230.40 million.

Capital Structure

The Company and its subsidiaries had strong financial position. As at December 31, 2018, the consolidated debt to equity ratio was 0.42 time, slightly decreased from 0.43 time as at December 31, 2017.

As at December 31, 2018, the consolidated interest-bearing liabilities were THB 3,440.00 million, decreased from THB 3,576.70 million as at December 31, 2017. The net debt to equity of the Company was considerably low at 0.27 time, slightly decreased from 0.30 time in 2017. In summary, the Company had appropriate capital structure.

Interest Bearing Debts



Capital Expenditure and Capital Resource

In 2018, the Company made an investment of THB 1,375.10 million; mostly in purchasing of fixed assets in amount of THB 881.63 million and grandparent breeder and breeder stocks in amount of THB 581.47 million.

According to the investment plan in 2018, the Company has continued to expand its broiler farm capacity, the investment was paid from cash flow from operations, short-term loans, and long-term loans.

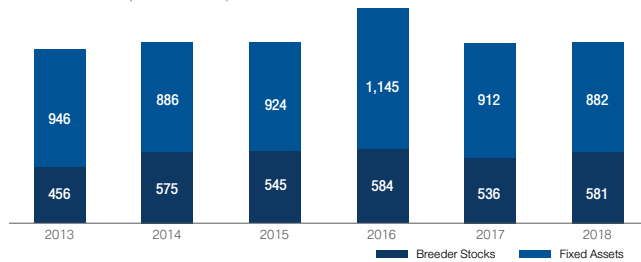
In the next 3-5 years, the Company has planned to grow organically by investing in Greenfield projects. We focus on capacity expansion along the stream of our vertical integrated chicken production. Firstly, broiler farm operation will be expanded to reach capacity of 380,000 birds per day. Secondly, we are constructing the new chicken processing plant with a capacity of 150,000 birds per day as well as its supporting facilities such as water reservoir, water treatment, wastewater treatment, and worker residences. Finally, the further processing plant will be in the next phase of construction to produce cooked product for export with capacity of 24,000 metric tons per year.

The investment budget for these projects is estimated to be around THB 1,200 - 1,500 million per year for the next 3-5 years. However, this expansion plan can be adjusted depending on changes of future situation.

Factors that may Affect Future Operation or Financial Position

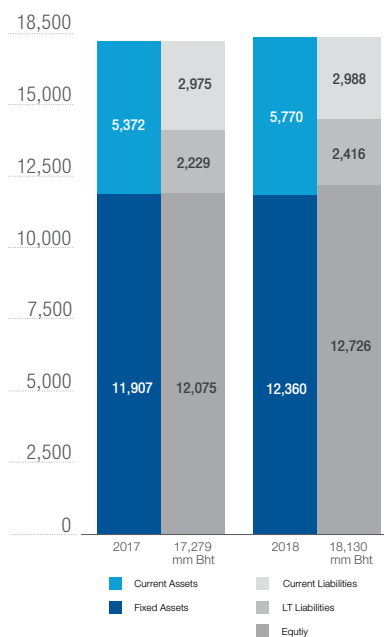
GFPT Group categorized the risks that may affect the business directly into 7 areas: strategic risk, operational risk, financial risk, compliance risk, reputational risk, other risk, and emerging risk as shown in Risk Factor section (Integrated Annual Report 2018 page 54). Nevertheless, GFPT Group has mitigated these risks to be in an acceptable level as shown in Risk Management section (Integrated Annual Report 2018 page 116).

Investment (Million Baht)



Financial Position

(Million Baht)



Contractual Obligations

(Million Baht)

Contractual Obligations	Total	Term of Payment			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-term debt obligations	2,060.00	300.00	560.00	-	1,200.00
Financing lease obligations	-	-	-	-	-
Operating lease obligations	70.91	25.21	38.26	3.61	3.84
Acquisition obligations	19.83	12.46	7.37	-	-
Other debt obligations	1.87	1.87	-	-	-
Total	2,152.61	339.54	605.63	3.61	1,203.84



McKey constructed new further processing factory with additional chicken processing capacity of 30,000 metric tons per year.

Summary of Consolidated Statements of

Financial Position of GFPT Public Company Limited and its Subsidiaries
As at 31 December 2016, 2017, and 2018

	2016		2017 (restated)		2018	
	MB	%	MB	%	MB	%
Cash and Cash Equivalent	310.87	1.92	736.26	4.26	1,240.09	6.84
Trade and other receivables	932.66	5.77	1,013.27	5.87	974.80	5.38
Inventories	3,653.33	22.61	3,608.19	20.88	3,527.98	19.46
Other Current Assets	18.15	0.11	14.10	0.08	27.15	0.15
Total Current Assets	4,915.01	30.41	5,371.82	31.09	5,770.02	31.83
Investment in Associates	2,448.75	15.15	2,671.77	15.46	2,687.52	14.82
Grandparent Chickens	121.18	0.75	110.82	0.64	104.49	0.58
Parent Chickens	406.78	2.52	366.22	2.12	396.12	2.18
Investment Property	360.42	2.23	354.07	2.05	349.77	1.93
Property, Plant and Equipment	7,430.75	45.98	8,017.76	46.40	8,447.16	46.59
Deferred Tax Assets	373.55	2.31	297.63	1.72	275.85	1.52
Other Non - Current Assets	103.89	0.65	89.31	0.52	98.73	0.55
Total Non-Current Assets	11,245.32	69.59	11,907.58	68.91	12,359.64	68.17
Total Assets	16,160.33	100.00	17,279.40	100.00	18,129.66	100.00
Short - Term Loans from Financial Institutions	1,931.37	11.95	1,650.00	9.55	1,380.00	7.61
Short - Term Loans from Related Persons	-	-	160.00	0.92	16.00	0.09
Trade and other payables	886.47	5.49	924.02	5.35	1,143.42	6.31
Current Portion of Advance Received for Rental Income	7.85	0.05	9.17	0.05	9.17	0.05
Current Portion of Long - Term Loans	208.32	1.29	66.70	0.39	284.00	1.57
Other Current Liabilities	164.36	1.01	165.39	0.96	155.59	0.85
Total Current Liabilities	3,198.37	19.79	2,975.28	17.22	2,988.18	16.48
Long - Term Loans	1,666.70	10.31	1,700.00	9.84	1,760.00	9.71
Employee benefit obligations	365.94	2.26	384.97	2.23	520.12	2.87
Advance Received for Rental Income	99.43	0.62	125.10	0.72	115.93	0.64
Other Non - Current Liabilities	50.80	0.32	19.23	0.11	19.24	0.10
Total Non - Current Liabilities	2,182.87	13.51	2,229.30	12.90	2,415.29	13.32
Total Liabilities	5,381.24	33.30	5,204.58	30.12	5,403.47	29.80
Total Shareholders' Equity	10,779.09	66.70	12,074.82	69.88	12,726.19	70.20
Total Liabilities and Shareholders' Equity	16,160.33	100.00	17,279.40	100.00	18,129.66	100.00

Comprehensive Income Statements of GFPT Public Company Limited and its Subsidiaries
For the year ended 31 December 2016, 2017, and 2018

	2016		2017 (restated)		2018	
	MB	%	MB	%	MB	%
Revenue from Sales	16,693.02	98.06	16,928.47	98.15	16,647.02	98.25
Other Income	329.90	1.94	318.24	1.85	296.85	1.75
Total Revenue	17,022.92	100.00	17,246.71	100.00	16,943.87	100.00
Cost of Sales	(14,191.28)	(83.37)	(14,150.92)	(82.05)	(14,263.56)	(84.18)
Selling and Administrative Expenses	(1,242.64)	(7.30)	(1,316.20)	(7.63)	(1,372.02)	(8.10)
Total Expenses	(15,433.92)	(90.67)	(15,467.12)	(89.68)	(15,635.58)	(92.28)
Participating Profit in Associated Companies	371.19	2.18	272.02	1.58	71.13	0.42
Profit before Financial Costs and Income Taxes	1,960.19	11.51	2,051.61	11.90	1,379.42	8.14
Financial Costs	(98.03)	(0.57)	(74.36)	(0.43)	(78.74)	(0.46)
Income Tax Expenses	(205.69)	(1.21)	(305.49)	(1.77)	(252.24)	(1.49)
Profit for The Year	1,656.47	9.73	1,671.76	9.70	1,048.44	6.19
Non - Controlling Interests	(12.77)	(0.07)	(9.57)	(0.06)	(10.47)	(0.06)
Net Profit	1,643.70	9.66	1,662.19	9.64	1,037.97	6.13

Consolidated Cash Flows Statements of GFPT Public Company Limited and its Subsidiaries
For the year ended 31 December 2016, 2017, and 2018

	2016	2017	2018
	MB	MB	MB
Net Cash Received from Operating Activities	2,088.52	2,455.45	2,478.04
Net Cash Used in Investing Activities	(1,612.81)	(1,349.86)	(1,375.10)
Net Cash Used in Financing Activities	(757.33)	(680.20)	(599.11)
Net Increase (Decrease) in Cash and Cash Equivalents	(281.62)	425.39	503.83
Cash and Cash Equivalents at the Beginning Balance	592.49	310.87	736.26
Cash and Cash Equivalent at the Ending Balance	310.87	736.26	1,240.09

Financial Ratios of GFPT Public Company Limited and its Subsidiaries
As at 31 December 2016, 2017, and 2018

	2016	2017	2018
Liquidity Ratio			
Current Ratio ¹ (times)	1.54	1.81	1.93
Quick Ratio ² (times)	0.37	0.57	0.72
Cash Ratio ³ (times)	0.68	0.80	0.83
Account Receivable Turnover ⁴ (times)	17.27	17.78	17.11
Average Collection Period ⁵ (days)	21	20	21
Inventory Turnover ⁶ (times)	70.56	70.75	66.25
Average Inventory Turnover Period ⁷ (days)	5	5	5
Account payable Turnover ⁸ (times)	22.54	20.43	18.03
Average Payment Period ⁹ (days)	16	18	20
Cash Cycle ¹⁰ (days)	10	8	7
Profitability Ratio			
Gross Profit Margin ¹¹ (%)	14.99	16.41	14.32
Operating Profit Margin ¹² (%)	11.74	12.12	8.29
Cash Profit Margin ¹³ (%)	106.56	119.70	179.64
Net Profit Margin ¹⁴ (%)	9.66	9.64	6.13
Return on Equity or ROE ¹⁵ (%)	16.26	14.55	8.37
Efficiency Ratio			
Return on Assets or ROA ¹⁶ (%)	10.56	9.94	5.86
Return on Fixed Assets ¹⁷ (%)	25.92	24.86	18.97
Total Assets Turnover ¹⁸ (times)	1.09	1.03	0.96
Leverage Ratio			
Debt/Equity Ratio ¹⁹ (times)	0.50	0.43	0.42
Net Debt to Equity Ratio ²⁰ (times)	0.35	0.30	0.27
Interest Coverage Ratio ²¹ (times)	16.42	22.22	23.09
Debt Service Coverage Ratio ²² (times)	0.14	0.19	0.24
Dividend Payout Ratio ²³ (%)	73.38	117.46	N/A *



Remark:

- 1) Current Ratio = Current Assets / Current Liabilities
- 2) Quick Assets = (Cash + Short-term Investments + Accounts Receivable) / Current Liabilities
- 3) Cash Ratio = Cash Flow from Operating / Average Current Liabilities
- 4) Account Receivable Turnover = Net Credit Sales / Average Accounts Receivable
- 5) Average Collection Period = 360 / Account Receivable Turnover
- 6) Inventory Turnover = Cost of Goods Sold / Average Inventory
- 7) Average Inventory Turnover Period = 360 / Inventory Turnover
- 8) Account payable Turnover = Cost of Goods Sold / Average Account payable
- 9) Average Payment Period = 360 / Account payable Turnover
- 10) Cash Cycle = Average Collection Period + Average Inventory Turnover Period - Average Payment Period
- 11) Gross Profit Margin = (Gross Profit / Sales) * 100
- 12) Operating Profit Margin = (Operating Profit / Sales) * 100
- 13) Cash Profit Margin = (EBIT / Net Income) * 100
- 14) Net Profit Margin = (Net Profit / Total Sales) * 100
- 15) Return on Equity or ROE = (Net Profit / Average Equity) * 100
- 16) Return on Assets or ROA = (Net Profit / Average Total Assets) * 100
- 17) Return on Fixed Assets = ((Net Profit + Depreciation) / Average Total Fixed Assets) * 100
- 18) Total Assets Turnover = Total Revenue / Average Total Assets
- 19) Debt/Equity Ratio = Total Debt / Equity
- 20) Net Debt to Equity Ratio = Net Debt / Equity
- 21) Interest Coverage = (Cash Flow from Operations + Interest Expenses + Tax) / Interest Expenses
- 22) Debt Service Coverage = EBITDA / (Debt payment + Capital Expenditure + Investment in Fixed Assets + Dividend Payment)
- 23) Dividend Payout = (Dividends / Net Income) * 100
* The dividend payout ratio in 2018 is subject to the resolutions of the AGM 2019





GOOD QUALITY

Business Outlook

The Overview of Broiler Business in 2018 and Prospect for 2019

Situation in 2018

Production

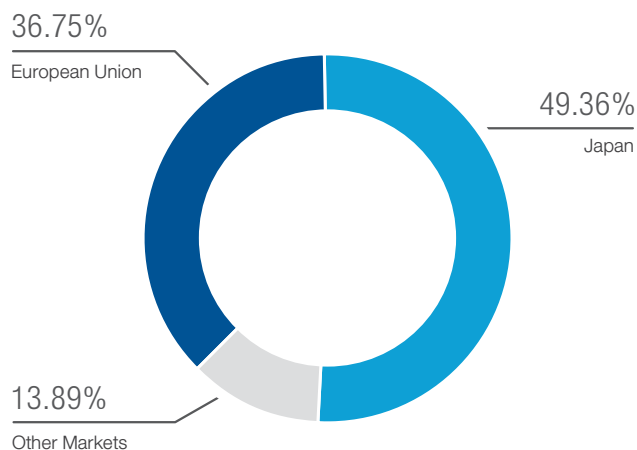
In 2018, total world broiler production was approximately 95.59 million tons, an increase of 1.94% from 2017. The United States was still the world's largest broiler raiser followed by Brazil, the European Union, and China, respectively. The global broiler production increased from rising demand due to chicken meat is a lean, good-protein, easy to cook, and cheaper than other meat products. 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 which is factor driving chicken production to expand continuously.

The United States produced approximately 19.35¹ million tons of chicken meat in 2018, an increase of 2.18% from 2017. Brazil, the next major producer, produced 13.55¹ million tons of chicken meat which slightly decreased by 0.46% from the

previous year. The EU, the world's third largest producer, produced 12.32¹ million tons of chicken meat, an increase from 2017 by 2.11% while China which was the world fourth largest producer increased its production by approximately only 0.86% to reach 11.70¹ million tons in 2018.

As for Thailand, approximately 1,570.45² million broilers were raised in 2018 which accounted for about 2.32² million tons of chicken meat. The production was higher than 2017 by 5.10%. The increase was caused by demand increase from export markets since Thailand is Avian Flu-free zone.

Thai Chicken Meat Export in 2018



2,320,000 tons

Thai Broiler Productions in 2018

892,154 tons

Thai Chicken Meat Export in 2018

11.33 %

Volume of Thai Chicken Meat Export in 2018 increased

¹ USDA Publications ; https://downloads.usda.library.cornell.edu/usda-esmis/files/73666448x/mg74qq69r/j6731729p/livestock_poultry.pdf

² Commodity price prospect 2019 report, Office of Agricultural Economics ; http://www.oae.go.th/assets/portals/1/files/journal/2562/agri_situation2562.pdf

Production and Domestic Consumption

Year	Production (million birds)	Production (metric tons)	Change (%)	Consumption (metric tons)	Change (%)
2013	1,189.04	1,629,916	12.69%	1,125,510	23.92%
2014	1,302.98	1,786,105	9.58%	1,240,546	10.22%
2015	1,361.91	1,884,010	5.48%	1,262,236	1.75%
2016	1,463.78	2,070,956	9.92%	1,380,847	9.40%
2017	1,560.62	2,207,961	6.62%	1,449,591	4.98%
2018*	1,570.45	2,320,628	5.10%	1,500,628	3.52%
2019**	1,606.38	2,404,016	3.59%	1,554,016	3.56%

Source: Commodity price prospect 2019 report, Office of Agricultural Economics;
Remark: 2018* Estimated , 2019** Forecasted

Volume and Value of Thai Chicken Meat Export

Volume: metric tons Value: million Baht

Year	Frozen		Processed Product		Total	
	Volume	Value	Volume	Value	Volume	Value
2002	336,837	24,589	127,406	16,244	464,243	40,833
2003	388,913	28,105	157,074	19,763	545,987	47,868
2004	26,137	1,725	191,739	22,408	217,876	24,133
2005	96	6	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	1,881	435,267	60,290	462,525	62,171
2012	89,411	6,491	462,951	64,394	552,362	70,885
2013	89,092	7,776	436,590	63,168	525,682	70,944
2014	154,759	15,653	424,707	63,324	579,466	78,977
2015	215,045	19,655	466,028	69,259	681,073	88,914
2016	240,123	21,341	502,846	74,534	742,969	95,875
2017	252,666	24,084	548,705	78,489	801,371	102,573
2018 (E)	325,312	30,768	566,842	78,397	892,154	109,165

Source: Thai Broiler Processing Exporters Association.

Market Situation

Export market

In 2018, Thailand hits historical high in term of export value of chicken meat products with the total export value reached 109,165³ million Baht. Volume of chicken meat export in 2018 is about 892,154³ tons, increased by 90,783 tons or 11.33% up from 2017. The growth is due to higher export of fresh frozen chicken. Thailand is able to export fresh frozen chicken parts to China for the first time in more than 10 years was another positive factor to boost export quantity higher more than expected.

Japan is the most important destination of Thai chicken meat products, representing 49.36% of total export volume of Thai chicken meat in 2018, export of chicken meat products to Japan is approximately 440,366³ tons, an increase of approximately 2.99% from previous year. EU Countries were the second largest export market of Thai chicken meat which contributed 36.75% of total Thai chicken export in 2018, sales volume of chicken meat export was 327,868³ tons, an increase of 16.72% from previous year. Besides, Thailand exported chicken meat products to other countries in 2018 including South Korea, Hong Kong, China, and Malaysia is approximately 123,920³ tons, an increase of 33.41% from the previous year. The increase is due to the confidence of hygienic standard and Avian Flu-free products from Thailand.

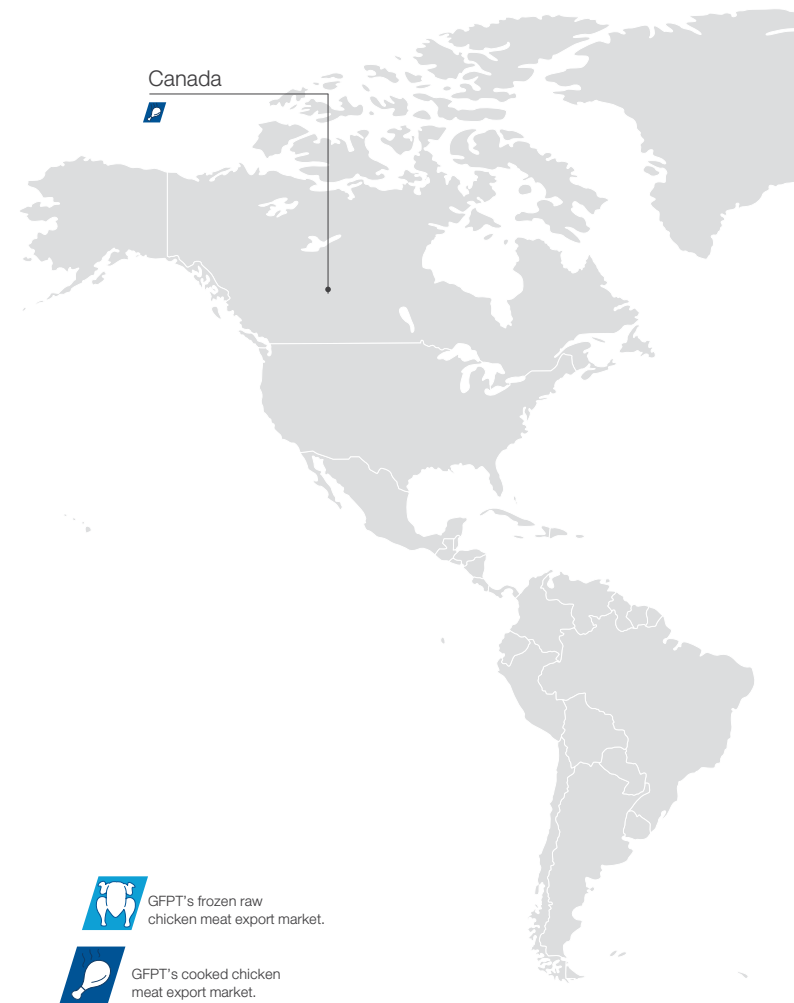
² Commodity price prospect 2019 report, Office of Agricultural Economics ; http://www.oae.go.th/assets/portals/1/files/journal/2562/agri_situation2562.pdf

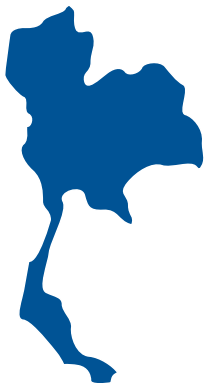
³ Thai Broiler Processing Exporters Association ; <http://www.thaipoultry.org/welcome.php?p=exportStatic>



Domestic Market

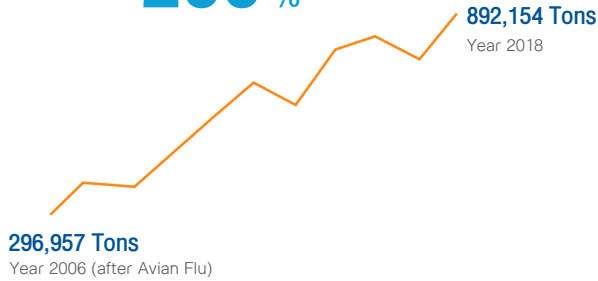
In 2018, domestic consumption of chicken meat was approximately 1.50² million tons, increased from 2017 by 3.52% due to chicken meat is necessary food for consumption and cheaper than other types of meat product. Furthermore, the growth of chicken meat consumption is partly the result of growing concern on health among many Thai consumers which induced them to consume more low fat meat. With a decent growth of food service business and quick service restaurant (QSR) in Thailand, chicken meat is widely used as part of raw material for food service business since chicken meat is cheap and easy to cook. Another reason that helps raise domestic chicken meat demand is the confidence among Thai consumers that chicken meat products traded are safe under strictly hygienic control.





Volume of Thai Chicken Meat Export

increased **200 %**



Value of Thai chicken product export in 2018

109,165 MB.

Thai Chicken Exporter

No. **3**

440,366 Tons

Japan +2.99%

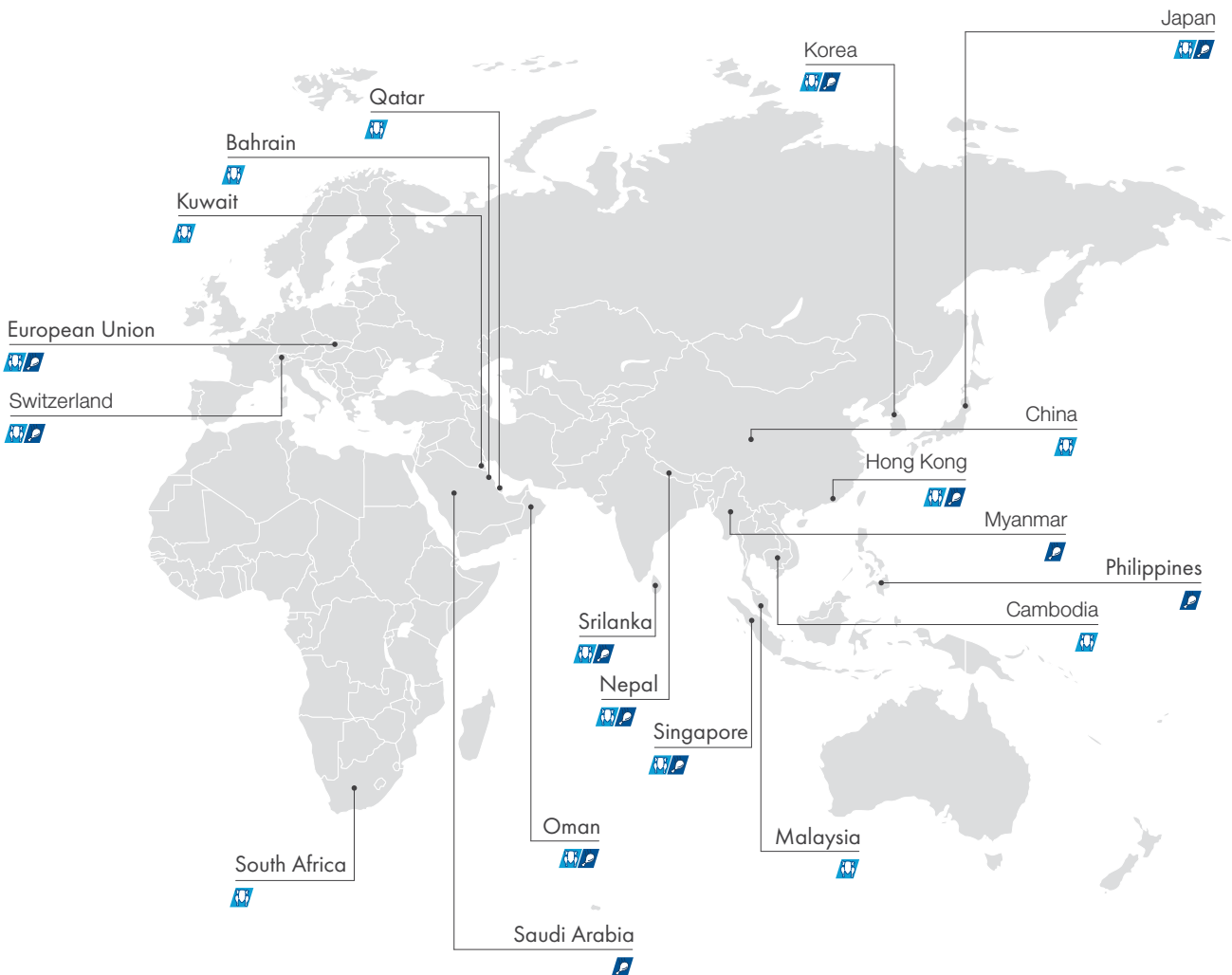
327,868 Tons

EU +16.72%

123,920 Tons

Others +33.41%

Source: Thai Broiler Processing Exporters Association.



Prospects for 2019

Production

The broiler production in Thailand is likely to expand continually in 2019. The estimated production is 1,606.38² million broilers or 2.40² million tons of chicken meat, an increase of 2.29% from 2018 due to demand increase from export markets and growth of domestic consumption.

However, there are many obstacles and risks that may adversely affect the production and push it lower than expectation. Such obstacles include appreciation of Baht value, more intense competition and trade barriers in the international market.

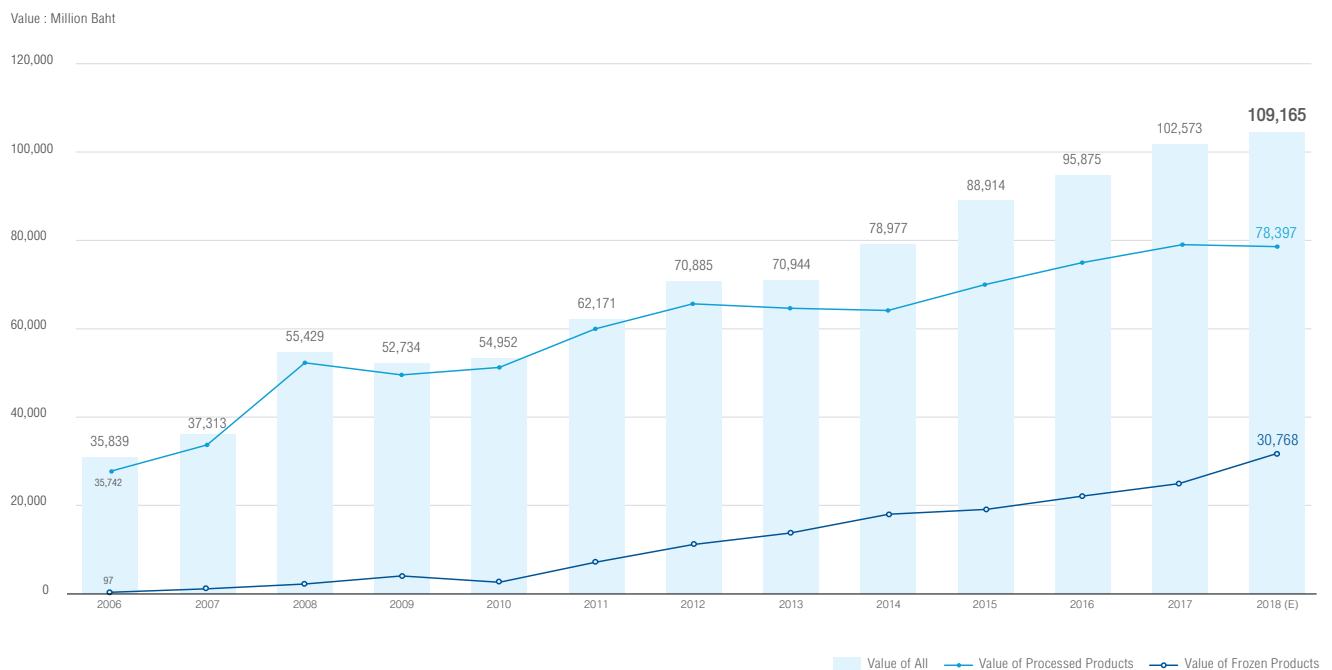
Market Situation

The expected more stability of Thai political situation as well as the forecasted higher economic growth in 2019 will sufficiently support the rise of domestic demand for chicken meat because chicken meat is usually a better choice for

consumer who wants food with rich nutrient content at reasonable price. Furthermore, growth of international tourist due to the continually promotion will also help stimulate demand for various types of processed chicken meat products. It is expected that demand for chicken meat will increase around 3.56% to reach approximately 1.55² million tons in 2019.

As for the export market of Thai chicken meat in 2019, there is a chance that market will continually grow. It is expected that export volume will increase by 3.12% from 892,154³ tons in 2018 to approximately 920,000³ tons in 2019. Main supporting factor for the growth of chicken meat export is the tendency that the recovering of world economy will continue consistently. Moreover, confidences of importers and consumers in foreign markets on hygienic standard of Avian Flu-free products from Thailand; whilst, other countries still found Avian Flu outbreak occasionally, make frozen chicken meat from Thailand highly acceptable.

Volume and Value of Thai Chicken Meat Export



² Commodity price prospect 2019 report, Office of Agricultural Economics ; http://www.oae.go.th/assets/portals/1/files/journal/2562/agri_situation2562.pdf

³ Thai Broiler Processing Exporters Association ; <http://www.thaipoultry.org/welcome.php?p=exportStatic>

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:

Positive Factors

- +** Growing concern on healthy food attract consumers consume more chicken meat as it is lean meat.
- +** Chicken meat is cheap protein meat comparing to other types of meat which has opportunity to grow in economic recovering situation, reflecting higher consumption of meat, especially chicken meat.
- +** Living hustle of consumers especially those who live in urban area boost growth of food service business and quick service restaurant because chicken meat is widely used as part of raw material.
- +** Compartment and Traceability system attain our partners to gain confidence in quality of Thai chicken meat production due to protective measures and strict surveillance of animal epidemics through bio-security system of chicken farms causing no report of avian influenza in Thailand for more than 10 years. In addition, the government focuses on strict measures and monitor continuously.
- +** Thailand can export fresh frozen chicken parts to China for the first time in 2018 which is a market with high demand for chicken meat causing Thailand to have opportunity to expand other export markets apart from Japan and EU Countries which is existing major export market of Thailand.

Negative Factors

- Global warming may lead to severe draught in many parts of the world especially the countries in which animal feed raw materials are largely produced. Lower production of animal feed raw materials will cause their prices to rise so that cost of animal feed as well as cost of broiler raising will inevitably increase.
- The appreciation of Baht compares with the currencies of major competitors in chicken meat export will relatively decrease the competitiveness of Thai products.
- Non-Tariff Measures (NTMs) is adapted in many countries such as labor standards and environmental standards, etc.
- The political instability in the European Union, especially after the so-called BREXIT may pose a negative effect on the growth of the European economy which is the major market of Thai chicken meat products.





GOOD CHICKEN

Risk Factors

Among uncertainties of world economy and complexity of risks, risk management is essential for managing business today. The Company encouraged all employees to be positive and have well understanding towards arising business risks with proper risk management tools and methods.

The Company set up risk management framework based on COSO standard (The Committee of Sponsoring Organizations of the Treadway Commission) for all executives and employees. Risk management framework includes risk identifying, risk assessment, risk management, and risk control. It is properly communicated to reduce negative possibility and impact. Additionally, risk monitoring is regularly implemented to ensure the achievement of the Company's objective.

The Company applies Risk and Control Self-Assessment (RCSA) and identifies Key Risk Indicator (KRI) for significant risks. The RCSA is classified into 2 levels; level 1 is risk assessment of business policies from high-level executives which is assessed annually or any significant change of business risk that are monitored and reported to executives, Risk Management Committee, and BOD on quarterly basis. Level 2 is risk assessment at department level, where risk owner is responsible for identifying operational risks, specify risk management plan, and report risk status and risk mitigation plan to executives and Risk Management Committee. These implementations will promote risk management culture at all level in the organization.

The Company clearly specifies structure, role, and responsibilities of risk management function. The Company has established GFPT Risk Management Committee to assess risk factors; develop risk management process; and consider risk mitigation to manage risk appetite to acceptable level. Therefore, any risk with high to very high level has to be mitigated and managed to acceptable level. Every risk factor is measured by Key Risk Indicator (KRI) to identify degree and deviation of risk, which will also be closely monitored.

The Company set up Risk Management Department, which is directly report to the Risk Management Committee to cooperate, develop, support, and advice risk management of the Company to be internationally qualified and consistent. Risk management department is also responsible for directing and monitoring risk management framework of the Company according to the international standard and effectively implements throughout the organization.

As being of a leading food producer, relevant risks relating to operation and performance are classified into 7 dimensions as follows:

Significant Risks and Risk Management Strategies

1. Strategic Risk

1.1 Marketing Risk

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

Risk Management

The Company values customers' satisfaction by focusing on marketing strategies; product differentiate and increase distribution channels for easy, quick, and convenient accessibility. In addition, the Company uses new distribution channels for market expansion such as E-Marketing, Social media, and etc.

1.2 Changes in Consumers' Behavior Risk

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

Risk Management

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

1.3 World Economy Fluctuation Risk

In 2018, global economy continued to be uncertain due to economic and political policies from powerful countries such as Brexit, political uncertainty and banking crisis in Europe, NPL and economic slowdown in China, and trade policies of the United States under new president that could slow down world trade and money market fluctuation.

Risk Management

The Company set up a department to closely monitor and report current situation in strategic countries every quarter to executives and Audit Committee to conduct risk management, scenario analysis, and sensitivity analysis to evaluate potential impact. The Company developed new products or high value-added products and services to respond to specific need. Additionally, the Company increased ASEAN countries and non-ASEAN countries exports to substitute exports in some countries and is also looking for new opportunities in other countries.

1.4 Competition and Liberalization of Trade and Move towards Becoming an ASEAN Economic Community (AEC) Risk

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

Risk Management

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

1.5 Water Shortage Risk

Water is a critical essence in human daily life and is one of economic drivers because it is used for agricultural and industrial sectors. Economy expansion, rise in population, and climate change have impact on water usage, water shortage, and water quality. Poor water management from all sectors could lead to water shortage and problems between communities, agricultural sector, and industrial sector. In consequence, feed production and chicken farming of the Company may be affected by poor water quality and shortage of water quantity that may later affect the Company's quality chicken and food products.

Risk Management

The Company has planned water usage plan appropriately in each production process. The water usage record system is implemented to analyze and control water management sustainably. The production process is also continuously developed to reduce and utilize water usage. Previously, 6% of waste water was recycled daily. Moreover, the Company got a certificate from Bureau of Groundwater Control, Department of Groundwater Resources to use groundwater in production plant area.

2. Operational Risk

2.1 Human Resources Risk

Recruiting good and talented people is difficult but keeping good people is even more difficult. The Company highly focused on retaining talented employees because high-skilled competent personnel will drive the business to grow.

Risk Management

High-skilled personnel is a critical key factor for business growth. The Company has provided both opportunities and channels for employees to express their competence including training programs internally and externally to broaden knowledge and abilities in various fields. Additionally, the Company supports and motivates existing competent employees to stay with the Company in long-term to be a key growth of the business.

2.2 The Confidence of Consumer in Food Safety Risk

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

Risk Management

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

2.3 Disease Outbreaks Risk

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

Risk Management

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

The Company can prevent the risk of disease outbreak at its farm facilities; however, the disease outbreak still has indirect impact to the Thai chicken industry as a whole and also have impact on its ability to generate revenue. For the previous bird flu outbreak, the Company cannot export fresh frozen chicken and processed chicken. But today the situation has returned to normal that the Company can export the frozen chicken. In addition, Japan allows import of poultry from Thailand for both fresh frozen chicken and processed chicken. However, disease outbreak is a factor that cannot be controlled.

2.4 Fluctuations in the Prices of Feed Materials Risk

The price volatility of feed commodities such as corn, soybean meal, and fish meal has an impact on the cost of feed. The commodity price changes according to the volume output in each period and crop season. In addition, the price is also determined by the demand and supply of the world markets as well as domestic market in Thailand. Not only animal feed production but also demand for renewable energy and speculation in commodity futures market also affect the demand of these commodities. These factors may affect the price volatility of raw material. As for the supply side, climate change and natural disaster may contribute in lower crop production. These factors are uncontrollable and unexpected. Therefore, the price volatility of these commodities is the risk that has impact on the Company's performance. If commodities prices increase higher than estimated, the production costs of feed and chicken meat will be higher.

Risk Management

The Company mitigated the risk of commodity price by assigning the specialized purchasing unit with high expertise and experience in procurement of these raw materials to follow up related news closely to look for alternative sources in term of quality and availability to meet the demand of production. In addition, the Company builds larger storage to store these raw materials and maintain higher stock level. The Company has the feed nutritionists to modify the feed formulation by using other equivalent feed materials. The Company sometimes uses derivative financial instruments to manage its exposure from the price fluctuations of the imported feed materials. When the Company expects that the future commodity prices tend to increase, then, the Company can adjust the selling feed price to compensate with the increased cost of raw materials. However, the feed price increase must be approved by the Department of Internal Trade. Due to the fact that the government controls the feed price, the rise in feed price may not compensate the total increasing amount in commodity prices.

2.5 Price Volatility of Livestock and Meat Products Risk

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

Risk Management

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

2.6 Price Volatility on Fuel Risk

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

Risk Management

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

2.7 Corruption Risk

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

Risk Management

The Company operates business ethically and is responsible to all stakeholders. The Company has certified to be a member of Collective Action Coalition (CAC) since 2017. The Company will measure corruption risks within the organization including preparing for anti-corruption practice self-assessment. The Company believes that corruption can be controlled by having a good internal control system including setting segregate organizational structure with clear workflow; encouraging employee's moral and promoting personal development to upkeep business ethics and the Code of Conduct; creating inter-department network; providing a communication channel for corruption complain; setting procedure for complaint's protection and keeping confidential information; having transparent, reliable and fair investigation, monitoring, and control process; and setting punishment method for committees, executives and employees who commit in corruption. The Company highly commits to the compliance with its anti-corruption policy continuously.

3. Financial Risk

3.1 Financial Liquidity Risk

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

Risk Management

The Company has policy to continually maintain liquidity position by ensuring that the Company is solvent for operating activities under ordinary and extraordinary circumstances in which the Company must maintain high liquidity ratio. Furthermore, the Company regularly monitors its liquidity to stay in line with risk management.

3.2 The Volatility on Foreign Exchange Rate Risk

Although several phenomena that affected global economy in 2018, for instance, Brexit and US election had less impact compared to 2017's, the Company is still aware of foreign exchange risk and keep the policy of not speculating on exchange rate. The Company has foreign currencies transactions for both export and import. Therefore, the Company may be affected by the volatility of the foreign currencies exchange rates. In terms of exports, if Thai Baht appreciated, it would lower the revenue after converting to Thai Baht. For the import of raw materials that used to produce feed mill, if Thai Baht depreciated, it would increase the cost of raw materials as well. The Company also imports machinery, supply materials, and some equipment from overseas.

Risk Management

The Company and subsidiaries use financial instruments to mitigate the foreign currencies exchange risk by setting a policy to buy forward contracts with several financial institutions to manage the volatility of foreign currencies transactions. As a result, the Company is able to recognize accurate production cost and able to effectively set the selling price. Thus, the Company can ensure that the target profit can be reach as expected. Moreover, the Company has natural hedge from purchasing raw materials in the same currency as selling export products where extra amount will be hedged by buying forward contract to reduce foreign exchange risk. The Company also statistically sets the acceptable foreign exchange risk using Value at Risk (VaR) method. The Company closely monitors and analyzes economy risk factors to manage risks properly under changing world.

3.3 Volatility on Interest Rates Risk

Interest rates risk is unavoidable because the Company needs funds from financial institutions for business expansion plan which could alter the Company's financial costs.

Risk Management

The Company mitigates the interest rate risk by assigning a team to monitor change in risk factors that could affect interest rate and perform in accordance to changing in situations. Besides, the Company has a policy to manage proper level of fixed interest-bearing debt and floating interest-bearing debt structure in regarding to capital need and interest rate trend. The Company is considering using financial tools such as interest rate swap to lower financial cost and interest rate risk.

4. Compliance Risk

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

Risk Management

The Company realized the importance of laws, rules and regulations compliance and is determined to strictly follow those laws and regulations by establishing Compliance department. Since the Company has several subsidiaries, representative from each subsidiary is appointed to collect and complete Compliance Checklist to review legal compliance and prevent unintentionally violation. The compliance department will control and report effectively under the Company policy.

5. Reputational Risk

Brand image and reputation are vital to business success which could have uncountable serious and sudden impact in both short-term and long-term. Negative reputation and brand image could lower the Company's reliability and stakeholders' confidence (shareholders, investors, suppliers, and customers). Besides, apart from quality, brand image and reputation are one of the factors to customers' buying decision. Thus, The Company has been realizing the importance of brand image and reputation and concentrating on stakeholders, community, society, and the Nation.

Risk Management

To mitigate and manage brand image and reputation risk, the Company focuses on good corporate governance and transparent exposure under ethics, roles, duties, rights, and freedom where stakeholders must be treated fairly and equally. The Company has specified the practice in business code of conduct by considering stakeholders such as shareholders, employees, customers, suppliers, partners, communities, societies, and environment as priorities. Also, the Company supports free trade competition, anti-corruption, and business chain responsibility and avoids conflict of interest and Intellectual property infringement. Additionally, the Company operates business under CSR ethics to treat stakeholders fairly and balance economic performance, environment performance, and community performance to achieve sustainable success.

6. Other Risk

Administrative Management Risk

As of December 28, 2018, the major shareholder, the Sirimongkolkasem family holds 678,551,640 shares or 54.12% of total shares of the Company which allows the Sirimongkolkasem family to control the votes in the shareholders' meeting such as the appointment of the Company's directors or other matters that requires majority votes except the matters that need to be approved by 3/4 of the shareholders who attends the Meeting. Thus, the minority shareholders do not have the power to check and balance the vote of the majority shareholders.

Risk Management

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



7. Emerging Risk

Apart from identified significant risks, the Company also is aware new emerging risks although they have low potential. From risk analysis and assessment, it has found that the Company may have cyber-attacks risk, digital transformation risk, and extreme weather events risk where the details, impact, and risks management of aforementioned risks are as follows:

7.1 Cyber-Attacks Risk

Digital transformation, automation, and internet connection cause cyber-attacks risk, for example, network and ERP attacking, data destroying by unauthorized personnel, and misuse of data, all these cyber-attacks can damage the Company's image and reputation.

Risk Management

The Company realized the importance of several cyber-attacks risk which causes more critical impact. The Company had tried to reduce impact and chance of the Company's network to be offended by establishing an Information Technology and communication security policy and Information Technology emergency plan. For example, the Company has improved computer system to be ready for use to avoid system failure by backing up network and server to be able to work continuously with a least chance of failure. The Company has strict safety control measures such as firewall, reviewing authorization, data backup and recovery as well as network access detection without permission including promoting awareness of using technology to employees continuously by preparing training and activities to employees to acknowledge and understand proper use of technology and safety from cyber-attacks.

2.2 Digital Transformation Risk

Digital technology becomes important factor of business and significant substance of strategies for all types of business. Digital technology plays an important role for daily life and business such as using digital technology in transportation, marketing, and E-Commerce, such changes are risks that may affect business operation and existing distribution channel in a long-term. The Company may lose competitiveness including opportunity for new business expansion that creates more value added to organization.

Risk management

The Company has monitored and analyzed changes in digital technology to improve and expand new business to increase competitiveness. For example, using of big data for market needs and consumer behavior analysis to understand customers' needs and increase work efficiency by using digital technology and focusing on value creation and customer service to achieve highest satisfaction.

7.3 Climate Changing Risk

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

Risk management

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



HEALTHY
AND DELICIOUS

Connected Transactions

The Company and its subsidiaries had inter-transactions within the group which are normal business transactions between the Company and its subsidiaries in accordance with general trading conditions.

Procedure for Approval of Inter-Transactions

The Board of Directors carefully and properly considers potential conflict of interest or related transactions under ethical framework which moderated by the Audit Committee in order to comply with requirements of the Securities and Exchange Commission, The Stock Exchange of Thailand, and the accounting standards set by the Federation of Accounting Professions. The Board of Directors also considers to disclose information about related transactions that may have a conflict of interest to the public with accuracy and completeness. The management has mandate to execute the related transactions, as considering being a general trading transaction in which the transactions are undertaken without the influence of their status as being directors, executives, or related persons. The transactions are carried out as normal business transaction with fair and proper price as if they are undertaken with other third parties.



Reason for Inter-Transactions

According to the approval process of the inter-transactions, the Company shall execute the inter-transactions similarly to other normal business transaction which allows the authorized persons to approve within credit limit. Moreover, the Audit Committee is responsible for reviewing the inter-transactions of the Company, its subsidiaries, and related persons quarterly to eliminate conflicts of interest for the best interest of the Company. For the inter-transactions occurred in 2018, 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, 2018 and 2017, the Company and its subsidiaries had the inter-transactions which were disclosed in the notes to audited financial statements by the Company's auditor. The Audit Committee reviewed and had opinion that all inter-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. The inter-transactions shall be considered under the reasonableness and commercial appropriateness to treat shareholders and stakeholders equally according to the "Good Corporate Governance Policy". However, the inter-transactions, that may be carried out in the future, shall be executed according to the approval process as mentioned above.

Inter-Transactions in the Current Year and the Past Year

For the year 2018 and 2017, the Company and its subsidiaries had inter-transactions disclosed in notes to audited financial statements, note 5: Inter-transactions with related companies, details are as follows:

Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter- Transactions for the year ended Dec. 31, 2018 (MB.)		Value of Inter- Transactions for the year ended Dec. 31, 2017 (MB.)		Reasons and Necessity of the Transactions / Pricing Condition
		Separate FS.	Consolidated FS.	Separate FS.	Consolidated FS.	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1. Sales	-	537.98	-	530.39	<ul style="list-style-type: none"> • Selling broiler / Pricing by Contract Price based on Market Price • Providing rental office building / Pricing by Independent Appraiser
	2. Purchases	-	651.27	-	767.41	
	3. Rental Income	-	0.60	-	0.60	
	4. Other Income	0.93	23.89	0.42	22.20	
	5. Rental Expenses	7.92	17.82	7.92	17.82	
	6. Expenses	2.16	63.55	2.11	75.46	
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Expenses	1.12	2.62	1.12	2.62	Providing rental farms / Pricing by Contract Price
3. P. Charoen Phan G.P.Farm Co., Ltd. / Common Management	1. Other Income	-	-	-	0.02	Providing land lease for broiler farms / Pricing by Contract Price
	2. Rental Expenses	-	0.48	-	0.48	
4. Krungthai Aqua-Culture Co., Ltd. / Common Management	1. Sales	-	20.46	-	-	Expertise in corn supply for feed production / Pricing by Market Price
	2. Purchases	-	2,237.37	-	2,021.79	
	3. Other Income	-	6.47	-	-	
5. M.K.S.Condotown Co., Ltd. / Common Management	1. Other Income	1.47	1.47	1.34	1.34	Providing rental accommodations / Pricing by Market Price
	2. Rental Expenses	0.36	0.36	0.36	0.36	
	3. Expenses	0.07	0.07	0.05	0.05	
6. Nichirei Foods Inc. / Major Shareholder of joint venture	1. Sales	1,133.11	1,133.11	1,549.64	1,549.64	Purchasing Chicken Processing Products / Pricing by Market Price
	2. Other Income	0.21	0.21	0.02	0.02	
7. KEYSTONE FOODS (AP) LTD. / Shareholding by Keystone Foods Inc.	1. Sales	888.71	888.71	869.31	869.31	Purchasing Chicken Processing Products / Pricing by Market Price
8. Surapon Foods Public Co., Ltd. / Related to the Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.	1. Sales	1.73	1.73	1.29	1.29	Purchasing Chicken Meat Products / Pricing by Market Price
9. Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1. Interest Expenses	44.74	91.24	35.49	86.21	According to the Minutes of Extraordinary General Meeting No.1/2013 dated December 12, 2013, the Company and its subsidiaries were approved to receive financial assistance from related persons to help the Company's liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate of not over 5.50%, maturity at January 2024

Shareholding Structure

December 28, 2018

Industry / Sector : Agro & Food Industry

Authorized Capital : 1,400,000,000 Baht

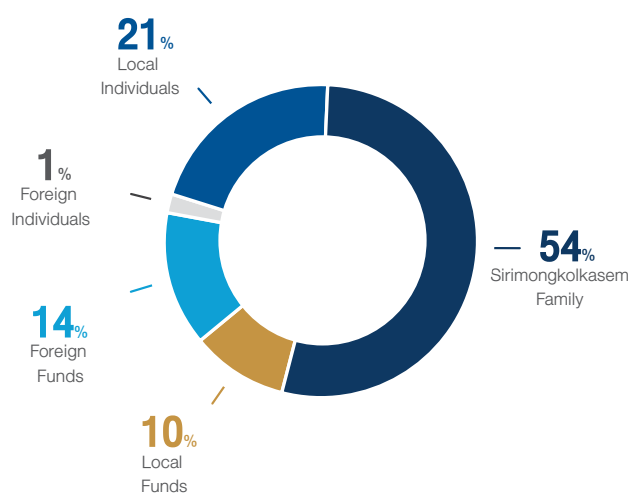
Share Outstanding : 1,253,821,000 Baht

Paid-up Capital : 1,253,821,000 Shares
(1.00 Baht:Share)

Market Cap. : 15.05 Million Baht

%Foreign Holding : 14.39% (49.00%)

Shareholding Structure



Major Shareholders

At the closing date of registrar book dated on December 28, 2018, the top ten major shareholders are as follows:

No.	Name of shareholders	No. of shares (Shares)	%
1.	Sirimongkolkasem Family ⁽¹⁾	678,551,640	54.12%
2.	THAI NVDR CO., LTD.	69,917,973	5.58%
3.	NICHIREI FOODS INC.	56,716,050	4.52%
4.	Ms. Wonngarm Kittanamongkolchai	40,000,000	3.19%
5.	STATE STREET EUROPE LIMITED	23,110,445	1.84%
6.	Mrs. Piangjai Chayawiwatkul	20,000,000	1.60%
7.	Mr. Kongphob Limsong	20,000,000	1.60%
8.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	17,082,900	1.36%
9.	NORTRUST NOMINEES LTD-CL AC	13,183,580	1.05%
10.	SE ASIA (TYPE B) NOMINEES LLC	10,830,200	0.86%
Top 10 Major Shareholders		949,392,788	75.72%

Note: ⁽¹⁾ Sirimongkolkasem family have 27 members (as acting in concert Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247)

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

As of December 28, 2018, the major shareholders who have significant influences on the Company's management policy or operation are:

No	Name of shareholders		No. of shares (shares)	%
1.	Mr. Prasit	Sirimongkolkasem	33,000,000	2.63%
2.	Mr. Virach	Sirimongkolkasem	30,349,500	2.42%
3.	Dr. Anan	Sirimongkolkasem	4,134,080	0.33%
Total			67,483,580	5.38%

List of Sirimongkolkasem Family are as follow:

No	Name of shareholders		No. of shares (shares)	%
1.	Mr. Prasit	Sirimongkolkasem	33,000,000	2.63%
2.	Mr. Virach	Sirimongkolkasem	30,349,500	2.42%
3.	Dr. Anan	Sirimongkolkasem	4,134,080	0.33%
4.	Mrs. Somsiri	Ingpochai	2,500,000	0.20%
5.	Ms. Wannee	Sirimongkolkasem	10,100,000	0.81%
6.	Mr. Sujin	Sirimongkolkasem	59,801,080	4.77%
7.	Mrs. Pranee	Parksook	1,193,930	0.10%
8.	Ms. Nisa	Sirimongkolkasem	44,857,200	3.58%
9.	Mr. Kajorn	Sirimongkolkasem	37,400,000	2.98%
10.	Ms. Wipawadee	Sirimongkolkasem	37,400,000	2.98%
11.	Mr. Jedsada	Sirimongkolkasem	37,621,000	3.00%
12.	Mr. Kittichai	Sirimongkolkasem	37,400,000	2.98%
13.	Ms. Wiwanya	Sirimongkolkasem	35,939,000	2.87%
14.	Ms. Papinya	Sirimongkolkasem	35,350,000	2.82%
15.	Ms. Warisara	Sirimongkolkasem	36,375,300	2.90%
16.	Mr. Wongsakorn	Sirimongkolkasem	60,000,000	4.79%
17.	Mrs. Chonlada	Sirimongkolkasem	56,399,200	4.50%
18.	Mr. Pisanu	Sirimongkolkasem	64,000,000	5.10%
19.	Mr. Jarongkij	Sirimongkolkasem	12,200,410	0.97%
20.	Mr. Jarongkorn	Sirimongkolkasem	12,265,910	0.98%
21.	Ms. Aleena	Sirimongkolkasem	5,000,000	0.40%
22.	Mr. Achira	Sirimongkolkasem	5,000,000	0.40%
23.	Ms. Jutamas	Ingpochai	5,000,000	0.40%
24.	Mr. Pongsathorn	Ingpochai	5,059,830	0.40%
25.	Mr. Win	Parksook	5,105,000	0.41%
26.	Mr. Worapath	Parksook	5,100,000	0.41%
27.	P. Chareonphan Produces*		200	0.00%
Sirimongkolkasem Family			678,551,640	54.12%

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

Dividend Payment Policy

Dividend Payment Policy of GFPT Public Company Limited

The dividend policy of GFPT Public Company Limited is “to pay dividend at the rate of not more than 50% of net profit of the Company’s 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 of the Company and its subsidiaries, and economic situation.”

Dividend Payment Policy of Subsidiaries and Joint Ventures

The dividend policy of subsidiaries and joint ventures is to pay from net profit after deduct legal reserves requirement, and subject to the Company’s cash flow, liquidity, and future investment plans of each company, without designated dividend payout ratio policy. In 2018, the Company received dividend from subsidiary company in amount of THB 393.04 million and a joint-venture company in amount of THB 49.00 million.

Dividend Payment Information

	2013	2014	2015	2016	2017
Earnings per Share – separate financial statement (THB/share)	0.43	0.61	(0.17)	0.41	0.26
Dividend per Share (THB/share)	0.35	0.40	0.25	0.30	0.30
Dividend Payout Ratio – separate financial statement (%)	82.14	65.63	N/A ⁽¹⁾	73.38	117.48

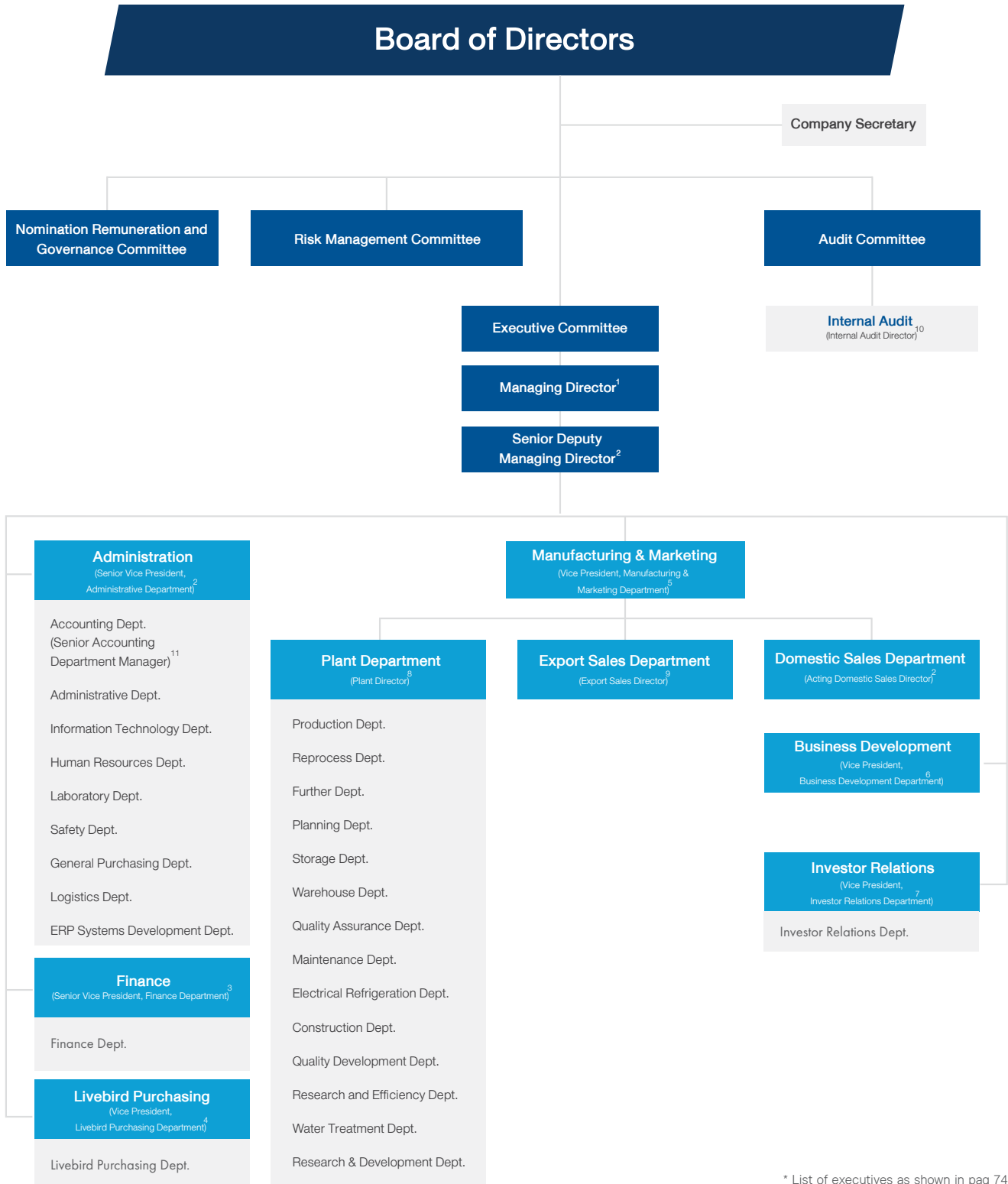
หมายเหตุ: ⁽¹⁾ The Company paid dividend in 2015 in amount of 0.25 Baht per share, however, the separate financial statements in 2015 showed net loss; then, dividend payout ratio in 2015 cannot be calculated.



GOOD
SHARE

Organization Chart

Organization Chart as at 31 December 2018



* List of executives as shown in pag 74

Management

In 2018, the management structure of GFPT Public Company Limited composes of

- 1) The Board of Directors
- 2) 4 Sub-Committees (The Audit Committee, The Nomination Remuneration and Governance Committee, The Risk Management Committee and The Executive Committee)
- 3) The Executives

1. Board of Directors

As of 31 December 2018, the Board of Directors of GFPT Public Company Limited comprised of 9 directors as follows;

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

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

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

2. Sub-Committees

Audit Committee (AC)

As of 31 December 2018, the Audit Committee of GFPT Public Company Limited comprised of 3 directors as follows;

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

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

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

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

Nomination Remuneration and Governance Committee (NRGC)

As of 31 December 2018, the Nomination Remuneration and Governance Committee of GFPT Public Company Limited comprised of 5 directors as follows;

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

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

Risk Management Committee (RMC)

As of 31 December 2018, the Risk Management Committee of GFPT Public Company Limited comprised of 8 directors as follows;

	Name - Surname		Title
1.	Mr. Jedsada	Sirimongkolkasem	Chairman of Risk Management Committee
2.	Mr. Sujin	Sirimongkolkasem	Member of Risk Management Committee
3.	Ms. Wipawadee	Sirimongkolkasem	Member of Risk Management Committee
4.	Mr. Kittichai	Sirimongkolkasem	Member of Risk Management Committee
5.	Ms. Wiwanya	Sirimongkolkasem	Member of Risk Management Committee
6.	Ms. Papinya	Sirimongkolkasem	Member of Risk Management Committee
7.	Mr. Wongsakorn	Sirimongkolkasem	Member of Risk Management Committee
8.	Ms. Jutamas	Ingpochai	Member of Risk Management Committee

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

Executive Committee (EC)

As of 31 December 2018, the Executive Committee of GFPT Public Company Limited comprised of 7 directors as follows;

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

3. The Executives *

In 2018, GFPT Public Company Limited has 11 executives* as follows:

	Name - Surname		Title
1.	Mr. Virach	Sirimongkolkasem	Managing Director
2.	Dr. Anan	Sirimongkolkasem	Senior Deputy Managing Director** Senior Vice President, Administration Department and Acting Domestic Sales Director
3.	Mrs. Pranee	Parksook	Senior Vice President, Finance Department
4.	Mr. Sujin	Sirimongkolkasem	Vice President, Livebird Purchasing Department
5.	Mr. Kittichai	Sirimongkolkasem	Vice President, Manufacturing and Marketing Department
6.	Ms. Wipawadee	Sirimongkolkasem	Vice President, Business Development Department
7.	Ms. Jutamas	Ingpochai	Vice President, Investor Relations Department and Company Secretary
8.	Mr. Thiti	Wanachate	Plant Director
9.	Mr. Artorn	Uapopol	Export Sales Director
10.	Mr. Theerasak	Piamsuphakphong	Internal Audit Director
11.	Ms. Ratchaneegorn	Pavitropok	Senior Accounting Department Manager

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

** Senior Deputy Managing Director is responsible for Finance Department and Administration Department – Accounting Department, also serves as Chief Financial Officer: CFO.

Securities Holding Report of Directors and Executives
as of 28 December 2018

Name – Surname		Amount (Shares)					
		As of 29 December 2017		As of 28 December 2018		Increase / Decrease	% Shareholding
		Direct	Indirect	Direct	Indirect		
1. Mr. Prasit	Sirimongkolkasem	33,000,000	-	33,000,000	-	-	2.63%
2. Mr. Virach	Sirimongkolkasem	30,349,500	-	30,349,500	-	-	2.42%
3. Dr. Anan	Sirimongkolkasem	4,134,080	-	4,134,080	-	-	0.33%
4. Dr. Sathit	Karanes	-	-	-	-	-	0.00%
5. Mr. Paramet	Hetrakul	50,000	-	50,000	-	-	0.004%
6. Mr. Thanathip	Pichedvanichok	-	-	-	-	-	0.00%
7. Mrs. Somsiri	Ingpochai	2,500,000	-	2,500,000	-	-	0.20%
8. Ms. Wannee	Sirimongkolkasem	10,100,000	-	10,100,000	-	-	0.81%
9. Mr. Sujin	Sirimongkolkasem	59,801,080	-	59,801,080	-	-	4.77%
10. Mrs. Pranee	Parksook	1,193,930	-	1,193,930	-	-	0.10%
11. Mr. Kittichai	Sirimongkolkasem	37,400,000	-	37,400,000	-	-	2.98%
12. Ms. Wipawadee	Sirimongkolkasem	37,400,000	-	37,400,000	-	-	2.98%
13. Ms. Jutamas	Ingpochai	5,000,000	-	5,000,000	-	-	0.40%
14. Mr. Thiti	Wanachate	-	-	-	-	-	0.00%
15. Mr. Artorn	Uapopol	1,000	-	1,000	-	-	0.0001%
16. Mr. Theerasak	Piamsuphakphong	1,000	-	1,000	-	-	0.0001%
17. Ms. Ratchaneegorn	Pavitrpok	-	-	-	-	-	0.00%
Total		220,930,590	-	220,930,590	-	-	17.62%

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

Board of Directors



1. Mr. Prasit Sirimongkolkasem

- Chairman (The authorized director)

Age : 78 years

BOD *

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

- Chairman of Krungthai Food PCL.

Other Juristic

- Chairman of Krungthai Farm Co., Ltd.
- Chairman of M.K.S. Farm Co., Ltd.
- Chairman of GP Breeding Co., Ltd.
- Chairman of P.Charoenphan Feedmill Co., Ltd.
- Chairman of P.Charoenphan Im-Ex Farm Co., Ltd.
- Chairman of P.Charoenphan G.P. Farm Co., Ltd.
- Chairman of Krung Thai Aqua-Culture Co., Ltd.
- Chairman of P.Charoenphan Produce Co., Ltd.
- Chairman of M.K.S.Condo Town Co., Ltd.
- Chairman of Julchat Co., Ltd.

Number of Shareholding

33,000,000 shares (2.63%) (as of 28 December 2018)

Family Relations

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

Year of Nomination

27 January 1992 – Present (27 years)

Training / Seminar in 2018

- none -

* Chairman of Committees

BOD The Board of Directors

AC The Audit Committee

NRGC The Nomination Remuneration and Governance Committee

RMC The Risk Management Committee

EC The Executive Committee



2. Mr. Virach Sirimongkolkasem

- Vice Chairman (The authorized director)
- Managing Director

Age : 69 years

BOD **EC**

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

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

Other Juristic

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

Number of Shareholding

30,349,500 shares (2.42%) (as of 28 December 2018)

Family Relations

Brother of Mr. Prasit Sirimongkolkasem

Year of Nomination

27 January 1992 – Present (27 years)

Training / Seminar in 2018

- none -

3. Dr. Anan Sirimongkolkasem

- Director (The authorized director)
- Chairman of Executive Committee
- Senior Deputy Managing Director

Age : 67 years

BOD **NRGC** **EC** *

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

1. Director and Chairman of Executive Director of Krungthai Food PCL.

Other Juristic

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

Number of Shareholding

4,134,080 shares (0.33%) (as of 28 December 2018)

Family Relations

Brother of Mr. Prasit Sirimongkolkasem

Year of Nomination

27 January 1992 – Present (27 years)

Training / Seminar in 2018

- none -



4. Dr. Sathit Karanes

- Independent Director
- Chairman of Audit Committee

Age : 66 years



Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

- none -

Other Juristic

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

Number of Shareholding

- none - (as of 28 December 2018)

Family Relations

- none -

Year of Nomination

25 June 1998 – Present (21 years)

Training / Seminar in 2018

- none -

5. Mr. Paramet Hetrakul

- Independent Director
- Member of Audit Committee

Age : 55 years



Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

- none -

Other Juristic

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

Number of Shareholding

50,000 shares (0.004%) (as of 28 December 2018)

Family Relations

- none -

Year of Nomination

1 July 2005 – Present (14 years)

Training / Seminar in 2018

- none -



6. Mr. Thanathip Pichedvanichok

- Independent Director
- Member of Audit Committee

Age : 54 years

AC /NRGC

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

- none -

Other Juristic

1. Director of Thanathip and Partners Legal Counsellors Limited

Number of Shareholding

- none - (as of 28 December 2018)

Family Relations

- none -

Year of Nomination

1 July 2008 – Present (11 years)

Training / Seminar in 2018

- none -

7. Mrs. Somsiri Ingpochai

- Director

Age : 71 years

BOD / EC

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

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

Other Juristic

1. Director of Krungthai Farm Co., Ltd.
2. Director of M.K.S. Farm Co., Ltd.
3. Director of GF Foods Co., Ltd.
4. Director of P.Charoenphan Feedmill Co., Ltd.
5. Director of P.Charoenphan Produce Co., Ltd.
6. Director of Minimax Venture Co., Ltd.

Number of Shareholding

2,500,000 shares (0.20%) (as of 28 December 2018)

Family Relations

Sister of Mr. Prasit Sirimongkolkasem

Year of Nomination

27 January 1992 – Present (27 years)

Training / Seminar in 2018

- none -



8. Ms. Wannee Sirimongkolkasem

- Director

Age : 61 years

BOD

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

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

Other Juristic

1. Director of Minimax Venture Co., Ltd.

Number of Shareholding

10,100,000 shares (0.81%) (as of 28 December 2018)

Family Relations

Sister of Mr. Prasit Sirimongkolkasem

Year of Nomination

18 April 2003 – Present (16 years)

Training / Seminar in 2018

- none -

9. Mr. Sujin Sirimongkolkasem

- Director
- Vice President, Live-Chicken Purchasing Department

Age : 48 years

BOD **NRGC** **RMC** **EC**

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

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

Other Juristic

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

Number of Shareholding

59,801,080 shares (4.77%) (as of 28 December 2018)

Family Relations

Nephew of Mr. Prasit Sirimongkolkasem

Year of Nomination

18 April 2003 – Present (16 years)

Training / Seminar in 2018

SCBS Global Investment: Trend and Tool



GOOD
BITE





GOOD GOVERNANCE

Good Corporate Governance

Good Corporate Governance Policy

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

The Company has constructed the Good Corporate Governance policy under the criteria of the Stock Exchange of Thailand¹ and the regulations of the Organization for Economic Co-Operation and Development² (OECD), and also has adopted the Corporate Governance Code for listed companies 2017³ that was designed by the Securities and Exchange Commission, Thailand to use as a guidance for directors, executives, and employees of the Company in operating our business. The Company reviews its principles of Good Corporate Governance policy annually so as to be appropriate with any changes that may occur from the operation, environment, situation, or laws.

Therefore, the Board of Directors, as a governing body, acknowledged the CG Code to create sustain value for the Company. The Board of Directors accessed its CG practice and performance according to the CG Code recommended by NRCG Committee, to ensure appropriateness and suitability for our business.

The Board of Directors regularly monitors compliance with good corporate governance. The Company’s corporate governance policy is announced to all employees through the Company’s intranet system and also to public through the Company’s website (www.gfpt.co.th) under the “Corporate Governance” section.

With strong dedication and determination of all personnel to comply with the Company’s CG policy, the Company received Corporate Governance Report (CGR) of “Excellent” in year 2018 along with 5-star in CG Score. The rewards were given by the Thai Institute of Directors Association (IOD) accompany with the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). In addition, the Company maintained CGR of “Excellent” for 3 consecutive years.

Compliance with the Good Corporate Governance Policies in the Year 2018

Chapter 1 Rights of Shareholders

1.1 Shareholders’ Rights Protection Policy

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

The Board of Directors also set the best practice to look after the interest of shareholders beyond their basic legal rights by providing the right to get any significant Company information on a timely and sufficient basis such as the results of operations, analysis of its operations, the credit rating, and newsletter to shareholders via the Company’s Home Page that is accessible and convenient.

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

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

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

³ Corporate Governance Code for listed companies 2017

1.2 Shareholders' Meeting

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

The Board of Directors have a policy to support and encourage all types of shareholders, including institutional shareholders to attend the shareholders' meeting by requiring the invitation letter of Annual General Meeting of Shareholders to clarify on details about registration procedures and documents used to register for each type of shareholders including 3 types of proxy consisting of Form A, Form B and Form C. Meeting documents can be downloaded through Company's website at least 30 days before the meeting. The Company will facilitate the shareholders to exercise their rights to attend and to vote at the meeting and will not take any action to limit the opportunity to access information of the Company.

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

1.2.1 Pre-Proceeding of the Meeting

- 1) The Company gives an opportunity to shareholders to propose agenda of the meeting, nominate qualified persons for appointment as a director, and send questions related to the agenda, prior to the Annual General Meeting of Shareholders under the criteria set by the Board of Directors and disclosed to shareholders through SEC's News the Company's Home Page.
- 2) The Company discloses the resolution of the Board of Directors on the meeting date through SET news. The resolution includes the date of the Annual General Meeting of Shareholders, the record date, the closing date of the share registration book and dividends payment.

- 3) The Company prepares the Notice of the Annual General Meeting of shareholders and related documents in both Thai and English languages (for the convenience of foreign shareholders) with complete details, including information about the date, time, and location of the meeting, meeting agenda with a statement indicating the reasons and opinion of the board of directors, issues to take into consideration, proxy forms as set by the Ministry of Commerce, rules and procedures in attendance and the process of voting on each agenda.
- 4) The Company discloses the Notice of Annual General Meeting of Shareholders to shareholders and enclosures through the SET's news and Company's Home Page at least 30 days before the meeting. The Company sends the Notice and enclosures to the shareholders by registered mail at least 21 days before the meeting, which is over the time period set by law. The Notice of Annual General Meeting of Shareholders will be advertised in the daily newspapers in the English version and Thai version for 3 consecutive days and 8 days before the meeting.

1.2.2 Proceeding of the Meeting

- 1) The Company sets date, time, and place of the meeting of shareholders with consideration to the convenience of the shareholders. The place of the meeting is conveniently accessible by various public transportations.
- 2) The Company allows shareholders to register for the meeting 2 hours before the meeting starts and organizes easy document checking system.
- 3) The Company provides the use of a proxy form by shareholders who are unable to attend the meeting to appoint a person or an independent director to attend the meeting and cast votes on their behalf. Shareholders can use the Proxy Form A., B., or C. (for Custodian) as specified by Department of Business Development or the Proxy Forms provided in the Company's Website. The Company encourages shareholders to use Proxy Form B, which send together with the Notice of the AGM, the required documents/evidence, and the proxy instruction to shareholders. In addition, shareholders can download Proxy Forms via the Company's website.

- 4) The Company uses information technology (computer systems and barcode) and the ballot (every agenda) at the shareholders' meeting for the registration of shareholders, vote counting, and vote result for fast, accurate, and reliable information.
- 5) Chairman, directors, chief executive officer, managing director, Chairman of various committees, chief financial officer, and auditors are required to attend the shareholders' meeting to provide answers to any questions related to their scope of work.
- 6) Volunteers from the meeting of shareholders (independent parties) act on behalf of the meeting to count or check the votes at the Annual General Meeting or the Extraordinary General Meeting of shareholders.
- 7) Voting is separate for each matter. For example, for the election of directors, the shareholders can vote for each director individually.
- 8) The Company notifies the guideline of the procedure of the meetings of shareholders, including the procedure of casting vote and the right to vote (with shareholders having 1 vote for 1 share), to the shareholders at the start of the meeting.
- 9) The Chairman of the meeting allocates sufficient time and provides opportunities for shareholders to independently comment and ask questions on matters related to the agenda or to the Company in the shareholders meeting.
- 10) The Company holds clear and transparent vote counting and disclosure of voting results in each agenda at the meeting of shareholders.
- 11) Agenda other than those specified in the Notice of meeting must not be raised and no significant changes may be made to the agendas specified without prior notice to the shareholders.

1.2.3 Post-Proceeding of the Meeting

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

- 3) The Company publishes record of each agenda in the webcast to ensure transparency and accountability.

Annual General Meeting of Shareholders 2018

The General Meeting of Shareholders for the year 2018, the Company provided an opportunity for shareholders to propose agenda items, nominate candidates for director appointment, and send questions in advance for 3 months before the end of the year during 28 September to 29 December 2017. At the end of such period, there were no shareholders proposing agenda, candidate, or submit question in advance of the meeting.

On 28 February 2018, the Company published the resolution of the Board of Directors regarding the General Meeting of Shareholders via SET's news and the Company's website and scheduled the 2018 Annual General Meeting of Shareholders on 5 April 2018 at 9.30 AM. The Company set the Record Date, on which shareholders have the rights to attend and to cast vote in the 2018 AGM and have the right to receive dividend, on 14 March 2018 and dividend payment on 25 April 2018.

The Company published the Notice of the 2018 Annual General Meeting together with the meeting's supporting documents in both Thai and English languages via SET's news and the Company's website on 2 March 2018 or 34 days before the meeting. Thailand Securities Depository Company Limited (TSD) was appointed to be registrar to send the Notice of the Annual General Meeting to shareholders through registered post since 21 March 2018, or 14 days before the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2018 on Thursday, 5 April 2018 at 9.30 AM at GFPT Building, No. 312, Rama 2 Road, Kwang Bangmod, Khet Jomthong, Bangkok 10150. There were 702 shareholders attending the Meeting in person and by proxy, accounted for 857,322,672 shares representing 68.38% of the shares sold. The Company published the resolution of the meeting and the voting results of each agenda on 5 April 2018. The minutes of AGM 2018 and the video recording are disclosed through SET's news and the Company's website on 18 April 2018.

For the Annual General Meeting of Shareholders for the year 2018, the Company was assessed the quality of the Annual General Meeting of Shareholders (AGM Assessment) by Thai Investors Association and received 97 score categorized in the "good".

Chapter 2 Equitable Treatment of Shareholders

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

2.1 Measures to Prevent the Use of Inside Information

The Company has measures to prevent the use of inside information. The directors, executives, employees and stakeholders are not allowed to the use inside information to benefit themselves or others to avoid unfair action of trading securities by using inside information and determining the use of inside information policy and regulations of data retention as well as securities trading of directors, executives, and employees in the Company's Code of Ethics that will be granted to directors, executives and employees on the job. It can be summarized as follows:

The Use of Inside Information Policy

Directors, executives, employees, persons who can access inside information of the Company⁴, persons from the Securities and Exchange Act (No. 5) B.E.2559, Section 243, and persons from the Securities and Exchange Act (No. 5) B.E.2559, Section 244, who can access inside information, must not disclose, distribute, or use inside information which is sensitive to the stock price or investment decision and also not yet disclose to public or SET to trade the Company's stock or the commitments under future contract related to the securities whether for themselves or others'. Those who fail to follow will be guilty for the Securities and Exchange Act (No. 5) B.E.2559, Section 240 and 242.

- Directors, executives and employees at all levels must keep important business information confidential as well as confidential information about the Company and the stakeholders of the Company. The information will not be disclosed to those who are not involved, both inside or outside the Company, or must not be used to seek benefits for themselves and others. This also applies in cases of retirement, resignation or termination of work from the Company, unless the information is already required by law to be disclose to third party involved.

- The Company's regulations on the security of computer systems and information technology need to be very strict in order to prevent important information from being revealed in the case that directors, executives, employees of the Company use inside information.
- Third party with an opportunity to get involved or obtain inside information needs to sign an agreement to keep the information confidential (Confidentiality Agreement) to ensure that they will take precautions to maintain the confidentiality of inside information in the same manner of the employees of the Company.
- Disclosure of key business information must be made by authorized personnel of the Company. When unauthorized personnel are asked about the Company's information, they should recommend the enquirer to contact the authorized persons.
- The directors, executives, employees and persons who can access inside information of the Company and persons under Section 243 of the Securities and Exchange Act (No.5) B.E.2559 and persons under Section 244 of the Securities and Exchange Act (No.5) B.E.2559 who are related persons of persons under Section 243 cannot use inside information including the Company's financial statements or other information that may affect the share price of the Company that is undisclosed to the public or to the Stock Exchange of Thailand for their own personal benefit or for the benefit of related persons.
- The directors, executives, employees and persons who can access inside information of the Company and persons under Section 243 of the Securities and Exchange Act (No.5) B.E.2559 and persons under Section 244 of the Securities and Exchange Act (No.5) B.E.2559 who are related persons of persons under Section 243 who have inside information are prohibited to trade securities of the Company during the period of 1 month before disclosing information to the public and within 24 hours after disclosure (Blackout Period).

⁴ Directors, executives, employees, and persons who can access inside information of the Company such as Directors, executives as defined by Capital Market Supervisory Board and the Company's regulations, employees at all levels, auditors, financial advisors, legal counsels, other consultants, and appraiser of the Company and its subsidiaries which can access inside information of the Company, subsidiaries, related companies, including parents, brothers, sisters, descendants, spouse or cohabit as husband and wife, etc.

- Any directors, executives or employees who have inside information and breach the code of conduct, or behave in a way that will damage the Company, will be punished whether by a warning, cutting wages, suspension without pay or termination.
- Directors and executives (as defined by the SEC and SET) and related persons (spouse, minor children and juristic person wherein oneself including spouse and minor children hold shares at an aggregate amount exceeding 30% of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof) are required to report holdings of securities of the Company⁵ to the SEC under Section 59 of the Securities Exchange Act of B.E. 2559 (No. 5) within 3 days from the date of changing ownership. Also, the change in ownership will have to be notified to the Company Secretary to record the changes and summarize the securities held by each director and executive individually. The changes will be informed to the Board of Directors in the next meeting and shall be disclosed in the Annual Report and Annual Registration Statement (Form 56-1).

For the year 2018, the Company has no events that directors, executives, employees, and related persons violated rules of the use of inside information or traded securities by using inside information.

In addition, directors and executives have strictly complied with the Company's Code of Conduct in regard to reporting the purchase and sale of securities of the Company at least 1 day before and after the actual trading date and the changes in the holding securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 2559 (No. 5).

2.2 Governance on the Conflict of Interest

The Company may in the course of its operation create a conflict of interest with its directors, executives, and employees. Such conflict of interest may appear in different forms. Therefore, for the best interest of the Company, the following guidelines regarding the conflict of interests are stipulated as follows:

2.2.1 Receiving Money or Other Remuneration

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

2.2.2 Giving Gifts, Entertainment and Gratuities

The Company has no policy on offering money, incentives or any other special benefits to its business partners, suppliers, customers, creditors or any other people in exchange for business deals, except for providing normal business entertainment, trade discounts or promotional campaigns. Such practices have been applied in setting the anti-corruption policy of the Company as shown in the Company's website (www.gfpt.co.th) under "Anti-Corruption Policy" section.

2.2.3 Outside Directorships

Any directors, executives, or employees who participates as a shareholder or the management of the Company's competitors which may cause a conflict of interest, shall notify to the Board of Directors in writing except for a directorship of the non-profit organization. Nevertheless, such directorship must not infringe on any related laws or regulations governing the business of the Company. In addition, the involved person shall not use his or her position in the Company to promote any outside businesses.

⁵ Report of Conflict of Interest of Directors

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

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

2.2.5 Engaging in Business with Companies within the Group

For connected transactions where directors, executives, managers and employees may have a conflict of interest, such persons shall disclose any conflict of interest to the Company prior to engaging in the connected transaction. Director, manager or employees, who have conflict of interest, may not participate in the consideration or approval of the connected transaction. The authorized person who acts on behalf of the Company shall investigate and review whether the Company's directors, executives, or employees have any relationship and conflicts of interest on such transaction. The definition of relationships shall be in accordance with "the Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions" set by the Stock Exchange of Thailand and The Office of the Securities and Exchange Commission.

2.2.6 Related Party Transactions amongst Companies within the Group

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

In 2018, there is no directors, executives, or related persons violate connected transaction regulations.

2.3 Conflict of Interest of Directors

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



Chapter 3 Roles of Stakeholders

3.1 Policy on Practice to the Stakeholders

The Board of Directors is committed on providing stakeholders with equal rights as stipulated by law or as agreed with the Company such as human rights, environmental management, and etc. by having a policy on practice towards the stakeholders as follows:

	<p>The Company is committed to create sustainable growth and provide reasonable economic over the long term returns to shareholders by taking into account of current and future risks, shareholders, provide accurate information, and treat shareholders equally.</p>
<p>Shareholders</p>	
	<p>The Company is committed to treat employees and workers fairly, respectfully, equitably, and professionally with respect to human rights so that its employees will have reasonable and fair salary and benefits according to labor laws, personal career development, good quality of life, training, and safeguard at work and respect of privacy rights of all employees.</p>
<p>Employees</p>	
	<p>The Company is committed to gain highest customer satisfaction through continued improvements of product and service quality and to ensuring that our customers receive good quality products and services at reasonable prices, as well as to develop and maintain a sustainable relationship. Customer satisfaction survey is conducted regularly to improve products and services qualities. It also provides a system for monitoring the implementation of work that is provided to the customers and treats customers honestly and fairly.</p>
<p>Customers</p>	
	<p>The Company is committed to treat suppliers and partners fairly and equally to establish mutual trust, fair agreement and procedures and to provide monitoring systems that will prohibit the disclosure of the business partners' information or any use of its information by illegal means. The Company also has a transparent and fair selection process of suppliers by considering partner's business strategy that comply with the Company's business strategy. The Company also informs business partners to respect human rights, treat their workers fairly and be responsible for society and environment.</p>
<p>Business Partners</p>	
	<p>The Company intends to strictly comply with the terms of contracts it enters into and any financial obligations including debt repayment, loans, interests that may have especially regarding guarantees and event of default payments.</p>
<p>Creditors</p>	
	<p>The Company is committed to operating business with openness and transparency, do not unfairly take advantage over competitors and comply with international trade rules and promote fair competition. The Company shall not perform any illegal or unethical transaction nor shall it allege any defamation towards its competitors without real information.</p>
<p>Competitors</p>	
	<p>The Company is committed to conduct business that benefits the economy, society and consciously preserve and protect the environment together with sustainable development of the Company by preventing, reducing, managing, and ensuring that the Company shall not create or affect the environment in negative ways. The Company promotes a spirit of social responsibility of its employees at all levels by supporting its employees to join social activities. The Company welcomes feedback and suggestions from all parts of society to achieve a common approach in the implementation of sustainable business alongside the development of community society and environment.</p>
<p>Communities, Social and Environment</p>	

Referring to the practices of the Company to its stakeholders, the study of relationship between the Company and the various groups of its stakeholders in 2018 is shown in the Company's Integrated Report on the Company's website (www.gfpt.co.th) under "Corporate Governance" section.

3.2 Whistle-Blowing Service

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

Contact Independent Directors

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

Contact Board of Directors

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

Contact Nomination Remuneration and Governance Committee

Email : nrgc@gfpt.co.th
Facsimile : 0 2473 8398
Mail : Nomination Remuneration and
Governance Committee
GFPT Public Company Limited
GFPT Tower, 18th Floor
No. 312 Rama 2 Road, Bangmod,
Jomthong, Bangkok 10150

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

The Company has a process in place for dealing with complaints from employees by considering whether the complaint concerns a wrongful act and how serious the offense is in order to impose a fair and accurate penalty to build confidence in protection measure and the confidentiality of the complainant. The employees can report complaints or feedback directly through various channels such as comment box, internal online system (intranet), the Company's e-mail, or send a letter to related departments of the Company such as Human Resource Department, and/or Internal Audit Department as described in the Code of Conduct of the Company. All employees are informed and acknowledge about the complaint process and the Code of Conduct during their orientation.

The Company discloses the process and channels on its Home Page and annual reports to provide confidence for the person who report complaints, the Company strictly keeps all complaints confidential and establishes a process of receiving a complaint and an investigation procedure where the complaints will be only be disclosed to the relevant people.

In 2018, the Company had no complaint in relation to fraud or ethical misconduct or any incident that may cause negative reputation to the Company as the result from the administration of the Board of Directors. Non-executive directors of the Company did not resign due to any CG misconduct. There is no legal dispute on labor issue, consumer right, or business trading activity.



Chapter 4 Disclosure and Transparency

4.1 Disclosure Policy

The Board of Directors discloses all important information including both financial and non-financial information⁶ correctly, timely, and accurately in accordance with regulations of the “Securities and Exchange Commission” (SEC), the “Stock Exchange of Thailand” (SET) re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company and the Guidelines on Disclosure of Information of Listed Companies and other state agencies.

In the year 2018, the Company has complied with the principles of good corporate governance. There is no record of delayed report submission under section 56 for both form 56-1 and form 56-2, including quarterly and yearly financial statements.

4.2 Channel Disclosure

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

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

4.3 Information Disclosure Policy or Interview with the Press or Public

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

⁶ Minimum data specified in the principles of good corporate governance for listed companies in B.E. 2555, Section 4, Clause 2.

4.4 Investor Relations Department

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

Investors may contact the Investor Relations Department at 0 2473 8000 or www.gfpt.co.th or email ir@gfpt.co.th

In 2018, the Company had investor relations activities to disclose the Company's information to investors continuously throughout the year. The Company evaluated the effectiveness of the information disclosure, which has been assessed by analysts attended the Company's analyst meetings. The results of the information disclosure from the Company's analyst meeting were satisfactory. In addition, investor relations activities of the Company in 2018 are summarized as follows:

Investor Relations Activities in 2018	No. of Time
Analyst Meeting	4
Plant Visit / Company Visit	1
Roadshow	5
Local Roadshow	6
One on One Meeting	36





Chapter 5 Responsibilities of the Board of Directors

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

5.1 Structure of the Board of Directors

5.1.1 Component of the Board of Directors

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

As of 31 December 2018, GFPT Public Company Limited has a total of 9 directors consisted of:

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

5.1.2 The Qualifications of Director and the Criteria for Director Selection

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

5.1.3 The Qualifications of the Chairman

The Chairman should have the following qualifications:

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

5.1.4 The Qualifications of Independent Directors

The qualifications of Independent Directors of the Company shall be as defined in the Notification of the Capital Market Supervisory Board and other future amendments (stricter than 1% determined by the SEC's definition of independent directors)

- 1) Hold share in total not more than 0.5% of the total voting share of the Group, GFPT, its subsidiaries, associated companies, or related companies which may have any conflict of interest. The shares held by related persons are also included.
- 2) Not an executive director or an employee or staff or an advisor receiving salary or have control over GFPT, its subsidiaries, associated companies, or related companies that may have conflict of interest at present and prior to being nominated for at least 2 years.
- 3) Not a related person by blood or legal registration, such as father, mother, spouse, sibling, child, spouse of children of the executives, major shareholders, top manager or any nominator to be executive or top manager of GFPT or its subsidiaries.
- 4) Do not have any business relationship with GFPT, its subsidiaries, associated companies, related companies or major shareholders who may have conflicts of interest, in the manner that may interfere with his/her independent judgment. Not a major shareholder or an executive officer that has business relationship with GFPT, its subsidiaries, associated companies, related companies at present and prior to being nominated for at least 2 years. The "business relationship" aforementioned includes any normal business transaction, rental or lease of immovable property, transaction related to assets or services, or grant or receipt of financial assistance in the amount of 3% or more of the net tangible assets of the Company or more than 20 million Baht. The transaction amount shall be calculated according to the calculation method

for transaction value of connected transactions under the Notification of the Capital Market Advisory Board concerning the Connected Transaction. The transaction amount includes any amount incurred during 1 year prior to the date on which the business relationship with the person commences.

- 5) Not an auditor of GFPT, its subsidiaries, associated companies, or any juristic person who may have conflicts of interest, a major shareholder (hold more than 10% of total shares including related persons), executive director, top manager or partner of an audit firm which employs auditors of GFPT, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for at least 2 years.
- 6) Not any professional advisor including legal advisor, financial advisor, or asset appraiser who receives an annual service fee exceeding 2 million Baht from GFPT, its subsidiaries, associated companies. Not a major shareholder, executive director, top management or partner of the professional advisor unless the foregoing relationship has ended for at least 2 years.
- 7) Must not be nominated to be a representative of a director, a major shareholder, or a shareholder who is related to a major shareholder of the Company.
- 8) Must not participate in a company operating in the same business and being a competitor of GFPT or its subsidiaries. Not a partner or executive director or employee or staff member or advisor who receives salary or hold share more than 1% of total voting share of the company operating in the same business and being a competitor of GFPT or its subsidiaries.
- 9) Must not have any characteristics that make him or her incapable of expressing independent opinions about GFPT's business.

After being nominated, he or she may be assigned by the Board of Director to take part in the business decision of GFPT, its subsidiaries, its associated companies, same level subsidiaries, major shareholder, and top manager on the condition of a collective decision. The independent committee shall not be considered as executive committee in order to provide opportunity for him/her to work effectively with other committees in the Company efficiently and also be able to provide opinion freely.

5.1.5 Term and Election of Director

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

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

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

5.1.6 Separation of Duties and Responsibilities between the Board of Directors and the Executives.

The Company has divided responsibilities between the Board of Directors and the Executives clearly as follows:

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

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

5.1.7 Separation of Duties and Responsibilities between the Chairman and the Managing Director

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

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

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



5.2 Roles, Duties and Responsibilities of the Board of Directors

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

- 1) Perform duties in compliance with the relevant laws, objectives and regulations of the Company, and the resolutions of the shareholders' meeting with loyalty, care, accountability and ethic. Protect the Company's best interests based on the Principle of Good Corporate Governance, and protect all shareholders' interest equally.
- 2) Consider and approve matters relating to the operations of the Company, such as vision, mission, strategies, goals, business plans, financial plans, funding, risks, plans, budgets, etc. including monitoring for implementation and set up its subsequent annual review for a revision.
- 3) Set the direction of business operations including funding, capital management, risk management and governance.
- 4) Monitor the management to effectively and efficiently implement plans and policies.
- 5) Consider and approve important matters such as approving the credit line from the financial institutions, borrowing, pledging, new investment project, sale and purchase of assets, connected transactions, and any transactions that may create conflicts of interest between the Company and the subsidiary companies. These matters shall comply with the regulations of the Office of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET), other relevant laws, and the regulations of the Company.
- 6) Approve financial statements prior to a submission to the Stock Exchange of Thailand.
- 7) Set up a reliable accounting system and financial reports.
- 8) Set up adequate and effective internal control system and risk management, both operational and financial reporting, that can be assessed, monitored and managed.

- 9) Supervise the disclosure of financial reporting in a correct, timely and transparent manner. Set up a channel of communication properly for each group of shareholders and stakeholders of the Company.
- 10) Consider and appoint sub-committee such as the Audit Committee, the Nomination Remuneration and Governance Committee, Risk Management Committee, Executive Committee, management. Define duties and responsibilities of other sub-committees clearly to achieve the Company's objectives. The members of the sub-committee shall mainly consist of independent directors.
- 11) Evaluate the Company's compliance with the Good Corporate Governance policy and consistently review such policy.
- 12) Provide a succession plan and human resource development plan for employee, directors and executives.
- 13) Have authority to define and amend the list of authorized directors.
- 14) Have authority to authorize one or more directors, or any other persons, to take any action on their behalf within the authority approved by the Board of Directors. Such power of attorney must contain a clear scope of authority of the authorized person.



5.3 Sub-Committees

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

GFPT has the following 4 sub-committees: Audit Committee, Nomination Remuneration and Governance Committee, Risk Management Committee, and Executive Committee

5.3.1 Audit Committee

Structure and Qualifications

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

Term of Office

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

The Audit Committee has the Following Duties and Responsibilities:

Financial Reporting, Disclosure and Auditing

- 1) Review the Company's financial reports to be accurate, complete, and reliable. The financial reporting and disclosures should be prepared in accordance with the accounting standards, laws and other relevant standards.
- 2) Consider the disclosure of the Company's information in case of related transactions or the conflict of interest to be accurate, complete, and in accordance with the regulations of the Stock Exchange of Thailand (SET) to ensure that the aforementioned transaction is reasonable towards the Company's interests and correctly maintains accounting records to be complete and transparent.
- 3) Prepare and publish an Audit Committee Report in the Company's Annual Report and provide comments on the following:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report.
 - An opinion on the adequacy of the Company's internal control system and risk management system.
 - An opinion on the suitability of a financial auditor.
 - An opinion about the Company's compliance with the law on securities, the SEC regulations or other laws relating to the Company's business.
 - An opinion on transactions which may have potential conflicts of interest and related party transactions.
 - A general opinion or observations of the AC while carrying out its duties.
 - Comment about other transactions that shareholders and investors should be aware within the scope of duties and responsibilities assigned by the Board of Directors.
- 4) Consider, select and nominate an independent person to serve as the financial auditor of the Company including any proposal for the auditor's dismissal.
- 5) Consider the remuneration of the financial auditors of the Company.
- 6) Promote independence and no restrictions on the operation of financial auditor.

Internal Audit

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

Risk Management

- 1) Access potential risks that could lead to fraud and corruption, and determine preventive measures.
- 2) Propose risk management policies and guideline to cover risks that may affect the Company's business to the Board of Directors for its consideration.
- 3) Control, monitor, and evaluate the risk management according to the risk management policy
- 4) Review the adequacy and efficiency of the risk management system and the policy as a whole.

Others

- 1) Review and amend the Charter of the Audit Committee to be up-to-date and appropriate to the environment of the organization and propose to the Board of Directors for its approval.
- 2) Review to ensure that the Company's is in compliance with the law on securities and exchange, the regulations of the Stock Exchange, and laws relating to the Company's business.
- 3) Review to ensure that the Company's is in compliance with the Corporate Governance Policy and the Code of Conduct including the whistle blowing as well as the fraud and corruption.
- 4) Review correctness and appropriateness of self-assessment and reference document about anti-corruption policy and practice of the Company in accordance with Thailand's Private Sector Collective Action Against Corruption (CAC).
- 5) Perform any other duties as assigned by the Board of Directors from time to time.

Meeting (s) : at least 4 times a year



5.3.2 Nomination Remuneration and Governance Committee

Structure and Qualifications

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

Term of Office

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

The Nomination Remuneration and Governance Committee have the Following Duties and Responsibilities:

Recruitment

- 1) Review the organization structure to be appropriate to the strategic needs of the Company.
- 2) Establish rules and procedures for the recruitment and selection of directors, members of the sub-committees, president, executive and secretary of the Company and to propose such rules and procedure to the Board of Directors or as an agenda at the shareholders meeting for its approval as the case may be.
- 3) Review, select and screen names and profiles of those to be nominated as directors, member of committees, managing director, executive and secretary of the Company, in the event of a position vacancy and to further propose to the Board of Directors for its approval in accordance with the procedures for the recruitment or the lack of necessary skills of the Board of Directors (Board Skill Matrix) as well as the reliable database such as The Securities and Exchange Commission (SEC)'s website, IOD Chartered Director, and Thai Institute of Directors (IOD)'s website. In case of nominating former directors, when the term of office is expired, his/her performance will be carefully considered.
- 4) Disclosure policies and details of the recruitment process in the annual report of the Company.
- 5) Provide criteria for the succession of into the position as the Company's executive and to further propose it for the Board of Directors' consideration.
- 6) Prepare an appropriate succession plan and the continuity of the management for the position of Chief Executive Officer, Managing Director, Authorized Management, and high level executives and to further propose it to the Board of Directors for its approval.
- 7) Determine criteria to evaluate the performance of the Board of Directors annually and to report the result to the Board of Directors.
- 8) Conduct an annual performance evaluation of the Board of Directors and the Chief Executive Officer and to report the result to Board of Directors.

- 9) Provide an annually self-assessment evaluation of the performance of the Nomination Remuneration and Governance Committee and to report the result to the Board of Directors.
- 10) Any other duties regarding recruitment as assigned by the Board of Directors.

Remuneration

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

Corporate Governance

- 1) Set the policy and direction of corporate governance of the Company's operation and to propose such policy to the Board of Directors for its approval.
- 2) Regulate, advice, and monitor the Company's compliance towards Corporate Governance Policy, the Code of Conduct, and other related laws.
- 3) Regularly review and update corporate governance policies to ensure appropriateness.
- 4) Recommend the requirements of corporate governance principles to the Company's directors, management and employees.
- 5) Promote information about corporate governance policies and best practices towards the Company's employees.
- 6) Annually issue a report on the corporate governance of the Company.

Business Ethics

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

Meeting(s) : at least 2 times a year

Remark : According to the BOD meeting no. 1/2018 dated on 18 January 2018, approved to combine the Nomination and Remuneration Committee and Corporate Governance Committee to become Nomination Remuneration and Governance Committee.

5.3.3 Risk Management Committee

Structure and Qualifications

- 1) The Board of Directors has appointed the Risk Management Committee.
- 2) The Risk Management Committee consists of not less than 5 members, including independent directors, directors, executives and/or employees of the Group.
- 3) The Board of Directors shall appoint 1 Risk Management director as Chairman of the Risk Management Committee.
- 4) The Risk Management Committee can appoint 1 employee to act as the Secretary of the Risk Management Committee.

Term of Office

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



Duties and Responsibilities:

- 1) Consider and identify significant risks of the Company's business operations such as strategic risk, operational risk, financial risk, compliance risk, and reputational risk as well as consider policy of risk management, risk appetite, risk tolerance, and also conduct risk management manual.
- 2) Communicate risk management policy and manual to all business units as a risk owner, and also provide risk assessment, analyze and review risk of the Company and its subsidiaries regularly by using key risk indicators.
- 3) Control, monitor, and evaluate the risk management of each business unit, and also provide prevention and means to reduce risk.
- 4) Review the adequacy and efficiency of the risk management system and policy then constantly report to the Audit Committee.
- 5) Review and revise the risk management manual annually to be up-to-date and appropriate for the business environment.
- 6) Have authority to request information from various departments of the Company and its subsidiaries for further consideration in regard to risk management.

Meeting(s) : at least 1 time a year

5.3.4 Executive Committee

Structure and Qualifications

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

Term of Office

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

Duties and Responsibilities:

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

Meeting(s) : at least 12 times a year

5.4 Board of Directors' Meeting

5.4.1 Attendance of the Meeting

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

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

5.4.2 Meeting Agenda

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

5.4.3 Meeting Documents

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

5.4.4 The Meeting

The Chairman will allocate sufficient time to consider the issues in each agenda of the meeting. In the meeting, each director is encouraged to cautiously consider the agenda and to provide opinion independently and freely.

5.4.5 The Quorum

In case of starting the meeting, the Company should follow "Committee meeting rules and regulations" (No.27) stating that the participated committee must be more than a half of all committee. In case of reaching resolution in each agenda, the participated committee must be not less than 2 out of 3 of all participated committee.

5.4.6 Invite Management to Attend the Meeting

The Board of Directors encourages the invitation of senior management to attend the Board's meetings to provide additional insights into the agenda items being discussed because of their personal involvement in these areas and to give the opportunity to meet the Board of Directors for their further consideration of a succession plan.

5.4.7 Access to Information

The Board of Directors will have access to additional necessary information from the Managing Director, the Company Secretary and any other assigned executive management within the scope of the policy and, if necessary, independent opinion from external consultants or specialists can be provided at the cost of the Company.

5.4.8 Meeting with Non-Executive Directors

The Board of Directors encourages non-executive directors to independently meet and discuss interested matters among themselves without the management participation. The results of the meeting should be notified to the Managing Director (not less than 3 times per year). In 2018, non-executive directors had 4 meeting without the management participation.

For the year 2018, the directors attended the meetings as follow:

Name-Surname		Position	BOD	AC	NRGC	RMC	EC	AGM
			Total of 10 times	Total of 5 times	Total of 2 times	Total of 2 times	Total of 10 times	Total of 1 time
1. Mr. Prasit	Sirimongkolkasem	Chairman	10/10	-	-	-	-	1/1
2. Mr. Virach	Sirimongkolkasem	Vice Chairman Executive Committee	10/10	-	-	-	10/10	1/1
3. Dr. Anan	Sirimongkolkasem	Chairman of Executive Committee Managing Director Member of Nomination Remuneration and Governance Committee	10/10	-	2/2	-	10/10	1/1
4. Dr. Sathit	Karanes	Independent Director Chairman of Audit Committee Chairman of Nomination Remuneration and Governance Committee	10/10	5/5	2/2	-	-	1/1
5. Mr. Paramet	Hetrakul	Independent Director Member of Audit Committee Member of Nomination Remuneration and Governance Committee	10/10	5/5	2/2	-	-	1/1
6. Mr. Thanathip	Pichedvanichok	Independent Director Member of Audit Committee Member of Nomination Remuneration and Governance Committee	10/10	5/5	2/2	-	-	0/1
7. Mrs. Somsiri	Ingpochai	Director Executive Committee	9/10	-	-	-	10/10	1/1
8. Ms. Wannee	Sirimongkolkasem	Director	9/10	-	-	-	-	1/1
9. Mr. Sujin	Sirimongkolkasem	Director Member of Nomination Remuneration and Governance Committee Member of Risk Management Committee Executive Committee	10/10	-	2/2	2/2	10/10	1/1

5.5 Remuneration of the Board of Directors and Executives

5.5.1 Remuneration for Directors

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

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

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

In 2018, total remuneration for 9 directors was THB 5,395,000 being monthly remuneration and bonus in compliance with the approval of the shareholder's meeting. In addition, some directors received remuneration from subsidiaries of the Company in total amount of THB 650,000.

5.5.2 Remuneration for Executives

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

In 2018, the Company made a remuneration of THB 56,251,479 to 10 executives for their salary, bonus, and other remunerations (excluding senior accounting department manager).

The details of monetary remuneration of each director are shown as follows:

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

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

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

5.6.1 Performance Evaluation of the Board of Directors

Criteria

The Nomination Remuneration and Governance Committee shall set up an annual performance evaluation of the Board of Directors as a group and individual (self-assessment) at least once a year based on the self-assessment guideline provided by the Stock Exchange of Thailand⁷ and to adapt it to fit the Company's structure. The self-assessment serves as a framework to monitor the performance of the duties of the Board of Directors, promote collaborative analysis of the operational results and problems which occurred in the operation of business, create good corporate governance and to subsequently disclose the criteria, procedures, and the evaluation result in the annual report.

Criteria in the Performance Evaluation of the Board of Directors (Group) are as follows:

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

Performance Evaluation Criteria for Individual Director (Self-Assessment) are as follows;

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

Procedures

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

In 2018, performance evaluation of the Board of Directors as a group and individual in topic of structure and qualifications of the Board of Directors, duties and responsibilities of the Board of Directors, the Meeting of the Board of Directors, relationship with the management, self-development of the Board of Directors and executives, evaluation result categorized in level "good".

5.6.2 Performance Evaluation of the Sub-Committee

Criteria

The Board of Directors shall evaluate performance of each sub-committee at least 1 time per year based on the board self-assessment guidance by the Stock Exchange of Thailand⁸ including the structure and qualifications of each sub-committee, the meeting of sub-committee, roles, duties, and responsibilities of each sub-committee to consider, review, and perform appropriately.

⁷ Self-evaluation committee, Corporate Governance Development for Capital Markets, February B.E.2558. (attachment 1 and attachment 4)

⁸ Self-evaluation committee, Corporate Governance Development for Capital Markets, February B.E.2558. (Attachment 3)

Procedures

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

Performance evaluation of sub-committees consist of the Audit Committee, the Nomination Remuneration and Governance Committee, and the Risk Management Committee. In 2018, results of evaluation of all sub-committees categorized in level “good”.

5.6.3 Performance Evaluation of the Chief Executive Officer

Criteria

The Board of Directors shall evaluate the performance of the Chief Executive Officer at least once a year on their leadership, set up and implementation of strategy, planning and financial performance, relationship with the Board of

Directors, outsiders, and employees, operational management and relationship with other personnel, succession plan, knowledge on product and service, risk management and internal control, corporate governance and business ethics, personal characteristics based on the assessment guideline provided by the Stock Exchange of Thailand.⁹

Procedures

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

In 2018, the Company performed all of the above performance evaluation. The results of performance evaluation reflected the satisfaction in overall performance in 2018. The results were reviewed and discussed in the Board of Directors’ meeting (No.1/2019) held on 24 January 2019 to improve the effectiveness of the Board of Directors’ operation.



⁹ Evaluation form of the CEO, Corporate Governance Center, B.E.2554

5.7 Development of Directors and Executives

5.7.1 Orientation

The orientation will be held every time a new director is being appointed¹⁰ with each new director presented with a Director's Handbook and other useful information in being a director, such as the nature of the Company's business and the direction of the business operation. The Company has assigned the Company Secretary to be in charge of the orientation for new directors.

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

5.7.2 Succession Plan and Knowledge Development

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

5.8 Internal Audit Department

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

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

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

Note : Information of Internal Audit Director is shown in the Attachment 3 of Form 56-1 for the year 2018

¹⁰ Board Orientation Guideline B.E. 2556, the Stock Exchange of Thailand.

5.9 Company Secretary

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

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

Note : Information of Company Secretary is shown in the Attachment 1 of Form 56-1 for the year 2018



GOOD
TASTE

Internal Control

Board of Directors and executives of the Company emphasize on having effective internal control system in order to mitigate business risks and prevent possible damage. The Company has set measurable goals and action plans as guidance for operations. The organization structure is set up to support and encourage the management to operate efficiently and effectively in accordance with the regulations and policies.

In addition, The Company also authorize the Audit Committee to oversee appropriateness of internal control system of the Company and its subsidiaries. The Audit Committee regularly review work of internal audit, monitors the operation of the Company and its subsidiaries in order to prevent conflicts of interests as well as related transactions to safe guard the Company's assets; reviews the effectiveness of operational control of the Company in various aspects. The Company sets up an independent internal audit department to evaluate operational efficiency and adequacy of the internal control system.

Summary of the Company's internal control system:

1. The Company has defined the duties and authority of the executives and employees in written policy. The separation of duties and line of authorities among workers and supervisors as well as evaluation process can promote check and balance system, enhance business transparency, prevent business fraud, avoid intellectual property, and set up anti-corruption measures. The Company defines operational procedures by considering the benefit of the Company.
2. The Company recognizes the importance of developing an information system and IT security policy that provides update, correct, and sufficient information to the executives and Board of Directors to make decisions.
3. The Company reviews its actual operational performance to the target in a quarterly basis. In case that the actual is significantly below target, the management will assign the internal audit team to investigate for possible causes, provide suggestions, and report to the Board.

Audit Committee

The key activities of the Audit Committee and the Risk Management Committee during the year 2018 under the duties and responsibilities assigned by the Board of Directors are summarized as follows:

1. Review quarterly and annual financial statements and audited financial statements for the accounting period which covers review of compliance of accounting standards, selection of accounting policies and disclosures in notes to financial statements.
2. Review transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2018.
3. Review independency of performance of internal audit department carried out during the year including adequacy and appropriateness of internal controls and risk management.
4. Review legal compliance with rules and regulations related to Securities and Exchange, regulations of the Stock Exchange and other laws related to the business of the Company.
5. Review appropriateness of transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2018. The transactions had to be justified and adhere to guidelines published by the Capital Market Supervisory Board.
6. Review policies and practices of the Company to ensure compliance with Good Corporate Governance of the Company as guideline given by the Stock Exchange of Thailand.
7. Review policies and anti-corruption policy including defined the practice of internal audit system to ensure the Company's operation is concise, appropriate, and effective.

-
8. Review independence, result and opinion of auditor. Also, propose an appointment of auditor of the Company and related audit fees to the Board of Directors to propose to the shareholders' meeting for consideration.
 9. Meeting with auditor without any executives of the Company to enable auditor to report freely on events and information about the Company. This includes opinion on internal control system of the Company.
 10. Review internal audit charter to be consistent with the practices and laws once a year.

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

In addition, the Board of Directors has evaluated the adequacy of the internal control system annually in accordance with internal control framework of the Stock Exchange of Thailand which is based on COSO (The Committee of Sponsoring Organizations of the Tread Way Commission) which consists of 5 elements that cover the following areas:

1. A Controlled Environment

The Company had set up a good internal control environment by defining clear organizational structure, business goals, and Key Performance Indicators (KPI) to evaluate efficiency of operational performance to be in

line with the Company's goals. The Company had written working manual as guideline for business operations. In addition, the Company encourages management, employees, and its affiliates to recognize the importance of Good Corporate Governance by having business ethics for directors, executives and employees. The Company also encourages anti-corruption by providing training to employees on an annual basis. As a result, the operation will be fair and transparent to all stakeholders.

2. Risk Assessment

The Company realizes the importance of potential risk management that may affect objectives and goals of the Company. The Company has established risk management policy, the Risk Management Committee is responsible for monitoring risk management process and risk assessment of the Company regularly by setting up the Risk Management Committee meeting at least once a year and report risk assessment results to the Board of Directors to consider and acknowledge. The Company evaluates and analyzes both internal and external risks by preparing Key Risk Indicator (KRI) to be used as a tool for early warning for all significant enterprise risks and department risks including strategic risk, operational risk, financial risk, compliance risk, reputational risk, other risk, and emerging risk. The results will be reported to the Risk Management Committee regularly. In addition, risk factors that may affect the Company are reviewed on annual basis.

3. Control Activities

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

4. Information Technology (IT) and Data Communication

The Company realizes the importance of IT and communication system and continuously encouraged improvement of the system, security system has been tightened and standardized to ensure that all information is accurate and up-to-date. An efficient and modern IT system is adopted to guarantee the safety of the information. Therefore, information will be used to make business decisions properly and accurately. Intranet function is initiated as a communication channel within the organization to broadcast policy, regulations and working manual and other bulletins. In addition, there is an Investor Relations department which is responsible for coordinating with various investors to obtain information about the operation and investment of the Company through a quick and easy access channels such as the Company's website, E-mail, etc.

5. Tracking System and Evaluation

The Company continuously monitors and evaluates effectiveness of internal control process, the Board of Directors conducts an internal control system that covers all fields such as accounting and finance, operation, compliance with laws and regulations, Information Technology, and safe guard of assets. Internal audit department was assigned to be in charge of this duty and evaluated performance according to annual audit plan in order to ensure that what is detected in an audit or review have been appropriately updated.

From above internal control system areas, the Audit Committee proposed to the Board of Directors meeting No.1/2018 dated 18 January 2018 to consider the Company's internal control system. The Board of Directors has evaluated internal control system and a review of the management with same opinion as the Audit Committee that the internal control of

the Company and its subsidiaries is sufficient and appropriate with the Company's operation. The Company has provided adequate personnel to implement the system effectively to minimize business risk and prevent Company's assets from misuse of executives by defining guidelines for Human Resource management in accordance with anticorruption policy, guidelines for internal control to prevent the corruption to government officials as well as any transactions with persons who may have conflicts of interest and related persons sufficiently. The sufficiency of internal control is evaluated annually and compliance with regulations of the Securities and Exchange Commission including fundamental law, section 123/5, anti-corruption policy B.E.2542 and B.E.2558 (revised No.3). In addition, internal control department reviews and monitors operations of each department within the Company to ensure compliance with internal control practices. In case that significant error is found, internal control department will report to the Executive Committee and the Audit Committee and Risk Management Committee for resolutions.

In addition, SAM NAK-NGAN A.M.C. Co., Ltd., the Company's auditor audited the quarterly and annual financial statements of the Company and its subsidiaries for year 2018 and had an opinion that no material deficiency found to be impact on results of the Company.

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

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



GOOD
TEXTURE

Risk Management

Board of Directors and executives of the Company emphasize on having effective internal control system and risk management in order to mitigate business risks and prevent possible damage. The Company has set measurable goals and action plans as guidance for operations. The organization structure is set up to support and encourage the management to operate efficiently and effectively in accordance with regulations and policies. The organization structure is divided into divisions where the Managing Director is responsible for overseeing operations. Written policies and procedures are maintained. Training courses are provided to employees to improve skills and understanding. The Company also provides employee handbooks and code of conduct to employees in order to work efficiently.

The Company realizes the importance on risk management whereby the management will analyze and assess risk and inform purpose of risk management policies to each department. Each department can use as a guideline for risk assessment such as identifying type of risk, measuring risk, controlling risk, reducing risk, monitoring and evaluating risk. Thus, the Company can manage risks more efficiently. The operational result can achieve to goals and objectives. And, the Company's resources are effectively utilized.

In addition, the Company also authorizes the Risk Management Committee to oversee appropriateness and effectiveness of risk management of the Company and its subsidiaries as well as comply with relevant laws and regulations. The Risk Management Committee regularly review work of risk management functions; monitors operation of the Company and its subsidiaries in order to reviews the effectiveness of operational control of the Company in various aspects, evaluate operational efficiency and risk management based on COSO-ERM (The Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management) framework and enterprise risk management framework in order to maximize operational efficiency.

Risk Management Committee

Key activities of the Risk Management Committee during year 2018 under duties and responsibilities assigned by the Board of Directors are summarized as follows:

1. Consider and identify significant risks of the Company's business operations such as strategic risk, operational risk, financial risk, compliance risk, and reputational risk as well as consider policy of risk management, risk appetite and risk tolerance, and also conduct risk management manual.
2. Communicate risk management policy and manual to all business units as a risk owner, and also provide risk assessment, analyze and review risk of the Company and its subsidiaries regularly by using key risk indicators.
3. Control, monitor, and evaluate risk management of each business unit, and also provide prevention and means to reduce risk.
4. Review the adequacy and efficiency of risk management system and policy then constantly report to the Audit Committee.
5. Review and revise risk management manual annually to be up-to-date and appropriate for business environment.
6. Have authority to request information from various departments of the Company and its subsidiaries for further consideration in regard to risk management.

For enterprise risk management, the Company categorized the risks that may affect the business directly into 7 areas:

1. Strategic Risk

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

2. Operational Risk

Operational risk is risk arising from operation, covering every step of factors related to process, equipment, information technology and personnel that may affect performance of organization. The Company applies risk management method with continuous development by identifying significant risk, evaluating effectiveness of control, and establishing a plan to reduce or prevent risk so that such risk is at an acceptable level which is suitable for business. For significant risk, a risk team will identify key risk indicator to monitor risk and to ensure that risk is at an acceptable level or is managed in time in case of any damage.

3. Financial Risk

Financial risk is risk arising from insufficient budget, financial problems, including risks that affect operating results and financial position of organization. The Company has to take into account that source of fund must sufficient and obtainable on a timely basis in order to minimize risks that may affect the Company's investments. For foreign exchange rates risks, the Company has financial transactions in both local and foreign currency. The Company has financial plans for several situations to prevent the risk that may occur. The Company also uses financial instruments to hedge such risks i.e. forward contract and others.

4. Compliance Risk

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

5. Reputational Risk

Reputational risk is related to perception of public, which is difficult to identify or evaluate clearly because it may be influenced or involved in political, economical, and social issues. The Company therefore adheres to principles of participation of the Board and senior management to manage reputational risk in order to receive information from many aspects and various experiences which will be useful for assessing reputational risk that may occur.

6. Other Risk

Other risk is that the Company has major shareholder which influences management policy, authorized to manage, and control majority votes in the shareholders' meeting.

7. Emerging Risk

Emerging risk is a loss that arises from risk which has not happened but may occur in the future due to change in environment. This type of risk is a risk that occurs gradually with low frequency of occurrence. However, when it happens, it will affect severely. Emerging risk is a result from changing in politic, law, society, technology, physical environment, and natural change. Occasionally, the impact of this risk may not be able to identify such as cyber-attacks risk, climate changing risk, and digital transformation risk, etc.



**GOOD
NUTRITION**





GOOD ENVIRONMENT

Sustainability Development

Business Policy

The Company sets business policy to be the leader of the integrated further production of livestock and agriculture. The Company undertakes to provide food safety products and traceability. The Company is committed to operating the business with environmental friendliness and contributing to society.

Sustainable Development Policy

The Company has a policy to carry out its business by placing importance on all stakeholders under the framework of good corporate governance, business ethics, and compliance to the laws and relevant regulations as well as providing channels of communications to all stakeholders to better understand their needs and expectations in order for the Company and the stakeholders to sustainably co-exist and achieving an equilibrium between economic, social, and environmental factors.





The Thailand Sustainability Investment (THSI) Award 2018

The Company was selected to be listed on the Thailand Sustainability Investment (THIS) for the year 2018 from SET for 2 consecutive years. This Award is for the listed company that conducts business sustainably by focusing on environmental, social and governance prepared by SET to provide information to investors to invest in sustainable stocks.




Sustainability Development Planning


Sustainable development planning is to be used as a framework of the Company's operation. Starting with the business model and strategic direction, which the Board of Directors established in taking into consideration the framework of the existing businesses in order for organization to achieve its goals. The Board of Directors sets out its corporate vision, mission, strategy, and business policy including a corporate governance plan under the principle of good governance along with having an operating mindset of placing importance on the needs and expectation of environmental factors and all stakeholders as well as being mindful to unexpected situation, which may occur, through risk allocation to create beneficial shared values between financial, environmental and social factors and ultimately leading to a sustainable development. The Nomination Remuneration and Governance Committee carries out the planning throughout the process and has a duty to report to the Company's directors.


Provide value and have responsibility



In addition, the Company supported Sustainable Development Goals (SDGs) which was incorporated in the Company's objectives and operations; for example:

6 CLEAN WATER AND SANITATION
 Clean Water and Sanitation - Have appropriate water consumption plan and optimize using of water as well as wastewater is managed responsibly.

8 DECENT WORK AND ECONOMIC GROWTH
 Decent Work and Economic Growth - Sets employment policy equally and fairness to its employees at all level including remuneration and encourage employees to work safely and hygiene in workplace.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Responsible Consumption and Production - Focus on quality and safety through supply chain to ensure consumers are confident in the Company's products are safe for consumption and hygienic according to good nutrition principles.



Relationship between organization and the stakeholders




The Company is mindful of possible direct and indirect impacts towards people or the environment which may occur due to the operation of the Company's business. The Company places great importance on the relationship between the organization and the stakeholders to achieve a balance between the business' needs and all groups of stakeholders of the organization's needs in order to reduce conflicts and avoid the unnecessary creation of problems to one another, to be more environmentally friendly, and to be able to sustainably grow together. Therefore, an ongoing process exists to study the relationship between the organization and the stakeholders so that the Company is able to have present and more relevant information for use in determining important topics to improve the organization's sustainability.

The procedure for studying the relationship between the Company and different groups of stakeholders can be summarized as follows:

1. Set out the different group of stakeholders including stating the major impact from the Company's business operation.
2. Summarize the concerns, needs, and major impacts from the Company's business operation by taking into account concerns and opinions of all stakeholders through multiple communication channels such as customer satisfaction survey, questionnaires, activities and meetings, as well as through complaints management.
3. Evaluate, analyze, and set out in order of importance towards the Company the foregoing information regarding needs, expectancy and impacts of each group of stakeholder.
4. Find viable solutions to such topics in order of importance towards the Company as well as finding viable actions which meets the needs of the stakeholders from available information to the extent that the Company is able to do so without adversely impacting its business operation.
5. Implement the foregoing solutions while at the same time recording information in order to be able to find ways to improve the governance of the organization by the stakeholder approach, as well as using GRI Standard as indicators.

Table : Relationship between the organization and the stakeholders

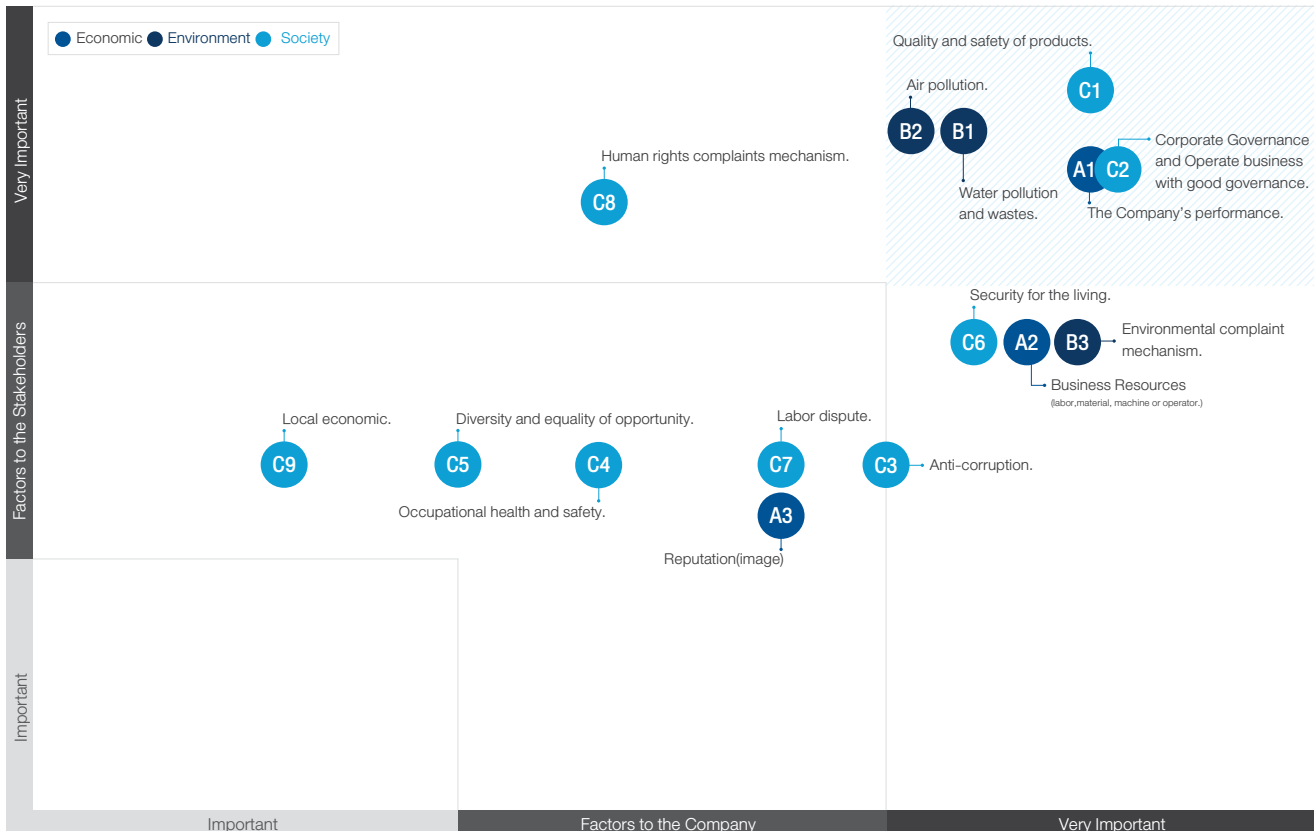
The Company can categorize its stakeholders into 6 groups, there are being: - customers, employees, business partners (including business partners, creditors, and competitors), shareholders, community and society, and environment.

Stakeholders	Channel of communication	Need / Expectancy	Response of the Company
 <p>Customers</p>	<ul style="list-style-type: none"> • Customer satisfaction review. • Channel of communication of complaints and opinions. • Customer meetings with the executives in order to solve problems and build lasting relations. 	<ul style="list-style-type: none"> • Quality and safe product which meets international standards. • Justifiable pricing structure. • Delivery of products within the set timeframe. • Maintain customer satisfaction. • Build customer recognition and trust in the product. 	<ul style="list-style-type: none"> • Strive to improve quality and safety standards throughout the supply chain of the product with an environmentally friendly production procedure that is fully traceable at all stages prior to reaching the customer. • Control the manufacturing cost of goods in order to be able to set fair prices. • Strive to improve and maintain lasting relations such as having in place an auditing system to ensure that the Company honestly and strictly carries out its obligation as agreed with each customer.
 <p>Employees</p>	<ul style="list-style-type: none"> • Employee satisfaction review. • Channel of communication of complaints and opinions. • Provision of training, knowledge improvement, encouraging work related skill improvement. • Labor relations activities such as safety week, fire evacuation drill, new year party. • Company's Employee Work Rules and Code of Conduct. • Notice / news release via activity board or intranet. 	<ul style="list-style-type: none"> • Remuneration in salary, wages, and benefits. • Provision of good, safe, and healthy working environment. • Training and improvement of employees' skills. • Transparent career path. • Trustworthiness from historical conduct in labor disputes. • Complaints management and respect of employees' human rights. 	<ul style="list-style-type: none"> • Equality and just respect towards the employees and labor force's human rights. • Set a policy and standard for suitable and fair remuneration. • Put in place regular practices to further improve work related knowledge. • Provide opportunities and support to all employees and labor workers to show their capabilities and provide opinions regarding business operation. • Ensure that the working environment is good, safe, regularly maintained, and supports a better working quality for employees and labor workers. • Respect personal rights of all employees and understand the basic demands of employees and labor workers to create good relations within the organization.
 <p>Business Partners</p>	<ul style="list-style-type: none"> • Channel for complaints and opinions. • Clearly disclose the Company's policy and code of conduct towards business partners. • Executive meeting with business partners to create good relations and to understand any problems and ways to improve. 	<ul style="list-style-type: none"> • Being honest and transparent in the course of business. • Set at fair price. • Strictly act in accordance to the terms and obligations of the transaction in a timely manner. • Cooperate in all anti-corruption strategies. 	<ul style="list-style-type: none"> • Manage the Company's business with good governance and in accordance to the Code of Conduct. • Set up an internal audit committee to watch over and ensure that the Company acts in accordance to the anti-bribery and corruption policy. • Share and exchange technical help to create trust and transparency of the Company's business as well as cooperate in finding innovative ways to conduct business in an environmentally friendly way.

Stakeholders	Channel of communication	Need / Expectancy	Response of the Company
 <p>Shareholders</p>	<ul style="list-style-type: none"> • Shareholder meeting. • Information disclosure in accordance to the authorized bodies governing the business. • Provide a channel to communicate with the Company's secretary and the investor relations department. • Regular communication through authorized security analysts from the SEC. 	<ul style="list-style-type: none"> • Shareholder's wealth. • Monetary returns (Dividends and capital gains). • Managing the business in an ethical way. • transparency and accuracy of information. 	<ul style="list-style-type: none"> • Carry out and manage the Company's business honestly and ethically. • Act in accordance to good corporate governance practices. • Treat shareholders equally through the responsibilities of the Company's Board of Directors. • Investor Relations department's duty is to disclose true information and perform with precaution.
 <p>Community and Society</p>	<ul style="list-style-type: none"> • Channel to complain and provide an opinion. • Communal activities and promotion of society. • Elect a group to engage with local communities to act as a channel of complaint, to help find solutions to problems, and to report any findings. 	<ul style="list-style-type: none"> • Operate business with consideration to the community and society whether close by or the public as a whole. • Improve quality of life including generate income for people of the local community. 	<ul style="list-style-type: none"> • Strictly compliance with the CSR policy. • Set procedures and responsible person for handling complaints including monitoring and reporting to superiors. • Set up activities for community and society to build and strengthen relationship; as well as engage and participate in community nearby area in order to build mutual understanding and exchange information.
 <p>Environment</p>	<ul style="list-style-type: none"> • Channel for complaints and opinions from stakeholders such as customers, the community, the society, the environment, governmental bodies, and public sectors regulating over environmental issues. 	<ul style="list-style-type: none"> • Operate business with consideration to the environment and not to pollute the environment. • Effective waste and water drainage management in place to not contaminate any disease. • Pollution free accommodation. 	<ul style="list-style-type: none"> • Comply with the Environment policy and regularly review and update the policy. • Raise awareness and promote organizational culture to be responsible and considerable for environmental impacts. • Emphasize on assessment, prevention, and control of business operations that can affect the environment. • Strictly and seriously handling complaints about the environmental impact as well as monitoring result regularly. • Set responsible person and report to superiors.

Stakeholder's Analysis

Considering the needs and expectations of the various stakeholders, we can be defined “Materiality” and “Prioritization” for both the role of stakeholders and the role of the Company as follows:



By the result of assessing the most important factors to stakeholders combine with the plan of business risk management, mission and corporate strategy could help the Company has developed, encouraged and re-evaluated to improve its business direction and management approach to place high consideration to the importance of each group of stakeholders including customers, employees, shareholders, business partners, communities, and the environment in order to achieve the business goals and lead to a sustainable development both economically and environmentally.

Moreover, the Company committed to deliver quality product, provide value to customer and have responsibility for society and environment. With these aspects, “GFPT aims for EXCELLENCE” to create value for all stakeholders.



Sustainable Management

1. Being a trusted supplier with customers' acceptance

Production

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

Responsibility towards Customers

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



Food Quality and Safety throughout our Food Chain

The Company emphasizes on quality and safety of our feed ingredients and finished products. We implement rigorous feed-to-food quality system in our integrated chicken production starting from feed mill, chicken farm, and chicken processing. We set stringent quality measures on both physical and biological at every steps including sourcing feed materials, feed production, chicken raising, chicken processing, further processing, transportation, and distribution, in order to assure that our chicken meat products are safe. The quality control measures of the key operations are as follow:



Quality testing for both physical and biological in each production process from selecting raw materials of feed, chicken farm, and production process.





Feed Mill

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

Feed mill has been certified with international standards for food quality and food safety.

GMP **ISO 22000**
HACCP **Global GAP**
ISO 9001 **UFAS**

ISO 17025 General requirements for the competence of testing and calibration laboratories.



Chicken Processing Plant

The chicken processing plant is the most importance as it is the last stage of the production before the products end up with customers and consumers. Therefore, food safety and the quality of the chicken meat are strictly controlled in all stages of production before delivering to customers and consumers. In addition to the international standards of food quality inspection systems such as GMP, HACCP, etc., the Company also set up laboratory facilities including a “Chemical Laboratory” to test for pesticide residues, nutrition, and various chemicals; and a “Microbiological Laboratory” to test microbes, pathogens, and residues of antibiotics in order to reassure the food quality and safety of its products. Our laboratories are accredited with ISO / IEC 17025: 2005, which is the international standard certifying the competence of testing and calibration laboratories, being first accredited in 2004. In continually expanding our operations, further accreditation was gained and recently, the Company’s laboratories were accredited for 78 tests of 20 sample types and calibration focusing on the testing method with fast results in order to reduce storage time. In addition, testing methods which uses fewer chemicals have been developed to minimize handling of chemicals and environmental damage but at the same time maintaining the quality of the test and its accuracy.

Moreover, the Company’s laboratories have been registered as competent facilities under the ISO / IEC 17025: 2005 issued by the National Bureau of Agricultural Commodity and Food Standards (ACFS). The laboratories have also been registered as approved laboratories for the analysis of livestock products for the Department of Livestock Development, Ministry of Agriculture and Cooperatives, which

allows the Company to utilize analysis of the Company’s products conducted by its laboratories as approved supporting documents for the application for a Health Certificate from the Department of Livestock Development. Furthermore, the Company has also received certification and awards such as:

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

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



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



In order to reassure the food quality and safety of its products. Our laboratories are accredited with ISO / IEC 17025: 2005, which is the international standard certifying the competence of testing and calibration laboratories.





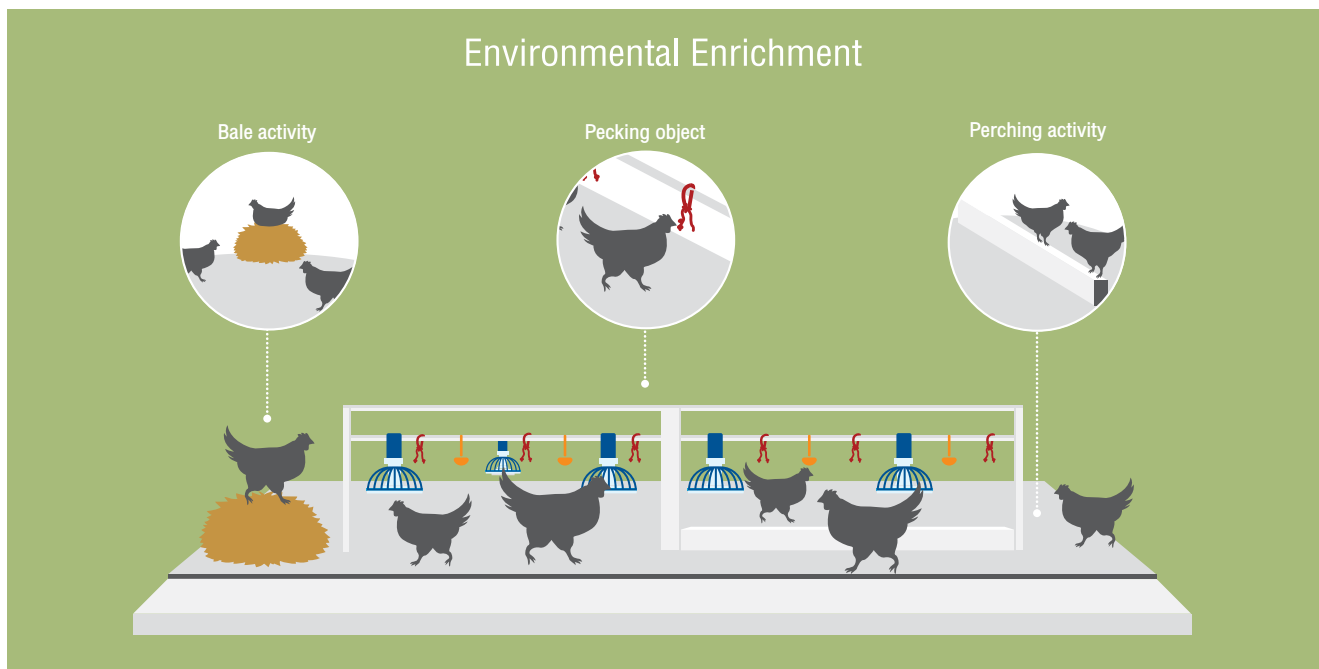
GOOD BREEDER

Chicken Farm

Chicken farm is a key process of our integrated chicken production as chicken is the most important assets. Our chicken receives healthy and high nutritious feed, sufficient water, be treated with decent animal welfare, be reared in good environment (Environmental Enrichment), and free of diseases. In addition, we set up “Chicken Veterinarian and Technical Team” to monitor animal welfare practice, set measures to control disease prevention, and regulate the use of drugs and vaccines, in accordance with the laws and international standards. Our Chicken Veterinarian and Technical Team registered with the Department of Livestock. The team is responsible in making chicken health check planning, sharing knowledge about animal health and disease preventive protocol to chicken raising operators.



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



Animal Welfare

We recognize the importance of animal welfare. Our chicken farms have followed the standard practices for agricultural animals (Good Agriculture Practices: GAP) as well as standard for agricultural products in regards to animal welfare practice, land transportation by the National Bureau of Agricultural Commodity and Food Standards, Ministry of Agriculture and Cooperatives.

The Company has also been certified for the animal welfare practices in accordance to Genesis GAP, which is the European standard for the meat production for export throughout the chicken supply chain. Under these standards, the Company has taken all steps in regard to the happiness of chickens throughout the raising period. For example, chicken must be free from hunger and thirst, the system shall provide enough food and water, environment shall be free from discomfort, free from pain, injury or illness (a preventive system and catching chicken with care), free to live naturally, free from fear and anxiety (the raising conditions do not cause any distress, for instance, chickens catching process).

In compliance with regulations and standards of the Department of Livestock Development, of Agriculture and animal welfare standards, GFPT's animal welfare protocol

is very strict covering chicken raising farm, feeding system, health management, disease and illness protection, catching live bird, animal welfare, recorded information, and staffs' and workers' training. The Company is confidence and assurance that the Company's products are high quality, hygienic, antibiotics and residue free and safe for consumption in both domestic and international market.

The Company has been accredited in chicken farm standard.

Good Agriculture Practices : GAP Genesis GAP



5 FREEDOMS FOR CHICKEN



1. FREEDOM FROM HUNGER AND THIRST.

We offer herbal products and probiotics to promote healthy chickens. We continue to work on chick feed nutrition that supports a stronger, healthier start to their development.



2. FREEDOM FROM DISCOMFORT.

All poultry houses have state-of-the-art temperature control. Many of our chickens have natural lighting and we're adding more houses like this every year.



3. FREEDOM FROM PAIN, INJURY OR DISEASE.

Our chickens are raised in no-antibiotics-ever programs. We also prohibit genetic engineering in our breeds to help ensure our chickens are handled properly.



4. FREEDOM TO EXPRESS NORMAL BEHAVIOR.

We have zero tolerance policies for instances of animal abuse. We have successfully implemented a controlled-atmosphere stunning system.

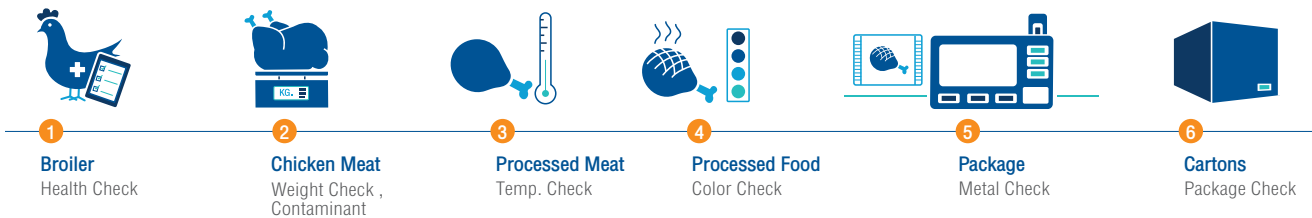


5. FREEDOM FROM FEAR AND DISTRESS.

We believe when raising poultry, chickens should be able to act like chickens. We feel that active chickens those that can express normal behaviors.

Food Safety

Quality and Safety



Standards for Quality Management

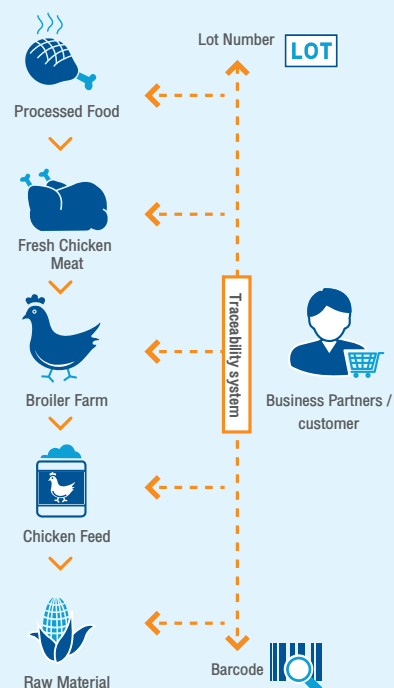
Each year, our chicken processing plant has been certified by internal audit, customer audit, and third party audit to assure customers' confidence that the quality of our products including feed, live chicken, chicken meat, and fully cooked chicken products meet international quality standards. The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

- GMP (*Good Manufacturing Practice*)
- HACCP (*Hazard Analysis Critical Control Point*)
- BRC Global Food Safety Standard (*The British Retail Consortium*)
- ISO 9001 (*Quality Management System*)
- ISO 14001 (*Environmental Management System*)
- ISO 17025 (*Competence of Testing and Calibration Laboratories*)
- Genesis GAP
- HALAL (*Food Permitted under the Islamic Law*)
- RSPO (*Supply Chain Certification Systems*)
- EST 11 (*Export Establishment Certificate*)

Traceability from Feed to Food

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

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



Bio-Security System

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

Chicken Feed:

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

Chicken Farming:

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

Personnel and Vehicles

We have set strict regulations for personnel and vehicles entering into the farm area. Only farm workers and farm vehicles are authorized to enter into the farm area. The authorized person must shower, shampoo, disinfect, and change clothes when entering into the farm house. All vehicles must be washed and disinfected to prevent dust,



contamination, or any carrier from outside that may cause disease within the farm.

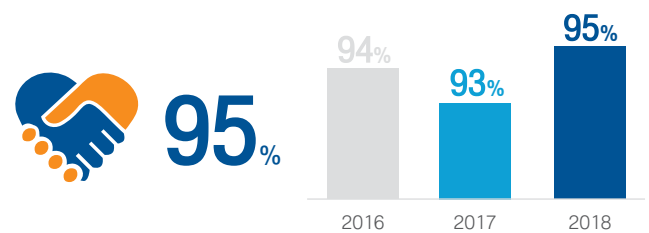
Poultry Compartmentalization

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

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

In 2018, the Company received positive feedback from both local and foreign customers. We had higher satisfaction of customers although number of complaints from customers increased compare to previous year.

Local and Foreign Customer's Satisfaction Rate



Complaint Rate

(number of complaints from customer per 1,000 tons of production)



2. Being a quality workplace to provide security and trust for it's employee

Labor Relations Policy

Labor Relations Policy

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

Workforce Equality and Fairness

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

Human Rights Policy

GRI 103-2, GRI 406-1, GRI 408-1, GRI 409-1, GRI 412-1, GRI 414-1

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



Social Accountability Policy

GRI 103-2, GRI 406-1, GRI 408-1, GRI 409-1, GRI 412-1, GRI 414-2

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

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

In 2018, the Company's chicken processing plant has been certified for having Good Labour Practices (GLP), Thai labour standard by the Ministry of Labour as affirmed by government officials, being a member of SEDEX (organization that facilitates and safety at workplace) and cooperating with NGO Issara Institute, third party agencies, to represented that the Company acted fairly and equally without any bias to its labour and all level of employees. The Company did not receive any complaints regarding a violation of human rights in the course of the business operations of the Company whether from inside or outside of the organization. The Company did not have any legal disputes regarding labor laws, forced labour or slavery, child labour, consumer rights, or the operation of the Company's business.

The Company treats workers and personnel at all levels equally and does not violate human rights.



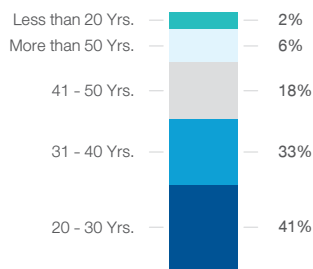
Employment

GRI 102-7, GRI 102-8, GRI 102-41, GRI 401-1

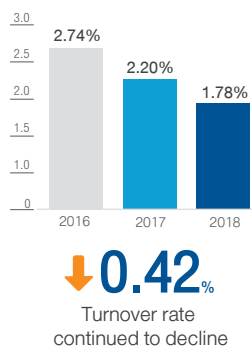
The Company has a policy on equality and diversity employment without any discrimination on gender, race, religion and culture. In 2018, GFPT employed a total of 5,453 people with a diversity of age, gender, level of education, and work tasks.



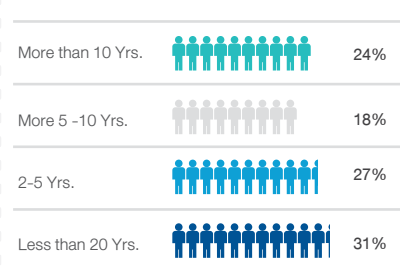
Employment by Age Group



Turnover Rate



Employment by Year of Services

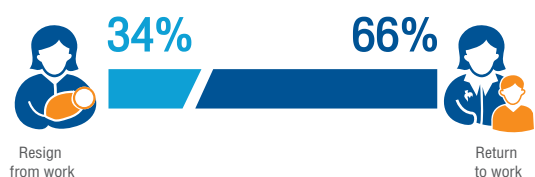


Rate of Return after Maternity Leave

GRI 401-3

In 2018, a total number of 98 out of 3,092 female employees had taken maternity leave, of which 65 employees return to work after their maternity leave representing 66% of total female employees who took maternity leave.

Rate of Return after Maternity Leave



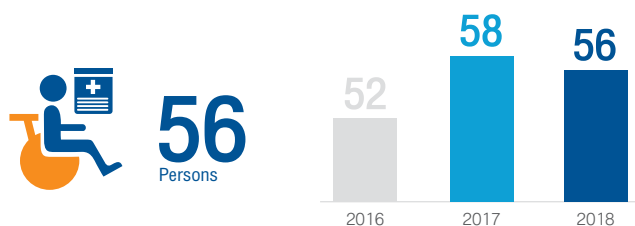


Employment of Disabilities Policy

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

In 2018, the Company employed a total of 56 disabled workers as well as granted concessions, arranged places for products of persons with disabilities, employed sign language interpreters under sub-contracts with other agencies and caregivers in compliance with the Persons with Disabilities Empowerment Act B.E. 2550 section 33 and section 35, which requires a ratio of disabled to normal persons of 1 to 100 pursuant to the law.

The Empowerment of Persons with Disabilities (Persons)





Safety and Working Environment Policy

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

Fatal Diseases Prevention

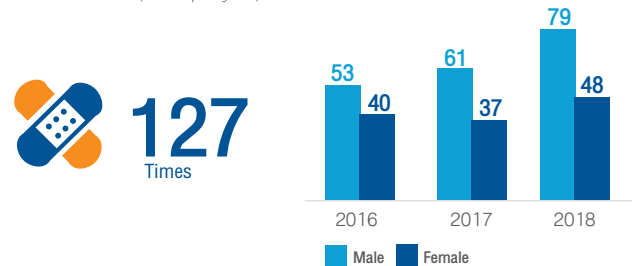
The Company shall prevent illness of employees that arise from working environment. We provide knowledge, consulting advice, expert training, publicity through media and activities to our employees and community. We also implement disease preventive program through encourage employee to get vaccination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

Absence Rate from Injury

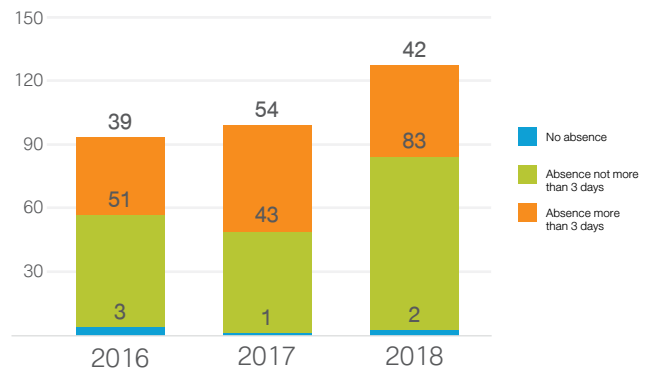
GRI 403-9

In 2018, the accident rate and absence rate from injury increased from 2017 from higher amount of accidents. The Company has implemented a preventive action against workplace accident in order to lower the accident rate and absence rate from injury. In addition, we monitored safety and environment in workplace to future improvement.

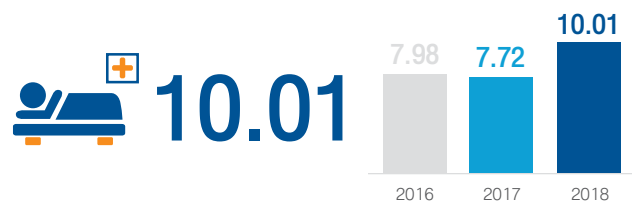
Accident Rate (times per year)



Absence Rate from Injury (times per year)



Lost-Time Injury Frequency Rate (LTIFR) (times / 1 million working hours)



Safety Policy

GRI 403-5

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

1) NEAR MISS Project

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

2) 5S Project

To encourage employee to participate in workplace maintenance and cleanliness.

3) Workplace Safety Week Project

To organize a safety week event every year to educate employees and encourage awareness about possible accidents in the workplace such as the 18th Workplace Safety Week event held on 20-21 November 2018.

4) Safety Training Project

To provide a training program on safety regarding how to safely use equipment during work and what to do in an unexpected event.

5) Safety Journal Project

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



Electricity Operators Training for 2018, Safety for Workplace Training for Supervisor, Fork-Lift Operators Training, Workplace Safety Week Project for 2018, The Annual Fire Drills and Emergency Evacuation Training for 2018, Fired Safety Training for 2018



Complaint Channel and Procedure

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

Complaint Channel

The complainant can report a complaint by providing details of the complaint with name and contact information. The complaint can be submitted to the Audit Committee by 2 channels:

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

Employees' Compensation and Benefit Policy

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

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



Human Resources Training and Development Policy

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

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



Training

GRI 403-5, GRI 404-1, GRI 404-2

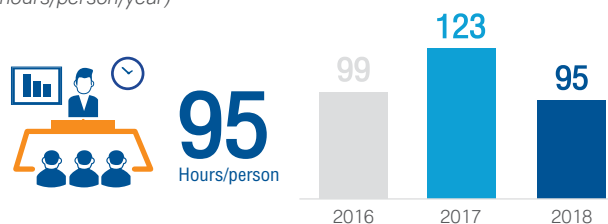
The Company has designed and updated its training courses to facilitate its short-term and long-term objective and direction. We focus on the development of employees’ skill, competences, experiences, technical know-how, managerial knowledge, and other relevant knowledge for new potential business opportunity.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

In 2018, the Company’s total number of training hours was 612,002 hours which is an average of 95 hours per employee per year. The curriculum of training included a wide array of skills such as Anti-Corruption Policy, workplace safety training for supervisor, basic knowledge and awareness of energy conservation, training for network development cooperate with Good Labor Practices (GLP), risk management, safety, sanitary, environmental training, etc.

612,002 hours

Number of training hours per year in 2018

Average Employee training per employee per year
(hours/person/year)



Number of training hours per year

	2016	2017	2018
Number of training hours	653,676	840,882	612,002

3. Being a good governance business for its shareholders and being an ethical business to gain trust from its partners

GRI 102-16, GRI 102-17



Corporate Governance Policy

GFPT recognizes the importance of the Good Corporate Governance and believes that good management system, the board of directors and executives with vision and responsibility, the control mechanism and the balance of power for the transparent administration, accountable, respect the equality of shareholders, and responsible to stakeholders shall be an important factor to add value and maximize returns to shareholders of the Company in the long run.

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

In 2018, the Company’s Corporate Governance was evaluated under the Corporate Governance Report of Thai Listed Companies (CGR) program and obtained “Excellence” ranking and received 5 stars from the National CG Committee with a score of 91% from the Thai Institution of Directors (IOD), the Stock Exchange of Thailand, and the Securities and Exchange Commission. It was also evaluated for the quality of the Annual General Meeting for the year 2018 by the Thai Investors Association, the Thai Listed Companies Association, and the SEC with a score of 97 points.



The Company achieved the CG scores of “Excellent” level in 2018

Compliance with Laws, Rules and Regulation Policy

GRI 206-1, GRI 307-1, GRI 419-1

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

In 2018, the Company did not commit any offense or act which violated the provisions of the Public Company Limited Act or the regulations of governing bodies such as the SEC or the Stock Exchange of Thailand.

Business Ethics Policy

GFPT follows principle to operate business with honesty, integrity and ethics, including compliance with the laws, rules and regulations by equally taking into account the rights of stakeholders such as the shareholders, employees, customers, suppliers, creditors, competitors, community, society and the environment. We also promote free trade competition, avoid any activity that may cause conflicts of interest, intellectual property infringement, and against all forms of corruption including promoting social responsibility in every business chain. (details as shown in www.gfpt.co.th under “Corporate Governance Guidelines” section).

Safeguarding of Assets Policy

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

Directors, management and employees at all levels shall have responsibilities for safeguarding, maintaining and maximizing the use of property and fixed assets that belong to the Company in the best interests of the Company and not for their own or other’s benefits including avoiding disclosure of material information that has not yet been disclosed to the public or gaining benefit from the Company’s confidential information.

Intellectual Property or Copyright Policy

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

Anti-Corruption

GRI 205-2, GRI 205-3

The Company has been certified to be a member of the Collective Action Coalition: CAC of Thailand's private sector in fighting against corruption. The Company has also conducted risk management in corruption, and set out an anti-corruption policy and proposed to the Directors of the Company for their consideration. In this regard, the Company announces its policy to all employees from their induction as well as set out plans for the development of anti-corruption policies to possible related persons of the Company in the future which presently the Company has proceeded to support its subsidiaries and joint companies in GFPT group to act in compliance with the Company's Anti-Corruption Policy prior to proceeding to engage with our business partners and other stakeholders to jointly act in compliance with the CAC of Thailand's private sector in fighting against corruption.

Anti-Corruption Policy

GRI 205-3

"No board of directors, executives or employees of the GFPT Public Company Limited and its subsidiaries shall commit or approve of fraud and corruption in all its forms, both directly and indirectly, to gain personal benefits or the benefits of their family, friends, acquaintances, either as recipients or provider, or offer bribes whether with money or non-monetary forms. This anti-corruption policy applies to all businesses and all sectors whether inside or outside of GFPT Public Company Limited and its subsidiaries. An assessment of employees' conducts in accordance with the policy shall be conducted on a regular basis, as well as regular reviews of practices and work regulation to be in accordance with any changes in the Company's business and the relevant laws."

Details, definition, practices, and communication channels are published on www.gfpt.co.th under "Anti-Corruption Policy" section.

In 2018, the Company has no issue or deficiency in relation to the litigation charges involving anti-competition, discredit, monopoly trading, discrimination, and corruption. The Company has no fine or non-monetary penalty due to the illegal action, not comply with the applicable law, or violation of business ethics.



Certified to be a member of Collective Action Coalition: CAC

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

Action after Receive the Complaint

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

Protection and Confidentiality of the Complainant

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

Whistle-Blowing Service

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

Contact Independent Directors

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

Contact Board of Directors

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

Contact Nomination Remuneration and Governance Committee

Email : nrgc@gfpt.co.th
Facsimile : 0 2473 8398
Mail : Nomination Remuneration and Governance Committee
GFPT Public Company Limited
GFPT Tower, 18th Floor
No. 312 Rama 2 Road, Bangmod,
Jomthong, Bangkok 10150

4. Being a socially responsible business for its community

Corporate Social Responsibility Policy

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

The Initiative Projects on Youth, Community, and Society

GRI 413-1



In 2018, the Company has implemented projects and activities for the community and society as follows:

1) Promoting youth for quality of society

The Company believes that “youth are the pillars of tomorrow’s society”. The Company recognizes the importance of children and youth by supporting its chicken eggs and cooked chicken products, the Company provides scholarships, educational tools and equipment to youth to improve quality of life of primary school students in local communities and the Scholarship program for GFPT group employee’s children to incentivizes and encourage its employees. Additionally, The Company also encourages social activities

for local communities and remote communities by focusing on knowledge development of youth to be the quality person in the society as well as encouraging youth to express themselves creatively through various projects with a total of 68 activities such as the National Children’s Day at around 33 communities and schools and many activities to promote quality of life for youth including: the “GFPT: a bike to school” activity at Lamoonrodsiri School”activity at Lamoonrodsiri School, education activity to the Faculty of Pharmacy, Mahidol University, cycling charity activity “Spinning and Sharing for Orphans” by Alkawthar foundation, etc.

2) Creating a good society

The Company has a policy of supporting the disadvantaged in the rural and challenged areas and those affected by disasters. The Company also has a policy of improving the quality of life of the surrounding community and also those further away to have a good quality of life, protecting the environment, and therefore the Company has through its own activities, government agencies, charitable organizations, and non-profit organizations. The Company participates with community to understand and to inform the impact that they may affected from the Company’s operation. Moreover, there are several conservative activities that the Company does with community in which a total of 39 activities were done in 2018 such as joining the “Thai Niyom Yangyuen Project” which is an activity to listen to problems of communities in nearby areas held by government agencies, purchased consumer goods to poor and disabled people in Bang Sao Thong Subdistrict Administrative Organization, etc.



The Children Day activity, joining the “Thai Niyom Yangyuen Project”, donation to the Ramathibodi hospital, religious events and activities

3) **Promote religion and Thai culture**

Religion and culture are important institutions in the society which have strong influence in people’s beliefs, values and behaviors as a way of life of the individual in the society. The Company recognizes that Thai society is influenced by the religion, and therefore, places importance on the support and preservation of Buddhism as well as the continuous support for Thai arts and culture. The Company has organized activities related to promoting religion and Thai culture through government agencies, charities, and non-profit organization with a total number of 80 activities.



In 2018, The Company has joined The Good Environmental Governance of the industrial estates together with Industrial office, Samuthprakarn province at Watjawrakeyai school, Sisa Chorakhe Yai sub-district, Bang Sao Thong district, Samuthprakarn province. GRI 413-1



The Good Environmental Governance of the industrial estates, Samuthprakarn province aims to support and encourage business operators to gain knowledge and understanding about the good environmental governance practices which can be applied to business operations to be socially responsible and to sustainably live within the community. This concept can be achieved through the creation of the public participation process; and the collaboration between business operator, and people in the community living nearby the factory to jointly develop anti-pollution and safety program.

GRI-102-12, GRI 102-13



the Company is involved as a member of the “Thai Broiler Processing Exporters Association” acting as a regulating and service agency for the large number of Thai chicken meat producers and exporters. The Association provides support, news, relevant economy statistics, academic abstracts and researches in order to improve the quality of rearing broiler chicken, the quality of processed food from chicken meat, as well as innovating and improving manufacturing procedures to meet export standards, to act as a place to exchange knowledge, information, warnings, and safety procedures to protect against pathogenic diseases, to act as an intermediary helping negotiation of terms and solving problems and relevant obstacles to its members, and to promote team work between its members. All of the foregoing helps promote income from the chicken meat export industry and therefore helps out the local and foreign economies to be more sustainable, improves the quality of society through more employments opportunities created and through creating more valuable and better consumer goods, including to help business operators to be more aware of environmental impacts through its operation, which is one of the sources of pride for the Company.



5. Being an eco-friendly business

Environmental Policy

The Company committed to produce products and services with good quality, realizing resources scarcity and environment impact; hence, the Company purposed to manage environment as follow; **“Reduce resources usage, environmental protection, strictly comply with law and regulation and cultivate environmental awareness and social responsibility “**

Resources Utilization Policy

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

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

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

In 2018, the Company carried out activities and projects related to environmental management as follows:

Resource and Environmental Management

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

Water Resource

GRI 303-1, GRI 303-3



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

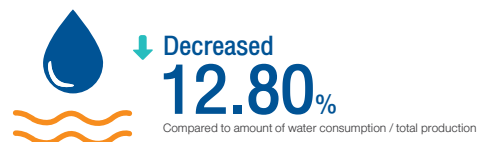
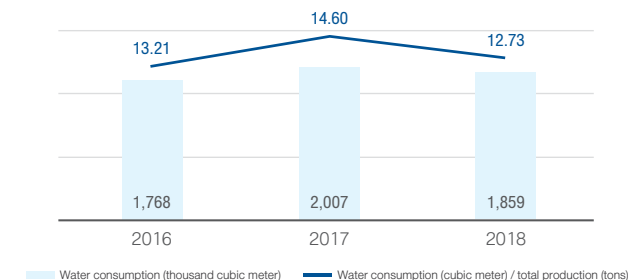
Water used in the production and operation of the Company are both sourced from treated water and ground water. The Company has acquired an approval permit from the Bureau of Groundwater Control, Department of Groundwater Resources, to carry out its industrial operation in total of 3,360 cu.m. The following illustrates various source of water used and the amount of treated water and groundwater used for the year 2018.

In 2018, the water consumption was in amount of 1.859 million cubic meter, decreased by 7.34% from last year.

Source of Water Used and the Amount of Treated Water and Groundwater Used for the Year 2018



Water Consumption



Energy

GRI 302-1, GRI 302-4

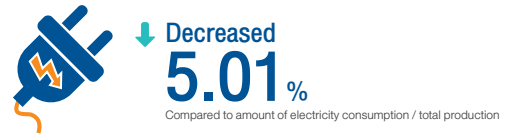
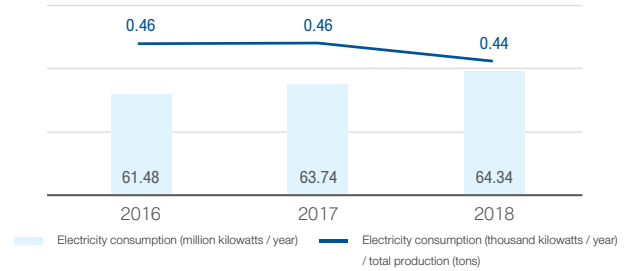
The Company continuously focuses on efficient energy consumption and energy conservation by using information system to analyze and control energy consumption in the production process; meanwhile, the machines, equipment, and production process are designed for maximum efficiency with minimal energy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

In addition, the Company promotes energy-saving activities such as replacing 250w metal-halide light bulb with 120w LED light bulb in storage room and production line, changing motors with high efficiency to save electricity usage, applying VDO Conference, and controlling limitation of electricity usage. By doing these, electric bill will be lower and the environment will be better.

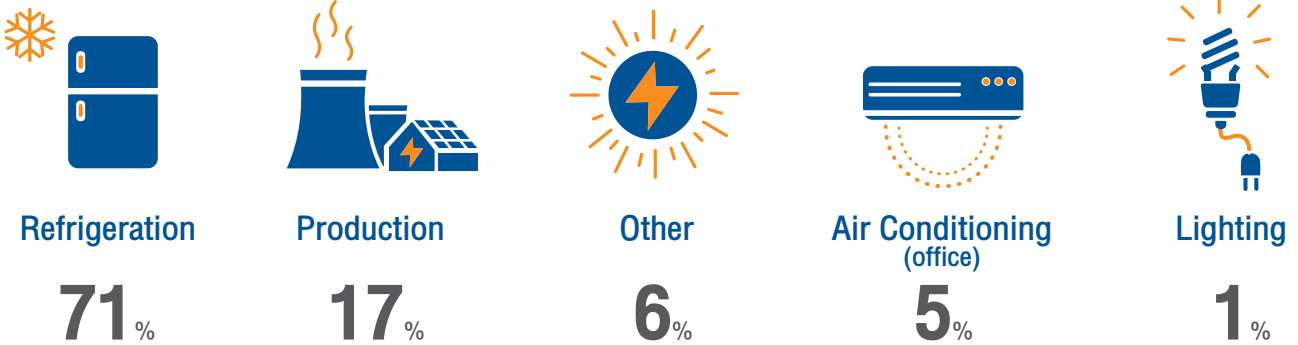
In 2018, the electricity utilization was in amount of 64.34 million kilowatts, increased by 0.94% from last year, electric usage being 71% use in cooling system and 17% use in

production process. The Company changed motors with high efficiency of 375 kilowatts and 220 kilowatts instead of old motor with low efficiency to save electricity usage.

Electricity Consumption



Electricity Source of Consumption for the year 2018



Source of Consumption

GRI 302-4

The energy conservation policy is set as a guideline for the implementation of energy consumption to effectively utilization and maximizes benefit. The Company set the energy conservation policy as part of the operation. We continue to improve the efficiency of energy usage by setting energy conservation measure annually, and communicating to all employees to understand and practice properly. We view energy conservation as the responsibility of executives and all employees who all must set a policy and cooperate in carrying it out as well as following up and reporting to the Energy conservation committee. The Company supports the energy conservation in terms of human resources, budget, training, and others to improve the energy management. The policy and implementation plan of the energy conservation is annually reviewed and updated.

Pollution and Waste Management

Air Pollution

GRI 305-7

The Company uses pollution elimination system before releasing the pollution outside the plants and monitors level of pollution in applicable to the laws. The pollution level is monitored and measured twice a year by the authorized person of the Department of Industrial. In 2018, the level of contaminants in the air such as dust, nitrogen oxides, sulfur dioxide, carbon monoxide, and the opacity of all units. We found that the air pollution control system of the factory has decreased efficiency since it has been used for a long time, resulting in higher emissions from previous year. Therefore, the Company changed air pollution control system in order to control emissions effectively.

Water Pollution

GRI 303-3, GRI 306-1

The wastewater treatment of the Company complies with the standard defined by law. The Company uses high technology of wastewater treatment technology and closely monitors the level of wastewater before releasing to outside. Upflow Anaerobic Sludge Blanket (UASB) and Activated Sludge (AS) were applied. The level of wastewater release to outside is comply with the law and does not affect the overall ecosystem. In addition, we focus on recycling treated wastewater within the plant. However, the use of treated water after recycling is limited due to the food safety laws and customer's specification. The wastewater from daily production and normal consumption, is at an average of 4,200 cubic meters per day. The Company's wastewater treatment plant can treat up to 7,000 cubic meters per day. The treated water which passes regulatory standard is released about 3,500 cubic meters per day. The treated water is reused about an average of 300-500 cubic meters per day.

Noise Pollution

The Company measured the voice quality in the atmosphere (Ambient noise measurement) to measure the 24 hours a weighted Equivalent Continuous Sound Level and Annoyance noise. The level of noise must be in accordance

with the law and shall be assessed by the authorized person from the Department of Industry. In 2018, the result of the measurement found that the 24-hour average noise level at measurement points is below legal thresholds.

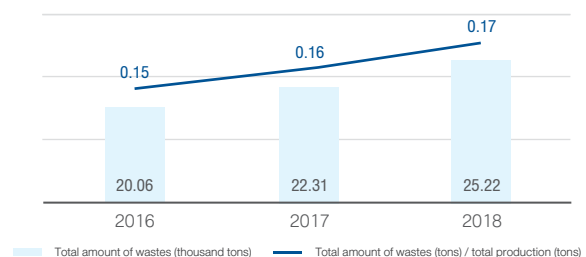
Wastes

GRI 103-2, GRI 306-2, GRI 306-3, GRI 307-1

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

- **Hazardous wastes**
such as used solvent, decadent bulbs, contaminated container, used lubricant, sent to the Wastes Management Company by recycling and landfilling.
- **General waste (not hazardous wastes)**
such as plastic bags, paper, steel scrap, stainless steel scrap, sent to authorized wastes recycling company; sorting for resale, feed mill, fertilizer, and others. A summary of total amount of waste, sewage waste for the year 2018 is as follows:

Wastes



0.17
Tons / production

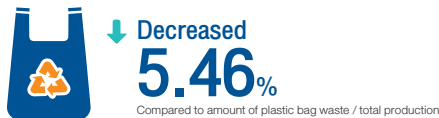
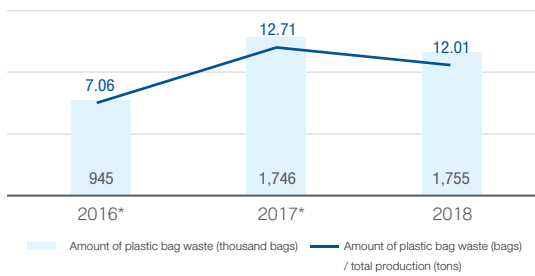
Environmental management in production process



The Company focuses on the use of resources effectively with maximum benefits as it is a significant cost of the integrated production process.

In addition, the Company also promotes use of resources for maximum benefit such as plastic bag usage reduction project. This project encourages employees to carefully use and reduce mistakes of plastic bag packaging process in order to reduce cost and plastic bag usage.

Amount of plastic bag waste / Amount of product (bag/kg.)
GRI 301-1



*Updated year 2016 and 2017 according to current database system



Water

We set appropriate plans and measures for water usage in every production process as well as using wastewater treatment responsibly.



Energy

Efficient energy consumption and energy conservation by using information system to analyze and control energy consumption in the production process for maximum efficiency with minimal energy consumption.



Air Pollution

Pollution elimination system before releasing pollution outside plants and monitors level of pollution.



Wastes

Classified wastes in accordance with law and set up protection system of environmental contamination starting from wastes storage, wastes transportation, and wastes displacement.

In 2018, the Company had no legal disputes in regard to emissions and waste or environmental impact from their operations, including not being fined for violating any environmental laws and regulations.



**GOOD
SUSTAINABILITY**

Report of Nomination Remuneration and Governance Committee

The Nomination Remuneration and Governance Committee of the Company consists of 5 members consists of 3 independent directors and 2 Board of Directors or executives who are responsible for determining the criteria and policies for the recruitment and remuneration of the Board of Directors including recruiting, selecting and offering suitable persons for the position of the director of the Company and any other tasks which are assigned and presented to the Board of Directors and encourage the Group's operations in accordance with Good Corporate Governance Policy of the Company to promote sustainable growth of the Group.

In 2018 The Nomination Remuneration and Governance Committee held 2 meetings. The discussions related to roles and responsibilities of the Nomination Remuneration and Governance Committee which can be summarized as follows:

- Review, select and screen qualifications of suitable candidates to be the Board of Directors of the Company in the event of a position vacancy and to further propose to the Board of Directors.

- Conduct an annual performance evaluation of the Board of Directors and the Chief Executive Officer and to report the result to Board of Directors.
- Review criteria of the remuneration for the directors, sub-committees and the executives as compare to their duties and responsibilities.
- Regularly review and update corporate governance policies to ensure appropriateness.
- Annually prepare a report on the Company' s business ethics to the Board of Directors including providing an opinion on the Company's practice and to suggest actions to appropriately correct such matter.

According to above operations, the Nomination Remuneration and Governance Committee performs responsibly in accordance with charter of the Nomination Remuneration and Governance Committee as well as focusing on maximum benefit of the Company and all stakeholders.



Dr. Sathit Karanes
**Chairman of Nomination Remuneration
and Governance Committee**

Report of the Audit Committee

Dear Shareholders

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

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

In 2018, the Audit Committee held 4 meetings. The Audit Committee discussed with the management, the Internal Audit teams, and the Company's auditor regarding the relevant matters as set out below:

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

In 2018, the Audit Committee reviewed the Quarterly and Year End financial statements of the Company, both the separate and consolidated basis, together with the auditors (internal and external auditors) and the management for integrity and propriety prior to proposing them to the Board of Directors for its 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

is of the opinion that the separate and consolidated financial statements reported to the SET and the public in the year 2018 were complete, accurate, credible, and in compliance with generally accepted accounting principles of Thailand and that the Company properly disclosed its information in a timely manner to ensure that the financial statements were clear, adequate, and literally useful for the shareholders and other users.

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

The Audit Committee had considered and commented regarding connected transactions or transactions that may have conflict of interests of the Company and its subsidiaries with caution, justification and taking into account the interests of the Company's stakeholders including providing adequate information disclosures under the rules set by the SET.

3. A review of internal control of the Company

The Audit Committee, the external auditors, and the internal audit department of the Company have regularly reviewed the Company's internal control system, which are found to be fair, adequate and effective as well as having an improved quality of auditing for human resources and audit procedures which are consistently in accordance with professional standards based on the Internal Auditor's report for the year 2018. Moreover, the Audit Committee visited the Company's actual operations in order to understand the process of the Company and provided valuable suggestions to improve the internal control system. The Audit Committee will report significant deficiencies as well as recommended solutions 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, better Company's property maintenance, and personnel management. Moreover, the Audit Committee evaluated the effectiveness of the internal control, accounting and financial management, compliance, regulatory and safety, anti-corruption, and Information Technology as set by the Securities and Exchange Commission. There is no significant weakness or deficiencies, which is in consistent with the evaluation of the auditor. The Audit Committee has the opinion that the Company and its subsidiaries have appropriate, adequate, and efficient internal

control system, which consists of general business conditions and risk assessment in the areas of manufacturing, marketing, finance, information systems, and communications.

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

The Company monitors, analyses and reports changes in laws, rules and regulations relevant to the Company, as well as ensures its compliance. The Audit Committee monitored and reviewed that the Company has complied with the relevant laws and regulations of the SEC and SET, as well as other laws related to the business of the Company. The Audit Committee has an opinion that the Company was in compliance with the relevant laws, rules, and regulations applicable to the Company and effective in the year 2018.

5. Overseeing Company internal audit function

The Audit Committee oversaw the internal audit to ensure that the internal audit is effective and efficient to enable the maximum benefits to the Company and its shareholders. The Audit Committee reviewed the scope of work, obligations, and responsibilities of the Internal Audit Department and also reviewed and approved the annual internal audit plan of the Company and its subsidiaries. In the review, the Audit Committee considered the adequacy of internal audit staff, areas that are audited relating to the risks posed, as well as the independence of internal audit, and the Audit Committee provided useful suggestions for continuous improvement. In addition, the Audit Committee also emphasized the role of the internal audit by to help promote the principle of operating in a system and in a preventative manner. Internal audit personnel have to keep pace with business changes and to make continuous self-improvement in order to keep up with the business direction of the organization.

6. Suitability of the external auditor

The Audit Committee considered the suitability of the external auditor by reference to its 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 compared it with other external auditors including the performance of the external auditors in previous accounting periods. In doing 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 2019, as well as considered the appropriate auditor fee to the Board of Directors that will be proposed to the Annual General Shareholders' Meeting.

7. Self-assessment of the Audit Committee

The Audit Committee performed self-assessment based on the composition of the Audit Committee, meeting attendance, overall performance of the committee, and the relationship between the management and the 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 were in accordance to both practices which helped contribute to strengthen the Company's good corporate governance. The Audit Committee has the opinion that the Audit Committee has performed its duties and responsibilities as assigned by using of knowledge, capability, caution, and independent. There were no prohibition or obstacles in obtaining information from the management, employees, and related person. It was also deemed that the Audit Committee had provided useful comments and suggestions to all stakeholders.

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



Dr. Sathit Karanes
Chairman of Audit Committee



Mr. Paramet Hetrakul
Audit Committee



Mr. Thanathip Pichedvanichok
Audit Committee

Report of the Risk Management Committee

Dear Shareholders

The Risk Management Committee of GFPT Public Company Limited consists of 8 members, 1. Mr. Jedsada Sirimongkolkasem, Chairman of Risk Management Committee and 7 executives consisting of 1. Mr. Sujin Sirimongkolkasem, 2. Ms. Wipawadee Sirimongkolkasem, 3. Mr. Kittichai Sirimongkolkasem, 4. Ms. Wiwanya Sirimongkolkasem, 5. Dr. Papinya Sirimongkolkasem, 6. Mr. Wongsakorn Sirimongkolkasem, and 7. Dr. Jutamas Ingpochai. Each member has appropriate qualification as required by law and the regulations. More importantly, the Risk Management Committee is not appointed to protect the interests of directors or major shareholders.

As assigned by the Board of Directors, the Risk Management Committee's scope of work, duties and responsibilities are to supervise and monitor the performance of the Risk Management Department, review the policy and monitor risk management framework and risk management plan, indicate assessment on risk management, and report the effectiveness and efficiency of risk management. In addition, the Risk Management Committee is responsible to ensure that the managements and executive directors perform their duties with integrity and responsibility to the shareholders of the Company; and in compliance with the Company's policy.

In 2018, the Risk Management Committee held 2 meetings which all members attended the meeting. The Risk Management Committee discussed with the management, the Internal Audit teams, and the Company's auditor in related matters as follows:

1. The risk management of the Company

The Board of Directors appointed the Risk Management Committee (RMC) to help the Audit Committee in order to monitor risk management tasks of all business units to operation efficiently and to mitigate any risk which could either cause an "opportunity" or a "threat". The Risk Management Committee has the duty to monitor and report risk factors appropriately and in a timely manner to avoid mistakes and reduce unexpected impact to the organization, as well as having a duty to promote good corporate governance that is transparent and efficient.

2. Duties and responsibilities

The Risk Management Committee has considered risk policy, risk appetite, and risk tolerance include preparing and reviewing risk management charter and also communicates risk management policy and guidelines to all departments in the organization as risk owner to be consistent and encourage risk management efficiently and effectively. The Risk Management Committee set up risk assessment, key risk indicators; and monitoring and evaluating the risk management of each department in an organization as well as provide suggestion for risk prevention and risk mitigation into an acceptable level.

3. A review of risk management

The Risk Management Committee has considered the risk management policy, planning, and risk management practices that may occur. The Risk Management Committee has regularly discussed and reviewed 7 risk factors consist of strategic risk, operation risk, financial risk, regulatory or related laws risk, reputation and image risk, other risk, and emerging risk. The meeting and discussion including scope of risk among management teams of the Company is held quarterly to consider, review, and revise risk management for improvement.

4. Self-assessment of the Risk Management Committee

The Risk Management Committee performed a self-assessment based on the composition of the Risk Management Committee, meeting attendance, overall performance of the committee, and the relationship between the management and external auditors according to the good practice of the Stock Exchange of Thailand and the Charter of the Risk Management Committee. The Risk Management Committee found that the scope and duties are in accordance with the guidelines of both practices. It contributed to strengthen the good corporate governance. The Risk Management Committee has an opinion that the Risk Management Committee has performed its duties and responsibilities as assigned by using

of knowledge, capability, caution, and independent. There is no withholding of obtained information, prohibition or obstacle in obtaining information from the management, employees, and related person. It had also provided useful comments and suggestions for the benefit of all stakeholders.

In summary, the Risk Management Committee has performed well as assigned by the Board of Directors and has followed up the result of risk management consistently. The Risk Management Committee is committed to manage risks posed to the Company continuously and efficiently and to be in line with the guideline practices of good corporate governance, internal control, and the related laws and regulations.



Mr. Jedsada Sirimongkolkasem
Chairman of Risk Management Committee

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors is responsible for the separate and the consolidated financial statements of the Company and its subsidiaries as well as financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with the accounting standard, the financial reporting standards, the interpretation and accounting practices set by Federation of Accounting Professions, the related regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, and the generally accepted accounting principles of Thailand. The consolidated and separate financial statements of the Company and its subsidiaries have applied appropriate accounting policies, thoughtful judgment, and best estimation. Material information is adequately disclosed in the notes to financial statements for shareholders and investors.

The Board of Directors has provided and maintained the efficient internal control system to ensure that the accounting records are accurate, complete, and adequate to safeguard its assets and to identify any weakness, and to prevent any fraud or any material deficiency in the operations. The Board of Directors understands the importance of business's integrity and ethics; thus, the Board of Directors regularly analyzed the possible impacts of business risks and mitigated the risk factors into a reasonable level.

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

The consolidated and separate financial statements of the Company and its subsidiaries were audited by the auditor from SAM NAK-NGAN A.M.C. Co., Ltd. The Audit Committee provided the sufficient and adequate information and documents to the auditor in accordance with auditing standards. The auditor's comments on the consolidated and separate financial statements of the Company and its subsidiaries are shown in the Auditor's Report in this annual report.

The Board of Directors has an opinion that the internal control system of the Company is effective. It is confidence that the consolidated and separate financial statements of GFPT Public Company Limited and its subsidiaries for the year ended December 31, 2018 is reliable in accordance with generally accepted accounting principles, laws, and related regulations.



Dr. Anan Sirimongkolkasem
Chairman of Executive Committee



Mr. Virach Sirimongkolkasem
Managing Director

Audit Fee

Mr. Naris Saowalaksakul, the authorized auditor No. 5369 from SAM NAK-NGAN A.M.C. Co., Ltd. was the auditor of the Company and its subsidiaries for the accounting period of the year 2018.

The Company and its subsidiaries paid the audit fee to SAM NAK-NGAN A.M.C. Co., Ltd. for the accounting period of the year 2018. The detail is shown as follows:

1. Audit fee

The Company and its subsidiaries paid the audit fee for the accounting period of the year 2018 in amount of 3,630,000.00 Baht, as shown in the following detail:

	Audit fee <i>(Baht)</i>
The audit fee of the Company in amount of	1,250,000.00
The audit fee of 5 subsidiaries in amount of	2,380,000.00

2. Non-Audit fee

The Company and its subsidiaries did not have any non-audit fee in accounting period of the year 2018.



FINANCIAL STATEMENTS 2018

GFPT Public Company Limited

AUDITOR'S REPORT

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

Opinion

I have audited the accompanying consolidated and separate financial statements of GFPT PUBLIC COMPANY LIMITED and its subsidiary companies ("The Group") and also of GFPT PUBLIC COMPANY LIMITED only ("The Company"), respectively, which comprise the consolidated and separate statements of financial positions as at December 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of GFPT PUBLIC COMPANY LIMITED and its subsidiary companies and also of GFPT PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2018, and of their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. Allowance for doubtful accounts

The adequacy of allowance for doubtful accounts is one of key matters that the management is required to make significant judgement. Determination the recoverable amount is an inherently uncertainty involving various assumption and factors including the current financial status of receivables, aging of receivable and the payment historical data. As aforementioned matter is significant to the financial statements and involves a significant management judgment and various assumptions applied; therefore, I have determined as a key audit matter. The accounting policies and details of allowance of doubtful accounts were disclosed in note to financial statements No. 4.2 and 7.

How my audit addressed the key audit matter

I assessed the method and gaining an understanding of the basis applied in determining the allowance for doubtful debts and reviewing the consistency of the application of that basis. I reviewed the preparation of the accounts receivable aging report and examined the accuracy of the calculation of debt aging, examining subsequent collections especially receipt from long outstanding receivable, examining any disputed receivable and any receivable which has legal proceeding and examining the provisions set aside for specific trade receivables as well as evaluating the adequacy of related disclosures in the financial statements in accordance with Thai Financial Reporting Standards.

2. Allowance for decline in value of inventories

The Company shall report the value of the inventories at the lower of cost or net realizable value. Determining the net realizable value of inventories is an area requiring significant management judgment. Therefore, there is a risk with respect to the amount of provision set aside for diminution in the value of inventory; this is focus area in my audit. The accounting policies and details of allowance for diminution in value of inventory were disclosed in note to financial statements No. 4.3 and 8.

How my audit addressed the key audit matter

I assessed the method and gaining an understanding of the basis applied in determining the provision for diminution in value of inventory and reviewing the consistency of the application of that basis. Apart from this, my procedures included testing the calculation of the measurement of net realizable value of inventories by comparing the cost of inventories against net realizable value including related selling expenses and examined supporting documents on a sampling basis for actual sales transactions occurring after the period-end and others related supporting document as well as evaluating the adequacy of related disclosures in the financial statements in accordance with Thai Financial Reporting Standards.

Other matter

The accompanying consolidated and separate statements of financial position for the year ended December 31, 2017 of GFPT PUBLIC COMPANY LIMITED and its subsidiaries and also of GFPT PUBLIC COMPANY LIMITED respectively, which presented for comparative information purposes, were audited by another auditor in the same audit firm, who expressed an unqualified opinion on those financial statement in his report date February 13, 2018.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon the annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also :-

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

-
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is

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



(Mr. Naris Saowalaksakul)

Certified Public Accountant Registration No. 5369

Bangkok,

February 18, 2019

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
			(Restated)		(Restated)
Assets					
Current assets					
Cash and cash equivalents	6	1,240,095,306.73	736,263,528.75	109,362,448.23	93,764,922.19
Trade and other receivables	5.1 and 7	974,803,144.06	1,013,265,022.54	475,975,655.25	563,982,312.79
Inventories	8	3,527,977,085.13	3,608,193,679.40	503,158,812.08	326,911,983.44
Other current assets		27,148,726.10	14,095,811.11	21,028,653.75	6,827,603.05
Total current assets		5,770,024,262.02	5,371,818,041.80	1,109,525,569.31	991,486,821.47
Non-current assets					
Investments in associates	9	2,687,516,130.00	2,671,769,574.04	1,525,859,700.00	1,525,859,700.00
Investments in subsidiaries	10	-	-	1,796,077,542.35	1,786,496,542.35
Non-current biological assets					
Grandparent chickens	11.1	104,491,065.32	110,826,344.26	-	-
Parent chickens	11.2	396,124,569.59	366,222,087.25	-	-
Investment property	12	349,771,745.12	354,067,919.50	236,843,034.46	196,480,539.98
Property, plant and equipment	13	8,447,155,222.34	8,017,757,122.90	1,232,209,880.58	1,217,328,279.87
Deferred tax assets	14	275,851,038.29	297,630,950.49	198,458,598.46	229,440,718.74
Intangible assets	15	57,440,897.32	21,110,531.73	7,403,885.43	11,891,663.05
Goodwill		1,294,911.36	1,294,911.36	-	-
Other non-current assets		39,994,740.74	66,902,359.84	16,768,805.12	12,787,571.60
Total non-current assets		12,359,640,320.08	11,907,581,801.37	5,013,621,446.40	4,980,285,015.59
Total assets		18,129,664,582.10	17,279,399,843.17	6,123,147,015.71	5,971,771,837.06

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(Restated)	(Restated)		
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	16 and 17	1,380,000,000.00	1,650,000,000.00	1,380,000,000.00	1,650,000,000.00
Short-term loans from subsidiary	5.1	-	-	15,000,000.00	-
Short-term loans from related persons	5.1	16,000,000.00	160,000,000.00	16,000,000.00	-
Trade and other payables	5.1 and 18	1,143,416,850.11	924,019,529.68	646,406,022.76	559,036,841.82
Current portion of deferred rental income	5.1 and 21	9,173,147.54	9,173,147.54	7,850,000.00	7,850,000.00
Current portion of long-term loans from financial institutions	16 and 19	-	66,700,000.00	-	66,700,000.00
Current portion of long-term loans from related persons	5.1	284,000,000.00	-	284,000,000.00	-
Income tax payable		122,463,546.81	134,843,046.46	-	-
Other current liabilities		33,129,197.01	30,542,312.58	12,742,673.45	11,803,305.71
Total current liabilities		2,988,182,741.47	2,975,278,036.26	2,361,998,696.21	2,295,390,147.53
Non-current liabilities					
Long-term loans from related persons	5.1	1,760,000,000.00	1,700,000,000.00	834,300,000.00	806,600,000.00
Employee benefit obligations	20	520,121,701.00	384,967,033.00	213,515,648.00	157,445,945.00
Advance received rental income	5.1 and 21	115,929,923.38	125,103,070.92	83,733,333.20	91,583,333.20
Other non-current liabilities		19,235,645.31	19,228,749.12	12,713,093.31	12,611,497.12
Total non-current liabilities		2,415,287,269.69	2,229,298,853.04	1,144,262,074.51	1,068,240,775.32
Total liabilities		5,403,470,011.16	5,204,576,889.30	3,506,260,770.72	3,363,630,922.85

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

(Unit : Baht)

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Notes	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(Restated)		(Restated)	
Shareholders' equity					
Share capital	22				
Authorized share capital					
1,400,000,000 ordinary shares @ Baht 1.00		1,400,000,000.00	1,400,000,000.00	1,400,000,000.00	1,400,000,000.00
Issued and paid-up share capital					
1,253,821,000 ordinary shares @ Baht 1.00		1,253,821,000.00	1,253,821,000.00	1,253,821,000.00	1,253,821,000.00
Premium on ordinary shares	23	525,000,000.00	525,000,000.00	525,000,000.00	525,000,000.00
Retained earnings					
Appropriated					
Legal reserve		140,000,000.00	140,000,000.00	140,000,000.00	140,000,000.00
Unappropriated	23	10,673,558,403.82	10,016,140,288.58	698,065,244.99	689,319,914.21
Other components of shareholders' equity		10,176,432.66	8,969,047.14	-	-
Total shareholders' equity of company		12,602,555,836.48	11,943,930,335.72	2,616,886,244.99	2,608,140,914.21
Non-controlling interests		123,638,734.46	130,892,618.15	-	-
Total shareholders' equity		12,726,194,570.94	12,074,822,953.87	2,616,886,244.99	2,608,140,914.21
Total liabilities and shareholder's equity		18,129,664,582.10	17,279,399,843.17	6,123,147,015.71	5,971,771,837.06

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017 (Restated)	2018	2017 (Restated)
Revenue from sales		16,647,017,577.68	16,928,470,590.83	7,932,828,775.11	8,059,019,366.77
Cost of sales	8	(14,263,558,557.34)	(14,150,914,763.88)	(7,597,518,732.43)	(7,415,248,859.54)
Gross profit		2,383,459,020.34	2,777,555,826.95	335,310,042.68	643,770,507.23
Dividend income from subsidiary	10	-	-	393,040,220.00	-
Dividend income from associate	9	-	-	48,999,900.00	48,999,900.00
Gain from exchange rate		4,121,991.36	130,144.04	12,162,727.48	38,422,158.75
Other income		292,732,867.85	318,107,079.34	141,906,166.39	132,834,713.50
Selling expenses		(526,448,270.83)	(526,454,867.77)	(127,690,019.79)	(121,947,014.10)
Administrative expenses		(845,572,762.42)	(789,746,009.65)	(311,466,985.50)	(280,172,548.66)
Share of profit from associates		71,127,743.00	272,020,804.55	-	-
Finance costs		(78,741,438.60)	(74,362,329.42)	(74,628,601.20)	(60,386,990.59)
Profit before income tax		1,300,679,150.70	1,977,250,648.04	417,633,450.06	401,520,726.13
Income tax expenses	27.1	(252,241,106.71)	(305,487,033.79)	(31,316,544.15)	(81,353,633.58)
Profit for the year		1,048,438,043.99	1,671,763,614.25	386,316,905.91	320,167,092.55
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial loss arising from defined benefit plan		(7,480,647.00)	-	(1,845,199.00)	-
Income tax relevance with other comprehensive income		(80,217.88)	-	334,423.87	-
Share of profit from other comprehensive income of associate		3,096,017.96	-	-	-
Other comprehensive income-net of tax		(4,464,846.92)	-	(1,510,775.13)	-
Total comprehensive income for the year		1,043,973,197.07	1,671,763,614.25	384,806,130.78	320,167,092.55
Profit attributable to :					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,037,972,570.23	1,662,187,761.16	386,316,905.91	320,167,092.55
Non-controlling interests		10,465,473.76	9,575,853.09	-	-
		1,048,438,043.99	1,671,763,614.25	386,316,905.91	320,167,092.55
Total comprehensive income attributable to:					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,033,478,915.24	1,662,187,761.16	384,806,130.78	320,167,092.55
Non-controlling interests		10,494,281.83	9,575,853.09	-	-
		1,043,973,197.07	1,671,763,614.25	384,806,130.78	320,167,092.55
Basic earnings per share	28				
GFPT PUBLIC COMPANY LIMITED (Unit : Baht)		0.83	1.33	0.31	0.26

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Consolidated financial statements

	Notes	Issued and paid-up share capital	Share premium account	Retained earnings		Other component of equity		Total	Non-controlling interests	Total
				Appropriated legal reserve	Unappropriated	Change in shareholding ratio in subsidiary companies under common control				
Balance as at January 1, 2017		1,253,821,000.00	525,000,000.00	140,000,000.00	8,729,977,327.42	8,969,047.14	10,657,767,374.56	121,316,765.06	10,779,084,139.62	
Profit for the year (Restated)	35	-	-	1,662,187,761.16	-	-	1,662,187,761.16	9,575,833.09	1,671,763,614.25	
Other comprehensive income for the year		-	-	-	-	-	-	-	-	
Total comprehensive income for the year		-	-	1,662,187,761.16	-	-	1,662,187,761.16	9,575,833.09	1,671,763,614.25	
Dividend payment	25.2	-	-	(376,024,800.00)	-	-	(376,024,800.00)	-	(376,024,800.00)	
Balance as at December 31, 2017 (Restated)		1,253,821,000.00	525,000,000.00	140,000,000.00	10,016,140,288.58	8,969,047.14	11,943,930,335.72	130,892,618.15	12,074,822,953.87	
Profit for the year		-	-	1,037,972,570.23	-	-	1,037,972,570.23	10,465,473.76	1,048,438,043.99	
Other comprehensive income for the year		-	-	(4,493,654.99)	-	-	(4,493,654.99)	28,808.07	(4,464,846.92)	
Total comprehensive income for the year		-	-	1,033,478,915.24	-	-	1,033,478,915.24	10,494,281.83	1,043,973,197.07	
Discount from purchasing the investment in subsidiary		-	-	-	-	1,207,385.52	1,207,385.52	-	1,207,385.52	
Non-controlling interests of subsidiary decrease		-	-	-	-	-	-	(17,748,165.52)	(17,748,165.52)	
Dividend payment	25.1	-	-	(376,060,800.00)	-	-	(376,060,800.00)	-	(376,060,800.00)	
Balance as at December 31, 2018		1,253,821,000.00	525,000,000.00	140,000,000.00	10,673,558,403.82	10,176,432.66	12,602,555,836.48	123,638,734.46	12,726,194,570.94	

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Separate financial statements

	Notes	Issued and paid-up share capital	Share premium account	Retained earnings		Total
				Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2017		1,253,821,000.00	525,000,000.00	140,000,000.00	745,177,621.66	2,663,998,621.66
Profit for the year (Restated)	35	-	-	-	320,167,092.55	320,167,092.55
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	320,167,092.55	320,167,092.55
Dividend payment	25.2	-	-	-	(376,024,800.00)	(376,024,800.00)
Balance as at December 31, 2017 (Restated)		1,253,821,000.00	525,000,000.00	140,000,000.00	689,319,914.21	2,608,140,914.21
Profit for the year		-	-	-	386,316,905.91	386,316,905.91
Other comprehensive income for the year		-	-	-	(1,510,775.13)	(1,510,775.13)
Total comprehensive income for the year		-	-	-	384,806,130.78	384,806,130.78
Dividend payment	25.1	-	-	-	(376,060,800.00)	(376,060,800.00)
Balance as at December 31, 2018		1,253,821,000.00	525,000,000.00	140,000,000.00	698,065,244.99	2,616,886,244.99

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax	1,300,679,150.70	1,977,250,648.04	417,633,450.06	401,520,726.13
Adjustment to profit before income tax for cash received (payment) from operation				
Depreciation-grandparent chickens	125,682,837.18	142,851,071.95	-	-
Depreciation-parent chickens	429,319,458.64	427,056,681.47	-	-
Depreciation-investment property	6,352,483.48	6,352,859.60	7,746,230.85	5,340,826.00
Depreciation	702,253,722.95	639,948,924.93	145,308,118.39	129,416,137.71
Amortization expenses	15,723,515.75	8,549,406.02	4,661,922.88	5,104,749.31
Loss from written off assets dilapidation	1,416,794.20	1,528,719.03	2.00	5,347.28
Doubtful debts-trade and other receivables	1,137,801.40	1,011,890.45	-	-
Bad debts	16,150.00	-	-	-
Loss from sales of retired grandparent chickens	12,191,910.98	2,691,014.60	-	-
Loss from sales of retired parent chickens	25,888,782.85	22,932,309.15	-	-
Loss from disposal of chicks	4,989,647.55	6,449,841.28	-	-
Loss from decline in value of inventories	19,960,426.52	2,032,078.08	9,643,249.63	2,423,560.81
Reversal loss from impaired on investment property	(56,309.10)	-	(600.00)	-
Reversal loss from impaired on property, plant and equipment	(600.00)	-	-	-
Gain from sales of property, plant and equipment	(4,950,562.18)	(1,466,210.65)	(1,400,487.34)	(20,856.69)
(Gain) loss from unrealized exchange rate	(381,701.32)	(1,009,080.74)	1,725,967.73	(476,228.40)
Dividend from subsidiary	-	-	(393,040,220.00)	-
Dividend from associate	-	-	(48,999,900.00)	(48,999,900.00)
Employee benefit obligations	148,077,785.84	33,608,614.02	64,817,066.00	15,014,985.00
Deferred rental income recognized as revenue	(9,173,147.54)	(9,173,147.54)	(7,850,000.00)	(7,850,000.00)
Reversal income tax payable	(63,025.72)	(605,858.79)	-	-
Interest income	(6,133,408.61)	(2,123,941.73)	(418,439.42)	(467,764.60)
Interest expenses	78,741,438.60	74,362,329.42	68,383,806.57	54,707,401.52
Share of profit from investment in associates	(71,127,743.00)	(272,020,804.55)	-	-
Share of loss in inventory of investment in associates	9,477,305.00	-	-	-
Profit from operating activities before changes in operating assets and liabilities	2,790,022,714.17	3,060,227,344.04	268,210,167.35	555,718,984.07

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities (continue)				
(Increase) decrease in operating assets				
Trade and other receivables	36,894,101.35	(77,662,500.50)	86,237,998.81	(52,142,174.90)
Inventories	(195,796,435.37)	(246,271,008.10)	(185,360,726.51)	(7,564,496.92)
Other current assets	(13,302,990.04)	3,800,857.29	(14,201,050.70)	5,550,100.14
Other non-current assets	(18,378,482.31)	231,587.39	(1,100,339.36)	6,246,800.52
Increase (decrease) in operating liabilities				
Trade and other payables	136,415,182.06	(44,029,008.43)	84,031,936.59	(79,829,518.79)
Other current liabilities	2,586,884.43	(6,053,208.82)	939,367.74	(3,006,216.52)
Employee benefit obligation	(20,794,002.00)	(14,868,090.00)	(10,592,562.00)	(9,304,212.00)
Other non-current liabilities	6,896.19	3,273,511.89	101,596.19	(228,638.11)
Cash received from operating activities	2,717,653,868.48	2,678,649,484.76	228,266,388.11	415,440,627.49
Cash received from interest income	6,133,408.61	2,123,941.73	418,439.42	467,764.60
Cash received from income tax	-	225,613.88	-	-
Cash payment in income tax	(245,742,461.07)	(225,548,407.84)	(2,880,894.16)	(3,662,536.50)
Net cash received from operating activities	2,478,044,816.02	2,455,450,632.53	225,803,933.37	412,245,855.59
Cash flows from investing activities				
Cash received from dividend from investments in subsidiary	-	-	393,040,220.00	-
Cash received from dividend from investments in associate	48,999,900.00	48,999,900.00	48,999,900.00	48,999,900.00
Cash payment in investments in subsidiary	(9,581,000.00)	-	(9,581,000.00)	(120,000,000.00)
Cash received from sales of retired grandparent chickens	8,015,757.80	7,074,575.20	-	-
Cash payment in investments in grandparent chickens	(125,154,964.78)	(130,183,344.71)	-	-
Cash received from sales of retired parent chickens	73,618,928.00	87,652,311.00	-	-
Cash payment in investments in parent chickens	(456,311,500.30)	(406,071,655.25)	-	-
Cash payment in purchase of investment property	(2,000,000.00)	-	-	-
Cash received from sales of property, plant and equipment	7,959,199.92	9,100,327.68	2,761,831.65	142,463,901.24
Cash payment in purchase of property, plant and equipment	(881,634,240.13)	(912,485,946.49)	(203,655,756.41)	(165,580,009.61)
Cash payment in purchase of intangible assets	(464,917.76)	(3,466,468.69)	(174,145.26)	(3,466,468.69)
Cash received from sales of intangible assets awaiting installation	-	-	-	43,463,202.02
Cash payment in purchase of intangible assets awaiting installation	-	(4,261,537.83)	-	(4,261,537.83)
Cash payment in interest expenses capitalize to assets	(38,551,317.80)	(46,214,054.71)	(2,505,986.35)	(10,324,986.29)
Net cash received from (used in) investing activities	(1,375,104,155.05)	(1,349,855,893.80)	228,885,063.63	(68,705,999.16)

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2018

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from financing activities				
Decrease in trust receipt payables	-	(131,375,562.72)	-	-
Cash received from short-term loans from financial institutions	6,840,000,000.00	9,730,000,000.00	6,840,000,000.00	7,790,000,000.00
Cash payment in short-term loans from financial institutions	(7,110,000,000.00)	(9,880,000,000.00)	(7,110,000,000.00)	(7,670,000,000.00)
Cash received from short-term loans from related persons	16,000,000.00	160,000,000.00	16,000,000.00	-
Cash received from short-term loans from subsidiary	-	-	15,000,000.00	5,000,000.00
Cash payment in short-term loans from subsidiary	-	-	-	(45,000,000.00)
Cash payment in long-term loans from financial institutions	(66,700,000.00)	(208,320,000.00)	(66,700,000.00)	(208,320,000.00)
Cash received from long-term loans from related persons	400,000,000.00	300,000,000.00	400,000,000.00	300,000,000.00
Cash payment in long-term loans from related persons	(216,000,000.00)	(200,000,000.00)	(88,300,000.00)	(72,300,000.00)
Cash payment in interest expenses	(79,388,302.99)	(74,479,255.71)	(69,030,670.96)	(54,783,434.66)
Cash payment for dividend	(376,060,800.00)	(376,024,800.00)	(376,060,800.00)	(376,024,800.00)
Cash payment for dividend to non-controlling interests	(6,959,780.00)	-	-	-
Net cash used in financing activities	(599,108,882.99)	(680,199,618.43)	(439,091,470.96)	(331,428,234.66)
Net increase in cash and cash equivalents	503,831,777.98	425,395,120.30	15,597,526.04	12,111,621.77
Cash and cash equivalents at the beginning of the year	736,263,528.75	310,868,408.45	93,764,922.19	81,653,300.42
Cash and cash equivalents at the ending of the year	1,240,095,306.73	736,263,528.75	109,362,448.23	93,764,922.19

Additional disclosure :

Items not affecting cash flow are as follows :-

- Write-off allowance for doubtful debts with trade accounts receivable	200,451.00	385,816.00	-	-
- Purchases of parent chickens which had not yet been paid	71,253,841.54	64,298,240.00	-	-
- Sales of retired parent chickens which had not yet been received	1,354,833.00	3,466,961.00	-	-
- Depreciation transferred to cost of grandparent chickens	14,400,262.24	12,074,701.00	-	-
- Depreciation transferred to cost of parent chickens	32,510,546.98	30,181,018.95	-	-
- Transfer of inventories to property, plant and equipment	265,172,000.34	294,813,734.13	-	-
- Transfer of other current assets to property, plant and equipment	250,075.05	249,110.45	-	-
- Transfer of property, plant and equipment to trade and other receivables	-	43,787.58	-	-
- Transfer of property, plant and equipment to investment property	-	-	48,108,125.33	-
- Transfer of property, plant and equipment to intangible assets	5,083,337.42	-	-	-
- Transfer of property, plant and equipment to other non-current assets	512,400.00	-	-	-
- Transfer of property, plant and equipment to expenses	14,109,044.77	11,889,443.20	529,351.76	66,916.53
- Transfer of other non-current assets to property, plant and equipment	2,177,450.00	16,282,403.00	-	-
- Purchases of property, plant and equipment which had not yet been paid	14,516,925.26	19,286,670.10	4,026,799.74	14,031,625.89
- Transfer of short-term loans from related person to long-term loans from related per.	160,000,000.00	-	-	-

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2018

1. General information

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

The Company and subsidiary companies (“The Group”), its main business activity is producing and distributing frozen and cooked chicken products and broiler farm and producing and distributing feed mill.

2. Basis of financial statement preparation

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

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

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

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

2.2 New financial reporting standards

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

During the year, the Group adopted a number of new and revised Thai financial reports standards (TFRS) and interpretations, issued by the FAP, that is effective for fiscal years beginning on or after January 1, 2018, as listed below.

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS)</u>	
TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
<u>Thai Accounting Standard Interpretations (TSIC)</u>	
TSIC 10 (revised 2017)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases-Incentives
TSIC 25 (revised 2017)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue-Barter Transactions involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets-Web Site Costs
<u>Thai Financial Reporting Interpretations (TFRIC)</u>	
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

2.2.2 Financial reporting standards that will become effective for fiscal years beginning on January 1, 2019

The Federation of Accounting Professions has published new and revised accounting standards, financial reporting standards, interpretations accounting standards and interpretations financial reporting standards that are mandatory for annual periods beginning on or after January 1, 2019. The Group has not yet early adopted these new and revised financial reporting standards which are as follows:

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS)</u>	
TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible Assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 1 (revised 2018)	First-time Adoption of Financial Reporting Standards
TFRS 2 (revised 2018)	Share-based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15 (revised 2018)	Revenue from Contracts with Customers
<u>Thai Accounting Standard Interpretations (TSIC)</u>	
TSIC 10 (revised 2018)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases-Incentives
TSIC 25 (revised 2018)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosures
TSIC 32 (revised 2018)	Intangible Assets-Web Site Costs
<u>Thai Financial Reporting Interpretations (TFRIC)</u>	
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19-(revised 2018) The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non-cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies
TFRIC 22 (revised 2018)	Foreign Currency Transactions and Advance Consideration

2.2.3 Financial reporting standards that will become effective for fiscal years beginning on January 1, 2020

The Federation of Accounting Professions has published new and revised accounting standards, financial reporting standards and interpretations financial reporting standards that are mandatory for annual periods beginning on or after January 1, 2020. The Group has not yet early adopted these new and revised financial reporting standards which are as follows:

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS)</u>	
TAS 32	Financial Instruments: Presentation
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
<u>Thai Financial Reporting Interpretations (TFRIC)</u>	
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Group is in the process to assess the impact of this financial reporting standard to the financial statements in the year when it is adopted.

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

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

Lease agreement

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

Allowance for doubtful debt

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

Reduction of inventories to become net realizable value

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

Allowances for decline in value of dilapidated inventories and non-movement inventories

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

Grandparent chickens and parent chickens and depreciation

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

Investment properties, property, plant and equipment and depreciation

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

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

Deferred tax assets

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

Estimate on employee benefit obligations

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

Goodwill

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Litigation

The Group have contingent liabilities as a result of the litigation. The management has used judgment to assess of the results of the litigation and estimated contingent damage.

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

3. Basis of the consolidated financial statements preparation

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

<u>Name</u> <u>of subsidiaries</u>	<u>Country of</u> <u>incorporation</u>	<u>Nature</u> <u>of business</u>	<u>Percentage of</u> <u>shareholdings</u>	
			<u>2018</u>	<u>2017</u>
M.K.S. FARM CO., LTD.	Thailand	Broiler farm	99.9999	99.9999
KRUNGTHAI FARM CO., LTD.	Thailand	Parent chickens farm and chicks distribution	99.9999	99.9999
KRUNGTHAI FOOD PUBLIC CO., LTD.	Thailand	Production and distribution of feed mill and chicks distribution	98.2601	98.1011
GF FOODS CO., LTD.	Thailand	Production and distribution of processed food	99.9999	99.9999
GP BREEDING CO., LTD.	Thailand	Grandparent chickens farm	99.9999	99.9999

3.2 Subsidiaries are entities controlled by the Company. The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct activities that affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

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

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

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

Cash and cash equivalent items includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits and all highly liquid investments with an original maturity of three months or less from the date of acquisition and not subject to withdrawal restrictions.

4.2 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on analysis of debt aging, payment histories and future expectations of customer payments from the uncollectability of each receivable. Bad debts are written off when incurred.

4.3 Inventories

Inventories are valued at the lower of cost and net realizable value 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 are recorded at actual cost.

Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

4.4 Investments

Investments in subsidiaries

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

Investments in associates

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

4.5 Biological assets

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), gains or losses on changes in fair value less costs to sell are recognised in profit or loss except for the case where the fair value cannot be measured reliably as follows:-

- Current biological assets consist of seed eggs, eggs in hatchery and rearing chicken that are presented under the caption “Inventory” recorded with cost price at FIFO method or net realizable value whichever is lower because of these biological assets are rearing short cycle.
- Non-current biological assets consist of grandparent chickens and parent chickens, grandparent chickens during rearing and parent chickens during rearing are measured at cost less accumulated depreciation and the allowance for impairment loss (if any) because of these biological assets are rearing short cycle. In particular, the market prices or fair values at present condition of the biological assets which are breeders are unavailable; and valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, disease etc.

Cost of biological assets consist of all costs arising from the acquisition of biological assets and growth period such as cost of cub, feed and other etc.

Bearer biological assets, for example, chicken breeders, are depreciated by the standard units of production over the estimated total production units which depending on the type of biological assets.

4.6 Investment property

Investment property is defined as land or a building or part of a building, or both, held to earn rental or for capital appreciation or both, rather than for use in the production or supply of goods and services, for administrative purposes, or for making sales in the ordinary course of business.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are 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

No depreciation is provided on land and assets under installation and under construction.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expense in profit or loss.

Transferred from owner-occupied property to investment property is stated at carrying amount of the property transferred at the date of the change in use.

Immature rubber trees are biological assets which planting for maintain the environment of chicken farm and are bearer plant. Immature rubber trees are recognised as property, plant and equipment and are stated at historical cost less accumulated depreciation and impairment, if any. All costs comprising mainly land terracing and drainage, rubber planting, weeding and fertilizing involved during the immature period until the rubber are ready to use or ready for harvesting at approximately 8 years , and using a straight-line method to allocate their cost over their estimated useful lives.

4.8 Intangible assets

Intangible assets are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives are as follows :-

- Accounting software	5	Years
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4.9 Long-term leases

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss. When a sale and leaseback results in a finance lease, any gain on the sale is deferred and recognized as income over the lease term. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

4.10 Subsidy fund from the government

Subsidy fund from the government are shown as other income in profit or loss, net of expenses related to the cost of the subsidies it pays to compensated and recognized upon the terms of the contract have been completed.

4.11 Cost of borrowing

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

4.12 Goodwill

Goodwill represents the excess of cost of business combination over the fair value of the net assets acquired. Goodwill is carried at cost less any impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment losses on goodwill are not reversed.

4.13 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. An impairment loss is recognized 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 and its value in use.
- In assessing value in use of an asset, the estimated future cash flows are discounted to their present value which 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 of net realizable value changes since the last impairment loss was recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

4.14 Trade and other payables

Trade and other payables are stated at cost.

4.15 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.

Post-employment benefits (Defined benefit plans)

- The Group has obligations in respect of the severance payments then must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.
- The Group calculated its obligations from post employment benefits by using projected unit credit method. The independent expert has actuarially estimated such obligations, where the principle of such estimation requires various assumptions, including future salary increase rate, turnover rate, death rate, and inflation rate.
- Actuarial gains or losses arising from post-employment benefits are recognized in other comprehensive income in the period in which they arise.
- Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment.

4.16 Provision of liabilities

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

4.17 Recognition of revenues

- Revenue from sales is recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.
- Revenue from services is recognized when service have been provided to customer.
- Rental income from operating lease contracts is recognized in profit or loss on a straight line basis over the term of the lease.
- Revenue from interest income is recognized over the term of borrowing and calculated from the outstanding principal.
- Revenue from tax return is recorded to other income when tax returns are received.
- Dividend Income are recognized when the right to receive the dividends is established.

4.18 Recognition of expenses

- Expenses are recognized on an accrual basis.
- Payments made under operating leases are recognized on a straight-line basis over the term of the lease.
- Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

4.19 Income tax

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

Current income tax

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

Deferred tax

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

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.20 Basic earnings (loss) per share

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

4.21 The related persons and related companies

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

4.22 Foreign currencies

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the year-end date are translated into Baht at the rates ruling on that date. Exchange gains or losses are included as incomes or expenses in profit or loss.

4.23 Segment reporting

The sectoral business operation is disclosed under the separate business sectors of the Group, by the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

4.24 Financial instruments

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

4.25 Foreign currency forward contracts

Foreign currency forward contracts are meant to prevent risk from volatile movements in exchange rates by establishing a future rate at which a foreign currency asset and liability will be received or paid. Gain or loss from the foreign currency forward contracts will be recorded in profit or loss when the contracts are settled or terms are expired.

4.26 Fair value measurement

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

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

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

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

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

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

5. Inter-transaction with related companies

The Company has business transactions with subsidiary and related entities, which have the same group of shareholders or mutual directors. Such transaction which have been concluded on commercial terms and based agreed up on between the company and related parties and are in ordinary course of business which can be summarized as follow:-

5.1 Inter-assets and liabilities

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	1,444,720.00	1,405,575.00
GF FOODS CO., LTD.	-	-	11,677,587.19	7,915,486.80
KRUNGTHAI FARM CO., LTD.	-	-	5,800.00	5,039.87
M.K.S. FARM CO., LTD.	-	-	6,250.00	-
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	85,976,135.50	215,561,431.50	85,976,135.60	215,561,431.50
GFPT NICHIREI (THAILAND) CO., LTD.	275,901,178.83	251,481,404.08	-	-
Related companies				
NICHIREI FOODS INC.	118,385,877.01	111,668,795.29	118,385,877.01	111,668,795.29
KEYSTONE FOODS (AP) LIMITED	67,876,301.82	92,517,722.93	67,876,301.82	92,517,722.93
SURAPON FOODS PUBLIC CO., LTD.	249,324.00	124,800.00	249,324.00	124,800.00
P.CHAROEN PHAN FEEDMILL CO., LTD.	20,810,064.00	-	-	-
KRUNGTHAI AQUA-CULTURE CO., LTD.	5,858,349.71	-	-	-
Total	575,057,230.87	671,354,153.80	285,621,995.62	429,198,851.39
Other receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	53,211.10	104,774.40
M.K.S. FARM CO., LTD.	-	-	420,349.50	262,518.08
KRUNGTHAI FARM CO., LTD.	-	-	337,779.26	195,563.90
GP BREEDING CO., LTD.	-	-	97,862.20	208,757.00
GF FOODS CO., LTD.	-	-	247,177.28	270,845.89
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	10,434,724.88	11,062,258.22	8,715,315.73	9,866,063.12
GFPT NICHIREI (THAILAND) CO., LTD.	4,334,864.50	4,488,747.50	426,315.00	299,228.50
Related companies				
M.K.S. CONDOTOWN CO., LTD.	103,037.22	115,671.61	101,967.22	115,671.61
P.CHAROEN PHAN FEEDMILL CO., LTD.	1,785,810.78	126,589.67	10,764.20	51,736.64
Total	16,658,437.38	15,793,267.00	10,410,741.49	11,375,159.14

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2018	2017	2018	2017
Advance payment				
Subsidiary				
GF FOODS CO., LTD.	-	-	1,558,830.99	1,746,645.42
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	2,000.00	-	-	-
Related Companies				
P.CHAROEN PHAN FEEDMILL CO., LTD.	633.51	62,700.08	-	-
P.CHAROEN PHAN GP FARM CO., LTD.	-	47,423.71	-	-
Total	2,633.51	110,123.79	1,558,830.99	1,746,645.42
Prepaid expenses				
Related Company				
P.CHAROEN PHAN PRODUCE CO., LTD.	654,550.19	654,550.19	654,550.19	654,550.19
Deposit payment				
Related Companies				
P.CHAROEN PHAN FEEDMILL CO., LTD.	2,804,400.00	2,084,400.00	891,000.00	891,000.00
P.CHAROEN PHAN PRODUCE CO., LTD.	125,000.00	125,000.00	-	-
M.K.S. CONDOTOWN CO., LTD.	114,000.00	117,600.00	114,000.00	117,600.00
Total	3,043,400.00	2,327,000.00	1,005,000.00	1,008,600.00
Trade and notes payables				
Subsidiaries				
M.K.S. FARM CO., LTD.	-	-	318,150,307.86	289,229,145.70
GF FOODS CO., LTD.	-	-	1,899,262.00	225,986.00
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	21,095,226.97	951,270.00	18,980,874.00	529,800.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	52,977.50	41,411.52	-	-
Total	21,148,204.47	992,681.52	339,030,443.86	289,984,931.70
Accrued expenses				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	592,397.27	476,506.85
M.K.S. FARM CO., LTD.	-	-	1,581,960.75	19,073.99
KRUNGTHAI FARM CO., LTD.	-	-	39,689.10	7,631.10
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	1,155,548.33	1,143,432.67	-	-
GFPT NICHIREI (THAILAND) CO., LTD.	3,241,485.53	8,658,240.91	-	-
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	3,259,285.90	3,552,788.43	156,209.66	139,788.13
Total	7,656,319.76	13,354,462.01	2,370,256.78	643,000.07

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Other payables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	146,747.33	199,907.99
KRUNGTHAI FARM CO., LTD.	-	-	64,576.23	4,636.00
M.K.S. FARM CO., LTD.	-	-	123,622.49	-
GF FOODS CO., LTD.	-	-	2,430.00	-
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	66,340.00	-	66,340.00	-
Total	66,340.00	-	403,716.05	204,543.99
Deposit income				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	-	-
KRUNGTHAI FARM CO., LTD.	-	-	25,000.00	25,000.00
M.K.S. FARM CO., LTD.	-	-	140,000.00	140,000.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	50,000.00	50,000.00	-	-
Total	50,000.00	50,000.00	165,000.00	165,000.00
Advance received				
Subsidiary				
M.K.S. FARM CO., LTD.	-	-	25,000.00	25,000.00
Deferred rental income				
Associate				
MCKEY FOOD SERVICES (THAILAND) LTD.				
Balance as at beginning	91,583,333.20	99,433,333.20	91,583,333.20	99,433,333.20
Beginning of current portion	7,850,000.00	7,850,000.00	7,850,000.00	7,850,000.00
Less recognized as revenue for the year	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Current portion of deferred rental income	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Balance as at ending	83,733,333.20	91,583,333.20	83,733,333.20	91,583,333.20
Short-term loans				
Subsidiary				
Balance as at beginning	-	-	-	40,000,000.00
Increase	-	-	15,000,000.00	5,000,000.00
Decrease	-	-	-	(45,000,000.00)
Balance as at ending	-	-	15,000,000.00	-
Directors in parent company				
Balance as at beginning	-	-	-	-
Increase	16,000,000.00	-	16,000,000.00	-
Decrease	-	-	-	-
Balance as at ending	16,000,000.00	-	16,000,000.00	-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Directors in subsidiary				
Balance as at beginning	103,000,000.00	-	-	-
Increase	-	103,000,000.00	-	-
Decrease	(103,000,000.00)	-	-	-
Balance as at ending	-	103,000,000.00	-	-
Related persons in subsidiary				
Balance as at beginning	57,000,000.00	-	-	-
Increase	-	57,000,000.00	-	-
Decrease	(57,000,000.00)	-	-	-
Balance as at ending	-	57,000,000.00	-	-
Total	-	160,000,000.00	-	-
Long-term loans				
Directors in parent company				
Balance as at beginning	806,600,000.00	578,900,000.00	806,600,000.00	578,900,000.00
Increase	400,000,000.00	300,000,000.00	400,000,000.00	300,000,000.00
Decrease	(88,300,000.00)	(72,300,000.00)	(88,300,000.00)	(72,300,000.00)
Total	1,118,300,000.00	806,600,000.00	1,118,300,000.00	806,600,000.00
<u>Less</u> Current portion of long-term loans	(284,000,000.00)	-	(284,000,000.00)	-
Balance as at ending	834,300,000.00	806,600,000.00	834,300,000.00	806,600,000.00
Directors in subsidiaries				
Balance as at beginning	136,900,000.00	158,200,000.00	-	-
Increase	103,000,000.00	-	-	-
Decrease	(12,000,000.00)	(21,300,000.00)	-	-
Balance as at ending	227,900,000.00	136,900,000.00	-	-
Related persons in subsidiaries				
Balance as at beginning	756,500,000.00	862,900,000.00	-	-
Increase	57,000,000.00	-	-	-
Decrease	(115,700,000.00)	(106,400,000.00)	-	-
Balance as at ending	697,800,000.00	756,500,000.00	-	-
Total Current portion of long-term loans	284,000,000.00	-	284,000,000.00	-
Total Long-term loans	1,760,000,000.00	1,700,000,000.00	834,300,000.00	806,600,000.00

As at December 31, 2018, the whole amount of short-term loans from subsidiary company is in form of promissory note in the type of call, carried interest rate at 1.68% per annum.

As at December 31, 2018, the whole amount of short-term loans from related persons are loans in form of promissory note which due in 1 year, carried interest rate at 3.25% per annum and As at December 31, 2017, the whole amount of short-term loans from related persons are loans in form of promissory note which due in 1 year, carried interest rate at 1.75% per annum. When it due, short-term loans have been extended to long-term loans, carried interest rate at 3.50% per annum.

As at December 31, 2018 and 2017, the whole amount of long-term loans from related persons are loans in form of promissory note which will be gradually matured within 2019, 2021 and 2024 carried interest rate at 3.25%-5.50% per annum for the both years.

5.2 Inter-revenues and expenses

		(Unit : Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>For the year ended December 31,</u>			
<u>Pricing policy</u>		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Inter-transaction with subsidiaries					
(Eliminated from consolidated financial statements)					
Sales	Agreement price, reference to market price	-	-	387,389,820.83	504,885,635.11
Purchase	Agreement price, reference to market price	-	-	4,406,622,739.69	4,547,169,521.67
Rental income	Contract price	-	-	5,935,098.00	2,340,000.00
Other income	Cost price and agreement price	-	-	26,309,478.20	22,557,601.61
Dividend received	Approved by board of director's meeting	-	-	393,040,220.00	-
Other expenses	Cost price	-	-	7,428,271.69	6,294,483.12
Interest expenses capitalized to statement of comprehensive income	Annual interest rate at 1.68-1.75%	-	-	109,775.35	419,616.47
Inter-transaction with associates					
Sales	Agreement price, reference to market price	6,782,330,900.85	5,736,200,664.09	1,685,086,759.40	1,296,476,541.00
Purchase	Agreement price, reference to market price	208,454,745.90	56,991,516.68	163,023,926.00	12,414,899.00
Rental income	Contract price	19,986,877.04	18,917,077.04	16,959,786.99	15,889,986.99
Other income	Cost price and market price	174,775,906.42	159,263,784.18	125,923,516.42	115,844,354.98
Dividend received	Approved of shareholder's meeting	48,999,900.00	48,999,900.00	48,999,900.00	48,999,900.00
Other expenses	Cost price	916,380.00	948,380.00	916,380.00	916,380.00
Inter-transaction with related companies					
Sales	Agreement price, reference to market price	2,589,483,150.89	2,950,637,863.79	2,031,048,044.52	2,420,244,463.09
Purchase	Agreement price, reference to market price	2,888,640,178.50	2,789,197,814.88	-	-
Rental income	Contract price	600,000.00	600,000.00	-	-
Other income	Cost price and market price	32,044,995.11	23,581,092.76	2,601,459.41	1,776,232.64
Rental expenses	Contract price	21,285,686.00	21,285,686.00	9,405,686.00	9,405,686.00
Other expenses	Cost price and market price	63,613,002.38	75,512,928.85	2,225,097.94	2,163,926.85
Inter-transaction with related persons					
Interest expenses capitalized to statement of comprehensive income	Annual interest rate at 3.25%, 5.50%	53,970,005.25	45,241,943.04	43,515,730.71	30,040,635.25
Interest expenses capitalized to cost of assets	Annual interest rate at 1.68%-5.50%	37,265,694.55	40,972,009.64	1,220,363.10	5,452,561.11

5.3 Director and Management benefit expenses

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	127,209,162.00	124,724,077.00	54,389,386.00	52,578,916.00
Post-employment benefits	14,297,719.00	745,292.00	7,257,093.00	604,441.00
Total	141,506,881.00	125,469,369.00	61,646,479.00	53,183,357.00

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

5.4 Relationship among the companies

Consisted of :-

<u>Company's Name</u>	<u>Relationship</u>
Krungthai Farm Co., Ltd.	Subsidiary company by shareholding and common management
M.K.S. Farm Co., Ltd.	Subsidiary company by shareholding and common management
GF Foods Co., Ltd.	Subsidiary company by shareholding and common management
Krungthai Food Public Co., Ltd.	Subsidiary company by shareholding and common management
GP Breeding Co., Ltd.	Subsidiary company by shareholding and common management
McKey Food Services (Thailand) Ltd.	Associated company by shareholding
GFPT Nichirei (Thailand) Co., Ltd.	Associated company by shareholding
M.K.S. Condotown Co., Ltd.	Related company by common management
P. Charoen Phan Feedmill Co., Ltd.	Related company by common management
P. Charoen Phan Produce Co., Ltd.	Related company by common management
Krungthai Aqua-Culture Co., Ltd.	Related company by common management
Nichirei Food Inc.	Related company by shareholding of associated company
Keystone Foods (AP) Ltd.	Related company with associated company by common parent company with associated company
Surapon Nichirei Foods Co., Ltd.	Related company with associated company by common parent company with associated company
Surapon Foods Public Co., Ltd.	Related company with associated company by shareholding of Surapon Nichirei Foods Co., Ltd.
Related Persons	Directors and shareholders and related persons with directors and shareholders

6. Cash and cash equivalents

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	1,354,106.03	522,000.00	889,106.03	55,000.00
Saving deposit	568,364,972.07	428,836,482.10	81,881,202.35	80,876,915.01
Current deposit	661,029,683.13	302,293,805.65	26,592,139.85	12,833,007.18
Cheques on hand	9,346,545.50	4,611,241.00	-	-
Total	1,240,095,306.73	736,263,528.75	109,362,448.23	93,764,922.19

7. Trade and other receivables

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade receivables-related parties	575,057,230.87	671,354,153.80	285,621,995.52	429,198,851.39
Trade receivables-other parties	335,933,820.36	255,784,452.92	168,169,878.53	103,146,674.75
Notes receivables-other parties	49,472,580.05	57,757,994.87	-	-
Total trade and notes receivables	960,463,631.28	984,896,601.59	453,791,874.05	532,345,526.14
<u>Less</u> Allowance for doubtful accounts	(35,357,662.67)	(34,406,662.27)	-	-
Total trade and notes receivables-net	925,105,968.61	950,489,939.32	453,791,874.05	532,345,526.14
Other receivables-related parties	16,658,437.38	15,793,267.00	10,410,741.49	11,375,159.14
Other receivables-other parties	1,850,628.93	7,542,540.95	61,687.15	1,341,408.81
Advance payment-related parties	2,633.51	110,123.79	1,558,830.99	1,746,645.42
Advance payment-other parties	1,659,416.32	5,680,826.93	91,700.00	85,300.00
Prepaid expenses-related parties	654,550.19	654,550.19	654,550.19	654,550.19
Prepaid expenses-other parties	26,130,344.76	29,323,861.86	8,030,414.19	14,614,868.93
Accrued income-other parties	2,911,164.36	3,839,912.50	1,375,857.19	1,818,854.16
Total other receivables	49,867,175.45	62,945,083.22	22,183,781.20	31,636,786.65
<u>Less</u> Allowance for doubtful accounts	(170,000.00)	(170,000.00)	-	-
Total other receivables-net	49,697,175.45	62,775,083.22	22,183,781.20	31,636,786.65
Total trade and other receivables-net	974,803,144.06	1,013,265,022.54	475,975,655.25	563,982,312.79

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

7.1 Trade receivables-related parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade and notes receivables within due period	491,164,751.49	465,038,392.08	267,167,990.43	276,472,801.15
Trade and notes receivables over due period				
- Not more than 3 months	83,892,479.38	206,315,761.72	18,454,005.09	152,726,050.24
Total	575,057,230.87	671,354,153.80	285,621,995.52	429,198,851.39

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

7.2 Trade receivables-other parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade and notes receivables within due period	273,972,150.06	220,120,979.92	131,340,734.03	81,530,469.38
Trade and notes receivables over due period				
- Not more than 3 months	74,091,411.20	53,066,184.10	35,803,489.50	19,870,550.37
- More than 3 months	37,342,839.15	40,355,283.77	1,025,655.00	1,745,655.00
Total	385,406,400.41	313,542,447.79	168,169,878.53	103,146,674.75
<u>Less</u> Allowance for doubtful accounts	(35,357,662.67)	(34,406,662.27)	-	-
Net	350,048,737.74	279,135,785.52	168,169,878.53	103,146,674.75

The normal credit term granted to customers of the Group is 1-60 days.

The movement of allowance for doubtful debts-trade accounts and other receivable-other parties for the year ended December 31, 2018 and 2017, were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Beginning balance	34,576,662.27	33,950,587.82	-	-
Additions during the year	3,078,621.00	3,089,434.75	-	-
Collect during the year	(1,940,819.60)	(2,077,544.30)	-	-
Written off during the year	(186,801.00)	(385,816.00)	-	-
Ending balance	35,527,662.67	34,576,662.27	-	-

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

8. Inventories

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods-processed chicken products	170,088,020.28	139,232,123.08	164,590,243.75	136,796,120.65
Finished goods-feed mill	53,679,089.47	67,606,775.00	-	-
Raw materials and medical supplies	1,772,690,737.23	1,753,832,275.15	23,862,483.50	22,883,143.53
Raw materials in transit	336,150,388.50	404,334,229.27	-	-
Work in process	214,939,034.04	84,910,604.91	211,950,030.39	82,043,048.40
Current biological assets				
Seed eggs and eggs in hatchery	100,594,078.71	97,087,525.14	-	-
Rearing chicken	360,803,948.85	478,990,913.42	-	-
Chicks	37,202.04	-	-	-
Spare parts, factory supplies, supplies and others	551,846,962.36	595,091,183.26	123,908,848.98	96,699,215.77
Total	3,560,829,461.48	3,621,085,629.23	524,311,606.62	338,421,528.35
<u>Less</u> Allowance for decline in value of non-movement inventories	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)
Allowance for decline in value of inventories	(29,973,503.50)	(10,013,076.98)	(18,273,921.69)	(8,630,672.06)
Net	3,527,977,085.13	3,608,193,679.40	503,158,812.08	326,911,983.44

An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December 2018 and 2017 were as follows:

	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>
Seed eggs and eggs in hatchery (Unit : Egg)	9,023,475	9,170,865
Rearing chicken (Unit : Head)	8,324,699	10,415,098
Chicks (Unit : Head)	3,262	-
Total	17,351,436	19,585,963

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cost of inventories recognized as an expense and is included in cost of goods sold account				
- Cost of goods sold	14,243,598,130.82	14,148,882,685.80	7,587,875,482.80	7,412,825,298.73
- The reduction in net worth that is expected to receive	19,960,426.52	2,032,078.08	9,643,249.63	2,423,560.81
Net	14,263,558,557.34	14,150,914,763.88	7,597,518,732.43	7,415,248,859.54

For the year ended December 31, 2018 and 2017, the movement of allowance for non-movement inventories and allowance for decline in value of inventories were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Allowance for decline in value of non-movement inventories-beginning	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)
Reversed/sold during the year	-	-	-	-
Allowance for decline in value of non-movement inventories-ending	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)
Allowance for decline in value of inventories-beginning	(10,013,076.98)	(7,980,998.90)	(8,630,672.06)	(6,207,111.25)
Increased during the year	(20,091,670.72)	(2,423,560.81)	(9,643,249.63)	(2,423,560.81)
Reversed/sold during the year	131,244.20	391,482.73	-	-
Allowance for decline in value of inventories-ending	(29,973,503.50)	(10,013,076.98)	(18,273,921.69)	(8,630,672.06)

9. Investments in associates

As at December 31, 2018 and 2017, the Company's investments in associates were as follows :-

(Unit: Baht)

Name of company	Paid-up		% Share		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	share capital		-holding		Equity method		Cost method	
					As at December 31,		As at December 31,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Investments in associates								
- MCKEY FOOD SERVICES (THAILAND) LTD.	100,000,000.00	100,000,000.00	49.00	49.00	1,041,747,853.30	948,642,195.38	49,000,000.00	49,000,000.00
- GFPT NICHIREI (THAILAND) CO., LTD.	3,014,000,000.00	3,014,000,000.00	49.00	49.00	1,645,768,276.70	1,723,127,378.66	1,476,859,700.00	1,476,859,700.00
Total					2,687,516,130.00	2,671,769,574.04	1,525,859,700.00	1,525,859,700.00

The financial information of associates

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

(Unit : Baht)

	<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Current assets	1,299,437,232.18	1,192,391,478.28
Non-current assets	1,833,188,489.98	1,968,814,868.08
Current liabilities	(577,969,379.75)	(802,972,821.91)
Non-current liabilities	(427,889,964.34)	(421,243,666.35)
Total assets-net	2,126,766,378.07	1,936,989,858.10

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>
GFPT NICHIREI (THAILAND) CO., LTD.		
Current assets	1,955,684,690.97	1,828,416,954.73
Non-current assets	1,962,643,088.44	2,243,256,937.43
Current liabilities	(503,627,166.27)	(499,268,727.08)
Non-current liabilities	(36,818,436.70)	(40,134,865.56)
Total assets-net	<u>3,377,882,176.44</u>	<u>3,532,270,299.52</u>

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Revenue	6,050,227,856.02	4,888,430,540.60
Profit from continuing operations	289,776,519.97	351,070,414.46
Profit (loss) before income tax from discontinued operations	-	-
Profit for the year	<u>289,776,519.97</u>	<u>351,070,414.46</u>
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>289,776,519.97</u>	<u>351,070,414.46</u>
Dividend received from associate for the year	48,999,900.00	48,999,900.00

GFPT NICHIREI (THAILAND) CO., LTD.		
Revenue	8,102,935,994.67	7,826,814,040.67
Profit (loss) from continuing operations	(154,388,123.08)	213,735,450.15
Profit (loss) before income tax from discontinued operations	-	-
Profit (loss) for the year	<u>(154,388,123.08)</u>	<u>213,735,450.15</u>
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(154,388,123.08)</u>	<u>213,735,450.15</u>
Dividend received from associate for the year	-	-

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

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Net assets of the associate	2,126,766,378.07	1,936,989,858.10
Shareholding of the Company (%)	49.00	49.00
	<u>1,042,115,525.25</u>	<u>949,125,030.47</u>
Other adjustments	(367,671.95)	(482,835.09)
Book value of the Company in associates	<u>1,041,747,853.30</u>	<u>948,642,195.38</u>

(Unit : Baht)

	As at December 31,	
	2018	2017
GFPT NICHIREI (THAILAND) CO., LTD.		
Net assets of the associate	3,377,882,176.44	3,532,270,299.52
Shareholding of the Company (%)	49.00	49.00
	1,655,162,266.46	1,730,812,446.76
Other adjustments	(9,393,989.76)	(7,685,068.10)
Book value of the Company in associates	1,645,768,276.70	1,723,127,378.66
Total book value of the Company in associates	2,687,516,130.00	2,671,769,574.04

10. Investments in subsidiaries

As at December 31, 2018 and 2017, the Company had investments in subsidiaries were as follows :-

Name of company	(Unit: Baht)							
	Separate financial statements							
	Paid-up		% Share-		Cost method		Dividend	
	share Capital		holding		As at December 31,		For the year ended December 31,	
	2018	2017	2018	2017	2018	2017	2018	2017
<u>Investments in Subsidiaries</u>								
- M.K.S. FARM CO., LTD.	550,000,000.00	550,000,000.00	99.99	99.99	549,999,910.00	549,999,910.00	-	-
- KRUNGTHAI FARM CO., LTD.	350,000,000.00	350,000,000.00	99.99	99.99	349,999,910.00	349,999,910.00	-	-
- KRUNGTHAI FOOD PUBLIC CO., LTD.	400,000,000.00	400,000,000.00	98.2601	98.1011	535,578,727.35	525,997,727.35	393,040,220.00	-
- GF FOODS CO., LTD.	160,000,000.00	160,000,000.00	99.99	99.99	159,999,100.00	159,999,100.00	-	-
- GP BREEDING CO., LTD.	200,000,000.00	200,000,000.00	99.99	99.99	200,499,895.00	200,499,895.00	-	-
Total					1,796,077,542.35	1,786,496,542.35	393,040,220.00	-

For the year ended December 31, 2018, the Company has invested more in KRUNGTHAI FOOD PUBLIC CO., LTD., a subsidiary for 63,600 shares in the amount of Baht 9.58 million. The proportion of shareholding increased from 98.1011 % to 98.2601 %. The purchase in lower price than the book value results in the discount from purchasing the investment amount of Baht 1.21 million representing in the shareholder's equity as it is considered as the change of shareholders after the control in such subsidiary.

According to the Company's board of directors Meeting No.9/2018 of Krungthai Food Public Co., Ltd held on November 12, 2018, has resolution to approve the interim dividend from the subsidiary company's performance in 2008-2009 at Baht 10.00 per share, the number of shares was 40,000,000 and amounting to Baht 400.00 million.

11. Non-current biological assets

11.1 Grandparent chickens

Consisted of :-

(Unit : Baht)

	Consolidated financial statements		
	Grandparent chickens	Grandparent chickens during rearing	Total
Cost :-			
As at January 1, 2017	93,713,480.61	78,520,546.88	172,234,027.49
Purchase	-	130,183,344.71	130,183,344.71
Transfer in	181,441,388.10	-	181,441,388.10
Depreciation transferred to costs of rearing	-	12,074,701.00	12,074,701.00
Sale	(139,393,287.83)	-	(139,393,287.83)
Transfer out	-	(181,441,388.10)	(181,441,388.10)
As at December 31, 2017	135,761,580.88	39,337,204.49	175,098,785.37
Purchase	-	125,154,964.78	125,154,964.78
Transfer in	138,820,646.59	-	138,820,646.59
Depreciation transferred to costs of rearing	-	14,400,262.24	14,400,262.24
Sale	(158,418,607.35)	-	(158,418,607.35)
Transfer out	-	(138,820,646.59)	(138,820,646.59)
As at December 31, 2018	116,163,620.12	40,071,784.92	156,235,405.04
Accumulated depreciation :-			
As at January 1, 2017	(51,049,067.19)	-	(51,049,067.19)
Depreciation for the year	(142,851,071.95)	-	(142,851,071.95)
Depreciation for sale /retirement	129,627,698.03	-	129,627,698.03
As at December 31, 2017	(64,272,441.11)	-	(64,272,441.11)
Depreciation for the year	(125,682,837.18)	-	(125,682,837.18)
Depreciation for sale /retirement	138,210,938.57	-	138,210,938.57
As at December 31, 2018	(51,744,339.72)	-	(51,744,339.72)
Book value net :-			
As at December 31, 2017	71,489,139.77	39,337,204.49	110,826,344.26
As at December 31, 2018	64,419,280.40	40,071,784.92	104,491,065.32
Depreciation was shown in profit or loss for the year			
Ended December 31, 2017			142,851,071.95
Ended December 31, 2018			125,682,837.18

11.2 Parent chickens

Consisted of :-

(Unit : Baht)

	Consolidated financial statements		
	Parent chickens	Parent chickens	Total
	during rearing		
Cost :-			
As at January 1, 2017	343,354,684.64	207,551,757.10	550,906,441.74
Purchase	-	470,369,895.25	470,369,895.25
Transfer in	544,942,964.27	-	544,942,964.27
Depreciation transferred to costs of rearing	-	30,181,018.95	30,181,018.95
Sale	(540,347,183.76)	-	(540,347,183.76)
Transfer out	-	(544,942,964.27)	(544,942,964.27)
As at December 31, 2017	347,950,465.15	163,159,707.03	511,110,172.18
Purchase	-	527,573,937.85	527,573,937.85
Transfer in	544,075,709.06	-	544,075,709.06
Depreciation transferred to costs of rearing	-	32,510,546.98	32,510,546.98
Sale	(529,239,903.73)	-	(529,239,903.73)
Transfer out	-	(544,075,709.06)	(544,075,709.06)
As at December 31, 2018	362,786,270.48	179,168,482.80	541,954,753.28
Accumulated depreciation :-			
As at January 1, 2017	(144,127,006.07)	-	(144,127,006.07)
Depreciation for the year	(427,056,681.47)	-	(427,056,681.47)
Depreciation for sale /retirement	426,295,602.61	-	426,295,602.61
As at December 31, 2017	(144,888,084.93)	-	(144,888,084.93)
Depreciation for the year	(429,319,458.64)	-	(429,319,458.64)
Depreciation for sale /retirement	428,377,359.88	-	428,377,359.88
As at December 31, 2018	(145,830,183.69)	-	(145,830,183.69)
Book value net :-			
As at December 31, 2017	203,062,380.22	163,159,707.03	366,222,087.25
As at December 31, 2018	216,956,086.79	179,168,482.80	396,124,569.59
Depreciation was shown in profit or loss for the year			
Ended December 31, 2017			427,056,681.47
Ended December 31, 2018			429,319,458.64

An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December 2018 and 2017 were as follows:

	(Unit : Head)	
	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>
Grandparent and parent chickens	497,648	494,872
Grandparent and parent chickens during rearing	491,616	414,009
Total	<u>989,264</u>	<u>908,881</u>

12. Investment property

Consisted of :-

	(Unit : Baht)		
	<u>Consolidated financial statements</u>		
	<u>Land and Land improvements</u>	<u>Building</u>	<u>Total</u>
Cost :-			
As at January 1, 2017	264,645,714.80	111,682,219.42	376,327,934.22
Purchase	602,100.00	18,628,273.56	19,230,373.56
As at December 31, 2017	265,247,814.80	130,310,492.98	395,558,307.78
Purchase	2,000,000.00	-	2,000,000.00
As at December 31, 2018	267,247,814.80	130,310,492.98	397,558,307.78
Depreciation :-			
As at January 1, 2017	(237,447.65)	(34,026,125.93)	(34,263,573.58)
Depreciation for the year	(48,497.55)	(6,304,362.05)	(6,352,859.60)
As at December 31, 2017	(285,945.20)	(40,330,487.98)	(40,616,433.18)
Depreciation for the year	(48,497.55)	(6,303,985.93)	(6,352,483.48)
As at December 31, 2018	(334,442.75)	(46,634,473.91)	(46,968,916.66)
Allowance for impairment of assets :-			
As at January 1, 2017	(850,146.00)	(23,809.10)	(873,955.10)
As at December 31, 2017	(850,146.00)	(23,809.10)	(873,955.10)
Reversal of allowance for impairment	32,500.00	23,809.10	56,309.10
As at December 31, 2018	(817,646.00)	-	(817,646.00)
Net book value :-			
As at December 31, 2017	264,111,723.60	89,956,195.90	354,067,919.50
As at December 31, 2018	266,095,726.05	83,676,019.07	349,771,745.12
Depreciation was shown in profit or loss for the year			
Ended December 31, 2017			6,352,859.60
Ended December 31, 2018			6,352,483.48

(Unit : Baht)

	Separate financial statements		
	Land and Land improvements	Building	Total
Cost :-			
As at January 1, 2017	125,553,808.57	275,258,202.97	400,812,011.54
As at December 31, 2017	125,553,808.57	275,258,202.97	400,812,011.54
Transfer in	-	48,108,125.33	48,108,125.33
As at December 31, 2018	125,553,808.57	323,366,328.30	448,920,136.87
Depreciation :-			
As at January 1, 2017	(237,447.65)	(198,710,797.91)	(198,948,245.56)
Depreciation for the year	(48,497.55)	(5,292,328.45)	(5,340,826.00)
As at December 31, 2017	(285,945.20)	(204,003,126.36)	(204,289,071.56)
Depreciation for the year	(48,497.55)	(7,697,733.30)	(7,746,230.85)
As at December 31, 2018	(334,442.75)	(211,700,859.66)	(212,035,302.41)
Allowance for impairment of assets :-			
As at January 1, 2017	(42,400.00)	-	(42,400.00)
As at December 31, 2017	(42,400.00)	-	(42,400.00)
Reversal of allowance for impairment	600.00	-	600.00
As at December 31, 2018	(41,800.00)	-	(41,800.00)
Net book value :-			
As at December 31, 2017	125,225,463.37	71,255,076.61	196,480,539.98
As at December 31, 2018	125,177,565.82	111,665,468.64	236,843,034.46

Depreciation was shown in profit or loss for the year

Ended December 31, 2017	5,340,826.00
Ended December 31, 2018	7,746,230.85

- Consolidated financial statements

As at December 31, 2018 and 2017, the Group pledged investment property at cost value of Baht 103.04 million and the book value of Baht 68.61 million and the cost value of Baht 103.04 million and the book value of Baht 73.51 million respectively, to guarantee credit of the Group with commercial banks and financial institutions, (Note 16).

As at December 31, 2018, the fair value of investment property is in accordance to the valuation report dated on January and July to September 2018 was Baht 1,300.99 million and as at December 31, 2017, the fair value of investment property is in accordance to the valuation report dated on November 2015 was Baht 1,118.00 million. The fair value of investment property is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach and Income Approach for the land valuation and Cost Approach for buildings valuation. The fair value of investment property is hierarchical level 3.

For the year ended December 31, 2018 and 2017 investment property contributed rental income which recognized in profit and loss of Baht 33.01 million and Baht 27.98 million respectively.

- Separate financial statements

As at December 31, 2018 and 2017, the Company pledged investment property at cost value of Baht 313.61 million and the book value of Baht 111.84 million and the cost value of Baht 265.50 million and the book value of Baht 70.10 million respectively, to guarantee credit of the Group with commercial banks and financial institutions, (Note 16).

As at December 31, 2018, the fair value of investment property is in accordance to the valuation report dated on July to September 2018 was Baht 1,273.40 million and as at December 31, 2017, the fair value of investment property is in accordance to the valuation report dated on November 2015 was Baht 955.27 million. The fair value of investment property is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach and Income Approach for the land valuation and Cost Approach for buildings valuation. The fair value of investment property is hierarchical level 3.

For the year ended December 31, 2018 and 2017 investment property contributed rental income which recognized in profit and loss of Baht 23.23 million and Baht 18.51 million respectively.

13. Property, plant and equipment

Consisted of :-

Consolidated financial statements										
	Land and land improvement	Building and building improvement	Machines and equipment	Tools	Office equipment	Vehicles	Others fixed assets	Construction in progress	During cultivation rubber trees	Total
Cost :-										
As at January 1, 2017	581,688,675.42	6,680,031,506.00	3,082,356,607.64	1,121,538,276.24	453,185,827.55	917,371,376.24	851,751.00	2,063,885,879.97	687,902.85	14,901,597,804.91
Purchase	22,112,067.74	2,516,230.19	57,203,480.51	15,833,461.73	18,702,449.80	85,993,382.96	-	728,780,742.91	916,838.73	932,058,654.57
Transfer in	3,648,227.29	1,020,993,787.49	275,622,038.10	97,415,619.61	11,845,835.84	93,637,165.44	-	355,273,788.03	3,549,174.34	1,861,985,636.14
Sales/writer-off	-	(27,848,307.66)	(9,403,021.39)	(7,589,480.24)	(10,057,530.95)	(8,621,488.16)	-	(5,629,201.25)	-	(69,149,029.65)
Transfer out	-	-	-	-	-	-	-	(1,514,241,007.87)	-	(1,514,241,007.87)
As at December 31, 2017	607,448,970.45	7,675,693,218.02	3,405,879,104.86	1,227,197,877.34	473,676,582.24	1,088,280,436.48	851,751.00	1,628,070,201.79	5,153,915.92	16,112,252,058.10
Purchase	263,126.80	853,360.12	19,500,796.02	31,493,953.75	16,597,877.96	61,645,513.38	-	763,552,232.23	2,634,542.29	896,541,402.55
Transfer in	6,989,659.28	348,546,050.57	253,995,453.59	62,875,851.76	5,765,446.75	36,579,826.26	-	331,054,265.65	1,268,190.46	1,047,074,744.32
Sales/writer-off	-	(35,601,889.46)	(14,139,948.69)	(24,628,624.39)	(8,021,337.27)	(41,832,982.77)	(50,000.00)	(4,341,233.32)	-	(128,616,015.90)
Transfer out	-	-	-	(1,174,000.00)	-	-	-	(756,107,581.75)	-	(757,281,581.75)
As at December 31, 2018	614,701,756.53	7,989,490,739.25	3,665,235,405.78	1,295,765,058.46	488,018,569.68	1,144,672,793.35	801,751.00	1,962,227,884.60	9,056,648.67	17,169,970,607.32
Accumulated depreciation:-										
As at January 1, 2017	(30,407,071.96)	(3,160,832,048.25)	(2,246,456,748.68)	(935,751,215.81)	(387,118,336.67)	(708,714,382.68)	(835,723.10)	-	-	(7,470,115,527.15)
Depreciation for the year	(2,404,985.90)	(287,989,260.40)	(187,646,810.85)	(76,831,205.10)	(27,409,488.31)	(102,034,924.88)	(6,526.20)	-	-	(684,323,201.64)
Depreciation for sale/writer-off assets	-	24,672,323.80	9,302,163.37	7,542,472.83	9,847,769.43	8,621,464.16	-	-	-	59,886,193.59
As at December 31, 2017	(32,812,057.86)	(3,424,148,984.85)	(2,424,801,396.16)	(1,005,039,948.08)	(404,680,055.55)	(802,127,843.40)	(842,249.30)	-	-	(8,094,452,535.20)
Depreciation for the year	(2,709,187.06)	(318,094,506.29)	(218,767,580.50)	(85,146,967.20)	(27,144,139.29)	(100,642,735.20)	(6,526.20)	-	-	(752,511,641.74)
Depreciation for sale/writer-off assets	-	34,488,405.91	15,288,699.28	24,690,800.61	7,848,111.53	41,824,575.63	49,999.00	-	-	124,190,591.96
As at December 31, 2018	(35,521,244.92)	(3,707,755,085.23)	(2,628,280,277.38)	(1,065,496,114.67)	(423,976,083.31)	(860,946,002.97)	(798,776.50)	-	-	(8,722,773,584.98)
Allowance for impairment of assets:-										
As at December 31, 2017	(42,400.00)	-	-	-	-	-	-	-	-	(42,400.00)
Reversal of allowance for impairment	600.00	-	-	-	-	-	-	-	-	600.00
As at December 31, 2018	(41,800.00)	-	-	-	-	-	-	-	-	(41,800.00)
Book value net :-										
As at December 31, 2017	574,594,512.59	4,251,544,233.17	981,077,708.70	222,157,929.26	68,996,526.69	286,152,593.08	9,501.70	1,628,070,201.79	5,153,915.92	8,017,757,122.90
As at December 31, 2018	579,138,711.61	4,281,735,654.02	1,056,955,128.40	230,268,945.79	64,042,486.37	283,726,790.38	2,974.50	1,962,227,884.60	9,056,648.67	8,447,155,222.34
For the year ended December 31, 2017										
Depreciation was shown in profit or loss										639,948,924.93
Depreciation transferred to costs of rearing										42,255,719.95
Depreciation transferred to costs of construction in progress										2,118,556.76
For the year ended December 31, 2018										
Depreciation was shown in profit or loss										702,253,722.95
Depreciation transferred to costs of rearing										46,910,809.22
Depreciation transferred to costs of construction in progress										3,347,109.57

- Consolidated financial statements

For the year ended December 31, 2018 and 2017, the Group had capitalize borrowing cost to cost of construction in progress amount of Baht 38.55 million and Baht 46.21 million respectively. The cost of borrowings derived from the loans for general objectives and the capitalization rate was weighted average interest rate in each month of loans for general objectives which was 1.68%-5.50% per annum for both years.

As at December 31, 2018 and 2017, the Group had land, land improvement and machines in the cost price was Baht 2,745.74 million and the book value of Baht 1,283.00 million and the cost price was Baht 2,722.50 million and the book value of Baht 1,331.63 million respectively, and to be acquired in the future pledged for collateral against credit line to commercial banks and financial institutions, (Note 16).

As at December 31, 2018 and 2017, the Group had the assets which fully depreciation but still in used. The cost price was Baht 4,810.43 million and the book value was Baht 378,022.00 and the cost price was Baht 4,644.76 million and the book value was Baht 389,863.00 respectively.

- Separate financial statements

For the year ended December 31, 2018 and 2017, the Company had capitalize borrowing cost to cost of construction in progress amount of Baht 2.51 million and Baht 10.32 million respectively. The cost of borrowings derived from the loans for general objectives and the capitalization rate was weighted average interest rate in each month of loans for general objectives which was 1.68%-5.50% per annum for both years.

As at December 31, 2018 and 2017, The Company had land with buildings and improvement in the cost price was Baht 844.80 million and Baht 874.68 million respectively, and the book value of Baht 401.48 million and Baht 457.86 million respectively, and to be acquired in the future pledged for collateral against credit line to commercial banks and financial institutions, (Note 16).

As at December 31, 2018 and 2017, the Company had the assets which fully depreciation but still in used. The cost price was Baht 1,558.25 million and the book value was Baht 15,490.00 and the cost price was Baht 1,532.52 million and the book value was Baht 15,258.00 respectively.

14. Deferred tax assets

Deferred tax assets and liabilities as at December 31, 2018 and 2017 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax assets	275,951,838.29	297,731,750.49	198,458,598.46	229,440,718.74
Deferred tax liabilities	(100,800.00)	(100,800.00)	-	-
Net	275,851,038.29	297,630,950.49	198,458,598.46	229,440,718.74

Movements in total deferred tax assets and liabilities for the year ended December 31, 2018 and 2017 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>				<u>Separate financial statements</u>			
	<u>As at</u>	<u>(Charged)/</u>	<u>(Charged)/</u>	<u>As at</u>	<u>As at</u>	<u>(Charged)/</u>	<u>(Charged)/</u>	<u>As at</u>
	<u>January 1,</u>	<u>credited to</u>	<u>credited to</u>	<u>December 31,</u>	<u>January 1,</u>	<u>credited to</u>	<u>credited to</u>	<u>December 31,</u>
	<u>2018</u>	<u>profit or loss</u>	<u>other</u>	<u>2018</u>	<u>2018</u>	<u>profit or loss</u>	<u>other</u>	<u>2018</u>
		<u>(Note 27.1)</u>	<u>comprehensive</u>			<u>(Note 27.1)</u>	<u>comprehensive</u>	
			<u>income (Note 27.2)</u>				<u>income (Note 27.2)</u>	
Deferred tax assets								
Trade accounts receivable	6,226,875.27	5,465.39	-	6,232,340.66	-	-	-	-
Inventories	1,793,577.49	3,356,415.03	-	5,149,992.52	1,524,629.02	2,259,932.41	-	3,784,561.43
Investments in subsidiaries	16,785,536.90	-	-	16,785,536.90	16,785,536.90	-	-	16,785,536.90
Grandparent chickens	4,270,612.51	(2,245,948.46)	-	2,024,664.05	-	-	-	-
Parent chickens	15,954,550.45	716,159.01	-	16,670,709.46	-	-	-	-
Property, plant and equipment	68,223.34	(22,739.50)	-	45,483.84	-	-	-	-
Employee benefit obligations	66,990,857.30	17,402,178.58	(80,217.88)	84,312,818.00	25,489,035.59	7,334,747.81	334,423.87	33,158,207.27
Tax losses carried forward for not more than five years	185,641,517.23	(40,911,224.37)	-	144,730,292.86	185,641,517.23	(40,911,224.37)	-	144,730,292.86
Total	297,731,750.49	(21,699,694.32)	(80,217.88)	275,951,838.29	229,440,718.74	(31,316,544.15)	334,423.87	198,458,598.46
Deferred tax liabilities								
Trade and other payables	(100,800.00)	-	-	(100,800.00)	-	-	-	-
Total	(100,800.00)	-	-	(100,800.00)	-	-	-	-
Net	297,630,950.49	(21,699,694.32)	(80,217.88)	275,851,038.29	229,440,718.74	(31,316,544.15)	334,423.87	198,458,598.46

(Unit : Baht)

	Consolidated financial statements			Separate financial statements		
	As at	(Charged)/credited	As at	As at	(Charged)/credited	As at
	January 1, 2017	to profit or loss (Note 27.1)	December 31, 2017	January 1, 2017	to profit or loss (Note 27.1)	December 31, 2017
Deferred tax assets						
Trade accounts receivable	6,252,126.28	(25,251.01)	6,226,875.27	-	-	-
Inventories	1,749,384.44	44,193.05	1,793,577.49	1,484,661.92	39,967.10	1,524,629.02
Investments in subsidiaries	16,785,536.90	-	16,785,536.90	16,785,536.90	-	16,785,536.90
Grandparent chickens	3,451,115.91	819,496.60	4,270,612.51	-	-	-
Parent chickens	12,864,832.50	3,089,717.95	15,954,550.45	-	-	-
Property, plant and equipment	90,962.84	(22,739.50)	68,223.34	-	-	-
Employee benefit obligations	64,893,888.84	2,096,968.46	66,990,857.30	24,966,425.04	522,610.55	25,489,035.59
Tax losses carried forward for not more than five years						
	267,557,728.46	(81,916,211.23)	185,641,517.23	267,557,728.46	(81,916,211.23)	185,641,517.23
Total	373,645,576.17	(75,913,825.68)	297,731,750.49	310,794,352.32	(81,353,633.58)	229,440,718.74
Deferred tax liabilities						
Trade and other payables	(100,800.00)	-	(100,800.00)	-	-	-
Total	(100,800.00)	-	(100,800.00)	-	-	-
Net	373,544,776.17	(75,913,825.68)	297,630,950.49	310,794,352.32	(81,353,633.58)	229,440,718.74

15. Intangible assets

Consisted of :-

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
	Software licenses	Software licenses
Cost: -		
As at January 1, 2017	53,538,199.85	40,587,619.44
Purchase	3,466,468.69	3,466,468.69
As at December 31, 2017	57,004,668.54	44,054,088.13
Purchase	464,917.76	174,145.26
Transfer in	51,588,963.58	-
As at December 31, 2018	109,058,549.88	44,228,233.39
Accumulated amortization: -		
As at January 1, 2017	(27,344,730.79)	(27,057,675.77)
Amortization expenses	(8,549,406.02)	(5,104,749.31)
As at December 31, 2017	(35,894,136.81)	(32,162,425.08)
Amortization expenses	(15,723,515.75)	(4,661,922.88)
As at December 31, 2018	(51,617,652.56)	(36,824,347.96)
Book value net: -		
As at December 31, 2017	21,110,531.73	11,891,663.05
As at December 31, 2018	57,440,897.32	7,403,885.43
Amortization was shown in profit or loss		
For the year ended December 31, 2017	8,549,406.02	5,104,749.31
For the year ended December 31, 2018	15,723,515.75	4,661,922.88

16. Credits and guarantees from financial institutions

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

As at December 31, 2018 and 2017, the Group received the credit line in form of long-term borrowings from related persons in the amount of Baht 2,000.00 million. Annual interest rate is not more than 5.50% with maturity within 10 years from February 1, 2014 to January 31, 2024, and has no collateral according to The Extraordinary General Meeting of Shareholder No. 1/2013 dated December 12, 2013.

As at December 31, 2018 and 2017, the Company received the credit in form of long-term borrowings from related persons in the amount of Baht 300.00 million. Annual interest rate is not more than 3.25% with maturity within 3 years from March 1, 2017 to February 28, 2019, and has no collateral according to The Company's Board of Directors Meeting No. 2/2017 dated February 22, 2017.

As at December 31, 2018, the Company received the credit in form of long-term borrowings from related persons in the amount of Baht 400.00 million. Annual interest rate is not more than 3.25% with maturity within 3 years from March 2, 2018 to March 1, 2021, and has no collateral according to The Company's Board of Directors Meeting No. 2/2018 dated February 28, 2018.

As at December 31, 2018, a subsidiary company received the credit in form of short-term borrowings from related persons in the amount of Baht 160.00 million. Annual interest rate is not more than 1.75% with maturity within 1 year, from August 25, 2017 to August 24, 2018, and has no collateral. On maturity dated short-term loans have been extended to long-term loans in amount of Baht 160.00 million. Annual interest rate is not more than 3.50% with maturity within 3 years, from August 25, 2018 to August 24, 2021, and has no collateral.

17. Short-term loans from financial institutions

As at December 31, 2018 and 2017, short-term loans from financial institutions, were loan in the form of promissory notes from several commercial banks maturity dated within 1 month and the type of call for repayment, at the annual interest rates of 1.68%-1.95% and 1.68%-1.71% respectively.

18. Trade and other payables

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables-related parties	21,148,204.47	992,681.52	339,030,443.86	289,984,931.70
Trade payables-other parties	861,746,913.86	698,161,525.78	177,464,177.67	159,943,509.36
Total trade payables	882,895,118.33	699,154,207.30	516,494,621.53	449,928,441.06
Other payables-related parties	66,340.00	-	403,716.05	204,543.99
Other payables-other parties	49,108,286.50	40,022,482.22	14,732,421.42	16,220,866.32
Payable for asset purchased	14,916,872.83	19,648,304.02	4,447,869.16	14,452,695.31
Accrued expenses-related parties	7,656,319.76	13,354,462.01	2,370,256.78	643,000.07
Accrued expenses-other parties	152,949,817.86	142,167,812.18	80,242,393.21	73,276,121.01
Advance received-related parties	-	-	25,000.00	25,000.00
Advance received-other parties	35,824,094.83	9,672,261.95	27,689,744.61	4,286,174.06
Total other payables	260,521,731.78	224,865,322.38	129,911,401.23	109,108,400.76
Total trade and other payables	1,143,416,850.11	924,019,529.68	646,406,022.76	559,036,841.82

19. Long-term loans from financial institutions

Consisted of :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>
Long-term loans from financial institutions	-	66,700,000.00
<u>Less</u> Current portion of long-term loans	-	(66,700,000.00)
Net	-	-

The movement of long-term loans for the year ended December 31, 2018 and 2017 were as follows :-

	(Unit : Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>
Beginning balance	66,700,000.00	275,020,000.00
Repayment for the year	(66,700,000.00)	(208,320,000.00)
Ending balance	-	66,700,000.00

As at December 31, 2017, long-term loan from financial institutions of the Company, has the balance of Baht 66.70 million, which has been repaid every 3 months, totally 12 installments with Baht 33.33 million per installment repayment. The final settlement will be equal to the principal and interest outstanding under the agreement. The first installment repayment will be in July 2015, the interest rate was 3.25% per annum.

20. Employee benefit obligation

Employee benefit obligations were as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Beginning present value of the obligation	384,967,033.00	365,940,471.00	157,445,945.00	151,735,172.00
Current service cost	30,787,575.00	27,216,758.00	13,628,860.00	11,851,229.00
Past service cost	110,619,060.00	-	47,858,610.00	-
Interest expenses	7,061,388.00	6,677,894.00	3,329,596.00	3,163,756.00
Actuarial loss arising from defined benefit plan	7,480,647.00	-	1,845,199.00	-
<u>Less</u> Repayment for the year	(20,794,002.00)	(14,868,090.00)	(10,592,562.00)	(9,304,212.00)
Ending present value of the obligation	520,121,701.00	384,967,033.00	213,515,648.00	157,445,945.00

Changes in the actuarial (profit) loss arising from defined benefit plan recognized in other comprehensive income which is included in the retained earnings were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Beginning book value	(5,876,165.31)	(5,876,165.31)	1,984,616.24	1,984,616.24
Recognized during the year	7,480,647.00	-	1,845,199.00	-
Ending book value	1,604,481.69	(5,876,165.31)	3,829,815.24	1,984,616.24

Expenses recognized in statements of comprehensive income are shown collectively for the year ended December 31, 2018 and 2017 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Recognized as cost of assets</u>				
Property, plant and equipment	390,237.16	286,037.98	-	-
<u>Recognized in profit or loss</u>				
Cost of sales	99,667,192.81	26,763,746.61	47,499,458.00	12,521,651.00
Administrative expenses	48,410,593.03	6,844,867.41	17,317,608.00	2,493,334.00
Total	148,077,785.84	33,608,614.02	64,817,066.00	15,014,985.00
<u>Recognized in other comprehensive income</u>				
Actuarial (profit) loss arising from defined benefit plan				
Financial assumptions changes	(1,425,345.00)	-	(550,482.00)	-
Demographic assumptions changes	2,249,652.00	-	891,595.00	-
Experience adjustments	6,656,340.00	-	1,504,086.00	-
Total	7,480,647.00	-	1,845,199.00	-

For the year ended December 31, 2018 and 2017 the principal assumptions used for the purposes of the actuarial valuation were as follows :-

	<u>2018</u>	<u>2017</u>
Discount rate	1.76%-4.05%	2.60%
Average salary increase rate	5.00%	5.00%
Employee turnover rate	Age band	Age band
Retirement age	55 years old	55 years old

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2018 and 2017 were as follows:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Discount increase rate (1% movement)	(22,494,332.00)	(19,339,443.00)	(9,724,200.00)	(9,296,420.00)
Discount decrease rate (1% movement)	25,224,323.00	21,863,966.00	10,889,264.00	10,518,794.00
Future salary growth increase (1% movement)	24,386,233.00	26,811,955.00	10,526,929.00	12,857,515.00
Future salary growth decrease (1% movement)	(22,211,895.00)	(23,990,245.00)	(9,601,755.00)	(11,493,081.00)
Employee turnover increase rate (20% movement)	(18,675,546.00)	(23,588,426.00)	(7,932,781.00)	(11,406,534.00)
Employee turnover decrease rate (20% movement)	22,731,038.00	29,929,653.00	9,524,944.00	14,494,733.00

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being published in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment which the Group and the Company have additional liabilities for employee benefits obligation. The Group and the Company have recorded the effect of the change by recognizing past service costs as expenses immediately in profit or loss.

21. Deferred rental income

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred rental income				
Related companies	91,583,333.20	99,433,333.20	91,583,333.20	99,433,333.20
Other companies	33,519,737.72	34,842,885.26	-	-
Total advance received for rental income	125,103,070.92	134,276,218.46	91,583,333.20	99,433,333.20
<u>Less</u> Current portion of deferred rental income				
Related companies	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Other companies	(1,323,147.54)	(1,323,147.54)	-	-
Total current portion of deferred rental income	(9,173,147.54)	(9,173,147.54)	(7,850,000.00)	(7,850,000.00)
Net	115,929,923.38	125,103,070.92	83,733,333.20	91,583,333.20

The movement of deferred rental income for the year ended December 31, 2018 and 2017 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred rental income beginning	134,276,218.46	143,449,366.00	99,433,333.20	107,283,333.20
<u>Less</u> Deferred rental income recognized as revenue in the year	(9,173,147.54)	(9,173,147.54)	(7,850,000.00)	(7,850,000.00)
Deferred rental income ending	125,103,070.92	134,276,218.46	91,583,333.20	99,433,333.20

Deferred rental income-related company is deferred revenue from the land lease and building agreement including related services which the Company has entered into the lease agreement with a related company. The term of agreement is 20 years with expired in 2030, under the condition of the agreement, the Company will be received rental and service fees in advance at rate as stipulated in the agreement. The Company recognises this rental income on a straight-line basis over the lease period.

Deferred rental income-other company is deferred revenue from land lease agreement which the subsidiary company has registered the leasehold right to a company. The term of leasehold is 30 years commencing on the maturity date of 6 months after the date of registration of leasehold rights and expired in 2043. Under the condition of the leasehold agreement, the subsidiary company will be received rental fees in advance to compensate the registration of leasehold and receive monthly rental fee at rate as stipulated in the agreement. The subsidiary company recognizes this rental income on a straight-line basis over the leasehold period.

22. Share capital

The movement of share capital for the year ended December 31, 2018 were as follows :-

	Number of share (Unit : share)	Amount (Unit : Baht)
Registered share capital (Baht 1 per share)		
As at January 1, 2018	1,400,000,000	1,400,000,000
Increment of capital	-	-
As at December 31, 2018	1,400,000,000	1,400,000,000
Issued and paid-up share capital (Baht 1 per share)		
As at January 1, 2018	1,253,821,000	1,253,821,000
Increment of capital	-	-
As at December 31, 2018	1,253,821,000	1,253,821,000

Capital management

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

As at December 31, 2018 and 2017, in the consolidated financial statements, the debt to equity ratio is 0.42 : 1 and 0.43 : 1 respectively, and separate financial statements debt to equity ratio is 1.34 : 1 and 1.29 : 1 respectively.

23. Share premium and legal reserve

Share premium

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

Legal reserve

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

24. Subsidy fund from the government

For consolidated financial statements as at December 31, 2017, a subsidiary company has received subsidy fund from the Energy Research and Development Institute, Chiang Mai University (CMU) according to the operation contract for the construction and installation of biogas project to promote the production of biogas dated December 30, 2014, which supported by ENCON Fund, Energy Policy and Planning Office amount of Baht 6.03 million. The payments are shown as follows:-

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

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

For the year ended December 31, 2017, a subsidiary company recognized as other income in the statement of comprehensive income in the amount of Baht 1.66 million.

25. Dividend payment

25.1 The minutes of annual general shareholders' meeting in 2018 dated on April 5, 2018 was unanimously approved the dividend payment from unappropriated retained earnings which receive corporate income tax exemption 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 376.06 million), whereby the Company has already paid dividend.

25.2 The minutes of annual general shareholders' meeting in 2017 dated on April 5, 2017 was unanimously approved the dividend payment from unappropriated retained earnings which receive corporate income tax exemption 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 376.02 million), whereby the Company has already paid dividend.

26. Expenses by nature

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Changes in inventories of finished goods and work in process	(32,312,706.84)	(91,142,581.26)	(157,701,105.09)	13,342,827.63
Raw materials and consumables used	10,329,644,437.18	10,521,213,122.28	6,173,427,673.16	5,952,797,987.51
Loss from decline in value of inventories	19,960,426.52	2,032,078.08	9,643,249.63	2,423,560.81
Employee benefit expenses	2,608,821,756.23	2,392,771,965.80	1,369,914,046.46	1,241,405,693.20
Management's remuneration	141,506,881.00	125,469,369.00	61,646,479.00	53,183,357.00
Depreciation	708,606,206.43	646,301,784.53	153,054,349.24	134,756,963.71
Depreciation of chickens	555,002,295.82	569,907,753.42	-	-
Amortization expenses	15,723,515.75	8,549,406.02	4,661,922.88	5,104,749.31
Transportation expenses	302,419,684.76	321,577,264.78	95,829,724.36	97,959,831.78
Operating lease expenses	26,329,854.60	26,549,301.75	9,405,686.00	9,420,086.00
Utility expenses	665,263,008.06	662,772,431.49	244,804,938.98	240,570,353.62
Fee expenses	8,061,886.25	13,171,081.60	4,107,434.73	4,013,496.01
Travelling expenses	56,129,135.82	41,430,191.98	11,229,190.69	10,409,268.93
Sale promotion expenses	12,480,574.16	21,577,468.61	802,379.53	754,512.43
Loss from sales of grandparent chickens retirement	12,191,910.98	2,691,014.60	-	-
Loss from sales of parent chickens retirement	25,888,782.85	22,932,309.15	-	-
Other expenses	179,861,941.02	179,311,679.47	55,849,768.15	51,225,734.36
Total	<u>15,635,579,590.59</u>	<u>15,467,115,641.30</u>	<u>8,036,675,737.72</u>	<u>7,817,368,422.30</u>

27. Income tax (revenues) expenses

27.1 Income tax is recognized in profit or loss

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current tax expenses	230,541,412.39	229,573,208.11	-	-
Deferred tax expenses (Note 14)				
Movements in temporary differences	21,699,694.32	75,913,825.68	31,316,544.15	81,353,633.58
Income tax (revenues) expenses	<u>252,241,106.71</u>	<u>305,487,033.79</u>	<u>31,316,544.15</u>	<u>81,353,633.58</u>

27.2 Income tax is recognized in other comprehensive income

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31, 2018</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Actuarial (profit) loss arising from defined benefit plan	7,881,736.40	(401,089.40)	173,079.67	1,672,119.33
Applicable tax rate	0%	20%	0%	20%
Income tax relevance with other comprehensive income	-	(80,217.88)	-	334,423.87

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

by the applicable tax rates for the year ended December 31, 2018 and 2017 as follows: -

(Unit : Baht)

	<u>Separate financial statements</u>			
	<u>2018</u>		<u>2017</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit before tax	82,634,851.42	334,998,598.64	378,529,419.46	22,991,306.67
Applicable tax rate	0%	20%	0%	20%
Accounting profit before tax multiplied by applicable tax rate	-	66,999,719.73	-	4,598,261.33
Tax effect of income and expenses that are not considered				
As income tax expense as follows:-				
Depreciation of cars worth more than 1 million Baht	-	837,556.59	-	726,354.79
Loss on devaluation of inventories	-	2,259,932.41	-	39,967.10
Employee benefit obligations	-	7,334,747.81	-	522,610.55
Dividends income	-	(88,408,024.00)	-	(9,799,980.00)
Tax losses brought forward	-	(185,641,517.23)	-	(267,557,728.46)
Tax losses not yet used	-	197,073,984.33	-	271,804,619.76
Other	-	(456,399.64)	-	(334,105.07)
Total	-	-	-	-
Changes in temporary differences	-	(31,316,544.15)	-	(81,353,633.58)
Income tax expense reported in comprehensive income statement	-	<u>(31,316,544.15)</u>	-	<u>(81,353,633.58)</u>

28. Basic earnings per share

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the year (Unit : Baht)	1,037,972,570.23	1,662,187,761.16	386,316,905.91	320,167,092.55
The number of issued and paid-up ordinary shares (Unit : Shares)	1,253,821,000	1,253,821,000	1,253,821,000	1,253,821,000
Earnings per share (Baht/share)	0.83	1.33	0.31	0.26

29. Segment information

The Group are engaged of evisceration chicken, broiler farm, feed mill, parent chickens, chicks distribution, processed food production and distribution and grandparent chickens profit (loss) on each type of business arises from total sales less cost of sales and selling and administrative expenses of each business.

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

(Unit : Million Baht)

	<u>Consolidated financial statements</u>								
	<u>For the year ended December 31, 2018</u>								
	<u>Evisceration chicken</u>	<u>Broiler farm</u>	<u>Feed mill</u>	<u>Parent chickens</u>	<u>Chicks distribution</u>	<u>Processed food Production and distribution</u>	<u>Grandparent chickens</u>	<u>Eliminate</u>	<u>Total</u>
Sales-general customers	7,545.44	4,871.09	3,129.01	127.79	105.12	708.44	160.13	-	16,647.02
- Transfer between sectors	387.39	4,662.39	5,940.58	1,429.54	-	6.06	199.87	(12,625.83)	-
	<u>7,932.83</u>	<u>9,533.48</u>	<u>9,069.59</u>	<u>1,557.33</u>	<u>105.12</u>	<u>714.50</u>	<u>360.00</u>	<u>(12,625.83)</u>	<u>16,647.02</u>
Profit (loss) from operation	50.23	278.69	721.14	217.11	(30.32)	(3.85)	75.29		1,308.29
Share of profit from associates									71.13
Finance cost									(78.74)
Income tax expenses									(252.24)
Profit for the year									<u>1,048.44</u>
Other comprehensive income									(4.46)
Comprehensive income of non-controlling interests									<u>(10.50)</u>
Comprehensive income of GFPT PUBLIC COMPANY LIMITED									<u>1,033.48</u>
Assets by business sector									
- Fixed assets	1,054.56	3,726.69	1,596.51	1,164.77	-	197.55	456.57		8,196.65
- Center fixed assets	177.65	-	63.79	-	-	-	-		241.44
- Other assets	1,291.71	1,077.27	2,401.72	624.30	4.60	66.11	288.58		5,754.29
Common assets									<u>3,937.28</u>
Total assets									<u>18,129.66</u>

For the year ended December 31, 2018, the Group's major customers are worth higher than 10% of the revenues from sale of one individual, which a related company amount of total sales of Baht 5,096.02 million.

(Unit : Million Baht)

Consolidated financial statements									
For the year ended December 31, 2017									
	Evisceration chicken	Broiler farm	Feed mill	Parent chickens	Chicks distribution	Processed food Production and distribution	Grandparent chickens	Eliminate	Total
Sales-general customers	7,554.13	4,474.50	3,379.98	108.76	323.25	826.66	261.19	-	16,928.47
- Transfer between sectors	504.89	4,542.65	5,825.81	1,500.78	-	4.52	180.46	(12,559.11)	-
	8,059.02	9,017.15	9,205.79	1,609.54	323.25	831.18	441.65	(12,559.11)	16,928.47
Profit from operation	411.72	369.65	576.38	233.60	43.04	(0.52)	145.72		1,779.59
Share of profit from associates									272.02
Finance cost									(74.36)
Income tax expenses									(305.49)
Profit for the year									1,671.76
Comprehensive income of non-controlling interests									(9.57)
Comprehensive income of GFPT PUBLIC COMPANY LIMITED									1,662.19
Assets by business sector									
- Fixed assets	1,030.14	3,506.90	1,545.11	1,102.09	-	168.38	409.12		7,761.74
- Center fixed assets	187.19	-	63.67	-	-	-	-		250.86
- Other assets	1,210.15	1,181.62	2,398.12	585.08	9.13	63.33	277.89		5,725.32
Common assets									3,541.48
Total assets									17,279.40

For the year ended December 31, 2017, the Group's major customers are worth higher than 10% of the revenues from sale of one individual, which a related company amount of total sales of Baht 4,439.20 million.

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

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

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

For the year ended December 31, 2018 and 2017, the Group had domestic sales and export sales as follows:-

(Unit : % of net total sales)

	<u>Consolidated financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Domestic sales-net	74.84	75.47
Export sales-net	25.16	24.53

30. Financial instruments

30.1 Policy on financial risk management

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

30.2 Risks on interest rates

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

(Unit : Baht)

	<u>Consolidated financial statements</u>						
	<u>As at December 31, 2018</u>						
	<u>Fixed interest rate</u>			<u>Floating</u>	<u>No interest</u>	<u>Total</u>	<u>Interest</u>
	<u>Within</u>	<u>More than</u>	<u>5 years</u>	<u>interest rate</u>	<u>bearing</u>	<u>Total</u>	<u>rate</u>
	<u>1 year</u>	<u>2 year to 5 years</u>	<u>5 years</u>	<u>interest rate</u>	<u>bearing</u>	<u>Total</u>	<u>(% per annum)</u>
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	707,615,980.26	532,479,326.47	1,240,095,306.73	0.10-0.50
Trade and other receivables	-	-	-	-	974,803,144.06	974,803,144.06	-
	-	-	-	707,615,980.26	1,507,282,470.53	2,214,898,450.79	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,380,000,000.00	-	-	-	-	1,380,000,000.00	1.68-1.95
Short-term loans from related persons	16,000,000.00	-	-	-	-	16,000,000.00	3.25
Trade and other payables	-	-	-	-	1,143,416,850.11	1,143,416,850.11	-
Long-term loans from related persons	284,000,000.00	560,000,000.00	1,200,000,000.00	-	-	2,044,000,000.00	3.25-5.50
Other current provision	1,541,684.25	-	-	-	-	1,541,684.35	7.50
	1,381,541,684.25	560,000,000.00	1,200,000,000.00	-	1,143,416,850.11	4,584,958,534.36	

(Unit : Baht)

Consolidated financial statements
As at December 31, 2017

	Fixed interest rate					Total	Interest rate (% per annum)
	Within		More than 5 years	Floating interest rate	No interest bearing		
	1 year	2 year to 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	488,741,907.12	247,521,621.63	736,263,528.75	0.00-0.625
Trade and other receivables	-	-	-	-	1,013,265,022.54	1,013,265,022.54	-
	-	-	-	488,741,907.12	1,260,786,644.17	1,749,528,551.29	
Financial liabilities							
Short-term loans from financial institutions	1,650,000,000.00	-	-	-	-	1,650,000,000.00	1.68-1.71
Short-term loans from related persons	160,000,000.00	-	-	-	-	160,000,000.00	1.75
Trade and other payables	-	-	-	-	924,019,529.68	924,019,529.68	-
Long-term loans from financial institutions	66,700,000.00	-	-	-	-	66,700,000.00	3.25
Long-term loans from related persons	-	300,000,000.00	1,400,000,000.00	-	-	1,700,000,000.00	3.25,5.50
Other current provision	1,541,684.25	-	-	-	-	1,541,684.25	7.50
	1,878,241,684.25	300,000,000.00	1,400,000,000.00	-	924,019,529.68	4,502,261,213.93	

(Unit : Baht)

Separate financial statements
As at December 31, 2018

	Fixed interest rate					Total	Interest rate (% per annum)
	Within		More than 5 years	Floating interest rate	No interest bearing		
	1 year	2 year to 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	108,473,342.20	889,106.03	109,362,448.23	0.362
Trade and other receivables	-	-	-	-	475,975,655.25	475,975,655.25	-
	-	-	-	108,473,342.20	476,864,761.28	585,338,103.48	
Financial liabilities							
Short-term loans from financial institutions	1,380,000,000.00	-	-	-	-	1,380,000,000.00	1.68-1.95
Short-term loans from subsidiary company	15,000,000.00	-	-	-	-	15,000,000.00	1.68
Short-term loans from related persons	16,000,000.00	-	-	-	-	16,000,000.00	3.25
Trade and other payables	-	-	-	-	646,406,022.76	646,406,022.76	-
Long-term loans from related persons	284,000,000.00	400,000,000.00	434,300,000.00	-	-	1,118,300,000.00	3.25-5.50
	1,695,000,000.00	400,000,000.00	434,300,000.00	-	646,406,022.76	3,175,706,022.76	

(Unit : Baht)

Separate financial statements
As at December 31, 2017

	Fixed interest rate					Total	Interest rate (% per annum)
	Within		More than 5 years	Floating interest rate	No interest bearing		
	1 year	2 year to 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	80,876,915.01	12,888,007.18	93,764,922.19	0.362
Trade and other receivables	-	-	-	-	563,982,312.79	563,982,312.79	-
	-	-	-	80,876,915.01	576,870,319.97	657,747,234.98	
Financial liabilities							
Short-term loans from financial institutions	1,650,000,000.00	-	-	-	-	1,650,000,000.00	1.68-1.71
Trade and other payables	-	-	-	-	559,036,841.82	559,036,841.82	-
Long-term loans from financial institutions	66,700,000.00	-	-	-	-	66,700,000.00	3.25
Long-term loans from related persons	-	300,000,000.00	506,600,000.00	-	-	806,600,000.00	3.25,5.50
	1,716,700,000.00	300,000,000.00	506,600,000.00	-	559,036,841.82	3,082,336,841.82	

30.3 Risks on exchange rate

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>				
Value of Foreign Exchange Forward Contract				
(Million USD)	16.13	3.76	16.13	3.76
(Million EURO)	-	0.19	-	0.19
Value of Foreign Exchange Contract (Million Baht)	522.71	130.42	522.71	130.42
Fair Value of Foreign Exchange Contract (Million Baht)	519.20	129.40	519.20	129.40
<u>Liabilities</u>				
Value of Foreign Exchange Forward Contract				
(Million USD)	42.87	25.67	0.28	-
(Million EURO)	-	0.16	-	0.15
Value of Foreign Exchange Contract (Million Baht)	1,381.54	864.29	9.02	5.13
Fair Value of Foreign Exchange Contract (Million Baht)	1,375.42	840.05	8.95	5.06

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:-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets that were not hedged by derivative financial instruments				
(Million USD)	-	2.19	-	2.19
(Million EURO)	0.33	0.39	0.33	0.39
(Million YEN)	-	12.04	-	12.04
Liabilities that were not hedged by derivative financial instruments				
(Million USD)	0.10	0.04	-	-
(Million EURO)	0.29	0.39	-	0.11

30.4 Risks on credit term

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

30.5 Fair value

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

31. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2018 and 2017, the Group held other obligations as follows:-

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

	Currencies (Unit : Million)	<u>Consolidated financial statements</u>					
		As at December 31,					
		2018			2017		
		Total	Utilized	Available	Total	Utilized	Available
<u>The Company's credit line</u>							
Letters of guarantee	Baht	374.00	60.05	313.95	374.00	59.52	314.48
Bank overdraft	Baht	242.00	-	242.00	242.00	-	242.00
Short-term loans, letters of credit, trust receipts, packing credit and forward foreign exchange contract	Baht	10,036.89	2,806.49	7,230.40	10,114.50	2,017.05	8,097.45
Short-term loans, letters of credit, trust receipts, and forward foreign exchange contract	USD	118.50	17.16	101.34	118.50	3.32	115.18
Long-term loans	Baht	-	-	-	66.70	66.70	-
Fleet card	Baht	28.70	0.06	28.64	28.70	0.05	28.65
Prepaid cheque	Baht	30.00	-	30.00	30.00	-	30.00

		<u>Consolidated financial statements</u>						
		<u>As at December 31,</u>						
		<u>2018</u>			<u>2017</u>			
		<u>Currencies</u>						
		<u>(Unit : Million)</u>						
		<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	
<u>The Group's credit line</u>								
Letters of guarantee	(1)	Baht	120.00	51.69	68.31	120.00	51.69	68.31
Short-term loans, letters of credit, trust receipts, packing credit, shipping guarantee and forward foreign exchange contract	(2)	Baht	1,200.00	673.53	526.47	1,200.00	860.85	339.15
Bank overdraft, short-term loans, letters of guarantee, letters of credit, trust receipts, and forward foreign exchange contract	(3)	USD	6.50	-	6.50	6.50	1.33	5.17
Short-term loans	(4)	Baht	200.00	-	200.00	200.00	-	200.00
Letters of credit and forward foreign exchange contract	(5)	Baht	62.88	1.48	61.40	62.88	1.21	61.67
Forward foreign exchange contract	(6)	Baht	900.00	348.07	551.93	900.00	115.25	784.75
Fleet card	(7)	Baht	50.00	-	50.00	50.00	-	50.00

		<u>Separate financial statements</u>						
		<u>As at December 31,</u>						
		<u>2018</u>			<u>2017</u>			
		<u>Currencies</u>						
		<u>(Unit : Million)</u>						
		<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	
<u>The Company's credit line</u>								
Bank overdraft		Baht	96.00	-	96.00	96.00	-	96.00
Short-term loans, letters of credit, trust receipts, packing credit and forward foreign exchange contract		Baht	3,494.93	1,347.05	2,147.88	3,494.93	1,453.68	2,041.25
Letters of credit, trust receipts, and forward foreign exchange contract		USD	68.00	10.88	57.12	68.00	2.31	65.69
Long-term loans		Baht	-	-	-	66.70	66.70	-
Fleet card		Baht	0.50	0.02	0.48	0.50	0.02	0.48

<u>The Group's credit line</u>								
Letters of guarantee	(1)	Baht	120.00	51.59	68.41	120.00	51.69	68.31
Short-term loans, letters of credit, trust receipts, packing credit, shipping guarantee and forward foreign exchange contract	(2)	Baht	1,200.00	212.77	987.23	1,200.00	260.00	940.00
Bank overdraft, short-term loans, letters of guarantee, letters of credit, trust receipts, and forward foreign exchange contract	(3)	USD	6.50	-	6.50	6.50	-	6.50
Fleet card	(7)	Baht	50.00	-	50.00	50.00	-	50.00

- (1) As at December 31, 2018 and 2017, the Company received the credit with a subsidiary in the form of a bank guarantee in amount of Baht 120.00 million for both years.
- (2) As at December 31, 2018 and 2017, the Company received the credit with three subsidiaries in the form of short-term loans, letters of credit, trust receipts, packing credit, shipping guarantee and forward foreign exchange contracts in amount of Baht 1,200.00 million for both years.
- (3) As at December 31, 2018 and 2017, the Company received the credit facilities with three subsidiaries in the total credit facilities amount of USD 6.50 million for both years. The credit facilities divided into subordinate credit line for overdrafts in amount of Baht 30.00 million, short-term loans in amount of Baht 200.00 million, bank guarantee in amount of Baht 80.00 million and the remaining credit facilities are available for letters of credit, trust receipts and forward foreign exchange contracts.
- (4) As at December 31, 2018 and 2017, two subsidiaries received credit facilities in the form of short-term loans in amount of Baht 200.00 million for both years.
- (5) As at December 31, 2018 and 2017, two subsidiaries received the credit facilities in the form of letters of credit in amount of Baht 10.00 million and forward foreign exchange contract in amount of Baht 52.88 million for both years.
- (6) As at December 31, 2018 and 2017, five subsidiaries received the credit facilities in the form of forward foreign exchange contract in amount of Baht 900.00 million for both years.
- (7) As at December 31, 2018 and 2017, the Company received the credit facilities with four subsidiaries in the form of a credit guarantees with a fleet card in amount of Baht 50.00 million for both years.

31.2 The Group has obligations as a lessee with related companies, persons and other companies regarding service agreement, agreement to lease building and land, the term of agreements generally are 3 to 20 years. Future minimum lease payments required under these service contracts and leases contracts were as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Obligations with related companies				
Land / building lease agreement				
- Payable within 1 year	25.21	17.25	9.22	5.86
- Payable over 1 year and up to 5 years	41.86	12.81	17.54	5.06
- Payable over 5 years	3.84	5.43	3.84	5.07
Total	70.91	35.49	30.60	15.99
Obligations with other companies				
High speed signal service agreement				
- Payable within 1 year	3.47	3.46	-	-
- Payable over 1 year and up to 5 years	0.59	3.89	-	-
Total	4.06	7.35	-	-

31.3 The Group has entered into agreement to land as a lessor with other company which the term of agreements are 3 to 30 years. The lease agreements have rental received in advance as mentioned in note to financial statements no 21. Future minimum lease receives required under these operating leases contracts were as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Within 1 year	1.83	1.87	-	-
Over 1 and up to 5 years	6.66	6.80	-	-
Over 5 years	42.46	44.12	-	-
Total	50.95	52.79	-	-

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

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Obligation of capital expenditure	15.77	22.98	9.00	10.06

32. Fair value hierarchy

As at December 31, 2018 and 2017, the Group had the assets and liabilities that were measured at fair value or fair value disclosures using different levels of inputs to be used in fair value measurement as follows:-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>							
	<u>As at December 31, 2018</u>				<u>As at December 31, 2017</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets disclosed at fair value</u>								
Investment properties (Note 12)	-	-	1,300.99	1,300.99	-	-	1,118.00	1,118.00
Foreign Exchange Forward Contract (Note 30.3)	-	519.20	-	519.20	-	129.40	-	129.40
<u>Liabilities disclosed at fair value</u>								
Foreign Exchange Forward Contract (Note 30.3)	-	1,375.42	-	1,375.42	-	840.05	-	840.05

(Unit : Million Baht)

	<u>Separate financial statements</u>							
	<u>As at December 31, 2018</u>				<u>As at December 31, 2017</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets disclosed at fair value</u>								
Investment properties (Note 12)	-	-	1,273.40	1,273.40	-	-	955.27	955.27
Foreign Exchange Forward Contract (Note 30.3)	-	519.20	-	519.20	-	129.40	-	129.40
<u>Liabilities disclosed at fair value</u>								
Foreign Exchange Forward Contract (Note 30.3)	-	8.95	-	8.95	-	5.06	-	5.06

33. 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 8 years commencing from the first day when the Group starts to earn income from the operation of promotional operation as follows:-

The Company

No.	Certificate No.	Date	Type of promotional activities	The first date	The expiry date
1.	1329(2)/2552	April 24, 2009	Evisceration chicken	July 1, 2011	June 30, 2019
2.	1051(3)/2553	January 18, 2010	Finished chicken products	January 15, 2011	January 14, 2019

The subsidiary companies

No.	Certificate No.	Date	Type of promotional activities	The first date	The expiry date
1.	1233(2)/2557	February 25, 2014	Parent chicken farm	December 1, 2014	November 30, 2022
2.	1571(2)/2551	June 6, 2008	Broiler farm	April 17, 2010	April 16, 2018
3.	2085(2)/2551	November 19, 2008	Broiler Farm	October 8, 2010	October 7, 2018
4.	1341(2)/2552	April 28, 2009	Broiler Farm	June 9, 2011	June 8, 2019
5.	1470(2)/2552	June 5, 2009	Broiler Farm	June 5, 2011	June 4, 2019
6.	1591(2)/2553	June 8, 2010	Chicken Farm	August 22, 2013	August 21, 2021
7.	1897(2)/2553	August 24, 2010	Broiler Farm	October 25, 2011	October 24, 2019
8.	1898(2)/2553	August 24, 2010	Broiler Farm	August 30, 2014	August 29, 2022
9.	2106(2)/2553	October 19, 2010	Broiler Farm	February 23, 2016	February 22, 2024
10.	2108(2)/2553	October 19, 2010	Broiler Farm	August 28, 2014	August 27, 2022
11.	1674(2)/2554	June 9, 2011	Broiler Farm	December 23, 2014	December 22, 2022
12.	1022(2)/2555	January 12, 2012	Broiler Farm	February 21, 2016	February 20, 2024
13.	2084(2)/2557	September 3, 2014	Broiler Farm	July 25, 2015	July 24, 2023
14.	1187(2)/2553	February 24, 2010	Chicken Farm	None Income Yet	-
15.	2107(2)/2553	October 19, 2010	Broiler Farm	April 7, 2017	April 6, 2025
16.	2083(2)/2557	September 3, 2014	Broiler Farm	July 30, 2018	July 29, 2026
17.	2085(2)/2557	September 3, 2014	Broiler Farm	April 10, 2017	April 9, 2025
18.	2086(2)/2557	September 3, 2014	Broiler Farm	None Income Yet	-
19.	2576(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-
20.	2577(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-
21.	2578(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-
22.	1974(2)/2556	July 9, 2013	Preserve food products or food additives	January 3, 2018	January 2, 2026

(Unit : Baht)

Separate financial statementsFor the year ended December 31, 2018

	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	3,420,874,109.96	4,511,954,665.15	7,932,828,775.11
Cost of sales	(3,137,970,295.30)	(4,459,548,437.13)	(7,597,518,732.43)
Gross profit	282,903,814.66	52,406,228.02	335,310,042.68
Gain on exchange rate	12,156,667.30	6,060.18	12,162,727.48
Other revenues	9,744,541.58	574,201,744.81	583,946,286.39
Selling expenses	(75,401,028.62)	(52,288,991.17)	(127,690,019.79)
Administrative expenses	(114,609,777.39)	(196,857,208.11)	(311,466,985.50)
Finance cost	(32,159,366.11)	(42,469,235.09)	(74,628,601.20)
Profit before income tax	82,634,851.42	334,998,598.64	417,633,450.06
Income tax expenses	-	(31,316,544.15)	(31,316,544.15)
Profit for the year	82,634,851.42	303,682,054.49	386,316,905.91
Actuarial loss arising from defined benefit plan	(173,079.67)	(1,672,119.33)	(1,845,199.00)
Income tax relevance with other comprehensive income	-	334,423.87	334,423.87
Total comprehensive income for the year	82,461,771.75	302,344,359.03	384,806,130.78

(Unit : Baht)

Separate financial statementsFor the year ended December 31, 2017

	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	3,780,488,719.26	4,278,530,647.51	8,059,019,366.77
Cost of sales	(3,235,988,017.41)	(4,179,260,842.13)	(7,415,248,859.54)
Gross profit	544,500,701.85	99,269,805.38	643,770,507.23
Gain on exchange rate	31,258,378.84	7,163,779.91	38,422,158.75
Other revenues	16,943,542.94	164,891,070.56	181,834,613.50
Selling expenses	(75,530,181.97)	(46,416,832.13)	(121,947,014.10)
Administrative expenses	(110,954,570.02)	(169,217,978.64)	(280,172,548.66)
Finance cost	(27,688,452.18)	(32,698,538.41)	(60,386,990.59)
Profit before income tax	378,529,419.46	22,991,306.67	401,520,726.13
Income tax expenses	-	(81,353,633.58)	(81,353,633.58)
Total comprehensive income for the year	378,529,419.46	(58,362,326.91)	320,167,092.55

34. Litigation

On December 18, 2015, two subsidiary companies were sued and claiming for damaged from the compromise agreement by a third party. On December 7, 2016, Court of First Instance ordered to repeal the enforcement dated December 21, 2015 later on February 7, 2017, the plaintiff appealed and the Appeal Court instance have to compensate the damage in amount of Baht 1.88 million together with the interest 7.50% per annum from November 28, 2015 onwards.

On September 27, 2017, two subsidiary companies filed a petition to the court, a lawsuit is in between considered of the court. However, the subsidiary was the recipient of damages and recorded of probable contingent liabilities in amount of Baht 1.54 million (included interest) with balance after the first payment from the compromise agreement.

35. Adjustment for prior year financial statements

The Group has retrospective adjustment prior year financial statement by recognized deferred tax expenses from written off deferred tax assets in amount of Baht 86.16 million since the Group did not able to utilize such tax loss carry forward, which the effect can be summaries are as follows :-

	(Unit : Baht)		
	Consolidated financial statements		
	Before Adjustment	Adjustment Increase (Decrease)	After Adjustment
Statement of financial position as at December 31, 2017			
Deferred tax assets	383,794,053.02	(86,163,102.53)	297,630,950.49
Retained earnings	10,102,303,391.11	(86,163,102.53)	10,016,140,288.58
Statements of comprehensive income for the year ended December 31, 2017			
Income tax expenses	219,323,931.26	86,163,102.53	305,487,033.79
Profit for the year	1,748,350,863.69	(86,163,102.53)	1,662,187,761.16
Basic earnings per share (Baht/Share)	1.39	(0.06)	1.33

	(Unit : Baht)		
	Separate financial statements		
	Before	Adjustment	After
	Adjustment	Increase (Decrease)	Adjustment
Statement of financial position as at December 31, 2017			
Deferred tax assets	315,603,821.27	(86,163,102.53)	229,440,718.74
Retained earnings	775,483,016.74	(86,163,102.53)	689,319,914.21
Statements of comprehensive income for the year ended December 31, 2017			
Income tax revenues (expenses)	4,809,468.95	(86,163,102.53)	(81,353,633.58)
Profit for the year	406,330,195.08	(86,163,102.53)	320,167,092.55
Basic earnings per share (Baht/Share)	0.32	(0.06)	0.26

36. Reclassification of prior year financial statements

Some items in the financial statements as at December 31, 2017 have been reclassified in line with the presentation of the financial statements as at December 31, 2018, there was no impact to the shareholders' equity as reported which can be summarise as following :-

	(Unit : Baht)		
	Before	Reclassify	After
	Reclassify	Increase (decrease)	Reclassify
Statement of financial position as at December 31, 2017			
Property, plant and equipment	8,012,603,206.98	5,153,915.92	8,017,757,122.90
During cultivation rubber trees	5,153,915.92	(5,153,915.92)	-

37. Approval of financial statements

These financial statements have been approved for issuance by GFPT PUBLIC COMPANY LIMITED authorized directors on February 18, 2019.

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