



ORGANIC GROWTH

GFPT Public Company Limited
Annual Report 2016



VISION

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



MISSIONS AND STRATEGIES

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

Quality

1 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.

Satisfaction

5 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.

Food Safety

2 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.

Alliance

6 Build long term relationship with business partners

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

Innovation

3 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.

Responsibility

7 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.

Expertise

4 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.

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A photograph of several yellow chicks on a bed of wood shavings. The chicks are fluffy and appear to be in a brooder. The text 'MOST EFFICIENT BREED' is overlaid in white, bold, sans-serif font in the center of the image.

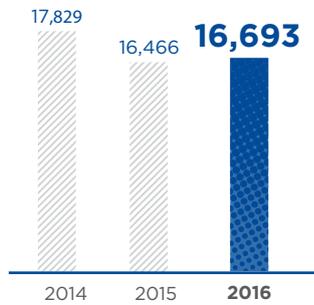
**MOST
EFFICIENT
BREED**

FINANCIAL HIGHLIGHTS

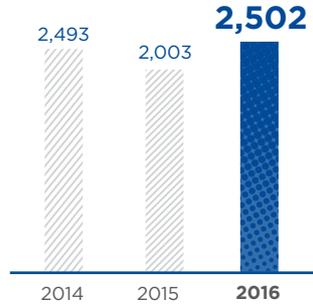
GFPT Public Company Limited and its Subsidiary Companies

	2014	2015	2016
Consolidated Income Statement			
Revenue from Sales (Million Baht)	17,829	16,466	16,693
Total Revenue (Million Baht)	18,075	16,701	17,023
Gross Profit (Million Baht)	2,493	2,003	2,502
Profit from Operation (Million Baht)	1,901	1,317	1,960
Net Profit (Million Baht)	1,780	1,195	1,644
Earnings per Share (Baht per Share)	1.42	0.95	1.31
Consolidated Financial Position			
Total Current Assets (Million Baht)	4,468	4,809	4,915
Total Assets (Million Baht)	13,737	14,976	16,160
Total Current Liabilities (Million Baht)	2,339	2,953	3,198
Total Liabilities (Million Baht)	5,004	5,533	5,381
Shareholders' Equity (Million Baht)	8,733	9,443	10,779
Financial Ratio			
Liquidity Ratio (times)	1.91	1.63	1.54
Gross Profit Margin Ratio (%)	13.98	12.17	14.99
Return on Asset Ratio (%)	13.30	8.32	10.56
Debt to Equity Ratio (times)	0.57	0.59	0.50

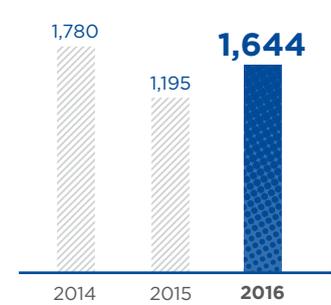
Revenue from Sales

THB **16,693** Million

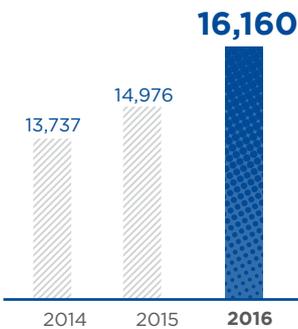
Gross Profit

THB **2,502** Million

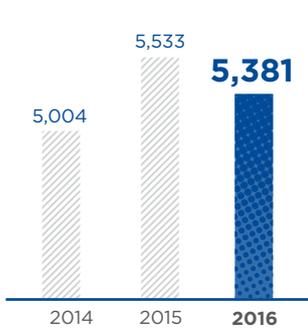
Net Profit

THB **1,644** Million

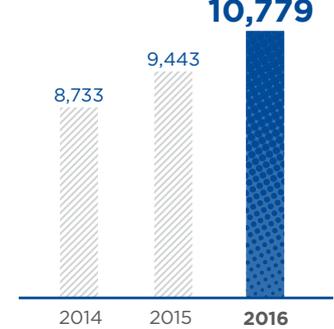
Total Assets (million Baht)



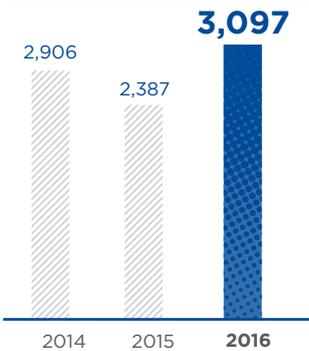
Total Liabilities (million Baht)



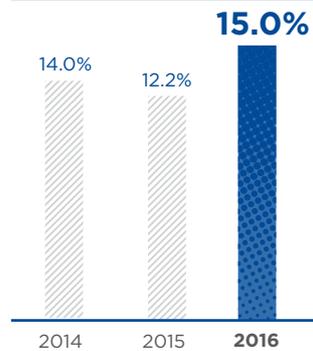
Shareholders' Equity (million Baht)



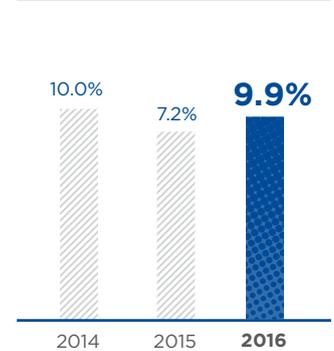
EBITDA (million Baht)



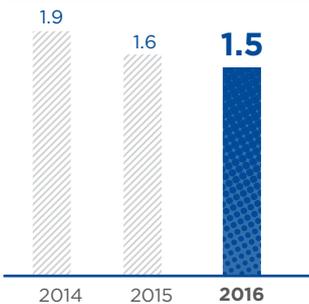
Gross Profit Margin (%)



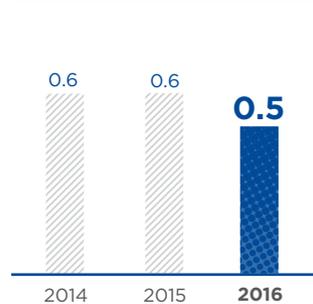
Net Profit Margin (%)



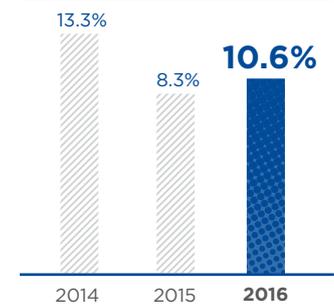
Liquidity Ratio (Times)



Debt to Equity Ratio (Times)



Return on Assets (%)







SUSTAINED RESOURCES

MESSAGE FROM CHAIRMAN



Mr. Prasit Sirimongkolkasem
Chairman



" PASSION TO DRIVE SUSTAINABLE BUSINESS "

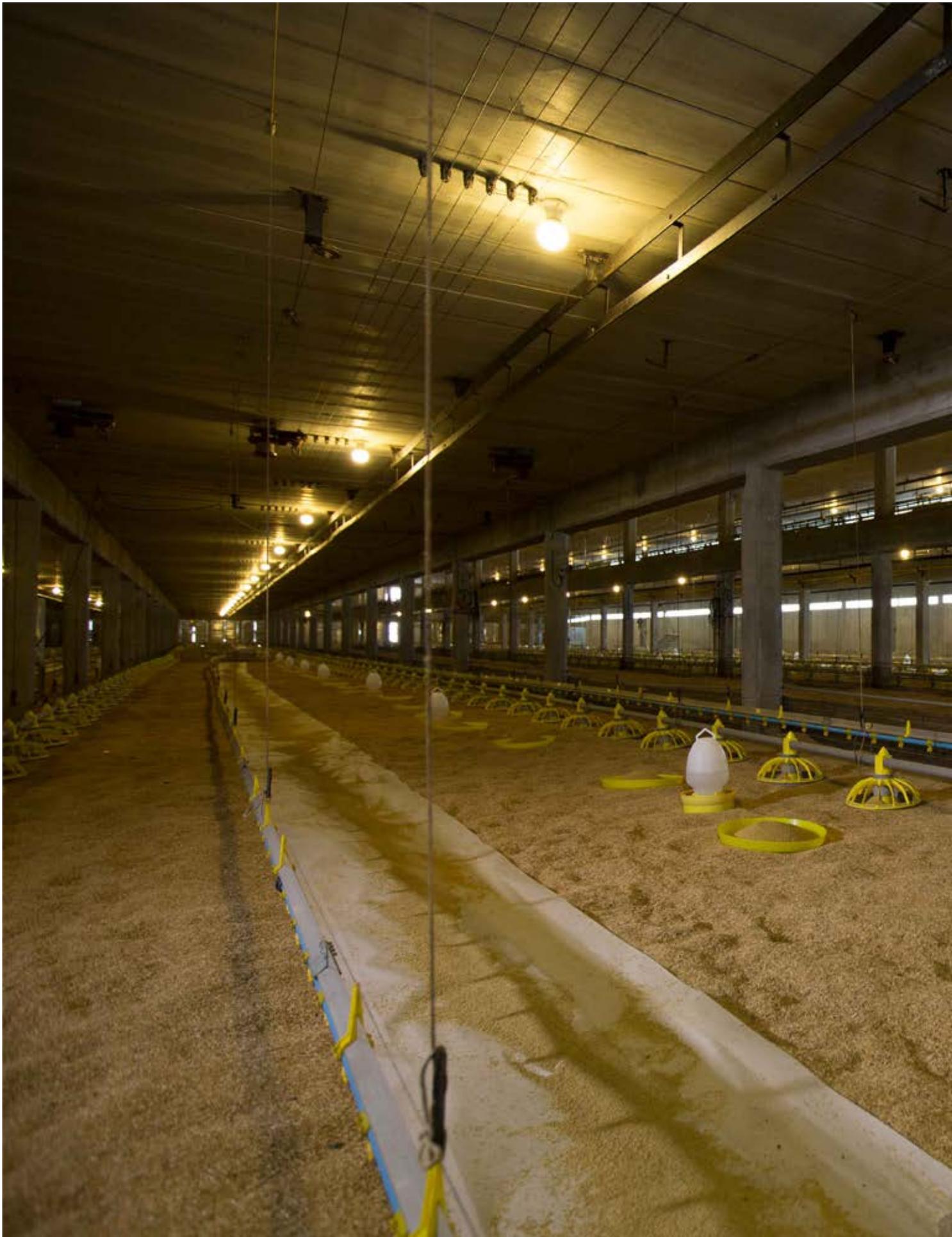
Growth of both domestic consumption and export of chicken meat products were the main supporting factors of GFPT's business achievement in 2016. There were also many other supporting factors such as the increasing of export demand for chicken meat products in Japan to replace the product loss caused by the Avian Flu outbreak. Moreover, internal trouble of broiler industry in China also helps reduced the competitive advantage of its chicken meat products in the world market.

Under the 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 the tastes of consumers in various markets. Moreover, high standard of hygiene and environmental conservation in the production process have to be maintained and consistently improved to comply with international standard. 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.

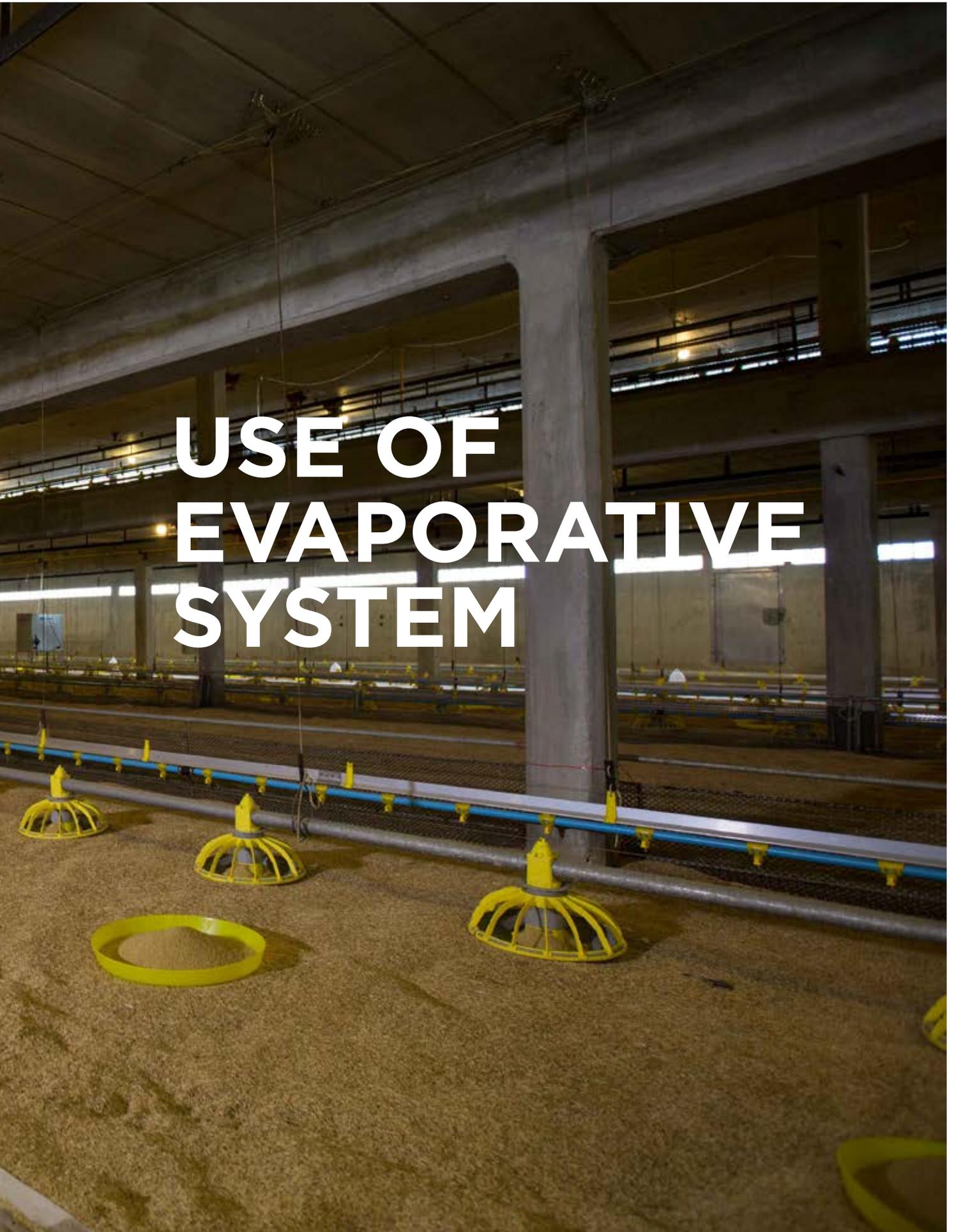
Apart from the business strategies aiming at enhancing competitive potentiality as mention above, GFPT also set strategic policy to achieve sustainable growth through the ideology adhere to the social responsibility and anti-corruption principles. As for the social responsibility policy, the Company has consistently and regularly carried out the Corporate Social Responsibility (CSR) projects and activities. Some of these activities are the development of the 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 the environmental conservation management so that our operations will affect the environment as least as possible.

Beside the corporate social responsibility, GFPT has placed great importance on countering corruption 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, the 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.



USE OF EVAPORATIVE SYSTEM



COMPANY INFORMATION

Company Information
Subsidiary Companies
and
Associated Companies

Name

Type Of Business

Head Office

Certificate No.

Telephone

Facsimile

Registered Capital

Paid-Up Capital

No. Of Shares

Type Of Share

Home Page



GFPT

Issuing Company

GFPT Public Company Limited

Chicken Evisceration, Processed Chicken
Food, and By-Products

312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

0107537001471

0 2473 8000

0 2473 8398

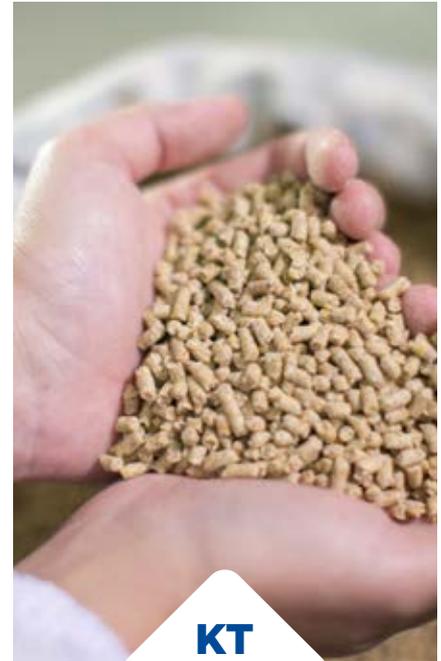
1,400,000,000 Baht

1,253,821,000 Baht

1,253,821,000 shares

Common Stock

www.gfpt.co.th



KT

Subsidiary Company

**Krunghthai Food Public Company
Limited**

Feed Mill and Parent Chicken Farm for Egg
Production and 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.ktfoot.co.th



GP

Subsidiary Company

GP Breeding Company Limited

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

Subsidiary Company

Krungthai Farm Company Limited

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



MKS

Subsidiary Company

M.K.S. Farm Company Limited

Broiler Farm

312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

0105524028536

0 2473 8000

0 2473 8398

550,000,000 Baht

550,000,000 Baht

55,000,000 shares

Common Stock

Company Information
Subsidiary Companies
and
Associated Companies

Name

Type Of Business

Head Office

Certificate No.

Telephone

Facsimile

Registered Capital

Paid-Up Capital

No. Of Shares

Type Of Share



GFF

Subsidiary Company

GF Foods Company Limited

Processed Chicken Food

312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

0105525001496

0 2473 8000

0 2473 8398

40,000,000 Baht

40,000,000 Baht

400,000 shares

Common Stock



McKey

Associated Company

McKey Food Services (Thailand) Limited

Frozen Processed Food

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

0115536003282

0 2315 4763-4, 0 2315 4766-7

0 2315 4765

100,000,000 Baht

100,000,000 Baht

1,000,000 shares

Common Stock



Associated Company

GFPT Nichirei (Thailand) Company Limited

Chicken Evisceration and Processed
Chicken Food

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

0105551130397

038 932 900

038 932 999

3,014,000,000 Baht

3,014,000,000 Baht

30,140,000 shares

Common Stock

OTHER IMPORTANT INFORMATION

Registrar Name

Thailand Securities Depository Co., Ltd.

Address

93 Ratchadaphisek Road, Dindaeng,
Dindaeng, Bangkok 10400

Telephone

0 2009 9000

0 2009 9991

Home Page

www.set.or.th/tsd

Registrar Debenture

- None -

AUDITOR

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

Address

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

Telephone

0 2231 3980-7

Facsimile

0 2231 3988

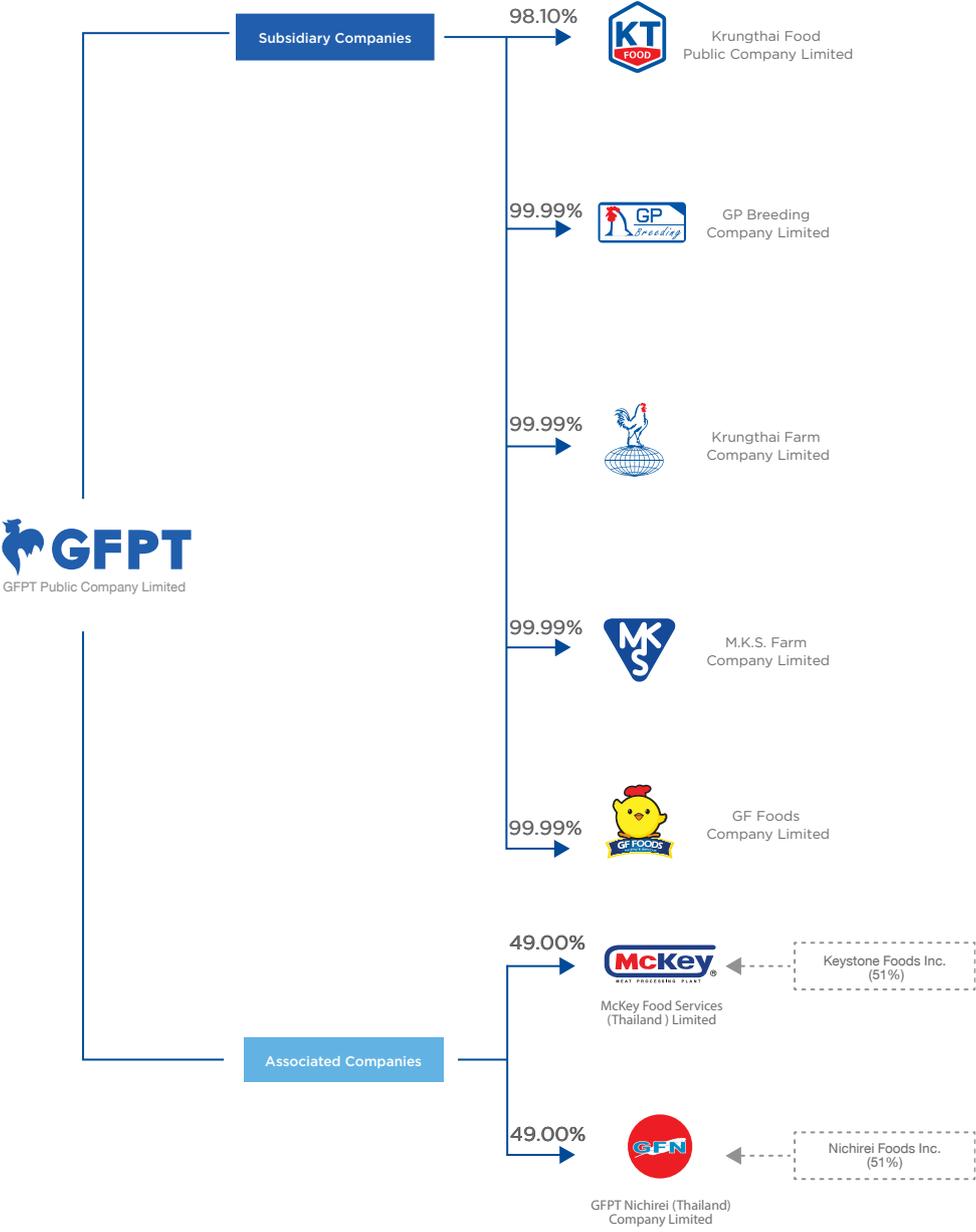
Home Page

www.amc-mri.com



GROUP STRUCTURE

Group Structure as at December 31, 2016





EFFECTIVE TRACEABILITY SYSTEM



MAJOR DEVELOPMENT



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

History

1981

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

1987

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

1990

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

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

1992

The Company was listed in the Stock Exchange of Thailand with the registered share capital of THB 1,000 million and paid-up capital of THB 570 million

1994

GFPT Company Limited changed from being a “Company Limited” to “Public Company Limited”.

Krungthai Feedmill Company Limited changed from being a “Company Limited” to “Public Company Limited”.

1989

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

The Company’s name changed to “P. Charoen Phan Poultry Company Limited” and renamed to “GFPT Company Limited”.

1991

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

The Company increased its registered share capital from THB 420 million to THB 1,000 million.

The Company acquired 65.00% shares in a subsidiary company, Krungthai Feedmill Public Company Limited

1998

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

1985

P. Charoen Phan Group purchased all the shares.

1993

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



2000

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

2003

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

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

2010

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

2012

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

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

2014

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

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

2002

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

2008

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

2011

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

2013

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

2015

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

2016

The Company bought additional shares of Krungthai Food Public Company Limited, consequently, the Company's share ownership increased from 98.06% to 98.10%.

BUSINESS OPERATIONS

GFPT Public Company Limited (“GFPT”) founded in 1981 and became a public the 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 2016, GFPT has chicken processing capacity of 122,000 tons per year and cooked chicken products capacity of 32,000 tons per year from the plant located at Samutprakarn.

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

GFPT Group operates integrated poultry business. Beginning with the investment of 98.10% 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 2016, KT has total capacity of 1 million tons per year. The first feed mill, located at Samutprakarn province, consists of 1 animal feed line and 2 aquatic feed lines, with the total capacity of 599,000 tons. The second feed mill, at Banbueng, Chonburi province, has 1 broiler feed line with the total capacity of 512,000 tons per year. Moreover, KT also operates parent chicken farm to produce fertilized eggs for selling to FKT. In 2016, KT has total capacity of 21 million fertilized eggs from its 3 farms in Chonburi province. There is no conflict of interest between the rest of shareholders and the Company.

The Company invested 99.99% in GP Breeding Company Limited (“GP”), with registered capital 200 million Baht, GP engages in grandparent chicken farming to produce parent day-old-chicks for FKT, KT, including domestic and international market. In 2016, GP has total capacity of 2.49 million of parent stocks from its 1 farm in Chonburi province.

The Company invested 99.99% in Krungthai Farm Company Limited (“FKT”), with registered capital of 350 million Baht, FKT engages in





parent breeder farming and hatchery business. For the commercial day-old-chicks, FKT purchases parent breeders from GP to produce commercial day-old-chicks and sells to MKS. In addition, FKT also imports the layer breeders to produce layer day-old-chicks and sells to KT and domestic layer farmers. In 2016, FKT produces 107 million commercial day-old-chicks from its 6 farms and 3 million layer day-old chicks from its 1 layer farm in Chonburi province.

The Company 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 2016, MKS has total capacity of 87 million broilers from its 13 farms in Chonburi province.

The Company invested 99.99% in GF Foods Company Limited (“GFF”), with registered capital of 40 million Baht. GFF engages in production and distribution of processed foods business. Its main products are sausages, chicken rolls, and other processed products which are distributed under “GF Foods” brand through fresh markets

and wholesalers. In 2016, GFF has total capacity of 11,000 tons per year from 1 factory in Samutprakarn province.

The Company invested 49.00% in McKey Food Services (Thailand) Limited (“McKey”), with registered capital of 100 million Baht. McKey engages in production and distribution of semi-finished frozen foods for export market. McKey’s products are distributed to McDonalds’ restaurants both in Thailand and overseas. In 2016, McKey has a total production of 25,000 tons from 1 factories in Samutprakarn province. There is no conflict of interest between the rest of shareholders and the Company.

The Company invested 49.00% in GFPT Nichirei (Thailand) Company Limited (“GFN”), with registered capital of 3,014 million Baht. GFN engages in chicken evisceration, processing and distribution for domestic and export markets. In 2016, The capacity of chicken processing is 67,000 tons per year and the capacity of cooked chicken products is 43,000 tons per year from 1 factory in Chonburi province. There is no conflict of interest between the rest of shareholders and the Company.



Benefits and Privileges from Board of Investment (BOI) Promotion

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

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

Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year - Ending Year
GFPT PCL.	Samutprakarn	1699(3)/2547	Finished Chicken Products	2007 - 2015
		1329(2)/2552	Evisceration Chicken	2011 - 2019
		1051(3)/2553	Finished Chicken Products	2011 - 2019
Krungthai Food PCL.	Chonburi	1850(2)/2548	Feed Mill Production and Premix	2009 - 2017
		1173(2)/2553	Feed Mill Production and Premix	2012 - 2020
M.K.S. Farm Co.,Ltd	Chonburi	1571(2)/2551	Broiler Farm	2010 - 2018
		2085(2)/2551	Broiler Farm	2010 - 2018
		1341(2)/2552	Broiler Farm	2011 - 2019
		1470(2)/2552	Broiler Farm	2011 - 2019
		1897(2)/2553	Broiler Farm	2011 - 2019
		1898(2)/2553	Broiler Farm	2014 - 2022
		2108(2)/2553	Broiler Farm	2014 - 2022
		1674(2)/2554	Broiler Farm	2014 - 2022
		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	No Income Yet
		2083(2)/2557	Broiler Farm	No Income Yet
		2085(2)/2557	Broiler Farm	No Income Yet
		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
Mckey Food Services (Thailand) Ltd.	Samutprakarn	2109(3)/๑/2553	Finished Chicken Products	2010 - 2016
GFPT Nichirei (Thailand) Co.,Ltd.	Chonburi	1977(2)/2552	Evisceration Chicken and Premix	2010 - 2018
		1978(3)/2552	Finished Products and Frozen Chicken	2010 - 2018
		2258(3)/2555	Frozen Cooked Chicken	2013 - 2021
		2225(3)/2557	Finished Products and Frozen Chicken	2015 - 2023

2) Benefits and Privileges from Import Duties as follows:

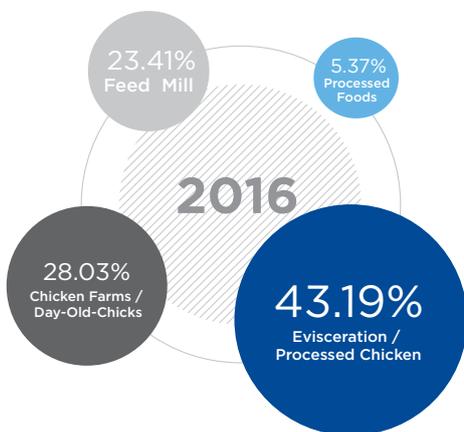
Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year - Ending Year
Mckey Food Services (Thailand) Ltd.	Samutprakarn	1106/2541	Finished Chicken Products	1998 - 2016 (Renew every 2 years)

INCOME STRUCTURE

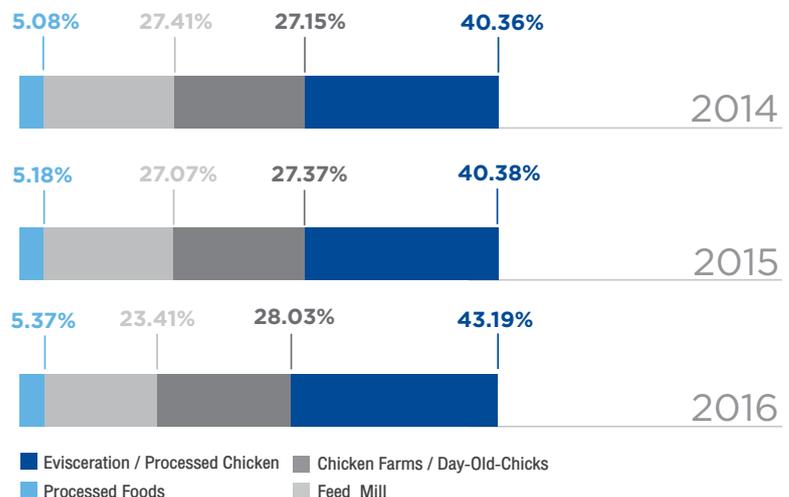


In 2016, the consolidated revenue was THB 16.69 billion, which consisted of 43.19% from evisceration and processed chicken business, 23.41% from feed mill business, 28.03% from chicken farms and day-old-chicks distribution business and 5.37% from processed foods business. More detail are provided in the notes to financial statements no. 28 “Segment Information”.

Revenue Breakdown of GFPT and its Subsidiaries in 2016



Income Structure





Revenue Breakdown of GFPT and its Subsidiaries

Type of Business	Operated by	% of Share holding (%)	2014		2015		2016	
			Income (MB)	%	Income (MB)	%	Income (MB)	%
Evisceration/ Processed Chicken	GFPT		7,196.20	40.36	6,648.59	40.38	7,209.37	43.19
Feed Mill	KT	98.10	4,886.72	27.41	4,457.61	27.07	3,907.83	23.41
Chicken Farms / Day-Old-Chicks	FKT, GP, MKS	99.99	4,840.26	27.15	4,507.21	27.37	4,679.54	28.03
	KT	98.10						
Processed Foods	GFF	99.99	905.50	5.08	853.10	5.18	896.28	5.37
Total			17,828.68	100.00	16,466.51	100.00	16,693.02	100.00

MANAGEMENT DISCUSSION & ANALYSIS



This MD&A report has been prepared based on the consolidated and separate statements of GFPT Public Company Limited (“GFPT” or “the Company”) and its subsidiaries (collectively, “GFPT Group”) for the year ended December 31, 2016 as well as included any significant transactions occurred during the year 2016.



GFPT Group operates fully integrated poultry business involving the production of feed mill, breeder farms, broiler farm, processed chicken under both the customers' and the company's brand name for both domestic and overseas markets.

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

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.

Results of Overall Performance

GFPT recorded decent performance for its operations in 2016. Key driver came from several factors such as growth in chicken export volume, low feed material cost, and justifiable profit from associated companies.

GFPT Group had total revenue from sales of THB 16,693 million in 2016, representing an increase of THB 227 million or 1.38% up from 2015 mainly from the sales of chicken processing business which increased about 8.43%. The 28.05% growth in export volume growth strongly supported the consolidated revenue from sales which partially offset by the slowdown sales from feed business.

The consolidated cost of sales in 2016 decreased by THB 272 million or 1.88% down from 2015 due to lower price of major raw material of feed. The participating profit from associates was THB 371 million in 2016, an increase of THB 122 million or 49.20% comparing to 2015.

Finally, consolidated net profit in 2016 accounted for THB 1,644 million or equal to EPS of THB 1.31 per share, or 37.56% up from 2015; which reflected another impressive year of GFPT group.





Overall Financial Performance and Profitability

Revenue from Sales

The consolidated revenue from sales for 2016 were THB 16,693 million, an increase of THB 227 million or 1.38% from 2015, mostly from higher revenue from chicken processing segment which increased by THB 561 million or 8.43% up comparing to 2015. On the other hand, revenue from feed segment declined by THB 550 million or 12.33% down comparing to 2015.

The consolidated revenue from sales consisted of chicken processing segment represented 43.19%, feed segment represented 23.41%, farm segment represented 28.03%, and processed food segment represented 5.37%.

Chicken Processing Segment

The chicken processing segment recorded a good operational result in 2016. Revenue from chicken processing segment in 2016 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 43.19% of total revenue from sales amounting THB 7,209 million, improved by THB 561 million or 8.43% from 2015.

The Company's total export of chicken products was 28,300 metric tons, a growth of 6,200 metric tons or 28.05% from 2015 mostly from significantly increased in export volume of both fresh frozen chicken meat and cooked chicken products to Malaysia and Japan.

Feed Segment

Revenue from feed segment in 2016 consisted of revenue from animal feed, aquatic feed, and shrimp feed, represented 23.41% of total sales, amounting THB 3,908 million, reduced by THB 550 million or 12.33% from 2015.

The revenue from feed segment continued declining in 2016 due to intense competition of feed business in Thailand for both animal feed and aquatic feed pressured revenue of feed segment reflecting decreasing in shrimp feed and animal feed sales volume which decreased by 23.40% and 8.96%, respectively.

Farm & DOC Segment

Revenue from farm segment in 2016 consisted of revenue from selling live broilers to GFN, our joint venture, and selling day-old-chicks to both international and domestic market, represented 28.03% of total sales, amounting THB 4,680 million, an increase of THB 173 million or 3.82% from 2015.

Revenue from selling live broilers to GFN has been increasing since GFN started its operation in 2010. As a result, sales volume of selling live broilers to GFN in 2016 improved by 7.33% comparing to 2015.

Processed Foods Segment

Revenue from processed food segment in 2016 consisted of chicken sausage, and other processed chicken products for domestic market, represented 5.37% of total sales. In 2016, the revenue from processed foods was THB 896 million, improved by THB 43 million, or 5.06% increased from 2015.

Sales volume of processed food segment continuously increased for several years since the Company expanded its processed food plant so that processed food sales volume in 2016 increased by 10.65% comparing to 2015.



Cost of Sales

Cost of sales for 2016 was THB 14,191 million, a decrease of THB 272 million or 1.88% down from 2015 mainly from lower cost of feed materials. The market price of corn and soybean meal reduced by 8.25% and 9.41%, respectively. The cost of sales for 2016 contributed of 85.01% of total sales, declined from 87.83% in 2015.

Gross Profit

The consolidated gross profit in 2016 was THB 2,502 million, noticeably improved by THB 499 million or 24.88% up from 2015. Widen gross profit in 2016 was primarily from higher revenue from sales and lower cost of sales. Moreover, higher sales volume of chicken export reflects higher gross profit margin compared to other type of products. Consequently, the consolidated gross profit margin contributed of 14.99% in 2016, increased from 12.17% in 2015.

Other Income

The consolidated other income in 2016 was THB 330 million, increased by THB 95 million or 40.29% up from 2015, predominantly from increasing of gain in foreign exchange rate due to the weaker THB against USD and income from selling eucalyptus of our subsidiaries. The consolidated other incomes in 2016 was 1.98% of net sales, slightly increased from 1.43% in 2015.

Selling General and Administrative Expenses

The consolidated SG&A expenses in 2016 equaled to THB 1,243 million, increased by THB 73 million or 6.17% up from 2015. The Consolidated SG&A expenses increased since higher freight cost from higher export volume and increasing of miscellaneous cost comparing to 2015. The consolidated SG&A expenses in 2016 were 7.44% of net sales, slightly increased from 7.11% in 2015.

Share of Profit from Associated Companies

The consolidated share of profit from associated companies based on the equity method in 2016 was THB 371 million, increased by THB 122 million, or 49.20% up from 2015 mainly from profit contributed from GFN was THB 135 million, rose by THB 71 million or 110.70% increased from 2015. Moreover, McKey's profit contribution was THB 236 million, increased by THB 51 million or 27.77% up comparing to 2015.



Financial Costs

Financial costs of the group include the interest paid to financial institutions and related persons. The Company's financial costs in 2016 were THB 98 million, dropped by THB 25 million or 20.47% from 2015 mainly from lower interest expense paid to related parties as the loan outstanding declined from 2015. Costs of funds were 2.58% as at December 31, 2016 slightly decreased from December 31, 2015 at 2.97%. The consolidated financial costs of the group in 2016 were 0.59% of net sales, slightly decreased from 0.75% in 2015.

Income Tax Revenues (Expenses)

The income tax expense in 2016 was THB 205 million, increased by THB 224 million or 1,150.51% up compared to income tax revenue of THB 19 million in 2015. An increase in income tax expense was directly impacted by higher corporate income tax expenses comparing to 2015.

Net Profit

The consolidated net profit in 2016 was THB 1,644 million, increased in amount of THB 449 million or 37.56% increased from THB 1,195 million in 2015. The EPS of 2016 was THB 1.31 per share. The increase in consolidated net profit was primarily driven from the increase in revenue from sales, lower cost of sales, and higher profit from associated companies from both McKey & GFN comparing to 2015. The consolidated net profit margin in 2016 was 9.85% of net sales, improved from 7.26% in 2015.

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

The consolidated EBITDA in 2016 was THB 3,097 million, an increase of THB 710 million or increased by 29.76% from 2015. The increasing in consolidated EBITDA resulted from higher revenue from sales mainly from increasing in export sales volume. The EBITDA margin in 2016 was 18.55%, increased from 14.49% in 2015.

Unit: THB million

	2014	2015	2016
EBIT	1,901	1,317	1,960
Depreciation Expense	1,001	1,065	1,131
Amortization Expense	4	5	6
EBITDA	2,906	2,387	3,097
EBITDA Margin (%)	16.31	14.49	18.55

Return on Equity

In 2016, return on equity of the Company and its subsidiaries was 16.26% increased from 2015; resulting from higher efficiency in generating profit while slightly lower utilization of asset and slightly lower risk, from 2015 as follow:

DuPont Analysis	2014	2015	2016
Return on Equity or ROE ¹⁵ (%)	22.09	13.15	16.26
Operating Profit Margin ¹² (%)	10.67	8.00	11.74
Total Assets Turnover ¹⁸ (times)	1.35	1.16	1.09
Equity Multiplier (times) (1+DE)	1.66	1.58	1.54

Financial position

Assets

For the consolidated financial statements as of December 31, 2016, total assets of the GFPT Group equal to THB 16,160 million including THB 4,915 million (30.41% of total assets) in current assets, THB 7,431 million (45.98% of total assets) in property, plant and equipment (PP&E), THB 2,449 million (15.15% of total assets), in investments in associated companies, THB 528 million (3.27% of total assets) in grandparent chicken and parent chicken and THB 837 million (5.18% of total assets) in investment in property and other assets.

Total assets as at December 31, 2016 increased in amount of THB 1,184 million or 7.91% from December 31, 2015 from an increase in PP&E of THB 678 million, an increase in inventories of THB 480 million, and an increase in investments in associates of THB 323 million. In 2016, the consolidated return on asset was 10.56% times higher than 2015 at 8.32%.

Trade and other Receivables

In 2016, the Company and its subsidiaries recorded allowance for doubtful accounts in amount of THB 34 million remained the same in 2015. The allowance for doubtful accounts was at acceptable level of 3.67% of total trade receivables. The average collection period of the Company and its subsidiaries was 21 days in 2016, slightly increased from 20 days in 2015. The account receivable turnover was 17.27 times, slightly decreased from 17.65 times in 2015.

Inventories

In 2016, the consolidated inventories of THB 3,653 million, increased of THB 480 million or 15.12% increased from 2015; primarily from increasing in feed materials. The inventory turnover was 70.56 times, increased from 2015 at 66.93 times. The Company and its subsidiaries recorded allowance for non-movement inventories in amount of THB 3 million and allowance for decline in value of inventories in amount of THB 8 million which accounted only 0.30% of total inventories value. It showed that the Company managed inventory appropriately.

Liabilities

As at December 31, 2016, total liabilities of the Company and its subsidiaries was THB 5,381 million comprising of current liabilities of THB 3,198 million (59.44% of total liabilities), long-term loans of THB 1,667 million (30.97% of total liabilities), provision for employees benefit of THB 366 million (6.80% of total liabilities), advance received for rental income from associates of THB 99 million (1.85% of total liabilities), and other non-current liabilities of THB 51 million (0.94% of total liabilities).

The total liabilities as at December 31, 2016 decreased by THB 152 million or 2.74% from December 31, 2015 primarily from long-term loans from financial institutions decreased in amount of THB 208 million, however, short-term loans from financial institutions increased in amount of THB 144 million. All short-term and long-term loans of the group are in THB currency only, thus; The Company has no exposure in foreign currency borrowings.

In 2016, trade and other payables of the Company and its subsidiaries was THB 887 million, increased in amount of THB 73 million or 8.96% increased from 2015. In 2016, account payable turnover was 22.54 times, slightly decreased from 2015 at 23.35 times. The consolidated average payment period in 2016 was 16 days, slightly increased from 15 days in 2015.

The consolidated interest-bearing liabilities as at December 31, 2016 were THB 3,806 million, decreased from 2015 in amount of THB 339 million mainly from the lower long-term loans from financial institutions in amount of THB 208 million.

Shareholders' Equity

As at December 31, 2016, the consolidated shareholders' equity in amount of THB 10,779 million increased THB 1,336 million or increased by 14.15% from December 31, 2015; primarily from the increase in retained earnings in amount of THB 1,330 million. The consolidated book value as at December 31, 2016 was THB 8.60 per share, increased from THB 7.53 per share in 2015.



Liquidity

Cash Flow Activities

In 2016, the Company and its subsidiaries generated cash flows from operating activities of approximately THB 2,089 million, increased of THB 325 million from 2015; resulted primarily from the increasing in trade and other receivables. The cash cycle of the Company and its subsidiaries was 10 days in 2016, remained the same as 2015.

In 2016, the Company and its subsidiaries used cash in its investing activities in amount of THB 1,613 million, increased by THB 227 million from 2015. The investing activities was made mostly in the investment in fixed assets in amount of THB 1,145 million and the grandparent and parent breeder stocks in amount of THB 584 million.

The Company and its subsidiaries used net cash from its financing activities in an amount of THB 757 million, increased by THB 702 million from 2015, mainly from dividend payment of THB 313 million.

As at December 31, 2016, the Company and its subsidiaries' cash position in cash and cash equivalents was THB 311 million, decreased of THB 282 million from 2015.

Liquidity Ratios

In 2016, the liquidity of the Company and its subsidiaries was considerably appropriate for its operations and had strong financial position. As at December 31, 2016, the consolidated current ratio was 1.54 times, slightly decreased from 1.63 times in 2015. The quick ratio in 2016 was 0.37 times, decreased from 2015 at 0.53 times. The cash ratio of the Company was 0.68 times, slightly increased from previous year of 0.67 times.

Short-Term Debt Maturity

As at December 31, 2016, the Company and its subsidiaries' current liabilities of THB 3,198 million comprise of short-term loans from financial institutions of THB 1,931 million, trade payables and other payables THB 887 million, other current liabilities THB 172 million and the current portion of long-term loans from financial institutions of THB 208 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 2016, the consolidated current ratio was 1.54 times, the net debt to equity ratio was low at 0.35 : 1.

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 million and short-term loans, letters of credit, trust receipts, packing credit and forward foreign exchange contract in amount of THB 6,941 million.

Capital Structure

The Company and its subsidiaries had strong financial position. As at December 31, 2016, the consolidated debt to equity ratio was 0.50 : 1, slightly decreased from 0.59 : 1 as at December 31, 2015.

As at December 31, 2016, the consolidated interest-bearing liabilities were THB 3,806 million, decreased from THB 4,145 million as at December 31, 2015. The net debt to equity of the Company was considerably low at 0.35 : 1, slightly decreased from 0.44 : 1 in 2015. In summary, the Company had appropriate capital structure.

Capital Expenditure and Capital Resources

In 2016, the Company made an investment of THB 1,613 million; mostly in purchasing of fixed assets in amount of THB 1,145 million and grandparent breeder and breeder stocks in amount of THB 584 million.

According to the investment plan in 2017, the Company has continued to expand its broiler farm capacity, and processed food plant (sausage). The investment will be paid from cash flow from operations, short-term loans, and long-term loans.

In the few years ahead, the Company has planned for its future organic growth by emphasising on the upstream expansion of chicken farm areas with the investment budget of THB 800 – 1,000 million per year (same level to investment budget for the past 3 years). However, this investment budget can be adjusted depending on the changes in future situation.

Contractual Obligations

Unit: Million Baht

Contractual Obligations	Total	Term of payment			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
The long-term debt obligations	1,875	208	67	-	1,600
The financing lease obligations	-	-	-	-	-
The operating lease obligations	55	24	19	5	7
The acquisition obligations	100	60	40	-	-
The other debt obligations	826	826	-	-	-
Total	2,856	1,118	126	5	1,607



Factors that may affect future operations or financial position

The risk factors that may affect the Company's operations can be classified into 2 groups: internal factors and external factors. The internal risk factors are financial risks, market risks, human resources risks, risks relating to the confidence of consumer in food safety, risks from major shareholders, and risks from fraud and corruption. On the other hand, the external risk factors are disease outbreaks, fluctuations in the prices of feed materials, price volatility of livestock and meat products, price volatility on fuel, change in consumers' behaviour, competition and liberalization of trade and move towards becoming an ASEAN Economic Community (AEC), volatility on foreign exchange rate, volatility on interest rates, rules and regulations, and climate changing. Nevertheless, the Company has mitigated these risks to be in an acceptable level as shown in the Risk Factors section (GFPT 2016 Annual Report page 60).

Summary of Consolidated Statements of

Financial Position of GFPT Public Company Limited and its subsidiaries As at 31 December 2014, 2015, and 2016

	2014		2015		2016	
	MB	%	MB	%	MB	%
Cash and Cash Equivalent	270	1.97	593	3.96	311	1.92
Trade and other receivables	905	6.59	1,027	6.85	933	5.77
Inventories	3,274	23.83	3,173	21.19	3,653	22.61
Other Current Assets	19	0.14	16	0.11	18	0.11
Total Current Assets	4,468	32.53	4,809	32.11	4,915	30.41
Investment in Associates	1,912	13.92	2,126	14.20	2,449	15.15
Grandparent Chickens	71	0.52	99	0.66	121	0.75
Parent Chickens	407	2.96	387	2.58	407	2.52
Investment Property	369	2.68	347	2.32	360	2.23
Property, Plant and Equipment	6,146	44.74	6,753	45.09	7,431	45.98
Deferred Tax Assets	299	2.18	358	2.39	373	2.31
Other Non - Current Assets	65	0.47	97	0.65	104	0.65
Total Non-Current Assets	9,269	67.47	10,167	67.89	11,245	69.59
Total Assets	13,737	100.00	14,976	100.00	16,160	100.00
Short - Term Loans from Financial Institutions	1,177	8.57	1,787	11.93	1,931	11.95
Trade and other payables	895	6.52	814	5.43	887	5.49
Current Portion of Advance Received for Rental Income from Associate	8	0.06	8	0.05	8	0.05
Current Portion of Long - Term Loans	230	1.67	283	1.89	208	1.29
Other Current Liabilities	29	0.21	61	0.41	164	1.01
Total Current Liabilities	2,339	17.03	2,953	19.71	3,198	19.79
Long - Term Loans	2,167	15.77	2,075	13.85	1,667	10.31
Employee benefit obligations	315	2.29	339	2.26	366	2.26
Advance Received for Rental Income from Associate	115	0.84	107	0.72	99	0.62
Other Non - Current Liabilities	68	0.50	59	0.40	51	0.32
Total Non - Current Liabilities	2,665	19.40	2,580	17.23	2,183	13.51
Total Liabilities	5,004	36.43	5,533	36.94	5,381	33.30
Total Shareholders' Equity	8,733	63.57	9,443	63.06	10,779	66.70
Total Liabilities and Shareholders' Equity	13,737	100.00	14,976	100.00	16,160	100.00

**Comprehensive Income Statements of GFPT Public Company Limited
For the year ended 31 December 2014, 2015, and 2016**

	2014		2015		2016	
	MB	%	MB	%	MB	%
Revenue from Sales	17,829	98.63	16,466	98.59	16,693	98.06
Other Income	246	1.37	235	1.41	330	1.94
Total Revenue	18,075	100.00	16,701	100.00	17,023	100.00
Cost of Sales	(15,336)	(84.84)	(14,463)	(86.60)	(14,191)	(83.37)
Selling and Administrative Expenses	(1,163)	(6.44)	(1,170)	(7.01)	(1,243)	(7.30)
Total Expenses	(16,499)	(91.28)	(15,633)	(93.61)	(15,434)	(90.67)
Participating Profit in Associated Companies	325	1.80	249	1.49	371	2.18
Profit before Financial Costs and Income Taxes	1,901	10.52	1,317	7.88	1,960	11.51
Financial Costs	(145)	(0.80)	(123)	(0.74)	(98)	(0.57)
Income Tax Revenue (Expenses)	42	0.23	19	0.12	(205)	(1.21)
Profit for The Year	1,798	9.95	1,213	7.26	1,657	9.73
Non - Controlling Interests	(18)	(0.10)	(18)	(0.11)	(13)	(0.07)
Net Profit	1,780	9.85	1,195	7.15	1,644	9.66

**Consolidated Cash Flows Statements of GFPT Public Company Limited
For the year ended 31 December 2014, 2015, and 2016**

	2014	2015	2016
	MB	MB	MB
Net Cash Received from Operating Activities	2,513	1,764	2,089
Net Cash Used in Investing Activities	(1,340)	(1,386)	(1,613)
Net Cash Used in Financing Activities	(1,214)	(55)	(757)
Net Increase (Decrease) in Cash and Cash Equivalents	(41)	323	(281)
Cash and Cash Equivalents at the Beginning Balance	311	270	592
Cash and Cash Equivalent at the Ending Balance	270	593	311

Financial Ratios of GFPT Public Company Limited and its subsidiaries

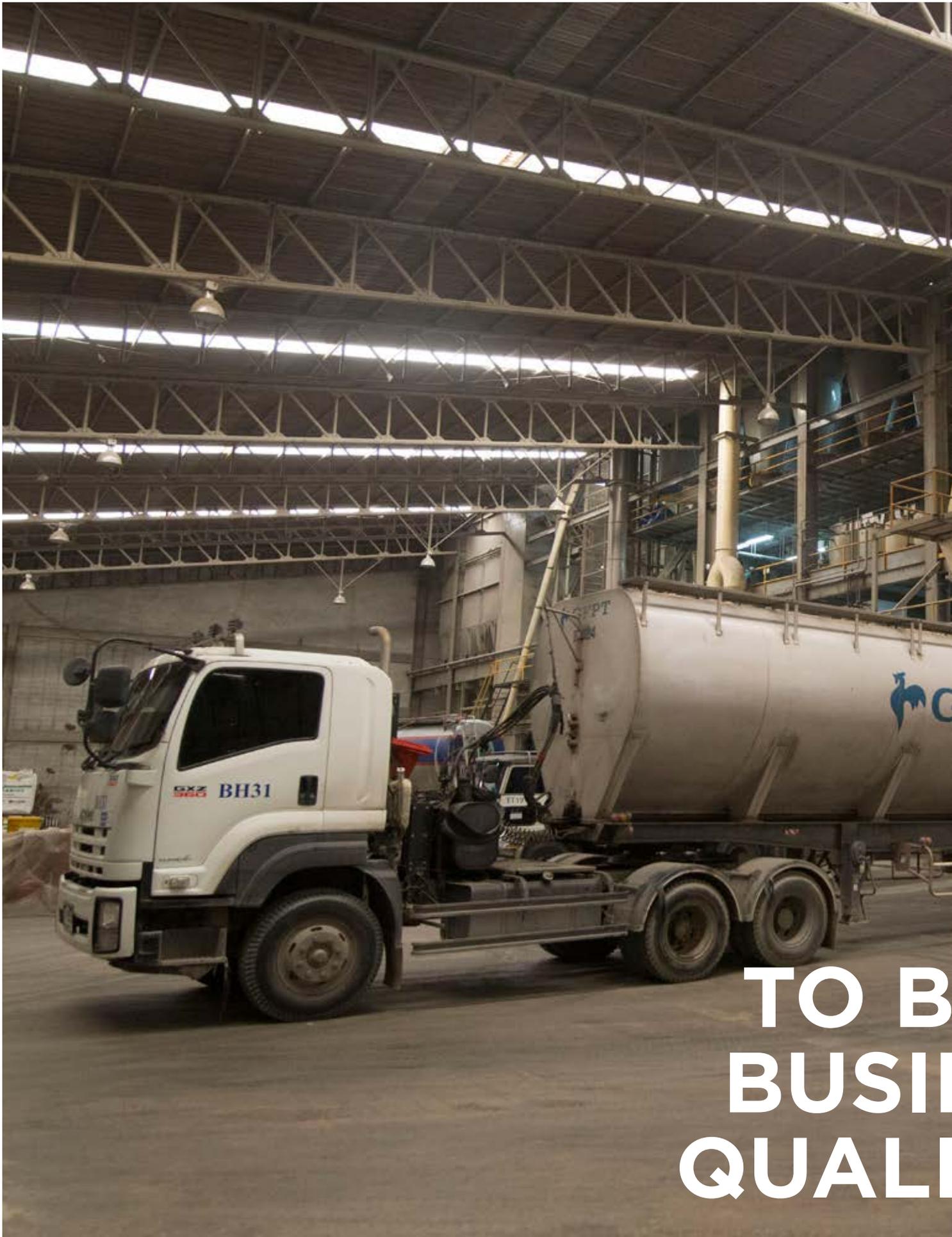
	2014	2015	2016
Liquidity Ratio			
Current Ratio ¹ (times)	1.91	1.63	1.54
Quick Ratio ² (times)	0.46	0.53	0.37
Cash Ratio ³ (times)	0.68	0.67	0.68
Account Receivable Turnover ⁴ (times)	18.21	17.65	17.27
Average Collection Period ⁵ (days)	20	20	21
Inventory Turnover ⁶ (times)	75.83	66.93	70.56
Average Inventory Turnover Period ⁷ (days)	5	5	5
Account Payable Turnover ⁸ (times)	22.04	23.35	22.54
Average Payment Period ⁹ (days)	16	15	16
Cash Cycle ¹⁰ (days)	9	10	10
Profitability Ratio			
Gross Profit Margin ¹¹ (%)	13.98	12.17	14.99
Operating Profit Margin ¹² (%)	10.67	8.00	11.74
Cash Profit Margin ¹³ (%)	132.17	133.95	106.56
Net Profit Margin ¹⁴ (%)	9.85	7.16	9.66
Return on Equity or ROE ¹⁵ (%)	22.09	13.15	16.26
Efficiency Ratio			
Return On Assets or ROA ¹⁶ (%)	13.30	8.32	10.56
Return On Fixed Assets ¹⁷ (%)	31.52	23.25	25.92
Total Assets Turnover ¹⁸ (times)	1.35	1.16	1.09
Leverage Ratio			
Debt/Equity Ratio ¹⁹ (times)	0.57	0.59	0.50
Net Debt to Equity Ratio ²⁰ (times)	0.41	0.44	0.35
Interest Coverage Ratio ²¹ (times)	15.52	11.61	16.42
Debt Service Coverage Ratio ²² (times)	0.20	0.12	0.14
Dividend Payout Ratio ²³ (%)	65.62	N/A*	73.38**

* The Company paid dividend in 2015 in amount of 0.25 Baht per share, however, separated financial statements in 2015 shown net loss, dividend payout ratio in 2015 cannot be calculated.

** The Board of Director approved to pay dividend in 2016 in amount of 0.30 Baht per share; however, the right to receive dividend payment is subjected to the approval of the 2017 AGM dated on 5 April 2017.

Note:

- 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



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BUSINESS OUTLOOK

The Overview of Broiler Business in 2016 and Prospect for 2017

Situation in 2016

Production

In 2016, most of major broiler producing countries were able to expand their broiler productions as a result of world economic recovery as well as the increase demand for chicken meat, a cheaper and lower fat content protein food, to replace other types of meat product. Moreover, the growing demand for chicken meat in India and the European Union also help raise the broiler production in those countries. However, the occasional recurrences of Avian Flu outbreaks in some countries and the considerable decrease of production in China caused by the import restriction of breeding stock were major obstacles of the broiler production.

In 2016, total world broiler production was approximately 89.55¹ million tons, an increase of 0.96% from 2015. The United States was still the world's largest broiler raiser follow by Brazil, China, and the European Union, respectively.



The United States produced approximately 18.28¹ million tons of chicken meat in 2016, an increase of 1.74% from 2015. The chicken meat production in Brazil, the next major producer, increased from 2015 by 3.49% to reach 13.61¹ million tons in the same period. China, the world's third largest producer, produced 12.70¹ million tons of chicken meat which decreased from 2015 by 5.22%. Lastly, the EU which was the world fourth largest producer produced approximately 11.07¹ million tons of chicken meat in 2016, an increase of 2.41% from the previous year.

As for Thailand, approximately 1,397.47² million broilers were raised in 2016 which accounted for about 1.92² million tons of chicken meat. The production increased by 4.37²% above the 2015 level. The increase was caused by rising domestic demand following the economic recovery. Moreover, since Thailand is Avian Flu-free zone, the export of chicken meat products increased favorably and hence the broiler production.

¹ USDA Publications ; https://apps.fas.usda.gov/psdonline/circulars/livestock_poultry.pdf

² Commodity price prospect 2017 report, Office of Agricultural Economics; http://www.oae.go.th/download/document_tendency/agri_situation2560.pdf



Market Situation

Domestic Market

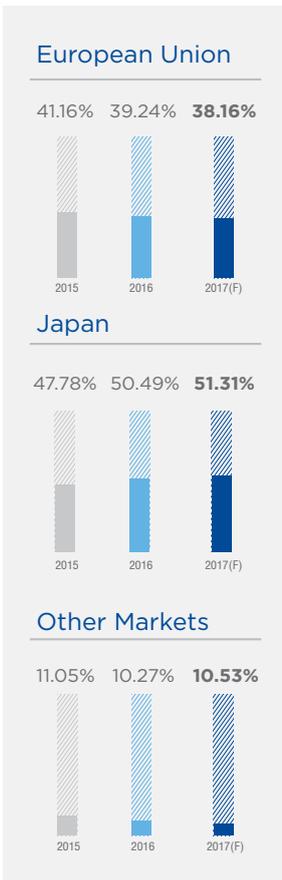
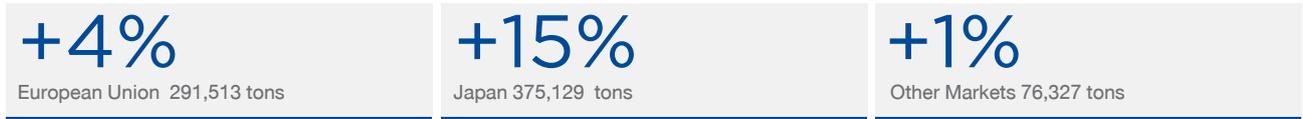
Thai economy in 2016 grew minimally due to the declining of consumption expenditure as a result of decreasing prices of agricultural products which were sources of income for most of Thai population. Despite the negative factors, domestic consumption of chicken meat product in 2016 was approximately 1.26² million tons which increased by 2.42²% from the previous year.

The consistent rising of domestic demand was partly the result of the relatively low price of chicken meat compared with other types of meat products. The growing concern on health among Thai consumers also induced them to substitute beef and pork with chicken meat which contain lower fat and lower cholesterol. Furthermore, competition in the growing fast food business was also help raising domestic demand because chicken meat was widely used as part of raw materials in various chained fast food outlets.



² Commodity price prospect 2017 report, Office of Agricultural Economics; http://www.oae.go.th/download/document_tendency/agri_situation2560.pdf

Volume and Value of Thai Chicken Meat Export



Export market

Volume of chicken meat export in 2016 was about 742,969³ tons, an increase of 9.09³% from 2015, while its value increased by 7.83³% to reach 95,875³ million Baht. The growth rate declined when compared with the 17.5% growth in 2015 because Thai chicken meat export increased considerably in that year due to the lifting of import ban on Thai frozen chicken meat by the European Union and Japan.

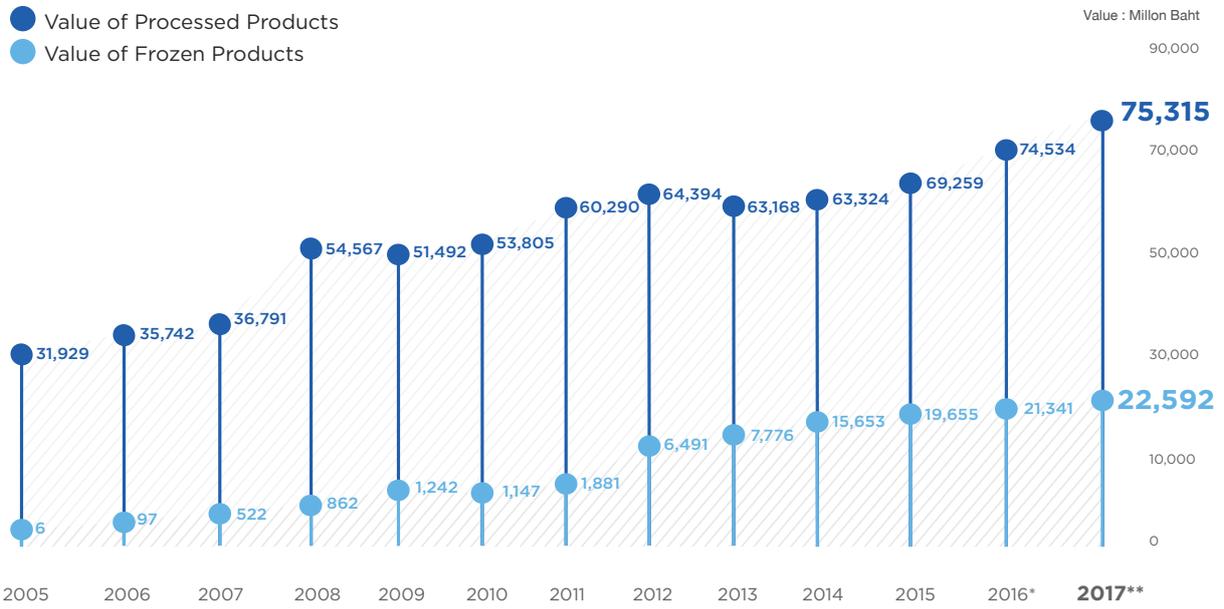
As for the export market, Japan was the most important market of Thai chicken meat products. In 2016, export of chicken meat products to Japan was approximately 375,129³ tons, an increase of approximately 15.27³% from previous year. Its share on overall chicken meat export was also increasing from 47.78³% in 2015 to 50.49³% in 2016. Export to the EU, the second largest market of Thai chicken meat export increased by 3.98³%

from 2015 to reach 291,513³ tons in 2016. The high growth of chicken meat export to these two major markets was mainly due to the lift of import ban on Thai frozen chicken meat. Furthermore, the Avian Flu outbreak in some countries helped make the Avian Flu-free products from Thailand highly acceptable.

Besides these two major markets, export of Thai chicken meat products to other countries in 2016 was approximately 76,327³ tons, an increase of 1.38³% from the previous year, accounted for 10.27³% of export decreased from 11.05³% in 2015. The decrease was because Japan and the EU which shared about 89.73³% of Thai chicken meat export were more attractive to Thai exporter than other countries.

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

Volume and Value of Thai Chicken Meat Export



Source: Thai Broiler Processing Exporters Association.
 Remark: * Estimated; ** Forecasted





Prospects for 2017

Production

Thai chicken meat production in 2017 tends to increase from 2016 by approximately 1.22²%. The estimated production is about 1,414.53² million broilers or 2.00² million tons of chicken meat. The increase in production is partly caused by forecasted recovering of Thai economy. The economic growth will help raise the domestic consumption while the export of chicken meat products will also rise due to the high competitiveness of Thai products in the international market. As a result, supply of chicken meat will increase to cope with these higher domestic and export demand.

However, there are many obstacles and risks that may adversely affect the production and push it lower than expectation. Such obstacles include more intense competition and trade barriers in the international market. Another risk is the possibility of rising oil price that may lead to the higher prices of animal feed raw materials so that cost of animal feed and hence cost of broiler production may increase accordingly.

Market Situation

The expected political stability will help support the higher growth of Thai economy in 2017 compares with the previous year. Although the economy may grow minimally, domestic market for chicken meat products is expected to rise because chicken meat is a better choice for consumer who prefers rich nutrient diet at reasonable price. Furthermore, growth of international tourist as a result of the continually tourism promotion will also help stimulate demand for various types of processed chicken meat products. It is expected that domestic demand for chicken meat in 2017 will be approximately 1.29² million tons, an increase of 2.84²% from 2016.

Export market of Thai chicken meat products is also forecasted to increase 2.29% from 742,969 tons in 2016 to 760,000 tons in 2017. The main supporting factors for the growth of chicken meat export are the expected recovering of world economy and confidences of the importers and consumers in foreign markets on hygienic standard of Thai products. Furthermore, the Avian Flu outbreak in some countries helped make the Avian Flu-free products from Thailand highly acceptable.



² Commodity price prospect 2017 report, Office of Agricultural Economics; http://www.oae.go.th/download/document_tendency/agri_situation2560.pdf

Production and Domestic Consumption

Year	Production (million birds)	Production (metric tons)	Change (%)	Consumption (metric tons)	Change (%)
2012	1,055.13	1,446,352	6.12%	908,251	1.35%
2013	1,103.32	1,512,418	4.57%	1,008,012	10.98%
2014	1,209.52	1,657,994	9.63%	1,112,435	10.36%
2015	1,338.94	1,847,742	11.44%	1,225,968	10.21%
2016*	1,397.47	1,915,623	3.67%	1,255,623	2.42%
2017**	1,414.53	2,001,282	4.47%	1,291,282	2.84%

Source: Commodity price prospect 2017 report, Office of Agricultural Economics; http://www.oae.go.th/download/document_tendency/agri_situation2560.pdf

Remark: * Estimated; ** 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	276,438	31,929	276,534	31,935
2006	2,662	97	294,295	35,742	296,957	35,839
2007	11,052	522	322,471	36,791	333,523	37,313
2008	14,367	862	387,127	54,567	401,494	55,429
2009	18,260	1,242	378,809	51,492	397,069	52,734
2010	17,054	1,147	418,005	53,805	435,059	54,952
2011	27,258	1,881	435,267	60,290	462,525	62,171
2012	89,411	6,491	462,951	64,394	552,362	70,885
2013	89,092	7,776	436,590	63,168	525,682	70,944
2014	154,759	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**	255,000	22,592	505,000	75,315	760,000	97,907

Source: Thai Broiler Processing Exporters Association.

Remark: * Estimated; ** Forecasted

However, the real growth of export market in 2017 depends on various positive and negative factors as follows:

Positive Factors

- Countries that impose import ban on Thai frozen chicken meat have continually lifted those ban due to the efficacy of both the government and Thai private sectors to deal with the Avian Flu outbreak. As a result, the chance of expanding Thai chicken meat export is brightened especially in the major export markets especially the EU and Japan. Moreover, the lifting of import ban on Thai frozen chicken meat by the Republic of Korea in the late 2016 should help raise the export of chicken meat products.
- The ability of Thai exporter to develop processed chicken meat products to meet consumer demand are well recognized in the principal and high purchasing power markets such as Japan and the EU. Furthermore, the high standard also raises competitive potential of Thai chicken meat products in other countries including the neighboring ASEAN members, South Africa, the Republic of Korea and Russia.
- Pressure on competition with China has been relaxed since chicken meat export from China still confront with problem concerning its hygienic standard. In addition, Chinese producers have shifted their target to focus more on domestic market so that the export volume declines. Furthermore, the appreciation of Brazil currency may reduce its competitiveness of chicken meat export especially in Japan.
- Government measures on the imports of animal feed raw materials which are clearer and more relaxing should enhance the efficiency of Thai chicken meat producer in forecasting and planning to deal with the cost of animal feed as well as the overall cost of production.

Negative Factors

- Although the Avian Flu outbreak has been efficiently brought under control in Thailand, the occasionally reoccurring of the outbreaks in other countries pose a serious threat to Thai chicken meat export. Therefore, it is the risk that both government and its business counterpart have to strictly monitor.
- Since Thailand still cannot reach the agreement with the European Union to increase its allocated import quota of cooked chicken meat, export of this product to the European Union may not be able to increase further since the out-of-quota tariff is too high.
- The 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
- The rather high wage caused by the adjusted minimum wage has raised the production cost of chicken meat products. As a result, the competitiveness of Thai export will be reduced when compare with other competing countries of which their minimum wage rates do not change.
- 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.





INNOVATIVE PRODUCTION



RISK FACTORS



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

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

The Company applies the COSO ERM Framework in risk management. The Company has established the Risk Management Committee to identify risk factors and determined ways to mitigate these risks to the acceptable levels. All departments in the Company are the risk owners and responsible for monitoring and managing the risk. Nonetheless, if the risk factors occur, they may impact the performance and / or the financial position of the Company and / or the ability to achieve its objectives and goals. There may be other unknown risks or risks that may not materially affect the Company at this moment. The main risk factors that may affect the Company consist of two types, internal risk factors and external risk factors. The internal risk factors are the risk that the Company's Board and management try to diminish or eliminate as much as possible, while the external risk factors are the risk that the Company's Board and management have tried to impose management policies to reduce the negative impact as much as possible. The internal and external risks will be discussed in the followings:





1. Internal Risk Factors

1.1 Financial Liquidity Risk

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

Risk Management

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

1.2 Marketing Risk

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

Risk Management

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

1.3 Human Resources Risk

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

Risk Management

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

1.4 The Confidence of Consumer in Food Safety Risk

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

Risk Management

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



1.5 Administrative Management Risk

As of December 30, 2016, the major shareholder, the Sirimongkolkasem family holds 692,334,340 shares or 55.22% of total shares of the Company which allows the Sirimongkolkasem family to control the votes in the shareholders' meeting such as the appointment of the Company's directors or other matters that requires majority votes except the matters that need to be approved by 3/4 of the shareholders who attends the Meeting. Thus, the minority shareholders do not have the power to check and balance the vote of the majority shareholders.

Risk Management

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

1.6. Corruption Risk

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

Risk Management

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





2. External Risk Factors

2.1 Disease Outbreaks Risk

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

Risk Management

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

The Company can prevent the risk of disease outbreak at its farm facilities; however, the disease outbreak still have indirect impact to the Thai chicken industry as a whole and also have impact on its ability to the generate revenue. For the previous bird flu outbreak, the Company cannot export 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.

2.2 Fluctuations in the Prices of Feed Materials Risk

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

Risk Management

The Company mitigated the risk of commodity price by assigning the specialized purchasing unit with high expertise and experience in procurement of these raw materials to follow up related news closely to look for alternative sources in term of quality and availability to meet the 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.

2.3 Price Volatility of Livestock and Meat Products Risk

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

Risk Management

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

2.4 Price Volatility on Fuel Risk

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

Risk Management

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

2.5 Changes in Consumers' Behavior Risk

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

Risk Management

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





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

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

Risk Management

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

2.7 The Volatility on Foreign Exchange Rate Risk

The Company has foreign currencies transactions for both export and import. Therefore, the Company may be affected by the volatility of the foreign currencies exchange rates. In terms of exports, if Thai Baht appreciated, it would lower the revenue after converting to Thai Baht. For the import of raw materials that used to produce feed mill, if Thai Baht depreciated, it would increase the cost of raw materials as well. The Company also imports machinery, supply materials, and some equipment from overseas.

Risk Management

The Company and subsidiaries use financial instruments to mitigate the foreign currencies exchange risk by setting a policy to buy forward contracts with several financial institutions to manage the volatility of foreign currencies transactions. As a result, the Company is able to recognize accurate production cost and able to effectively set the selling price. Thus, the Company can ensure that the target profit can be reach as expected. However, the aforementioned forward contracts do not guarantee that the Company shall be able to mitigate the exchange rates better than the market because the exchange rate cannot be accurately predicted on the date of purchase.



2.8 Volatility on Interest Rates Risk

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

Risk Management

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

2.9 Rules and Regulations Risk

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

Risk Management

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

2.10 Climate Changing Risk

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

Risk Management

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

GOOD ANIMAL WELFARE





CONNECTED TRANSACTIONS

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





Procedure for Approval of Inter-Transactions

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

Reason for Inter-Transactions

In the approval process of the inter-transaction, the Company shall execute the inter-transaction similarly to other normal business transaction which allows the authorized persons to approve within the credit limit. Moreover, the Audit Committee is responsible for reviewing the inter-transactions of the Company, its subsidiaries and related persons quarterly to eliminate conflicts of interest for the best interest of the Company. For the inter-transactions that occurred in 2016, 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, 2016 and 2015, the Company and its subsidiaries had the inter-transactions which were disclosed in the notes to audited financial statements by the Company's auditor. As reviewed by the Audit Committee which had opinion that all transactions was carried out as normal business transaction with normal terms and conditions.

Inter-Transactions in the Future

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

Inter-Transactions in the Current Year and the Past Year

For the year 2016 and 2015, 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, 2016 (MB)		Value of Inter- Transactions for the year ended Dec. 31, 2015 (MB)		Reasons and Necessity of the Transactions / Pricing Condition
		Separated	Consolidated	Separated	Consolidated	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1. Sales	-	569.77	-	636.25	- Providing rental office building / Pricing by Independent Appraiser. - Selling broiler / Pricing by Contract Price based on Market Price
	2. Purchases	-	732.71	-	795.53	
	3. Rental Income	-	0.45	-	-	
	4. Other Income	0.42	36.42	0.33	16.00	
	5. Rental Expenses	7.97	17.87	7.46	16.40	
	6. Expenses	2.47	75.73	2.68	75.94	
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Expenses	1.09	2.59	1.07	2.57	Providing rental farms / Pricing by Contract Price
3. P. Charoen Phan G.P.Farm Co., Ltd. / Common Management	1. Rental Expenses	-	0.48	-	0.48	Providing land lease for broiler farms / Pricing by Contract Price
	2. Expenses	-	5.06	-	-	
4. Krungthai Aqua-Culture Co., Ltd. / Common Management	1. Purchases	-	1,437.81	-	1,608.26	Expertise in corn supply for feed production / Pricing by Market Price
	2. Other Income	-	-	-	0.02	
5. M.K.S.Condotown Co., Ltd. / Common Management	1. Other Income	3.13	3.13	2.45	2.45	Providing rental accommodations / Pricing by Market Price
	2. Rental Expenses	0.36	0.36	0.35	0.35	
	3. Expenses	0.03	0.03	-	-	
6. Nichirei Foods Inc. / Major Shareholder of joint venture	1. Sales	1,082.60	1,082.60	600.11	600.11	Purchasing Chicken Processing Products / Pricing by Market Price
	2. Other Income	0.65	0.65	0.15	0.15	
7. KEYSTONE FOODS (AP) LTD. / Shareholding by Keystone Foods Inc.	1. Sales	866.57	866.57	946.66	946.66	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	1.25	1.25	3.40	3.40	Purchasing Chicken Meat Products / Pricing by Market Price
9. Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1. Interest Expenses	32.26	89.18	35.90	99.62	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





COMBINED TECHNOLOGY AND SKILL

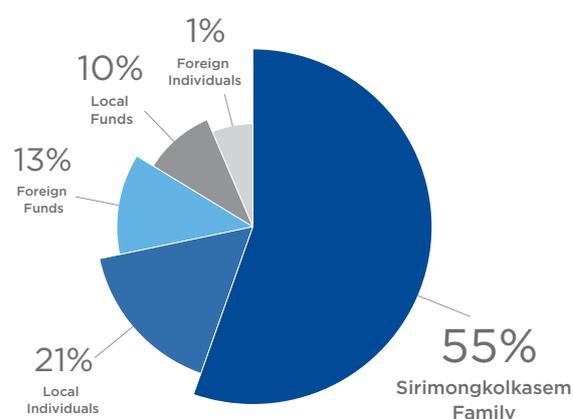


SHAREHOLDING STRUCTURE

Company Security

As of December 30, 2016, the Company's registered capital was 1,400,000,000 Baht. The paid-up capital was 1,253,821,000 Baht, comprising 1,253,821,000 shares at the par value of 1 Baht per share.

Shareholding Structure as of December 30, 2016



Major Shareholders

At the closing date of registrar book dated on December 30, 2016, the top ten major shareholders are as follows:

No.	Name of shareholders	No. of shares (shares)	%
1	Sirimongkolkasem Family ⁽¹⁾	692,334,340	55.22%
2	THAI NVDR CO., LTD.	71,378,071	5.69%
3	NICHIREI FOODS INC.	56,716,050	4.52%
4	Ms. Wanngam Kittanamongkolchai	40,000,000	3.19%
5	Mr. Kongphob Limsong	25,065,200	2.00%
6	Mrs. Piangjai Chayawiwatkul	20,400,000	1.63%
7	CHASE NOMINEES LIMITED	13,726,624	1.09%
8	K MASTER POOLED FUND	12,456,300	0.99%
9	NORTRUST NOMINEES LTD-CL AC	11,323,697	0.90%
10	STATE STREET BANK AND TRUST COMPANY	10,683,939	0.85%
Top 10 Major Shareholders		954,084,221	76.09%

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 30, 2016, 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	59,701,080	4.76%
7	Mrs. Pranee Parksook	1,191,930	0.10%
8	Ms. Nisa Sirimongkolkasem	46,012,100	3.67%
9	Mr. Kajorn Sirimongkolkasem	37,400,000	2.98%
10	Ms. Wipawadee Sirimongkolkasem	37,400,000	2.98%
11	Mr. Jedsada Sirimongkolkasem	37,457,000	2.99%
12	Mr. Kittichai Sirimongkolkasem	37,400,000	2.98%
13	Ms. Wiwanya Sirimongkolkasem	36,039,000	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	65,000,000	5.18%
18	Mr. Pisanu Sirimongkolkasem	68,200,000	5.44%
19	Mr. Jarongkij Sirimongkolkasem	12,278,410	0.98%
20	Mr. Jarongkorn Sirimongkolkasem	12,280,910	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	4,959,830	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	692,334,340	55.22%

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 Information

	2011 ⁽¹⁾	2012 ⁽¹⁾	2013	2014	2015
Earnings per Share – separate financial statement (THB/share)	0.38	(0.31)	0.43	0.61	(0.17)
Dividend per Share (THB/share)	0.33	-	0.35	0.40	0.25
Dividend Payout Ratio – separate financial statement (%)	85.89%	-	82.14%	65.63%	N/A ⁽²⁾

Note: (1) Separate dividend payout ratio for fiscal 2011 and fiscal 2012 were restated due to the adoption of Thai Accounting Standard No. 12 on Income Taxes since fiscal 2013.

(2) The Company paid dividend in 2015 in amount of 0.25 Baht per share, however, separate financial statements in 2015 shown net loss, dividend payout ratio in 2015 cannot be calculated.

Dividend Payment Policy of Subsidiaries and Joint Ventures

The dividend policy of subsidiaries and joint ventures is to pay from net profit after deduct legal reserves requirement, and subject to the Company’s cash flow, liquidity, future investment plans of each company, without designated dividend payout ratio. As of December 31, 2016, the Company received the dividend from a joint-venture company in amount of THB 49.00 million.

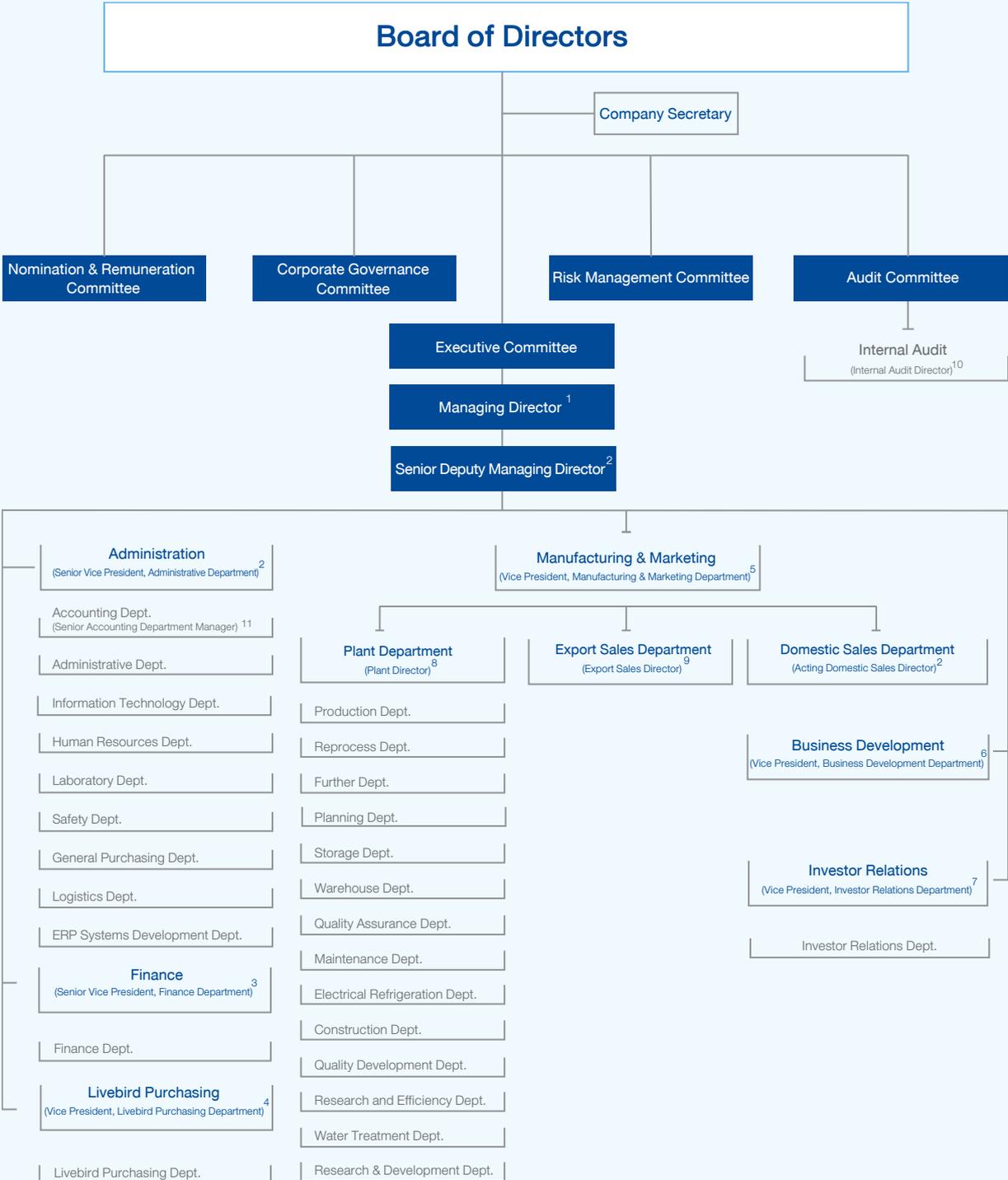




FOOD INSPIRATION

ORGANIZATION CHART

Organization Chart as at 31 December 2016



* List of executives is shown in page 86

MANAGEMENT

In 2016, the management structure of GFPT Public Company Limited composes of 1) the Board of Directors 2) 5 Sub-Committees (the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, the Risk Management Committee and the Executive Committee) 3) the Executives

1. Board of Directors

As of 31 December 2016, 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 and Remuneration Committee Member of Corporate Governance Committee Member of Risk Management Committee Senior Deputy Managing Director Senior Vice President, Administration Department
4. Dr. Sathit	Karanes	Independent Director Chairman of Audit Committee Chairman of Nomination and Remuneration Committee Chairman of Corporate Governance Committee
5. Mr. Paramet	Hetrakul	Independent Director Chairman of Risk Management Committee Member of Audit Committee Member of Nomination and Remuneration Committee
6. Mr. Thanathip	Pichedvanichok	Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee
7. Mrs. Somsiri	Ingpochai	Director Member of Risk Management Committee Member of Executive Committee
8. Ms. Wannee	Sirimongkolkasem	Director Member of Risk Management Committee
9. Mr. Sujin	Sirimongkolkasem	Director Member of Nomination and Remuneration Committee Member of Corporate Governance Committee Member of Risk Management Committee Member of Executive Committee Vice President, 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 directors are authorized to sign on behalf of the Company with the Company's seal.

2. Sub-Committees

Audit Committee (AC)

As of 31 December 2016, 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 and Remuneration Committee (NRC)

As of 31 December 2016, the Nomination and Remuneration Committee of GFPT Public Company Limited comprised of 5 directors as follows;

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

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



Corporate Governance Committee (CGC)

As of 31 December 2016, the Corporate Governance Committee of GFPT Public Company Limited comprised of 7 directors as follows:

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

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

Risk Management Committee (RMC)

As of 31 December 2016, the Risk Management Committee comprised of 5 directors as follows:

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

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

Executive Committee (EC)

As of 31 December 2016, 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 2016, GFPT 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	Pavitrpok	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 30 December 2016

Name - Surname		Amount (Shares)					
		As of 30 December 2015		As of 30 December 2016		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	59,501,080	5,000,000	59,701,080	5,000,000	+200,000	5.16%
10. Mrs. Pranee	Parksook	1,191,930	-	1,191,930	-	-	0.10%
11. Mr. Kittichai	Sirimongkolkasem	37,400,000	-	37,400,000	-	-	2.98%
12. Ms. Wipawadee	Sirimongkolkasem	37,400,000	-	37,400,000	-	-	2.98%
13. Ms. Jutamas	Ingpochai	5,000,000	-	5,000,000	-	-	0.40%
14. Mr. Thiti	Wanachate	-	-	-	-	-	0.00%
15. Mr. Artorn	Uapopol	1,000	-	1,000	-	-	0.0001%
16. Mr. Theerasak	Piamsuphakphong	1,000	-	1,000	-	-	0.0001%
17. Ms. Ratchaneegorn	Pavitropok	-	-	-	-	-	0.00%
Total		220,628,590	5,000,000	220,828,590	5,000,000	+200,000	18.01%

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

BOARD OF DIRECTORS

 Chairman of Committees

 Member of Committees

BOD The Board of Directors

AC The Audit Committee

NRC The Nomination and Remuneration Committee

CGC The Corporate Governance Committee

RMC The Risk Management Committee

EC The Executive Committee

Mr. Prasit Sirimongkolkasem

Age : 76 years



Chairman (The authorized director)

BOD

Education /Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

1. Chairman of Krungthai Food PCL

Other Juristic

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

Number of Shareholding 33,000,000 shares (2.63%)
(as of 30 December 2016)

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 (25 years)

Training / Seminar in 2016 - none -

Mr. Virach Sirimongkolkasem

Age : 67 years



Vice Chairman (The authorized director)
Managing Director

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 30 December 2016)

Family Relations Brother of Mr. Prasit Sirimongkolkasem

Year of Nomination 27 January 1992 – Present (25 years)

Training / Seminar in 2016 - none -

Dr. Anan Sirimongkolkasem

Age : 65 years



Director (The authorized director)
Senior Deputy Managing Director
Senior Vice President, Administration Department

BOD EC NRC CGC RMC

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

Number of Shareholding 4,134,080 shares (0.33%)
(as of 30 December 2016)

Family Relations Brother of Mr. Prasit Sirimongkolkasem

Year of Nomination 27 January 1992 – Present (25 years)

Training / Seminar in 2016 - none -

Dr. Sathit Karanes

Age : 64 years

**Independent Director**

BOD AC NRC CGC

Education /Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

- none -

Other Juristic

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

Number of Shareholding- none -
(as of 30 December 2016)**Family Relations**

- none -

Year of Nomination

25 June 1998 – Present (19 years)

Training / Seminar in 2016CG Forum No. 3/2016
Organizational Corruption, the preventable and controllable factor” organized by the Stock Exchange of Thailand

Mr. Parameth Hetrakul

Age : 53 years

**Independent Director**

BOD RMC AC NRC

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 Shareholding50,000 shares (0.004%)
(as of 30 December 2016)**Family Relations**

- none -

Year of Nomination

1 July 2005 – Present (12 years)

Training / Seminar in 2016

- none -

Mr. Thanathip Pichedvanichok

Age : 52 years

**Independent Director**

BOD AC NRC

Education /Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

- none -

Other Juristic

1. Director of Thanathip and Partners Legal Counsellors Limited

Number of Shareholding- none -
(as of 30 December 2016)**Family Relations**

- none -

Year of Nomination

1 July 2008 – Present (9 years)

Training / Seminar in 2016

- none -

Mrs. Somsiri Ingpochai

Age : 69 years

**Director**

BOD RMC 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 P.vet Co., Ltd.
7. Director of Panalab Co., Ltd.
8. Director of Minimax Venture Co., Ltd.

Number of Shareholding2,500,000 shares (0.20%)
(as of 30 December 2016)**Family Relations**

Sister of Mr. Prasit Sirimongkolkasem

Year of Nomination

27 January 1992 – Present (25 years)

Training / Seminar in 2016

- none -

Ms. Wannee Sirimongkolkasem

Age : 59 years



Mr. Sujin Sirimongkolkasem

Age : 46 years

**Director****BOD RMC****Education /Director Certificate**

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

Experience / Other Positions

Listed Company and Public Company Limited

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

Other Juristic

1. Director of P.Vet Co., Ltd.
2. Director of Panalab Co., Ltd.
3. Director of Minimax Venture Co., Ltd.

Number of Shareholding 10,100,000 shares (0.81%)
(as of 30 December 2016)

Family Relations Sister of Mr. Prasit Sirimongkolkasem

Year of Nomination 18 April 2003 – Present (14 years)

Training / Seminar in 2016 - none -

Director**Vice President, Livebird Purchasing Department****BOD NRC CGC 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.Vet Co., Ltd.
7. Director of Panalab Co., Ltd.
8. Director of P.Charoenphan Im-Ex Farm Co., Ltd.
9. Director of P.Charoenphan G.P. Farm Co., Ltd.
10. Director of Krung Thai Aqua-Culture Co., Ltd.
11. Director of P.Charoenphan Produce Co., Ltd.
12. Director of M.K.S.Condo Town Co., Ltd.
13. Director of Julchat Co., Ltd

Number of Shareholding 64,701,080 shares (5.16%)
(as of 30 December 2016)

Family Relations Nephew of Mr. Prasit Sirimongkolkasem

Year of Nomination 18 April 2003 – Present (14 years)

Training / Seminar in 2016 - none -



FOOD SAFETY ASSURANCE



GOOD CORPORATE GOVERNANCE



Good Corporate Governance Policy

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

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

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

From strong dedication and determination of all personnel to comply with the Company’s CG policy, the Thai Institute of Directors Association (IOD) accompany with the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC) leveled up the Company’s Corporate Governance Report (CGR) from “Very Good” which the Company’s had been receiving since 2006 to 2015 consecutively to the highest level “Excellent” in 2016. Moreover, the Company also received 5-star in CG score. In addition, the Company received Top Quartile Award for being the first 25% to hit the highest score among listed companies with the market capital more than THB 10,000 million. It signaled a good improvement in Corporate Governance of the Company.

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



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.

Compliance with the Good Corporate Governance Policies in the year 2016

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



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 thorough SEC's News the Company's Home Page.
- 2) The Company discloses the resolution of the Board of Directors on the meeting date through SET news. The resolution includes the date of the Annual General Meeting of Shareholders, the record date, the closing date of the share registration book and dividends payment.
- 3) The Company prepares the Notice of the Annual General Meeting of shareholders and related documents in both Thai and English languages (for the convenience of foreign shareholders) with complete details, including information about the date, time, and location of the meeting, meeting agenda with a statement indicating the reasons and opinion of the board of directors, issues to take into consideration, proxy forms as set by the Ministry of Commerce, rules and procedures in attendance and the process of voting on each agenda.

- 4) The Company discloses the Notice of Annual General Meeting of Shareholders to shareholders and enclosures through the SET's news and Company's Home Page at least 30 days before the meeting. The Company sends the Notice and enclosures to the shareholders by registered mail at least 21 days before the meeting, which 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, 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 2016

The General Meeting of Shareholders for the year 2016, the Company provided an opportunity for shareholders to propose agenda items, nominate candidates for director appointment, and send questions in advance for 3 months before the end of the year during 1 October to 30 December 2015. At the end of such period, there were no shareholders proposing agenda, candidate, or submit question in advance of the meeting.

On 23 February 2016, 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 2016 Annual General Meeting of Shareholders on 8 April 2016 at 9.30 AM. The Company set the Record Date, on which shareholders have the rights to attend and to cast vote in the 2016 AGM, on 9 March 2016 and collected the names of shareholders pursuant to Section 225 of the SEC Act B.E. 2535 (Amended B.E. 2551) by means of closing the share register book on 10 March 2016 and dividend payment on 28 April 2016.

The Company published the Notice of the 2016 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 1 March 2016 or 38 days before the meeting. Thailand

Securities Depository Company Limited (TSD) was appointed to be registrar to send the Notice of the 2016 Annual General Meeting to shareholders through registered post since 17 March 2016, or 21 days before the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2016 on Friday, 8 April 2016 at 9.30 AM at GFPT Building, No. 312, Rama 2 Road, Kwang Bangmod, Khet Jomthong, Bangkok 10150. There were 441 shareholders attending the Meeting in person and by proxy, accounted for 864,629,957 shares representing 68.96% of the shares sold. The Company published the resolution of the meeting and the voting results of each agenda on 8 April 2016. The minutes of AGM 2016 and the video recording are disclosed through SET's news and the Company's website on 22 April 2016.

For the Annual General Meeting of Shareholders for the year 2016, the Company was assessed the quality of the Annual General Meeting of Shareholders (AGM Assessment) by Thai Investors Association and received 100 full score categorized in the "excellent" level for the 5th consecutive years since 2012. The Company received "Investors' Choice Award No.3" for the year 2016 for the listed company which received 100 full score of the Annual General Meeting of Shareholders (AGM) for the 5th consecutive years.

Chapter 2 Equitable Treatment of Shareholders

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

2.1 Measures to prevent the use of inside information

The Company has measures to prevent the use of inside information. The directors, management, employees and stakeholders are not allowed to the use inside information to benefit themselves or others 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 Company³, 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 parties involved.
- The Company's regulations on the security of computer systems and information technology need to be very strict in order to prevent important information from being revealed in the case that directors, executives, employees of the Company use inside information.
- Third party with an opportunity to get involved or obtain inside information needs to sign an agreement to keep the information confidential (Confidentiality Agreement) to ensure that they will take precautions to maintain the confidentiality of inside information in the same manner of the employees of the Company.
- Disclosure of key business information must be made by authorized personnel of the Company. When unauthorized personnel are asked about the Company's information, they should recommend the enquirer to contact the authorized persons.
- The directors, executives, employees and 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).
- 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, cohabit as husband and wife, and minor children) are required to report holdings of securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 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).

³ 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.

For the year 2016, the Company has no events that directors, executives, employees, and related persons violated rules of the use of inside information or traded securities by using inside information.

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

As of 15 December 2016, the BOD meeting approved to adjust the use of inside information and to approve the use of inside information policy proposed by CG committee. Those specific measure and policy were intended to comply with the Securities and Exchange Act of B.E.2535, amended by the Securities and Exchange Act (No. 5) B.E.2559, Section 59, 240, 241, 242, 243 and 244 which was promulgated on 11 December 2016. The directors, executives, and staff of the Company are advised to comply with the good corporate governance policy of the Company.

2.2 Governance on the conflict of interest

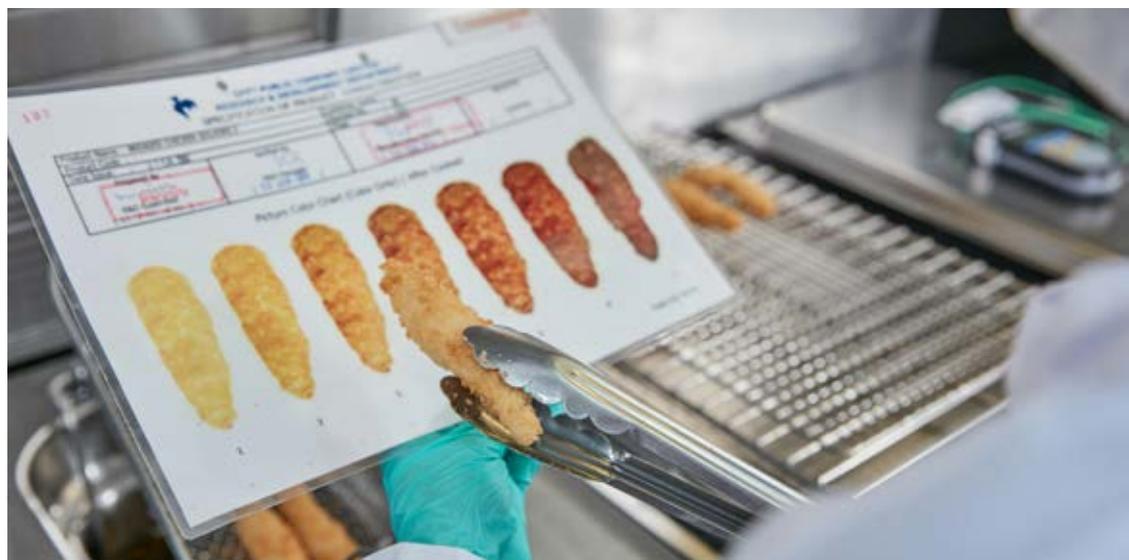
The Company may in the course of its operation create a conflict of interest with its directors, executives, managers, and employees. Such conflict of interest may appear in different forms. Therefore for the best interest of the Company, the following guidelines regarding the conflict of interests are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

2.2.1 Receiving Money or Other Remuneration

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

2.2.2 Giving Gifts, Entertainment and Gratuities

The Company has no policy on offering money, incentives or any other special benefits to its business partners, suppliers, customers, creditors or any other people in exchange for business deals, except for providing normal business entertainment, trade discounts or promotional campaigns. Such practices have been applied in setting the anti-corruption policy of the Company as shown in CSR report.





2.2.3 Outside Directorships

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

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

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

2.2.5 Engaging in Business with Companies within the Group

For connected transactions where directors, executives, managers and employees may have a conflict of interest, such persons shall disclose any conflict of interest to the Company prior to engaging in the connected transaction. Director, manager or employees, who have conflict of interest, may not participate in the consideration or approval of the connected transaction. The authorized person who acts on behalf of the Company shall investigate and review whether the Company's directors, executives, managers, or employees have any relationship and conflicts of interest on such transaction. The definition of relationships shall be in accordance with "the Disclosure

of Information and Other Acts of Listed Companies Concerning the Connected Transactions" set by the Stock Exchange of Thailand and The Office of The Securities and Exchange Commission.

2.2.6 Related party transactions amongst companies within the Group

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

In 2016, 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.

⁴ Report of Conflict of Interest of Directors

Chapter 3 Roles of Stakeholders

3.1 Policy on practice to the stakeholders

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

	<p>Shareholders : The Company is committed to create sustainable growth and returns to shareholders. Taking into account the current and future risks to achieve added value for our shareholders over the long term.</p>
	<p>Employees : The Company is committed to treat employees fairly, respectfully, equitably, and professionally so that its employees will have a reasonable salary and benefits, personal career development, good quality of life, and safeguard at work and respect of privacy rights of all employees.</p>
	<p>Customers : 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. It also provides a system for monitoring the implementation of work that is provided to the customers.</p>
	<p>Business partners : The Company is committed to treat suppliers and partners fairly and equally to establish mutual trust and to provide monitoring systems that will prohibit the disclosure of the business partners' information or any use of its information by illegal means. The Company also has a transparent and fair selection process of suppliers by considering partner's business strategy that comply with the Company's business strategy.</p>
	<p>Creditors : The Company intends to strictly comply with the terms of contracts it enters into and any financial obligations including debt repayment, loans, interests that may have especially regarding guarantees and event of default payments.</p>
	<p>Competitors : The Company is committed to 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>Communities, Social and Environment : 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. 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>

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 2016 is shown in the Company's Sustainability 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 Corporate Governance Committee

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

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

The Company has a process in place for dealing with complaints from employees by considering whether the complaint concerns a wrongful act and how serious the offense is in order to impose a fair and accurate penalty to build confidence in protection measure and the confidentiality of the complainant. The employees can report complaints or feedback directly through various channels such as comment box, internal online system (intranet), the Company's e-mail,

or send a letter to related departments of the Company such as Human Resource Department, and/or Internal Audit Department as described in the Code of Conduct of the Company. All employees are informed and acknowledge about the complaint process and the Code of Conduct during their orientation.

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

In 2016, 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 information⁵ 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 2016, 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) Company’s website (www.gfpt.co.th) in 2015, the Company has provided communication channel “Subscribe to our news” through the Company’s website for our shareholders and investors to regularly update news and information of the Company.

4.3 Information Disclosure Policy or Interview with the Press or Public

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

4.4 Investor Relations Department

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

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

⁵ Minimum data specified in the principles of good corporate governance for listed companies in B.E. 2555, Section 4, Clause 2, page 13.

In 2016, 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 2016 are summarized as follows:

Investor relations activities in 2016	No. of time
Analyst Meeting	4
Plant Visit / Company Visit	1
Roadshow	1
Local Roadshow	7
One on One Meeting	41

The Board of Directors, executives, Investor Relations Department, authorized personnel, and related staff are asked to follow the new regulations of the Securities and Exchange Act of B.E.2535, amended by the Securities and Exchange Act (No. 5) B.E.2559, Section 240, 241, 242, 243, 244 and 296 which shall come into force since 11 December 2016. The board meeting No.9/2016 as of 15 December 2016 asked all these members should follow the disclosure policy in terms of how to disclose and distribute to the public.



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. Tor.Jor. 4/2552).
- 4) The Board of Directors shall have various skills, experience, knowledge and capability that benefit the Company regardless of gender, race, religion, age or other specific qualifications. The Board of Directors shall 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 2016, GFPT Public Company Limited has a total of 9 directors consisted of:

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



5.1.2 The Qualifications of Director and The Criteria for Director Selection

- 1) The director shall have qualifications and shall not have qualifications as defined by the Section 68 of Public Limited Company Act B.E. 2535, the Section 89/3 of Securities and Exchange Act B.E. 2535 amended by Securities and Exchange Act (No.4) B.E. 2551, the Notification of the Securities and Exchange No. KorJor. 8/2553 concerning stipulation on distrustful characters of company's director, and the Company's Article of Association.
- 2) The director shall have knowledge, skills and understanding of the nature of Company's business and industry as well as good reputation, ethics, honesty and moral.
- 3) Directors (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 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 percent determined by the SEC's definition of independent directors)

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

property, transaction related to assets or services, or grant or receipt of financial assistance in the amount of 3 percent or more of the net tangible assets of the Company or more than 20 million Baht. The transaction amount shall be calculated according to the calculation method for transaction value of connected transactions under the Notification of the Capital Market Advisory Board concerning the Connected Transaction. The transaction amount includes any amount incurred during 1 year prior to the date on which the business relationship with the person commences.

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

After being nominated, he or she may be assigned by the Board of Director to take part in the business decision of GFPT, its subsidiaries, its associated companies, same-level subsidiaries, major shareholder, and top manager on the condition of a collective decision.

5.1.4 The Qualification of the Chairman

The Chairman should have the following qualifications:

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

5.1.5 Term and Election of Director

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

For the appointment of Directors, anyone who has been proposed to be the directors must pass the process of nomination by the Nomination and Remuneration Committee, consisting of 3 independent directors out of 5 Nomination and Remuneration Committee. The Nomination and Remuneration Committee will propose a list of qualified candidates to the Board of Directors in amount of not less than the amount of retired directors by rotation.

The Board of Directors will propose to the Annual General Meeting for the appointment which shareholders can vote to appoint the Board of Directors individually. Anyone who receives the highest number of votes will be appointed as the Board of Directors. The amount of the nominated directors is equal to the number of directors to be elected at that time. In the case of anyone who receives the votes equally which exceed the number of directors to be elected at that time, the Chairman of the Meeting will receive additional vote as the decisive vote.

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

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

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

- 1) The Board is responsible for setting policies and overseeing the operations of the executive in accordance to the policies.

- 2) Executives are responsible for managing the Company in various fields. The Managing Director will lead the team to manage business in accordance with the policies that cover the following areas:

- Manage and control the operations related to the general management of the company in order to meet objectives, policies, rules, and regulations of the Company.
- Consider investment plan and present it to the Executive Committee and the Board of Directors for approval.
- Have authority to act for the Company in accordance with "the authorized approval" in the Company's policy and procedure.
- Perform any tasks assigned by the Board of Directors and / or the resolution of the shareholders meeting of the Company.

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

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

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

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

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

5.2 Roles, Duties and Responsibilities of the Board of Directors

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

- 1) Perform duties in compliance with the relevant laws, objectives and regulations of the Company, and the resolutions of the shareholders' meeting with loyalty, care, accountability and ethic. Protect the Company's best interests based on the Principle of Good Corporate Governance, and protect all shareholders' interest equally.
- 2) Consider and approve matters relating to the operations of the Company, such as vision, mission, strategies, goals, business plans, financial plans, funding, risks, plans, budgets, etc. including to set up its subsequent annual review for a revision.
- 3) Set the direction of business operations including funding, capital management, risk management and governance.
- 4) Monitor the management to effectively and efficiently implement plans and policies.
- 5) Consider and approve important matters such as approving the credit line from the financial institutions, borrowing, pledging, new investment project, sale and purchase of assets, connected transactions, and any transactions that may create conflicts of interest between the Company and the subsidiary companies. These matters shall comply with the regulations of the Office of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET), other relevant laws, and the regulations of the Company.
- 6) Approve financial statements prior to a submission to the Stock Exchange of Thailand.
- 7) Set up a reliable accounting system and financial reports.
- 8) Set up adequate and effective internal control system and risk management, both operational and financial reporting, that can be assessed, monitored and managed.
- 9) Supervise the disclosure of financial reporting in a correct, timely and transparent manner. Set up a channel of communication properly for each group of shareholders and stakeholders of the Company.
- 10) Consider and appoint sub-committee such as the Audit Committee, the Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, Executive Committee, management. Define duties and responsibilities of other sub-committees clearly to achieve the Company's objectives. The members of the sub-committee shall mainly consist of independent directors.
- 11) Evaluate the Company's compliance with the Good Corporate Governance policy and consistently review such policy.
- 12) Provide a succession plan and human resource development plan for employee, directors and executives.
- 13) Have authority to define and amend the list of authorized directors.
- 14) Have authority to authorize one or more directors, or any other persons, to take any action on their behalf within the authority approved by the Board of Directors. Such power of attorney must contain a clear scope of authority of the authorized person.



5.3 Sub-Committees

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

GFPT has the following 5 sub-committees:

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

5.3.1 Audit Committee

Structure and Qualifications

- 1) The Board of Directors has appointed the Audit 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 Director shall elect a person who is qualified and not prohibited by law to become a Member of Audit Committee. The term of the newly appointed Member of Audit Committee shall be equal to the remaining term of the former director.

The Audit Committee has the following duties and responsibilities

Financial reporting, disclosure and auditing

- 1) Review the Company's financial reports to be accurate, complete, and reliable. The financial reporting and disclosures should be

prepared in accordance with the accounting standards, laws and other relevant standards.

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





- 6) Promote independence and provide comments on the suitability of a financial auditor.

Internal audit

- 1) Review the Company's internal control system and internal audit to be adequate, appropriate and effective.
- 2) 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) Propose risk management policies and guideline to cover risks that may affect the Company's business to the Board of Directors for its consideration.
- 2) Control, monitor, and evaluate the risk management according to the risk management policy
- 3) Review the adequacy and efficiency of the risk management system and the policy as a whole.

Others

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

Meeting(s): at least 4 times a year

5.3.2 Nomination and Remuneration Committee

Structure and Qualifications

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



Term of office

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

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

Recruitment

- 1) Review the organization structure to be appropriate to the strategic needs of the company.
- 2) Establish rules and procedures for the recruitment and selection of directors, members of the sub-committees, president, executive and secretary of the Company and to propose such rules and procedure to the Board of Directors or as an agenda at the shareholders meeting for its approval as the case may be.
- 3) Review, select and screen names and profiles of those to be nominated as directors, member of committees, president, executive and secretary of the Company in the event of a position vacancy and to further propose to the Board of Directors for its approval in accordance with "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.
- 4) Disclosure policies and details of the recruitment procedure in the annual report of the Company.
- 5) Provide a criteria for the succession of into the position as the Company's executive and to further propose it for the Board of Directors' consideration.
- 6) Prepare an appropriate succession plan and the continuity of the management for the position of Chief Executive Officer, Managing Director, Authorized Management, and high level executives and to further propose it to the Board of Directors for its approval.
- 7) Determine a criteria to evaluate and evaluating the performance of the Board of Directors annually and to report the result to the Board of Directors.

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

Remuneration

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

Meeting(s): at least 2 times a year

5.3.3 Corporate Governance Committee

Structure and Qualifications

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

Term of Office

- 1) Each term of office of the Corporate Governance Committee consists of 3 years. The members of the Corporate Governance Committee, who retire from office by rotation, may be reappointed by the Board of Directors for another term.
- 2) The Corporate Governance Committee shall hold office for a period equal to the tenure of the Company's directors. Therefore the term of office will end at the Annual General Meeting of Shareholders at the same time as the director's term of office.
- 3) If a position in the Corporate Governance Committee becomes vacant, the Board of Director shall elect a person who is qualified

and not prohibited by law to become a Member of Corporate Governance Committee. The term of the newly appointed Member of the Corporate Governance Committee shall be equal to the remaining term of the former director.

The Corporate Governance Committee has the following duties and responsibilities:

Corporate Governance

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

Business Ethics

- 1) Prepare a Code of Conduct ethics handbook to propose to the Board of Directors for its approval.
- 2) Regulate, advice, and monitor the Company's compliance towards the code of business ethics and other related laws.
- 3) Regularly review and update the code of business ethics handbook to ensure appropriateness.
- 4) Recommend the requirements under the Code of Conduct to the Company's directors, management and employees.
- 5) Handle complaints of any violation of business ethics and to conduct an investigation to clarify facts or doubts in the event of a suspicion of violation.
- 6) Create awareness and train employees to understand business ethics and promote employees to practice and follow the Code of Conduct ethics.

Annually prepare a report on the Company's business ethics to the Board of Directors for their consideration in the event of significant matters that may affect the Company, including providing an opinion on the Company's practice and to suggest actions to appropriately correct such matter.

Meeting(s): at least 2 times a year



5.3.4 Risk Management Committee

Structure and Qualifications

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

Term of Office

- 1) Each term of office of the Risk Management Committee consists of 3 years. The members of the Risk Management Committee, who are retired from office by rotation, may be reappointed by the Board of Directors for another term.
- 2) The Risk Management Committee shall hold office for a period equal to the tenure of the Company's directors. Therefore the term of office will end at the Annual General Meeting of Shareholders at the same time as the end of the director's term of office.

- 3) If a position in the Risk Management Committee becomes vacant, the Board of Directors shall elect a person who is qualified and not prohibited by law to become a member of the Risk Management Committee. The term of the newly appointed member of the Risk Management Committee shall be equal to the remaining term of the former director.

Duties and Responsibilities:

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

Meeting(s): at least 1 time a year



5.3.5 Executive Committee

Structure and Qualifications

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

Term of Office

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

Duties and Responsibilities:

- 1) Specify target and related policy to present to the Board of Directors.
- 2) Consider necessary issues to present to the Board of Directors excluding other unrelated duties of itself.
- 3) Conduct the guideline provided by the Board of Directors including the command, communication, planning, and the Company's operations in accordance with the policies determined by the Board of Directors.

- 4) Have authority to consider operational issues and to appoint or assign other person to perform as executive properly.
- 5) Have authority to adjust plan and budget of any company's projects
- 6) Have authority to decide practices, rules, and regulations of the Company's operations
- 7) Have authority to follow up any departments of the Company to achieve goals and plans
- 8) Suggest, advise, guideline to the Managing Director and working group as assigned
- 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 Director, therefore, can consistently and timely monitor, administer and supervise the operation of the management.

5.4.2 Meeting Agenda

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

5.4.3 Meeting Documents

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

5.4.4 The Meeting

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

5.4.5 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 2016, non-executive directors had 4 meeting without the management participation.



For the year 2016, the directors attended the meetings as follow:

Name-Surname		Position	BOD	AC	NRC	CGC	RMC	EC	AGM
			Total of 9 times	Total of 4 times	Total of 2 times	Total of 2 times	Total of 1 time	Total of 9 times	Total of 1 time
1. Mr. Prasit	Sirimongkolkasem	Chairman	9/9	-	-	-	-	-	1/1
2. Mr. Virach	Sirimongkolkasem	Vice Chairman Executive Committee	9/9	-	-	-	-	9/9	1/1
3. Dr. Anan	Sirimongkolkasem	Chairman of Executive Committee Managing Director Member of Nomination and Remuneration Committee Member of Corporate Governance Committee Member of Risk Management Committee	9/9	-	2/2	2/2	1/1	9/9	1/1
4. Dr. Sathit	Karanes	Independent Director Chairman of Audit Committee Chairman of Nomination and Remuneration Committee Chairman of Corporate Governance Committee	8/9	4/4	2/2	2/2	-	-	1/1
5. Mr. Paramet	Hetrakul	Independent Director Chairman of Risk Management Committee Member of Audit Committee Member of Nomination and Remuneration Committee	8/9	4/4	2/2	-	1/1	-	1/1
6. Mr. Thanathip	Pichedvanichok	Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee	7/9	3/4	2/2	-	-	-	1/1
7. Mrs. Somsiri	Ingpochai	Director Member of Risk Management Committee Executive Committee	9/9	-	-	-	1/1	9/9	1/1
8. Ms. Wannee	Sirimongkolkasem	Director Member of Risk Management Committee	7/9	-	-	-	1/1	-	1/1
9. Mr. Sujin	Sirimongkolkasem	Director Member of Nomination and Remuneration Committee Member of Corporate Governance Committee Member of Risk Management Committee Executive Committee	8/9	-	2/2	2/2	1/1	9/9	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 and Remuneration Committee the matter of considering the appropriateness of the directors' remuneration for each year. The directors' remuneration shall then be proposed to the Board for Directors and at the General Meeting of Shareholders for a final approval.

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

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

In 2016, 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.

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

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



5.5.2 Remuneration for Executives

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

In 2016, the Company made a remuneration of THB 45,997,681 to 10 executives for their salary, bonus, and other remunerations (excluding senior accounting department manager).

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

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

5.6.1 Performance Evaluation of the Board of Directors

Criteria

The Nomination and Remuneration Committee shall set up an annual performance evaluation of the Board of Directors as a group and individual (self-assessment) at least once a year based on the self-assessment guideline provided by the Stock Exchange of Thailand⁶ 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 and Remuneration Committee and to propose it to the Board of Directors for its consideration. The Company shall also use any recommendations on the performance evaluation to improve effectiveness of the Board's operation and maximize the benefits of corporate governance.

⁶ Self-evaluation committee, Corporate Governance Development for Capital Markets, February B.E.2558. (attachment 1 and attachment 4)

5.6.2 Performance evaluation of the sub-committee

Criteria

The Board of Directors shall evaluate the performance of each sub-committee at least 1 time per year based on the board self-assessment guidance by the Stock Exchange of Thailand⁷ including the structure and qualifications of each sub-committee, the meeting of sub-committee, roles, duties, and responsibilities of each sub-committee to consider, review, and perform appropriately.

Procedures

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

5.6.3 Performance evaluation of the Chief Executive Officer

Criteria

The Board of Directors shall evaluate the performance of the Chief Executive Officer at least once a year on their leadership, set up and implementation of strategy, planning and financial performance, relationship with the Board of Directors, outsiders, and employees, operational management and relationship with other personnel, succession plan, knowledge on product and service, risk management and internal control, corporate governance and business ethics, personal characteristics based on the assessment guideline provided by the Stock Exchange of Thailand⁸.

Procedures

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

For 2016, the Company performed the annual performance evaluation of the Board of Directors (as a group and individual) including sub-committees, and the CEO. The results of performance evaluations derives higher than 90% which reflected the satisfaction in overall performance in 2016. The results were reviewed and discussed in the Board of Directors' meeting (No.1/2017) held on 26 January 2017 to improve the effectiveness of the Board's operation.

5.7 Development of Directors and Executives

5.7.1 Orientation

The orientation will be held every time a new director is being appointed with each new director⁹ 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.

In 2016, directors and Company Secretary attended CG Forum No.3/2016 on topic "Organizational Corruption, the preventable and controllable factor" organized by the Stock Exchange of Thailand, "Risk Management Program for Corporate Leader" (RCL), and "How to Develop a Risk Management Plan" organized by Thai Institute of Directors (IOD) to enhance operational efficiency continuously.

⁷ Self-evaluation committee, Corporate Governance Development for Capital Markets, February B.E.2558. (Attachment 3)

⁸ Evaluation form of the CEO, Corporate Governance Center, B.E.2554

⁹ Board Orientation Guideline B.E. 2556, The Stock Exchange of Thailand.



5.8 Internal Audit Department

The Board of Directors established the internal audit department that directly reports to the Audit 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 2016





5.9 Company Secretary

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

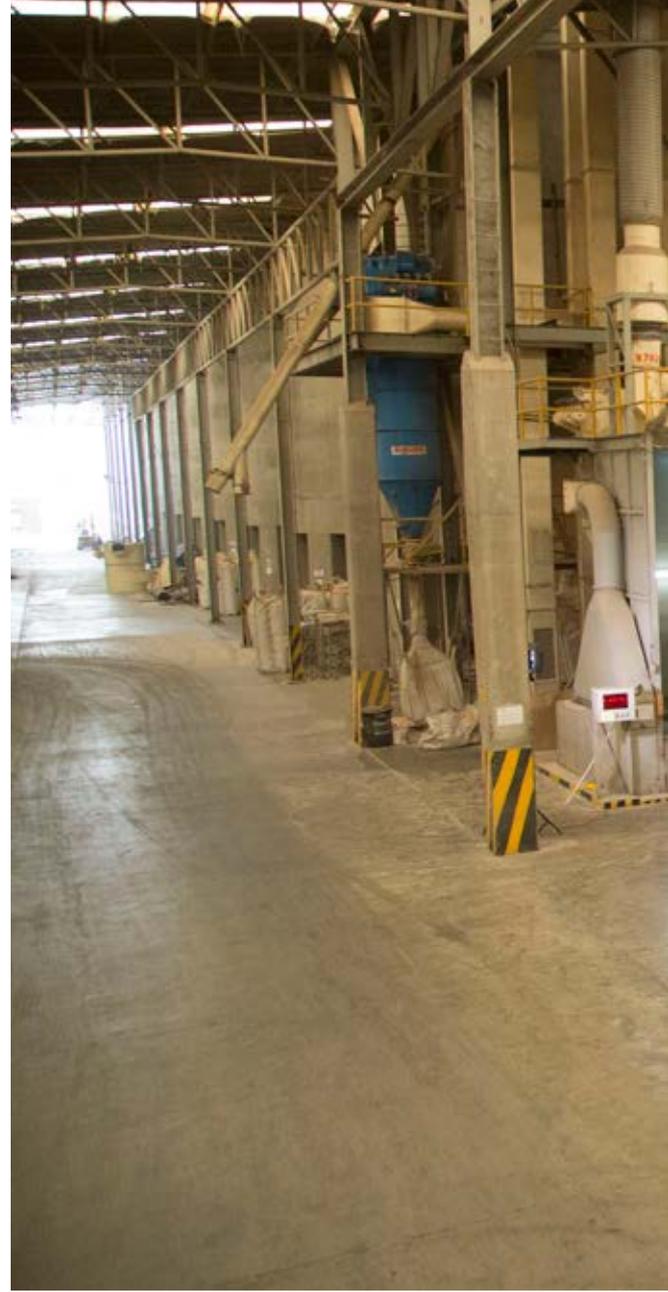
- 1) Provide basic advice to the directors on the Company's memorandum of association, laws and rules and regulations of the relevant authorities
- 2) Manage and coordinate the Board of Directors' meeting, sub-committees' meeting and the shareholders' meeting in accordance with the objective, memorandum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

Note : Information of Company Secretary is shown in the Attachment 1 of Form 56-1 for the year 2016





RESPONSIVE TO CUSTOMERS' SATISFACTIONS



INTERNAL CONTROL AND RISK MANAGEMENT



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

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

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

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

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

Audit Committee and Risk Management Committee

The key activities of the Audit Committee and the Risk Management Committee during the year 2016 under the duties and responsibilities assigned by the Board of Directors are summarized as follows:

Audit Committee

- 1) Review the quarterly financial statements and audited financial statements for the accounting period which covers the review of the compliance of accounting standards, the selection of accounting policies and disclosures in the financial statements.
- 2) Review the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2016.
- 3) Review the independence of the internal audit department and result of the internal audit that carried out during the year including reviewed the adequacy and appropriateness of internal controls and risk management.
- 4) Review legal compliance with the rules and regulations related to Securities and Exchange, regulations of the Stock Exchange and other laws related to the business of the Company.
- 5) Review appropriateness of the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2016. 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 the auditor. Also, propose an appointment of the auditor of the Company and related audit fees to the Board of Directors to propose to the shareholders' meeting for consideration.
- 9) Meeting with the auditors without any executives of the Company to enable the auditor to report freely on events and information about the Company. This includes opinion on the internal control system and risk management.
- 10) Review internal audit charter to be consistent with the practices and laws once a year.

Risk Management Committee

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

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

1. Strategic Risk

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

2. Operational Risk

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

3. Financial Risk

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

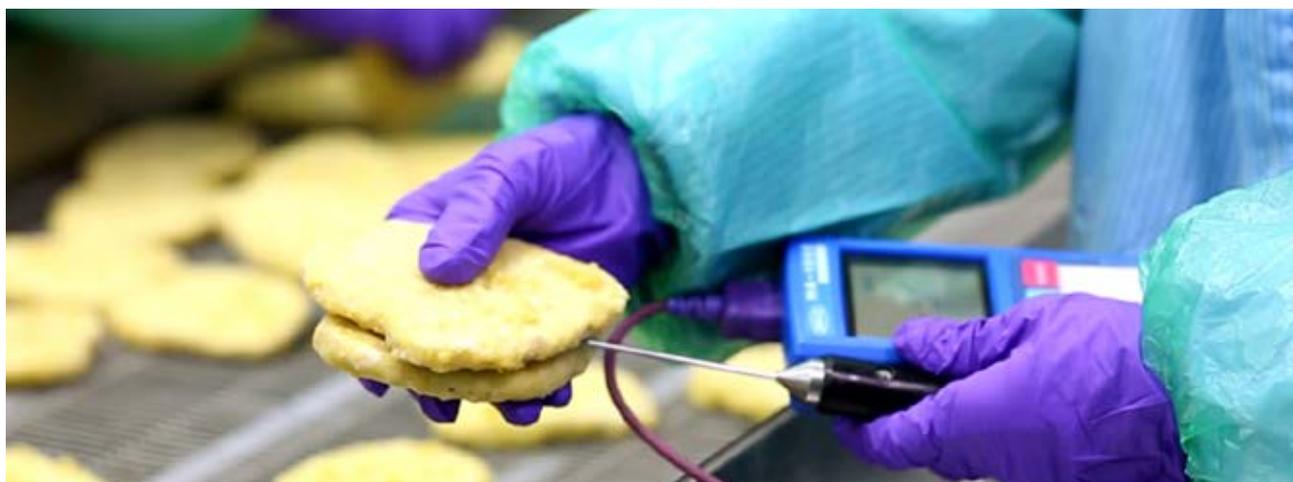
4. Compliance Risk

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

5. Hazard Risk

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

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



Internal Control System of the Company covers the following areas:

- **A controlled environment**

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

- **Risk assessment**

The Company's risk management policies are determined by the Risk Management Committee. The Risk Management Committee oversees the implementation of risk assessment to identify and analyze risk factors according to the target level and acceptable level of the Company. The risk factors include strategic, operational, financial, compliance and hazard. The result of the assessment is reported regularly to the Risk Management Committee and the risk factors are reviewed annually.

- **Control activities**

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

- **Information Technology (IT) and communication system**

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

- **Tracking system and evaluation**

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

- **Internal audit of the Company**

The Company monitors and evaluates the effectiveness of the internal control process of each department to ensure transparency in its operations and prevent illegal behavior or corruption by using example and explanation in case of the risk that may cause the corruption and defining anti-corruption policy clearly. Each department is appraised by consultant and the results of each department will be officially reported to the management for improvement and monitoring.





From above internal control system areas, the Audit Committee proposed to the Board of Directors meeting No.1/2017 on 26 January 2017 to consider the Company's internal control system. The Board of Directors has evaluated the internal control system and a review of the management with the same opinion as the Audit Committee that the internal control and risk management system of the Company and its subsidiaries is sufficient and appropriate with the Company's operation. The Company has provided adequate personnel to implement the system effectively and effective to minimize business risk and prevent Company's assets from misuse of executives by defining guidelines for Human Resource management in accordance with anti-corruption 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, related persons, and business-related persons sufficiently due to the monitoring and evaluating of the sufficiency of internal control and risk management system is evaluated annually and compliance with the 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, the internal control department reviews and evaluates the operations of each department within the Company to ensure compliance with the internal control and risk management practices. In case that the significant error is found, the internal control department will report to the Executive Committee and the Audit Committee and Risk Management Committee for resolutions.

In addition, SAM NAK-NGAN A.M.C. Co., Ltd., the Company's auditor audited the quarterly and annual financial statements of the Company and its subsidiaries for year 2016 and had an opinion that no material deficiency found to be impact on the results of the Company.

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

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

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

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



CORPORATE SOCIAL RESPONSIBILITY



GFPT started disclosing information regarding the corporate social responsibility of the Company as part of the Annual Report from the year 2013. Since then the Company has started producing a separate Sustainability Report from the year 2015 in both Thai and English which was published on the Company's website. The report was prepared under the guideline of the internationally recognized Global Reporting Initiatives Guideline (GRI) Version 4 otherwise known as G4.

In 2016, the Company still strives to further improve its reporting practice to be more in line with the guideline of G4, and to eventually be in accordance to the G4. In this regards information contained in this report contains annual information during the period of 1 January 2016 – 31 December 2016. This report convey information about GFPT Public Company Limited's operations and our responsibility towards economics, social, and environmental factors, including the interests of all stakeholders.

The Sustainability Report can be downloaded from http://www.gfpt.co.th/cg_sustainability.php?lang=en

SUSTAINABLE MANAGEMENT

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 to create value for all stakeholders, "GFPT is the answer for quality".



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 has been focused on creating greater confidence for customers and consumers that GFPT's chicken meat products are good quality, safe for consumption, and also environmentally friendly.



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

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:



Feed mill facilities have been accredited by international standards.

- ✓ GMP
- ✓ HACCP
- ✓ ISO 9001
- ✓ ISO 17025



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



Food Quality and Safety throughout Our Food Chain

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

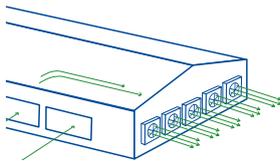
Feed Mill

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



Evaporative Cooling System

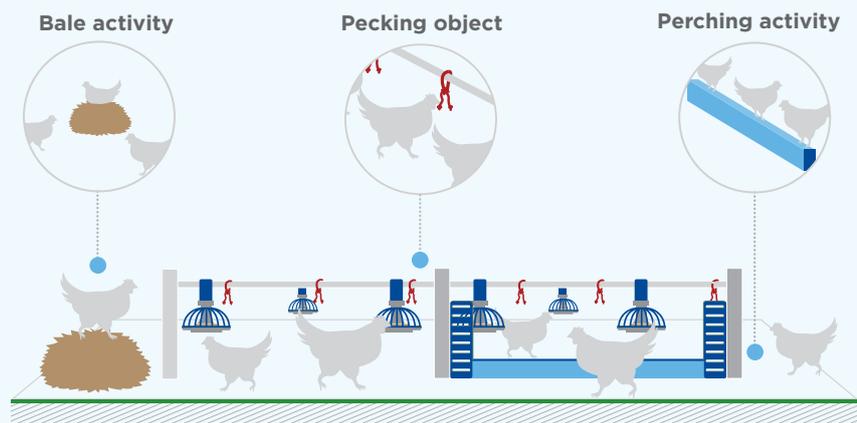
Controlled feeding system and automatic water and ventilation system and can prevent disease vectors.



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 register 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



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.

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 were gained and recently in November 2016, the Company’s laboratories were accredited for 78 tests of the 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.



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

Traceability from Feed to Food

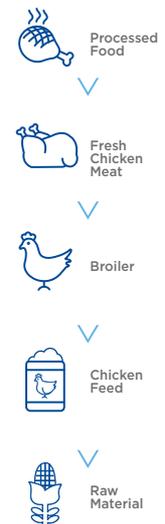
Traceability system is the essential mechanism to meet the expectation of customer and consumer and to ensure that our products are safe and meet quality standard. Our products can be traced back to every stage of production with the linkage of production information from feed production, farm operation, 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.

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

- ✓ GMP
- ✓ HACCP
- ✓ BRC
- ✓ ISO 9001
- ✓ ISO 14001
- ✓ ISO 17025
- ✓ Genesis GAP
- ✓ HALAL
- ✓ RSPO

Traceability system



Quality and Safety



Animal Welfare

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

We have also been certified for the animal welfare practices in accordance to 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



Bio-Security System

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

- **Chicken Feed:**

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

- **Chicken Farming:**

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

- **Personnel and Vehicles**

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

Poultry Compartmentalization

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

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

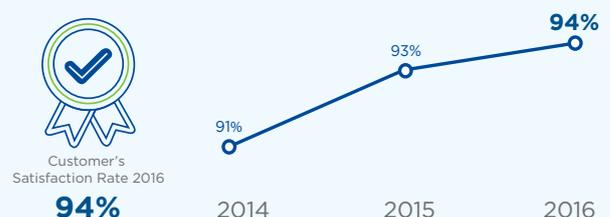


By being determined and attentive in all stages of production in order to meet international standards, in 2016, the Company received good response from both local and foreign customers which is reflected in the continual growth in its revenues and profits (details as shown under the topic "Management Discussion and Analysis") together with the high satisfaction of the customers and the reduced number of complaints from customers.

Slaughter Customer Complaint per 1,000 tons of production



Customer's Satisfaction Rate



2. Being a quality workplace to provide security and trust for its employee

Labor Relations Policy

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

Workforce Equality and Fairness

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

Human Rights Policy

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

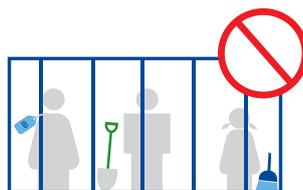
have been violated by the Company's business operations and compensate at a minimum rate of not less than the rate specified by law.

Social Accountability Policy

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

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

In 2016, the Company's chicken processing plant has been certified for having Good Labour Practices (GLP) and Thai labour standard by the Ministry of Labour as affirmed by government officials and 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.

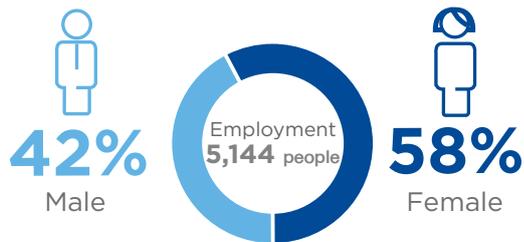


GFPT doesn't support the use of forced labor and child labor.

Employment

The Company has a policy on equality and diversity employment without any discrimination on gender, race, religion and culture. In 2016, GFPT employed a total of 5,144 people with a diversity of age, gender, level of education, and work tasks.

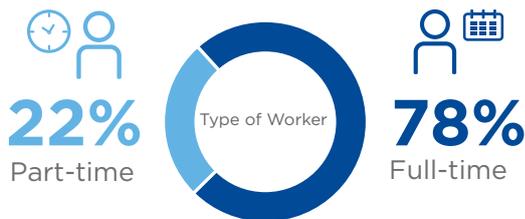
Employment by Gender



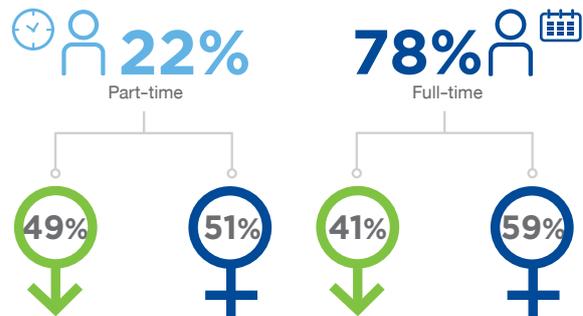
Employment by Nationality



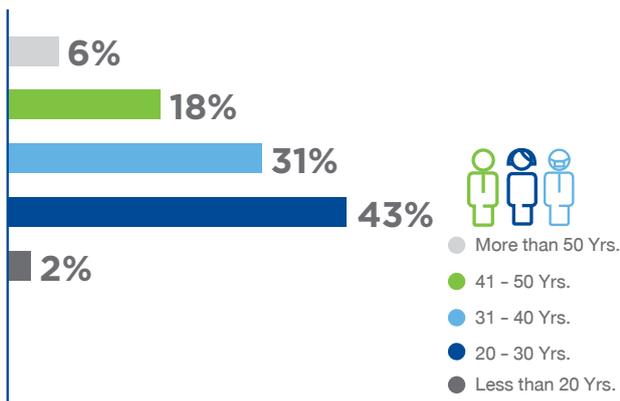
Employment by Type of Worker



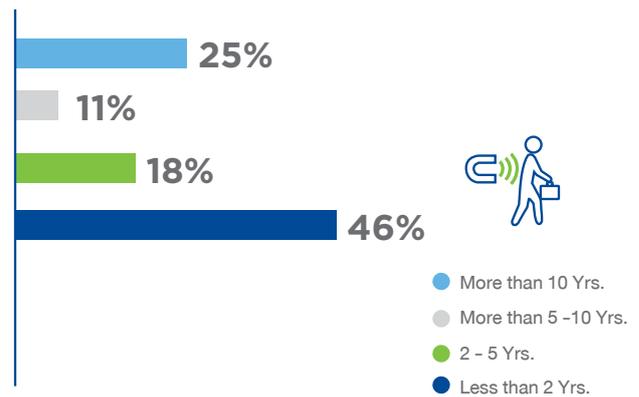
Employment by Gender and Type of Worker



Employment by Age Group

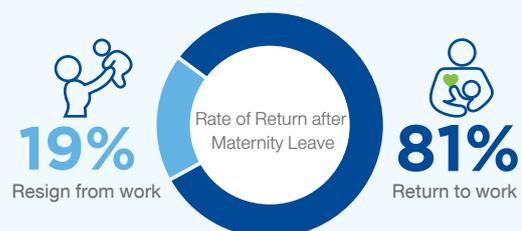


Employment by Year of Services



Rate of Return after Maternity Leave

In 2016, a total number of 105 out of 2,958 female employees had taken maternity leave, of which 85 employees return to work after their maternity leave representing 81% of total female employees who took maternity leave.

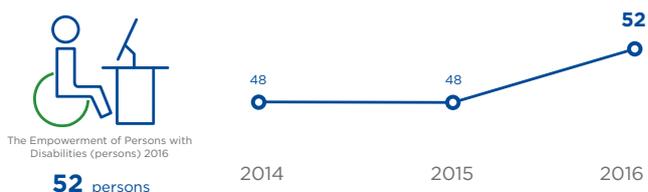


Employment of Disabilities Policy

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 2016, the Company employed a total of 52 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.

Safety Policy

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

1) **NEAR MISS Project**

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

2) **5S Project:**

To encourage employee to participate in workplace maintenance and cleanliness.

3) **Workplace Safety Week Project**

To organize a safety week event every year to educate employees and encourage awareness about possible accidents in the workplace such as the 16th Workplace Safety Week event held on 20-21 December 2016.

4) **Safety Training Project**

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

5) **Safety Journal Project**

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



Electricity Operators Training, Safety for Workplace Training for Supervisor ,Folk-Lift Operators Training



Radiation Emergency and Chemical Spill Emergency Response Training



The Annual Fire Drills and Emergency Evacuation Training for 2016.

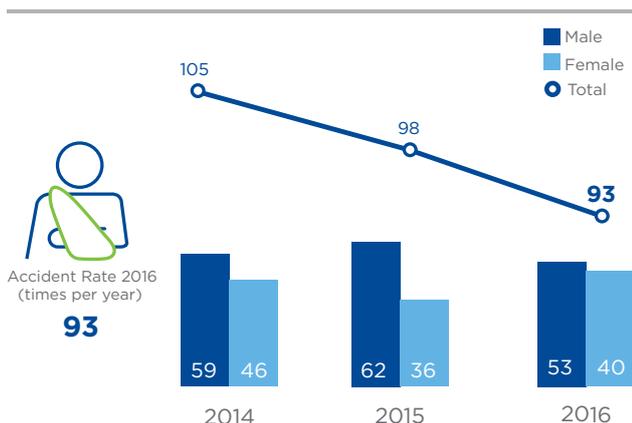


Annual fire evacuation drill.

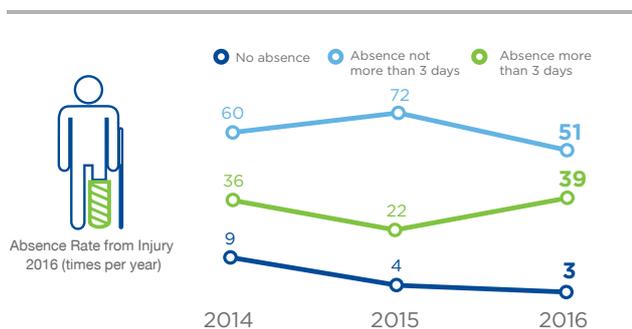
Absence Rate from Injury

As the Company has implemented a preventive policy against workplace accident, the results were reflected in 2016 where the accident rate and the absence from injury rate again dropped consecutively from the previous year.

Accident Rate (times per year)



Absence Rate from Injury (times per year)



Absence Rate from Injury (times per year)

Year	No absence			Absence not more than 3 days			Absence more than 3 days		
	M	F	Total	M	F	Total	M	F	Total
2014	5	4	9	35	25	60	19	17	36
2015	2	2	4	46	26	72	14	8	22
2016	1	2	3	34	17	51	18	21	39

Complaint Channel and Procedure

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

Complaint Channel

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

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

Action after Receive the Complaint

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

Protection and Confidentiality of the Complainant

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

Employees' Compensation and Benefit Policy

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

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



Human Resources Training and Development Policy

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

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

Training

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

In 2016, the Company's total number of training hours was 653,676 hours which is an average of 99 hours per employee per year. The curriculum of training included a wide array of skills such as the Executive Development Program, Senior Executive Program, Workplace Safety Training for Management, Defensive Driving, Corporate Social responsibility for sustainable growth, Corporate Governance, Risk Management, Safety, Sanitary, Environmental training and etc.

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



Number of training hours per year

	2014*	2015*	2016
Number of training hours	438,364	549,175	653,676

Remark : *data in 2014 and 2015 was adjusted to update the database system

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

Policy on Ethical and Fair Business Practice

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

Corporate Governance Policy

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

The Company achieved the CG scores of "Excellent" level in 2016



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

In 2016, 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 2016 by the Thai Investors Association, the Thai Listed Companies Association, and the SEC with a full score of 100 and was awarded the Investors' Choice Award (No.3) in 2016 for companies with quality scores Meeting of Shareholders (AGM) of 100% for five consecutive years (2012 – 2016).

Investors' Choice Award (No.3) year 2016



Compliance with Laws, Rules and Regulation Policy

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

In 2016, the Company did not commit any offense or act which violated the provisions of the Public Company Limited Act or the regulations of governing bodies such as the SEC or the Stock Exchange of Thailand.

Business Ethics Policy

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

Management and Maintain Business Ethics

- Directors, management and employees should understand and strictly follow a code of business ethics, if found to have violated or acted upon on the contrary to the Company's business ethics, appropriate process will be considered. In the event that such action is contrary to regulations and Memorandum of Association, the Company will consider appropriate punishment or penalty to the case.

- Directors, management and employees have signed acknowledgment of business ethics once employed and when changes are made.
- Managers and supervisors have to be role model in practicing business ethics and responsible for monitoring and encouraging subordinates to follow the business ethics.
- Corporate Governance and Business Ethics Committee has been appointed by the Board of Directors and is responsible for reviewing the Business Ethics Handbook to be in accordance with the Company's business, laws and regulations. Corporate Governance and Business Ethics Committee must arrange a meeting at least 2 times per year and reports to the Board of Directors.

Report on Non-compliance of Business Ethics

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

Safeguarding of Assets Policy

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

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

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

Intellectual Property or Copyright Policy

The Company has policy to comply with applicable laws or regulations relating to intellectual property rights, including patent, copyright, trademark, trade secret and other aspects of

intellectual property law, such as the use copyright computer software. All computer software must be audited and installed by the Information Technology Department. Encourage employees to review their work or information that will not infringe the intellectual property of others.

Anti-Corruption

The Company has announced its intention to be a signatory and submitted documents to achieve certification by 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.

*The Company declared
and submitted
documents to Collective
Action Coalition (CAC)
for approval.*



Anti-Corruption Policy

"No board of directors, executives and employees of the GFPT Public Company Limited and its subsidiaries shall commit or approve of fraud and corruption in all its forms, both directly and indirectly, to gain personal benefits or the benefits of their family, friends, acquaintances, either as recipients or provider, or offer bribes whether with money or non-monetary forms.

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

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

In 2016, 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.

4. Being a socially responsible business for its community

Corporate Social Responsibility Policy

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

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 Corporate Governance Committee

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

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



The Initiative Projects on Youth, Community, and Society

In 2016, the Company has implemented projects and activities for the community and society as follows:

1. Promoting youth for the quality of society

The Company believes that “youth are the pillars of tomorrow’s society”. The Company recognizes the importance of children and youth. In addition to supporting its chicken eggs and cooked chicken products, the Company provides scholarships, educational tools and equipment to youth such as the eggs for lunch program for Muenjit School in Chonburi to improve the quality of life of local communities’ kindergarten and primary school students and the Scholarship program for GFPT group employee’s children to incentivizes and encourage its employees. The Company also encourages social activities for local communities and remote communities by focusing on the knowledge development of youth to be the quality person in the society as well as encouraging the youth to express themselves creatively through various projects with a total of 52 activities such as the National Children’s Day at around 26 communities and schools and many activities to promote quality of life for youth including: the “GFPT giving bicycle to bike to school” activity at Lagoonrodsiri School; the “Catching Dream, Sharing Love” activity with King Mongkut’s Institute of Technology Ladkrabang to support the learning buildings restoration of the BanMaiKaow School, Phuket province; giving supporting funds to build toilets for schools in Phuket province; and building concrete road entrance for a new school building at Wat Tham Tako School, TaWung district, Lopburi province; and etc.

2. Creating a good society

The Company has a policy of supporting the disadvantaged in the rural and challenged areas and those affected by disasters. The Company also has a policy of improving the quality of life of the surrounding community and also those further away to have a good quality of life, protecting the environment, and therefore the Company has through its own activities, government agencies, charitable organizations, and non-profit organizations, a total of 79 activities such as the Earth Day (Throwing EM Ball to increase oxygen in the communal canal with the village and community in the vicinity of the plant), the Lukphradabos project to engage in the reforestation activities; the sustainable marine turtle conservation activity, “Let’s return turtles to its resident dedicated to the King and the Queen” together with the Internal Security Operations Command (ISOC), Satun province; the network development to enhance the understanding of consumer project by the Food and Drug Administration, Samuthprakarn province; the blood donation project, etc.

3. Promote religion and Thai culture

Religion and culture are important institutions in the society which have strong influence in people’s beliefs, values and behaviors as a way of life of the individual in the society. The Company recognizes that Thai society is influenced by the religion, and therefore, places importance on the support and preservation of Buddhism as well as the continuous support for Thai arts and culture. The Company has organized activities related to promoting religion and Thai culture through government agencies, charities, and non-profit organization with a total number of 79 activities.



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

Environmental Management

ISO 9001
Quality



ISO 14001
Environment



5. Being an eco-friendly business

Environmental Policy

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

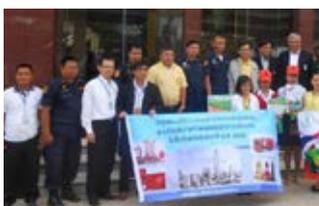
In addition, the Company has established an environmental management structure to effectively support the implementation and also required all departments to perform their activities in accordance with the laws.

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 2016, the Company carried out activities and projects related to environmental management as follows:

Resource and Environmental Management

The Company focuses on the use of resources effectively with maximum benefits as it is a significant cost of the integrated production process. Effective uses of resource also produce less impact on environment and climate change such as the project to reduce plastic bag waste which is a project that encourages employees to be careful and reduce mistakes in operation during packaging to reduce wasteful costs and plastic bags used.



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



Amount of plastic bag waste bag Amount of product 2016 (bag/kg.)

0.98%

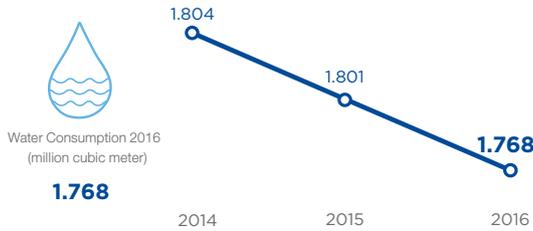
Water Resource

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

Water used in the production and operation of the Company are both sourced from treated water and ground water. The Company has acquired an approval permit from the Bureau of Groundwater Control, Department of Groundwater Resources, to use groundwater from 3 sources 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 2016.

The water consumption (million cubic meter)



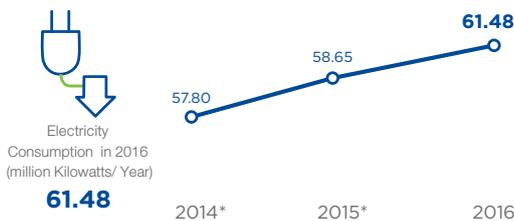
Energy

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

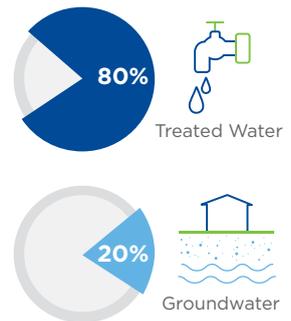
In addition, the Company promotes energy-saving activities such as using the LED 19,20W lights in the production line replacing the fluorescent light 36W, replaced the evaporative condenser used in refrigeration systems for a higher performance to allow a reduction in the use of electricity of the compressor, the introduction of automatic lighting system in the office building, and VDO Tele-Conference, which will save electricity and electricity expenses as well as reducing the environmental impact which is caused by transportation.

In 2016, the electricity utilization was in amount of 61.48 million kilowatts, increased 4.84% from last year, being 71% use in cooling system and 17% use in production process.

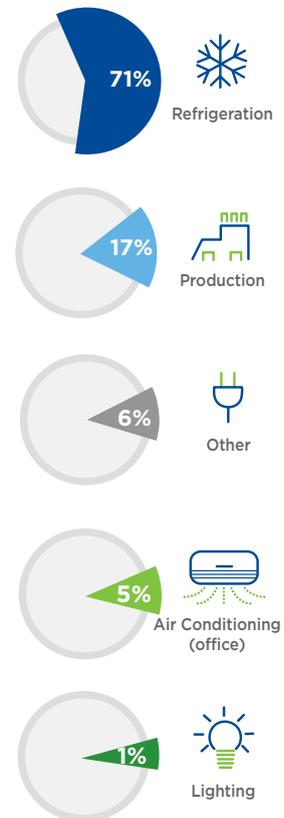
Electricity Consumption (million Kilowatts / Year)



source of water used and the amount of treated water and groundwater used for the year 2016



Electricity Source of Consumption for the year 2016



Remark: Data in 2014 and 2015 was adjusted according to update database system

Energy Conservation

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

In 2016, the Company has implemented a project to reduce refrigerant pressure by changing the PVC Cooling Tower as it has some clots and has been used for a quite a long time. Changing the PVC Cooling Tower can help to optimize cooling temperature of the liquid ammonia and increase performance of the compressor; reflecting in reduction of power consumption down about 5% per year of the replacing PVC Cooling Tower in compliance with the Company's energy saving plan.



Pollution and Waste Management

Air Pollution

The Company uses pollution elimination system before releasing the pollution outside the plants and monitors level of pollution in applicable to the laws. The pollution level is monitored and measured twice a year by the authorized person of the Department of Industrial. In 2016, the level of contaminants in the air such as dust, nitrogen oxides, sulfur dioxide, carbon monoxide, and the opacity of all units, was lower than the standard required by law.

The result of air quality test at various check points.

	Test results	Standard Measure
Particulate (mg/m ³)	2.674 – 296.781	320.00
Sulfur Dioxide (ppm)	<1.335 – 2.050	60.00
Oxide of Nitrogen (ppm)	<3.167 – 38.592	200.00
Carbon Monoxide (ppm)	0.709 – 581.57	690.00
Opacity (%)	6.8 – 7.4	10.00

Water Pollution

The wastewater treatment of the Company complies with the standard defined by law. The Company uses high technology of wastewater treatment technology and closely monitors the level of wastewater before releasing to outside. The level of wastewater release to outside is comply with the law and does not affect the overall ecosystem. In addition, we focus on recycling treated wastewater within the plant. The wastewater from the production and consumption per day, is at an average of 4,000 cubic meters per day and the capacity of the Company's water treatment plant can treat up to 7,000 cubic meters per day of wastewater with an average volume of 3,500 cubic meters per day of treated water, which passes the regulatory standard, is released and an average of 300-500 cubic meters per day is recycled.



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 2016, the result of the measurement found that the 24-hour average noise level at measurement points is below legal thresholds.

	Average Volume in 24 hours. <i>(Leq)</i>	Standard	Noise Level <i>(dBA)</i>	Standard
Entrance area	66.4	70.0	8.8	10.0
Back area	65.9	70.0	8.1	10.0

Wastes

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

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

In 2016, 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.

A summary of the total amount of waste, sewage waste which are dangerous and not dangerous for the year 2016 is as follows:

Type	Quantity <i>(Tons)</i>
Flour waste, expired flour	329
Metal scrap	25
Stainless scrap	9
Excess paper objects	472
Used plastic bags (for chicken scraps)	999
Old vegetable oil	484
Waste water scum	17,722
Oil lubricant including its container	11
Lab Waste	0.60
Contaminated containers	4
Dysfunctioning light bulbs	0.41





QUALITY BROILER PRODUCTION







REPORT OF 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 separated 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 2016, 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 2016, the Audit Committee reviewed the Quarterly and Year End financial statements of the Company, both the separated and consolidated basis, together with the auditors (internal and external auditors) and the management for integrity and propriety prior to proposing them to the Board 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 separated and consolidated financial statements reported to the SET and the public in the year 2016 were complete, accurate, and 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 interest

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 2016. 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 Committee evaluate the effectiveness of the internal control and financial management, which are in compliance with the relevant laws 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.

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

The Company monitors, analyses and reports changes in laws, rules and regulations relevant to the Company, as well as ensures its compliance. The Audit Committee monitored and reviewed that the Company has complied with 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 2016.

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 personnels 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 2017, 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 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. Parameth Hetrakul
Audit Committee



Mr. Thanathip Pichedvanichok
Audit Committee



REPORT OF RISK MANAGEMENT COMMITTEE



Dear Shareholders

The Risk Management Committee of GFPT Public Company Limited consists of 5 members, Mr. Paramet Hetrakul, the independent director and Chairman of Risk Management Committee and 4 executives consisting of 1. Dr. Anan Sirimongkolkasem, 2. Mrs. Somsiri Ingpochai, 3. Ms. Wannee Sirimongkolkasem, and 4. Mr. Sujin Sirimongkolkasem. Each member has the appropriate qualifications as required by the relevant laws and 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 the risk management framework and 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 to the shareholders of the Company with integrity, responsibility, and in compliance with the Company's policy.

In 2016, the Risk Management Committee held 1 meeting which all members attended. The Risk Management Committee discussed with the management, the Internal Audit teams, and the Company's auditor regarding the following matters:

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 must consider and set out a policy regarding risk management, risk appetite, risk tolerance, and to communicate such policy and guidelines to all departments in the organization so that each department assigned and responsible as a risk owner. The Risk Management Committee must also provide Risk Assessment, Key Risk Indicators, and to monitor and evaluate the risk management of each department in the organization as well as provide suggestion for risk prevention and risk reduction to an acceptable level.



3. A review of risk management

The Risk Management Committee has considered the risk management policy, the plan and practices to manage risk which may occur including a review of the risk management arising separated into both internal and external factors by meeting with the management of the Company and also verifying and reviewing the efficiency and appropriateness of the risk management process regularly in each quarter as well as providing suggestion 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 Maagement 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. Paramet Hetrakul
Chairman of Risk Management Committee

REPORT OF BOD RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

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

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

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

The Board of Directors has an opinion that the internal control system of the Company is effective. It is confidence that the consolidated and separated financial statements of GFPT Public Company Limited and its subsidiaries for the year ended December 31, 2016 is reliable in accordance with generally accepted accounting principles, laws, and related regulations.



Dr. Anan Sirimongkolkasem
Chairman of Executive Committee

Mr. Virach Sirimongkolkasem
Managing Director



AUDIT FEE

Mr. Ampol Chamnongwat, the authorized auditor No. 4663 from SAM NAK-NGAN A.M.C. Co., Ltd. was the auditor of the Company and its subsidiaries for the accounting period of the year 2016.

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 2016. The detail is shown as follows:

1. Audit fee

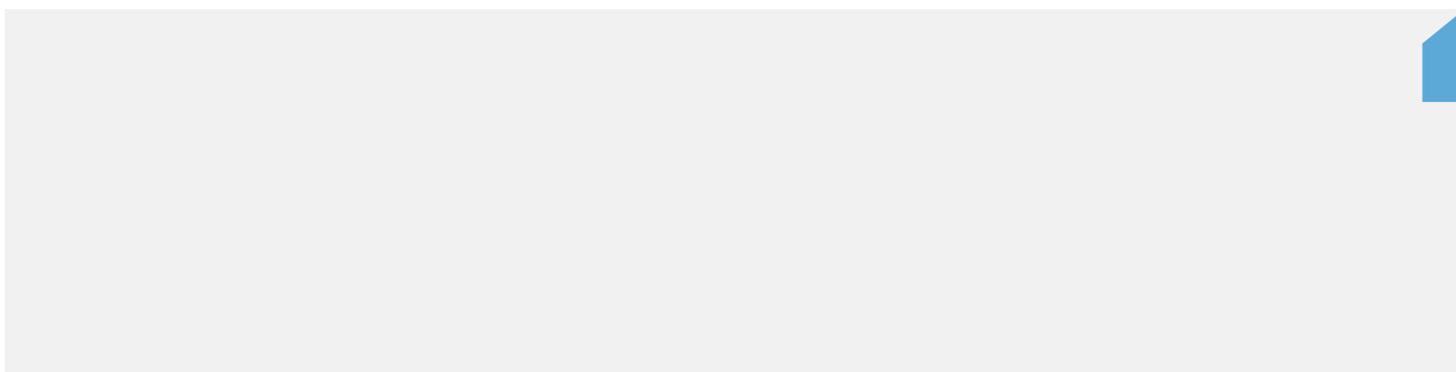
The Company and its subsidiaries paid the audit fee for the accounting period of the year 2016 in amount of 2,720,000.00 Baht, as shown in the following detail:

	Audit fee (Baht)
The audit fee of the Company in amount of	860,000.00
The audit fee of 5 subsidiaries in amount of	1,860,000.00

2. Non-Audit fee

The Company and its subsidiaries did not have any non-audit fee in accounting period of the year 2016.





GFPT Public Company Limited

2016

FINANCIAL STATEMENTS

AUDITOR'S REPORT

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

Opinion

I have audited the accompanying consolidated and the separate financial statements of GFPT PUBLIC COMPANY LIMITED and its subsidiary companies ("The Group") and also of GFPT PUBLIC COMPANY LIMITED only, respectively, which comprise the consolidated and the separate statements of financial positions as at December 31, 2016, and the related consolidated and the separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the consolidated and the separate financial statements referred to above present fairly, in all material respects, the consolidated and the separate financial position of GFPT PUBLIC COMPANY LIMITED and its subsidiary companies and also of GFPT PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2016, and of their consolidated and the 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 in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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

As at December 31, 2016, The Group's trade and other receivables in the amount of Baht 932.66 million and allowance for doubtful accounts in the amount of Baht 33.95 million. (Note 6) Trade and other receivables are shown at cost net of allowance for doubtful accounts, then The management must exercise judgment in determining the allowance for doubtful accounts. The receivables are expected to be paid based on historical net debt, age overdue, the payments after the date of the financial statements. The collection and the ability to pay the debt of the debtor after the date of the financial statements are expected to occur.

How my audit addressed the key audit matter

I have been convinced about the appropriateness of the assumptions that the management uses to calculate the allowance for doubtful accounts is determined by testing the aging of accounts receivable aging analysis, the management and review of relevant documents, the cause of the receivables that are overdue. Dunning check for repayment after the period end. Check to compare the number of debtors who are at risk may not be paid or unpaid for a long time compared to the indebtedness of the Group recorded an allowance for doubtful whether it is appropriate or not.

2. Allowance for decline in value of inventories

As at December 31, 2016, the Group's inventories in amount of Baht 3,653.33 million. (Note 7) are reflected by value in accordance with the cost price or net realizable value whichever is lower. The management must exercise judgment in determining the amount of allowance for decline in value of inventories is right, then the value will be determined by the net selling price and the date of the financial statements and the selling price is expected to occur.

How my audit addressed the key audit matter

I have been convinced about the appropriateness of the assumptions that the management uses to calculate the allowance for decline in value by. The observer counting the warehouse located. Random test cost of inventories to ensure that the costs recorded in the accounts match the tax invoice and allocated the expenses related to the inventories meets the requirements of International

Financial Reporting Standards. Check to compare product costs and the amount is expected to receive net. The calculation of the sales price after the period end. For products that are sold after the end of the period. The goods are then calculated in order to determine the price of the order. And that there is no order to calculate the price with specifications approved by management. Analysis of inventory and movement of goods. To identify products with low turnover or hold long. Send a confirmation and observer counts where the Group has its warehousing operation to a warehouse outside the Group.

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 I expected to be made available to us 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 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 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 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. Ampol Chamnongwat
Certified Public Accountant (Thailand)
Registration No. 4663

Bangkok,
February 20, 2017

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

(Unit : Baht)

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Notes	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<u>Assets</u>					
Current assets					
Cash and cash equivalents		310,868,408.45	592,491,996.56	81,653,300.42	58,221,693.08
Trade and other receivables	5.1 and 6	932,660,420.06	1,026,632,798.90	511,396,894.04	496,762,274.19
Inventories	7	3,653,328,881.59	3,173,497,023.76	321,704,130.80	404,349,243.28
Other current assets		18,145,778.85	16,270,661.65	12,377,703.19	11,403,475.56
Total current assets		4,915,003,488.95	4,808,892,480.87	927,132,028.45	970,736,686.11
Non-current assets					
Investments in associates	8	2,448,748,669.49	2,126,555,408.47	1,525,859,700.00	1,525,859,700.00
Investments in subsidiaries	9	-	-	1,666,496,542.35	1,664,891,542.35
Non-current biological assets					
Grandparent chickens	10.1	121,184,960.30	98,823,846.24	-	-
Parent chickens	10.2	406,779,435.67	386,892,292.13	-	-
During cultivation-rubber trees	10.3	687,902.85	-	-	-
Investment property	11	360,420,779.10	346,729,463.73	201,821,365.98	207,162,191.70
Property, plant and equipment	12	7,430,751,974.91	6,753,571,805.09	1,299,323,104.15	1,319,266,837.01
Deferred tax assets	13	373,544,776.17	358,169,807.78	310,794,352.32	278,134,534.71
Intangible assets	14	26,193,469.06	12,755,017.24	13,529,943.67	12,755,017.24
Goodwill		1,294,911.36	1,294,911.36	-	-
Other non-current assets		75,717,889.78	82,634,918.01	54,573,499.81	43,119,252.20
Total non-current assets		11,245,324,768.69	10,167,427,470.05	5,072,398,508.28	5,051,189,075.21
Total assets		16,160,328,257.64	14,976,319,950.92	5,999,530,536.73	6,021,925,761.32

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

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

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	15 and 16	1,931,375,562.72	1,787,097,195.68	1,530,000,000.00	1,480,000,000.00
Short-term loans from subsidiary	5.1	-	-	40,000,000.00	20,000,000.00
Trade and other payables	5.1 and 17	886,469,538.73	813,536,636.66	624,943,752.41	561,885,021.36
Current portion of advance received					
for rental income from associate	5.1	7,850,000.00	7,850,000.00	7,850,000.00	7,850,000.00
Current portion of long-term loans					
from financial institutions	15 and 18	208,320,000.00	283,320,000.00	208,320,000.00	283,320,000.00
Current income tax payable		127,761,568.48	29,628,233.88	-	-
Other current liabilities		36,595,521.40	31,130,277.12	14,809,522.23	12,292,553.70
Total current liabilities		3,198,372,191.33	2,952,562,343.34	2,425,923,274.64	2,365,347,575.06
Non-current liabilities					
Long-term loans from financial institutions	15 and 18	66,700,000.00	275,020,000.00	66,700,000.00	275,020,000.00
Long-term loans from related persons	5.1	1,600,000,000.00	1,800,000,000.00	578,900,000.00	651,200,000.00
Employee benefit obligations	19	365,940,471.00	338,882,357.00	151,735,172.00	143,074,649.00
Advance received for rental income from associate	5.1	99,433,333.20	107,283,333.20	99,433,333.20	107,283,333.20
Other non-current liabilities	20	50,798,122.49	59,322,270.13	12,840,135.23	15,270,070.33
Total non-current liabilities		2,182,871,926.69	2,580,507,960.33	909,608,640.43	1,191,848,052.53
Total liabilities		5,381,244,118.02	5,533,070,303.67	3,335,531,915.07	3,557,195,627.59

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

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

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Shareholders' equity					
Share capital	21				
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	22	525,000,000.00	525,000,000.00	525,000,000.00	525,000,000.00
Retained earnings					
Appropriated					
Legal reserve	22	140,000,000.00	140,000,000.00	140,000,000.00	140,000,000.00
Unappropriated		8,729,977,327.42	7,399,599,172.86	745,177,621.66	545,909,133.73
Other components of shareholders' equity		8,969,047.14	8,319,880.06	-	-
Total shareholders' equity of company		10,657,767,374.56	9,326,740,052.92	2,663,998,621.66	2,464,730,133.73
Non-controlling interests		121,316,765.06	116,509,594.33	-	-
Total shareholders' equity		10,779,084,139.62	9,443,249,647.25	2,663,998,621.66	2,464,730,133.73
Total liabilities and shareholder's equity		16,160,328,257.64	14,976,319,950.92	5,999,530,536.73	6,021,925,761.32

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, 2016

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenue from sales		16,693,024,163.05	16,466,514,004.60	7,767,817,046.46	7,221,813,751.39
Cost of sales	7	(14,191,279,495.29)	(14,463,261,509.26)	(7,332,956,447.64)	(7,191,194,929.71)
Gross profit		2,501,744,667.76	2,003,252,495.34	434,860,598.82	30,618,821.68
Dividend income from subsidiary		-	-	294,292,665.00	-
Dividend income from associate		-	-	48,999,900.00	29,399,940.00
Gain from exchange rate		49,562,384.97	6,276,901.57	31,218,571.57	7,601,840.41
Other income		280,334,728.75	228,881,045.29	137,977,258.19	111,401,991.71
Selling expenses		(505,629,174.39)	(484,146,949.90)	(116,793,604.39)	(106,852,465.21)
Administrative expenses		(737,013,884.32)	(686,239,237.09)	(284,078,805.78)	(275,385,650.97)
Share of profit from associates		371,193,161.02	248,793,054.44	-	-
Financial costs		(98,032,065.68)	(123,260,469.37)	(66,549,788.09)	(77,264,746.82)
Profit (loss) before income tax		1,862,159,818.11	1,193,556,840.28	479,926,795.32	(280,480,269.20)
Income tax revenues (expenses)	26.1	(205,694,865.74)	19,580,460.70	32,659,817.61	72,710,890.20
Profit (loss) for the year		1,656,464,952.37	1,213,137,300.98	512,586,612.93	(207,769,379.00)
Profit attributable to :					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,643,696,279.56	1,194,917,501.72		
Non-controlling interests		12,768,672.81	18,219,799.26		
		1,656,464,952.37	1,213,137,300.98		
Basic earnings (loss) per share	27				
GFPT PUBLIC COMPANY LIMITED (Unit : Baht)		1.31	0.95	0.41	(0.17)
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial profit (loss) arising from defined benefit plan		-	5,876,165.31	-	(1,984,616.24)
Income tax relevance with other comprehensive income	26.2	-	(2,230,127.72)	-	173,257.00
Share of other comprehensive loss of associate		-	(4,710,697.76)	-	-
Other comprehensive income-net of tax		-	(1,064,660.17)	-	(1,811,359.24)
Total comprehensive income for the year		1,656,464,952.37	1,212,072,640.81	512,586,612.93	(209,580,738.24)
Total comprehensive income attributable to:					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,643,696,279.56	1,193,840,332.94		
Non-controlling interests		12,768,672.81	18,232,307.87		
		1,656,464,952.37	1,212,072,640.81		

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

		Consolidated financial statements							(Unit : Baht)
	Notes	Issued and paid-up share capital	Share premium account	Retained earnings			Other component of equity		Total
				Appropriated legal reserve	Unappropriated	Change in shareholding ratio in subsidiary companies under common control	Non-controlling interests	Total	
Balance as at January 1, 2015		1,253,821,000.00	525,000,000.00	140,000,000.00	6,707,190,519.92	7,247,293.16	8,633,258,813.08	99,723,373.36	8,732,982,186.44
Profit for the year		-	-	-	1,194,917,501.72	-	1,194,917,501.72	18,219,799.26	1,213,137,300.98
Other comprehensive income for the year		-	-	-	(1,077,168.78)	-	(1,077,168.78)	12,508.61	(1,064,660.17)
Total comprehensive income for the year		-	-	-	1,193,840,332.94	-	1,193,840,332.94	18,232,307.87	1,212,072,640.81
Discount from purchasing the investment in subsidiary		-	-	-	-	1,072,586.90	1,072,586.90	-	1,072,586.90
Non-controlling interests of subsidiary decrease		-	-	-	-	-	-	(1,446,086.90)	(1,446,086.90)
Dividend payment	24	-	-	-	(501,431,680.00)	-	(501,431,680.00)	-	(501,431,680.00)
Balance as at December 31, 2015		1,253,821,000.00	525,000,000.00	140,000,000.00	7,399,599,172.86	8,319,880.06	9,326,740,052.92	116,509,594.33	9,443,249,647.25
Profit for the year		-	-	-	1,643,696,279.56	-	1,643,696,279.56	12,768,672.81	1,656,464,952.37
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	1,643,696,279.56	-	1,643,696,279.56	12,768,672.81	1,656,464,952.37
Discount from purchasing the investment in subsidiary		-	-	-	-	649,167.08	649,167.08	-	649,167.08
Non-controlling interests of subsidiary decrease		-	-	-	-	-	-	(7,961,502.08)	(7,961,502.08)
Dividend payment	24	-	-	-	(313,318,125.00)	-	(313,318,125.00)	-	(313,318,125.00)
Balance as at December 31, 2016		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

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

Separate financial statements

	Notes	Issued and paid-up share capital	Share premium account	Retained earnings		Total
				Appropriated	Unappropriated	
Balance as at January 1, 2015		1,253,821,000.00	525,000,000.00	140,000,000.00	1,256,921,551.97	3,175,742,551.97
Loss for the year		-	-	-	(207,769,379.00)	(207,769,379.00)
Other comprehensive income for the year		-	-	-	(1,811,359.24)	(1,811,359.24)
Total comprehensive income for the year		-	-	-	(209,580,738.24)	(209,580,738.24)
Dividend payment	24	-	-	-	(501,431,680.00)	(501,431,680.00)
Balance as at December 31, 2015		1,253,821,000.00	525,000,000.00	140,000,000.00	545,909,133.73	2,464,730,133.73
Profit for the year		-	-	-	512,586,612.93	512,586,612.93
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	512,586,612.93	512,586,612.93
Dividend payment	24	-	-	-	(313,318,125.00)	(313,318,125.00)
Balance as at December 31, 2016		1,253,821,000.00	525,000,000.00	140,000,000.00	745,177,621.66	2,663,998,621.66

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, 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) before income tax	1,862,159,818.11	1,193,556,840.28	479,926,795.32	(280,480,269.20)
Adjustment to profit (loss) before income tax for cash				
Depreciation-grandparent chickens	112,198,386.48	73,871,157.14	-	-
Depreciation-parent chickens	426,250,166.16	407,577,262.48	-	-
Depreciation-investment property	5,539,058.19	5,505,528.60	5,340,825.72	10,554,566.27
Depreciation	587,115,655.93	578,003,233.57	139,052,643.58	147,941,715.11
Amortization expenses	5,723,855.85	4,887,957.40	5,436,800.83	4,887,957.40
Loss from assets dilapidation	3,226,068.60	4,878,809.48	-	2.00
(Reversal) Doubtful debts-trade and other receivables	7,321,461.34	(5,596,277.20)	-	-
Loss from sales of retired grandparent chickens	416,986.38	2,329,849.91	-	-
(Gain) Loss from sales of retired parent chickens	(7,064,891.37)	39,540,850.57	-	-
Loss from value of disposal of chicks	4,194,709.83	1,297,922.67	-	-
(Reversal) Loss from decline in value of inventories	(14,160,851.81)	1,558,197.61	(3,158,098.30)	(181,456.84)
Reversal of loss from allowance for impairment in investment property	-	(472,736.56)	-	(800.00)
Reversal of loss from allowance for impairment in property, plant and equipment	-	(800.00)	-	-
Gain from sales of property, plant and equipment	(1,350,379.14)	(908,536.85)	(86,324.73)	(1,488,526.82)
(Gain) loss from unrealized exchange rate	284,190.63	109,955.62	(181,960.82)	(311,576.77)
Dividend income from investments in subsidiary	-	-	(294,292,665.00)	-
Dividend income from investments in associate	-	-	(48,999,900.00)	(29,399,940.00)
Employee benefit obligations	37,132,166.00	37,984,065.00	15,176,179.00	18,361,961.00
Advance received for rental income	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Leasehold recognized as revenue	(1,323,147.54)	(1,323,147.54)	-	-
Interest income	(1,356,693.70)	(1,147,767.80)	(318,469.04)	(269,757.18)
Interest expense	98,032,065.68	122,260,469.37	60,459,214.31	70,035,132.50
Share of profit from associates	(371,193,161.02)	(248,793,054.44)	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	2,745,295,464.60	2,207,269,779.31	350,505,040.87	(68,200,992.53)

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities (continue)				
(Increase) decrease in operating assets				
Trade and other receivables	86,843,586.85	(115,372,019.29)	(14,441,950.50)	(141,805,603.36)
Inventories	(633,462,167.94)	(156,217,094.43)	85,803,210.78	(34,776,033.57)
Other current assets	(2,238,574.49)	5,394,818.88	(974,227.63)	(1,772,138.27)
Other non-current assets	7,741,763.91	(27,039,347.25)	(4,978,255.52)	3,720,511.12
Increase (decrease) in operating liabilities				
Trade and other payables	15,592,106.92	(126,946,821.13)	56,675,662.79	333,788,524.45
Other current liabilities	5,465,244.28	4,704,860.36	2,516,968.53	2,285,085.96
Employee benefit obligation	(10,074,052.00)	(8,353,436.00)	(6,515,656.00)	(4,786,396.00)
Other non-current liabilities	(7,201,000.10)	(7,488,100.73)	(2,429,935.10)	418,948.63
Cash received from operating activities	2,207,962,372.03	1,775,952,639.72	466,160,858.22	88,871,906.43
Cash received from construction in progress	300,000.00	-	-	-
Cash received from interest income	1,356,693.70	1,147,767.80	318,469.04	269,757.18
Cash received from income tax	5,139,756.53	3,550,883.49	2,303,670.13	-
Cash payment in income tax	(125,936,661.38)	(16,808,444.92)	(3,000,161.85)	(2,211,764.09)
Net cash received from operating activities	2,088,822,160.88	1,763,842,846.09	465,782,835.54	86,929,899.52
Cash flows from investing activities				
Cash received from dividend from investments in subsidiary	-	-	294,292,665.00	-
Cash received from dividend from investments in associate	48,999,900.00	29,399,940.00	48,999,900.00	29,399,940.00
Cash payment in investments in subsidiary	(1,605,000.00)	(373,500.00)	(1,605,000.00)	(373,500.00)
Cash received from sales of retired grandparent chickens	9,846,927.46	3,115,643.62	-	-
Cash payment in investments in grandparent chickens	(132,325,911.51)	(85,061,099.97)	-	-
Cash received from sales of retired parent chickens	94,551,120.88	84,105,476.14	-	-
Cash payment in investments in parent chickens	(451,949,272.24)	(460,027,362.37)	-	-
Cash payment in during cultivation-rubber trees	(52,089.00)	-	-	-
Cash received from sales of property, plant and equipment	24,880,714.68	8,824,181.08	2,807,564.36	1,490,345.95
Cash payment in purchase of property, plant and equipment	(1,144,840,960.57)	(924,494,761.25)	(104,432,286.16)	(233,727,035.33)
Cash payment in purchase of intangible assets	(19,162,307.67)	(5,662,305.49)	(6,211,727.26)	(5,662,305.49)
Cash payment in purchase of intangible assets awaiting installation	(5,779,500.37)	(7,362,420.54)	(5,779,500.37)	(7,362,420.54)
Cash payment in interest expenses capitalize to assets	(35,676,633.33)	(28,885,326.58)	(9,873,197.77)	(8,307,668.51)
Net cash from (used in) investing activities	(1,613,113,011.67)	(1,386,421,535.36)	218,198,417.80	(224,542,643.92)

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from financing activities				
Increase in trust receipt payables	129,210,152.59	1,726.07	-	-
Cash received from short-term loans from financial institutions	11,620,000,000.00	12,260,000,000.00	8,110,000,000.00	9,590,000,000.00
Cash payment in short-term loans from financial institutions	(11,605,000,000.00)	(11,650,000,000.00)	(8,060,000,000.00)	(9,090,000,000.00)
Cash received from short-term loans from subsidiary	-	-	20,000,000.00	20,000,000.00
Cash received from long-term loans from financial institutions	-	400,000,000.00	-	400,000,000.00
Cash payment in long-term loans from financial institutions	(283,320,000.00)	(296,660,000.00)	(283,320,000.00)	(216,660,000.00)
Cash received from long-term loans from related persons	-	127,000,000.00	-	-
Cash payment in long-term loans from related persons	(200,000,000.00)	(269,100,000.00)	(72,300,000.00)	(19,000,000.00)
Cash payment in interest expenses	(99,197,429.91)	(124,468,933.08)	(61,611,521.00)	(72,055,380.35)
Cash payment for dividend	(313,318,125.00)	(501,431,680.00)	(313,318,125.00)	(501,431,680.00)
Non-controlling interests of dividend	(5,707,335.00)	-	-	-
Net cash received from (used in) financing activities	(757,332,737.32)	(54,658,887.01)	(660,549,646.00)	110,852,939.65
Net increase (decrease) in cash and cash equivalents	(281,623,588.11)	322,762,423.72	23,431,607.34	(26,759,804.75)
Cash and cash equivalents at the beginning of the year	592,491,996.56	269,729,572.84	58,221,693.08	84,981,497.83
Cash and cash equivalents at the ending of the year	310,868,408.45	592,491,996.56	81,653,300.42	58,221,693.08
Additional disclosure :				
1. Items not affecting cash flow are as follows :-				
- Amortization allowance for doubtful accounts on trade receivables	7,307,893.50	-	-	-
- Purchases of grandparent chickens which had not yet been paid	-	12,884,697.50	-	-
- Purchases of parent chickens which had not yet been paid	45,104,000.00	17,120,000.00	-	-
- Depreciation transfer to cost of grandparent chickens	12,497,502.87	9,466,249.84	-	-
- Depreciation transfer to cost of parent chickens	36,570,266.97	34,262,898.35	-	-
- Transfer of inventories to property, plant and equipment	200,595,384.62	276,570,798.24	-	-
- Transfer of property, plant and equipment to inventories	26,571,086.26	409,351.97	-	-
- Transfer of other current assets to property, plant and equipment	363,457.29	192,035.66	-	-
- Transfer of property, plant and equipment to expenses	11,063,660.12	21,997,939.05	-	140,937.90
- Purchases of property, plant and equipment which had not yet been paid	12,993,513.85	16,843,937.77	7,524,666.42	6,276,382.02
- Transfer of interest expense to property, plant and equipment	-	28,881,880.63	-	-
2. Cash and cash equivalent items consisted of :-				
- Cash	547,000.00	580,000.00	52,000.00	52,000.00
- Cheques on hand	5,019,485.50	4,936,727.00	-	-
- Bank deposits	305,301,922.95	586,975,269.56	81,601,300.42	58,169,693.08
	310,868,408.45	592,491,996.56	81,653,300.42	58,221,693.08

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, 2016**

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, 2016, as listed below.

<u>Reference standard No.</u>	<u>Name</u>
The Conceptual financial Reporting Standards (revised 2015)	
<u>Thai Accounting Standards (TAS)</u>	
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

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

TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

TSIC 10 (revised 2015)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases-Incentives
TSIC 25 (revised 2015)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue-Barter Transactions involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs

Thai Financial Reporting Interpretations (TFRIC)

TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmer
TFRIC 14 (revised 2015)	TAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

2.2.2 New and revised financial reporting standards not yet effective

The Federation of Accounting Professions has published new and revised accounting standards, financial reporting standards, interpretations accounting standards, interpretations financial reporting standards and accounting practices that are mandatory for annual periods beginning on or after January 1, 2017. 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 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture

<u>Reference standard No.</u>	<u>Name</u>
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Thai Accounting Standards (continuous)

TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards (TFRS)

TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

TSIC 10 (revised 2016)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases-Incentives
TSIC 25 (revised 2016)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue-Barter Transactions involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets-Web Site Costs

Thai Financial Reporting Interpretations (TFRIC)

TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmer

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Financial Reporting Interpretations (TFRIC) (continuous)</u>	
TFRIC 14 (revised 2016)	TAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

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

- 2.3 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.

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

Goodwill

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

3. Basis of the consolidated financial statements preparation

3.1 The consolidated financial statements have been prepared by consolidating the financial statements of the Company and of five subsidiary companies (collectively called the “the Group”)

The detail of structure and shareholding ratio of the Group is as follows:-

<u>Name</u> of subsidiaries	<u>Country of</u> incorporation	<u>Nature</u> of business	<u>Percentage of</u> shareholdings	
			<u>2016</u>	<u>2015</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 parent chickens farm	98.1011	98.0626
GF FOODS CO., LTD.	Thailand	Production and distribution of processed food	99.9999	99.9999
GP BREEDING CO., LTD.	Thailand	Grandparent chickens farm	99.9999	99.9999

- 3.2 Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- 3.3 The consolidated financial statements have been prepared using the same accounting policy for the same accounting items and other events in the similar situation.
- 3.4 The accounting periods of subsidiary companies ended the same date as that of GFPT PUBLIC COMPANY LIMITED.
- 3.5 The consolidated financial statements combine the accounts of the Company and subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

4. Summary of significant accounting policies

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

4.1 Cash and cash equivalents

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

4.2 Trade and other receivables

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

4.3 Inventories

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

- Finished goods in type of processed chicken products are recorded at average cost price method.
- Finished goods in type of feed mill products are recorded at FIFO method.
- Raw materials, packaging and supplies are recorded at average cost price method.
- Work in process of finished goods are recorded at actual cost.
- Current biological assets, including.

Finished goods and seed eggs are recorded with cost price at FIFO method.

Rearing chicken and eggs during hatching are recorded at actual cost.

4.4 Investments

Investments in subsidiaries

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

Investments in associates

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

4.5 Biological assets

- Biological assets in type terrestrial animal

Biological assets in type of terrestrial animal consist of grandparent chickens and parent chickens, grandparent chickens during rearing and parent chickens during rearing, grandparent chickens and parent chickens presentation by cost after deduction accumulated depreciation and the allowance for impairment (if any), and grandparent chickens during rearing and parent chickens during rearing presentation by cost included expenses which occurred during rearing period of grandparent chickens and parent chickens deduction the allowance for impairment (if any) because of these biological assets are rearing short circuit.

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.

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 requires judgments regarding forecast of future revenues and expenses related to grandparent chickens and parent chickens.

- Biological assets in type of during preparation plant cultivation

Cost of biological assets include all costs arising from acquisition of assets, such as biometries and the growing cost of adjustment on the ground planting, and the cost of planting, etc.

4.6 Investment property

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

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

4.7 Property, plant and equipment

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

- Land improvements	20 Years
- Building and improvements	20 Years
- Machinery and equipment	5, 10 Years
- Tools	5 Years
- Office equipment	5 Years
- Vehicles	5 Years
- Other fixed assets	5 Years

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

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

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

4.8 Intangible assets

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

4.9 Subsidy fund from the government

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

4.10 Cost of borrowing

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

4.11 Goodwill

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

4.12 Impairment

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

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

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

Calculation of recoverable amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash-generating unit or its value in use.
- In assessing value in use of an asset by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment loss

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

4.13 Trade and other payables

Trade and other payables were shown in cost value.

4.14 Employee benefit

Short-term employee benefits

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

Long-term employee benefits

- The Group 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 and losses arising from post-employment benefits are recognized immediately in profit or loss.

4.15 Provision of liabilities

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

4.16 Appropriation of retained earnings

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

4.17 Recognition of revenues

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

4.18 Recognition of expenses

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

4.19 Income tax

Income tax 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 they carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

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

4.20 Basic earnings (loss) per share

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

4.21 The related parties and related companies

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

4.22 Items denominated in foreign currencies

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

4.23 Financial instruments

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

4.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The 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 and its subsidiaries had significant business transactions with their related companies. Such transactions, which have been concluded on commercial terms and bases agreed upon between the Company, subsidiary companies, associated companies, related companies are summarized below :-

5.1 Inter-assets and liabilities

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	1,259,495.52	1,506,969.93
GF FOODS CO., LTD.	-	-	35,163,877.83	15,417,245.03
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	105,923,508.00	124,967,854.00	105,923,508.00	124,967,854.00
GFPT NICHIREI (THAILAND) CO., LTD.	212,348,510.00	185,662,420.84	-	20,566,175.00
Related companies				
NICHIREI FOODS INC.	122,666,422.37	47,840,080.84	122,666,422.37	47,840,080.84
KEYSTONE FOODS (AP) LIMITED	92,798,433.64	114,050,958.39	92,798,433.64	114,050,958.39
SURAPON FOODS PUBLIC CO., LTD.	124,200.00	-	124,200.00	-
P.CHAROEN PHAN FEEDMILL CO., LTD.	12,738,076.00	72,216,742.00	-	-
Total	546,599,150.01	544,738,056.07	357,935,937.36	324,349,283.19
Other receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	196,083.60	117,252.99
M.K.S. FARM CO., LTD.	-	-	121,466.40	156,936.90
KRUNGTHAI FARM CO., LTD.	-	-	491,874.39	349,617.00
GP BREEDING CO., LTD.	-	-	233,270.70	103,935.52
GF FOODS CO., LTD.	-	-	362,606.95	282,929.94
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	10,116,668.32	8,940,538.35	9,472,563.27	8,940,538.35
GFPT NICHIREI (THAILAND) CO., LTD.	3,590,678.60	5,666,791.33	290,566.00	2,465,886.33
Related companies				
M.K.S. CONDOTOWN CO., LTD.	82,164.51	148,656.95	82,164.51	148,656.95
P.CHAROEN PHAN FEEDMILL CO., LTD.	768,108.72	43,925.60	11,386.94	32,902.50
Total	14,557,620.15	14,799,912.23	11,261,982.76	12,598,656.48

(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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Advance payment				
Subsidiary				
GF FOODS CO., LTD.	-	-	1,757,932.47	1,670,167.40
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	5,207.75	12,980.60	-	-
Total	5,207.75	12,980.60	1,757,932.47	1,670,167.40
Prepaid expenses				
Related Company				
P.CHAROEN PHAN PRODUCE CO., LTD.	654,550.19	623,380.94	654,550.19	623,380.94
Deposit payment				
Related Companies				
P.CHAROEN PHAN FEEDMILL CO., LTD.	2,084,400.00	2,104,400.00	891,000.00	911,000.00
P.CHAROEN PHAN PRODUCE CO., LTD.	125,000.00	125,000.00	-	-
M.K.S. CONDOTOWN CO., LTD.	115,400.00	111,000.00	115,400.00	111,000.00
Total	2,324,800.00	2,340,400.00	1,006,400.00	1,022,000.00
Trade and notes payables				
Subsidiaries				
M.K.S. FARM CO., LTD.	-	-	385,618,755.70	352,331,929.67
GF FOODS CO., LTD.	-	-	442,694.00	405,681.00
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	636,480.00	514,385.00	-	110,125.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	56,865,101.65	-	-	-
Total	57,501,581.65	514,385.00	386,061,449.70	352,847,735.67
Accrued expenses				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	448,019.11	573,287.68
M.K.S. FARM CO., LTD.	-	-	-	63,698.63
KRUNGTHAI FARM CO., LTD.	-	-	1,300.10	63,698.63
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	-	348,767.34	-	-
GFPT NICHIREI (THAILAND) CO., LTD.	-	546,853.38	-	-
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	4,749,148.75	-	-	-
Total	4,749,148.75	895,620.72	449,319.21	700,684.94

(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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Other payables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	82,143.44	75,322.03
KRUNGTHAI FARM CO., LTD.	-	-	1,303.00	4,732.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	152,303.92	1,980.68	-	-
Total	152,303.92	1,980.68	83,446.44	80,054.03
Deposit income				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	25,000.00	25,000.00
M.K.S. FARM CO., LTD.	-	-	140,000.00	140,000.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	50,000.00	-	-	-
Total	50,000.00	-	165,000.00	165,000.00
Advance received for rental income				
Subsidiary				
M.K.S. FARM CO., LTD.	-	-	25,000.00	25,000.00
Associate				
MCKEY FOOD SERVICES (THAILAND) LTD.				
Balance as at beginning	107,283,333.20	115,133,333.20	107,283,333.20	115,133,333.20
Beginning of current portion	7,850,000.00	7,850,000.00	7,850,000.00	7,850,000.00
<u>Less</u> Advance received for rental income				
recognized as revenue in the year	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Current portion	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Balance as at ending	99,433,333.20	107,283,333.20	99,433,333.20	107,283,333.20
Total	99,433,333.20	107,283,333.20	99,458,333.20	107,308,333.20
Short-term loans				
Subsidiary				
Balance as at beginning	-	-	20,000,000.00	-
Increase	-	-	20,000,000.00	20,000,000.00
Decrease	-	-	-	-
Balance as at ending	-	-	40,000,000.00	20,000,000.00
Long-term loans				
Directors in parent company				
Balance as at beginning	651,200,000.00	670,200,000.00	651,200,000.00	670,200,000.00
Increase	-	-	-	-
Decrease	(72,300,000.00)	(19,000,000.00)	(72,300,000.00)	(19,000,000.00)
Balance as at ending	578,900,000.00	651,200,000.00	578,900,000.00	651,200,000.00

(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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Directors in subsidiaries				
Balance as at beginning	181,400,000.00	710,000,000.00	-	-
Increase	-	33,000,000.00	-	-
Decrease	(23,200,000.00)	(561,600,000.00)	-	-
Balance as at ending	158,200,000.00	181,400,000.00	-	-
Directors in related persons in subsidiaries				
Balance as at beginning	967,400,000.00	561,900,000.00	-	-
Increase	-	467,000,000.00	-	-
Decrease	(104,500,000.00)	(61,500,000.00)	-	-
Balance as at ending	862,900,000.00	967,400,000.00	-	-
Total	1,600,000,000.00	1,800,000,000.00	578,900,000.00	651,200,000.00

As at December 31, 2016 and 2015, the whole amount of short-term loans from subsidiary company is in form of promissory note in the type of call, carried interest rate at 1.75% per annum and 1.85% per annum, respectively.

As at December 31, 2016 and 2015, the whole amount of long-term loans from related persons which are in form of promissory note will be gradually matured within 2024, carried interest rate at 5.50% per annum.

The resolutions of the Extraordinary Meeting No. 1/2013 dated December 12, 2013, was approved GFPT Public Company Limited and subsidiaries to receive financial assistance from related persons. The amount of credit line was not exceeding Baht 2,000.00 million. This transaction will help the Company has more liquidity. The annual interest rate is not over 5.50% with maturity of 10 years from February 1, 2014 to January 31, 2024, and pays interest every month, has no collateral.

5.2 Inter-revenues and expenses

(Unit : Baht)

	Pricing policy	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>For the year ended December 31,</u>			
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Inter-transaction with subsidiaries					
(Eliminated from consolidated financial statements)					
Sales	Agreement price, reference to market price	-	-	558,446,313.94	573,225,032.42
Purchase	Agreement price, reference to market price	-	-	4,669,468,415.64	5,027,565,778.92
Rental income	Contract price	-	-	2,340,000.00	2,340,000.00
Other income	Cost price and agreement price	-	-	41,417,816.78	24,153,596.11
Dividend received	Approved of shareholder's meeting	-	-	294,292,665.00	-
Other expenses	Cost price	-	-	7,138,370.01	6,816,782.74
Interest expense capitalized to statement of comprehensive income	Annual interest rate at 1.75-1.85%	-	-	500,301.39	191,589.05
Inter-transaction with associates					
Sales	Agreement price, reference to market price	5,361,683,866.12	5,393,043,416.97	1,204,430,686.60	1,339,031,655.80
Purchase	Agreement price, reference to market price	47,882,445.00	51,717,522.00	6,474,455.00	12,704,997.00
Rental income	Contract price	19,879,190.96	15,436,223.60	16,347,585.91	15,436,223.60
Other income	Cost price and market price	143,099,748.47	148,410,254.98	104,929,068.47	112,978,004.98
Dividend received	Approved of shareholder's meeting	48,999,900.00	29,399,940.00	48,999,900.00	29,399,940.00
Other expenses	Cost price	1,019,893.57	1,152,267.07	1,019,893.57	1,152,267.07
Inter-transaction with related companies					
Sales	Agreement price, reference to market price	2,520,184,696.25	2,186,418,479.43	1,950,417,935.55	1,550,169,799.83
Purchase	Agreement price, reference to market price	2,170,519,147.29	2,403,782,112.85	-	-
Rental income	Contract price	450,000.00	-	-	-
Other income	Cost price and market price	40,210,625.94	18,621,152.51	4,215,278.88	2,930,793.13
Rental expenses	Contract price	21,300,916.75	19,799,813.00	9,420,916.75	8,880,353.00
Other expenses	Cost price and market price	80,817,939.55	75,939,027.69	2,501,432.40	2,683,809.84
Inter-transaction with related persons					
Interest expenses capitalized to statement of comprehensive income	Annual interest rate at 5.50%	58,800,283.17	77,366,396.88	27,105,708.19	31,631,422.88
Interest expenses capitalized to cost of assets		30,375,060.08	22,254,561.60	5,158,753.91	4,267,604.97

5.3 Management benefit expenses

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	118,090,567.00	73,886,593.00	49,988,767.00	42,943,670.00
Post-employment benefits	2,096,399.00	2,244,881.90	1,403,914.00	1,708,402.90
Total	120,186,966.00	76,131,474.90	51,392,681.00	44,652,072.90

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. 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables-related parties	546,599,150.01	544,738,056.07	357,935,937.36	324,349,283.19
Trade receivables-other parties	314,207,081.97	396,049,832.86	131,499,877.35	151,524,615.75
Notes receivables-other parties	58,438,792.67	73,652,551.00	-	-
Total trade and notes receivables	919,245,024.65	1,014,440,439.93	489,435,814.71	475,873,898.94
<u>Less</u> Allowance for doubtful accounts	(33,780,587.82)	(33,767,019.98)	-	-
Total trade and notes receivables-net	885,464,436.83	980,673,419.95	489,435,814.71	475,873,898.94
Other receivables-related parties	14,557,620.15	14,799,912.23	11,261,982.76	12,598,656.48
Other receivables-other parties	818,968.05	830,957.48	105,639.50	132,912.62
Advance payment-related parties	5,207.75	12,980.60	1,757,932.47	1,670,167.40
Advance payment-other parties	7,464,621.71	6,299,842.13	63,300.00	68,240.00
Prepaid expenses-related parties	654,550.19	623,380.94	654,550.19	623,380.94
Prepaid expenses	19,504,913.81	19,800,841.64	6,147,620.28	5,140,624.81
Accrued income-other parties	4,360,101.57	3,761,463.93	1,970,054.13	654,393.00
Total other receivables	47,365,983.23	46,129,378.95	21,961,079.33	20,888,375.25
<u>Less</u> Allowance for doubtful accounts	(170,000.00)	(170,000.00)	-	-
Total other receivables-net	47,195,983.23	45,959,378.95	21,961,079.33	20,888,375.25
Total trade and other receivables-net	932,660,420.06	1,026,632,798.90	511,396,894.04	496,762,274.19

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

6.1 Trade receivables-related parties

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade and notes receivables within due period	485,963,361.81	465,241,387.10	328,655,946.84	245,334,932.22
Trade and notes receivables over due period				
- Not more than 3 months	60,635,788.20	79,496,668.97	29,279,990.52	79,014,350.97
Total	546,599,150.01	544,738,056.07	357,935,937.36	324,349,283.19

6.2 Trade receivables-other parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade and notes receivables within due period	276,372,482.07	250,277,924.72	116,108,408.41	129,990,572.09
Trade and notes receivables over due period				
- Not more than 3 months	51,171,725.57	174,763,025.14	13,294,136.54	17,624,008.66
- More than 3 months	45,101,667.00	44,661,434.00	2,097,332.40	3,910,035.00
Total	372,645,874.64	469,702,383.86	131,499,877.35	151,524,615.75
<u>Less</u> Allowance for doubtful accounts	(33,780,587.82)	(33,767,019.98)	-	-
Net	338,865,286.82	435,935,363.88	131,499,877.35	151,524,615.75

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

The movement of allowance for doubtful debts-trade accounts and other receivable-third parties for the year ended December 31, 2016 and 2015, 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Beginning balance	33,937,019.98	39,533,297.18	-	-
Additions during the year	14,272,695.56	64,384.30	-	-
Collect during the year	(6,951,234.22)	(3,907,918.50)	-	-
Written off during the year	(7,307,893.50)	(1,752,743.00)	-	-
Ending balance	33,950,587.82	33,937,019.98	-	-

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

7. Inventories

Consisted of :-

	(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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Finished goods-processed chicken products	127,643,111.42	145,107,911.74	129,073,910.31	147,810,926.47
Finished goods-feed mill	65,555,885.43	63,916,613.84	-	-
Raw materials	1,830,409,046.72	1,469,850,233.09	23,365,092.03	18,697,158.12
Raw materials in transit	459,317,904.03	238,625,557.63	-	-
Work in process	108,815,760.29	204,986,924.89	103,108,086.37	184,547,883.95
Current biological inventories				
Finished goods-chicks	-	22,570.75	-	-
Seed eggs and eggs during hatching	95,027,839.50	86,256,843.58	-	-
Rearing chicken	371,958,610.86	395,490,680.55	-	-
Medical supplies, supplies and others	605,460,595.09	594,260,411.25	75,243,026.19	65,537,357.14
Total	3,664,188,753.34	3,198,517,747.32	330,790,114.90	416,593,325.68
<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	(7,980,998.90)	(22,141,850.71)	(6,207,111.25)	(9,365,209.55)
Net	3,653,328,881.59	3,173,497,023.76	321,704,130.80	404,349,243.28

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost of inventories recognized as an expense and is included in cost of goods sold account.				
- Cost of goods sold	14,205,440,347.10	14,461,703,311.65	7,336,114,545.94	7,191,376,386.55
- The reduction in net worth that is expected to receive (Reversed)	(14,160,851.81)	1,558,197.61	(3,158,098.30)	(181,456.84)
Net	14,191,279,495.29	14,463,261,509.26	7,332,956,447.64	7,191,194,929.71

For the year ended December 31, 2016 and 2015, 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</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	(22,141,850.71)	(20,583,653.10)	(9,365,209.55)	(9,546,666.39)
Increased during the year	-	(1,558,197.61)	-	-
Reversed/sold during the year	14,160,851.81	-	3,158,098.30	181,456.84
Allowance for decline in value of inventories-ending	(7,980,998.90)	(22,141,850.71)	(6,207,111.25)	(9,365,209.55)

8. Investments in associates

As at December 31, 2016 and 2015, the Company's investments in associates were as follows :-

(Unit: Baht)

<u>Name of company</u>	<u>Paid-up</u>		<u>% Share</u>		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>share capital</u>		<u>-holding</u>		<u>Equity method</u>		<u>Cost method</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Investments in associates								
- MCKEY FOOD SERVICES (THAILAND) LTD.	100,000	100,000	49.00	49.00	825,690,512.36	638,928,524.18	49,000,000.00	49,000,000.00
- GFPT NICHIREI (THAILAND) CO., LTD.	3,014,000	3,014,000	49.00	49.00	1,623,058,157.13	1,487,626,884.29	1,476,859,700.00	1,476,859,700.00
Total					2,448,748,669.49	2,126,555,408.47	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>2016</u>	<u>2015</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Current assets	1,385,710,521.13	1,256,516,500.51
Non-current assets	1,013,421,859.33	640,574,642.73
Current liabilities	(684,424,003.82)	(567,029,385.46)
Non-current liabilities	(28,788,933.00)	(25,375,030.96)
Total assets-net	<u>1,685,919,443.64</u>	<u>1,304,686,726.82</u>
GFPT NICHIREI (THAILAND) CO., LTD.		
Current assets	1,557,928,974.42	1,132,643,987.32
Non-current assets	2,203,659,281.73	2,297,630,139.33
Current liabilities	(406,935,424.21)	(357,851,619.95)
Non-current liabilities	(36,117,982.57)	(31,741,033.19)
Total assets-net	<u>3,318,534,849.37</u>	<u>3,040,681,473.51</u>
		(Unit : Baht)
	<u>For the year ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Revenue	4,246,955,679.31	4,429,001,415.86
Profit from continuing operations	481,232,716.82	376,209,832.14
Profit (loss) before income tax from discontinued operations	-	-
Profit for the year	<u>481,232,716.82</u>	<u>376,209,832.14</u>
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>481,232,716.82</u>	<u>376,209,832.14</u>
Dividend received from associate for the year	48,999,900.00	29,399,940.00
GFPT NICHIREI (THAILAND) CO., LTD.		
Revenue	7,620,057,893.05	6,943,945,661.62
Profit from continuing operations	277,853,375.86	135,116,937.58
Profit (loss) before income tax from discontinued operations	-	-
Profit for the year	<u>277,853,375.86</u>	<u>135,116,937.58</u>
Other comprehensive income for the year	-	(9,613,668.89)
Total comprehensive income for the year	<u>277,853,375.86</u>	<u>125,503,268.69</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>2016</u>	<u>2015</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Net assets of the associate	1,685,919,443.64	1,304,686,726.82
Shareholding of the Company (%)	49.00	49.00
	826,100,527.38	639,296,496.14
The reduction in the fair value acquisition date	-	-
Other adjustments	(410,015.02)	(367,971.96)
Book value of the Company in associates	825,690,512.36	638,928,524.18
GFPT NICHIREI (THAILAND) CO., LTD.		
Net assets of the associate	3,318,534,849.37	3,040,681,473.51
Shareholding of the Company (%)	49.00	49.00
	1,626,082,076.19	1,489,933,922.02
The reduction in the fair value acquisition date	-	-
Other adjustments	(3,023,919.06)	(2,307,037.73)
Book value of the Company in associates	1,623,058,157.13	1,487,626,884.29
Total book value of the Company in associates	2,448,748,669.49	2,126,555,408.47

9. Investments in subsidiaries

As at December 31, 2016 and 2015, the Company had investments in subsidiaries were as follows :-

Name of company	Paid-up		% Share-		Separate financial statements			
					share Capital		Cost method	
			holding		As at December 31,		For the year ended December 31,	
	2016	2015	2016	2015	2016	2015	2016	2015
Investments in Subsidiaries								
- M.K.S. FARM CO., LTD.	550,000,000.00	550,000,000.00	99.99	99.99	549,999,910.00	549,999,910.00	-	-
- KRUNGTHAI FARM CO., LTD.	350,000,000.00	350,000,000.00	99.99	99.99	349,999,910.00	349,999,910.00	-	-
- KRUNGTHAI FOOD PUBLIC CO., LTD.	400,000,000.00	400,000,000.00	98.1011	98.0626	525,997,727.35	524,392,727.35	294,292,665.00	-
- GF FOODS CO., LTD.	40,000,000.00	40,000,000.00	99.99	99.99	39,999,100.00	39,999,100.00	-	-
- GP BREEDING CO., LTD.	200,000,000.00	200,000,000.00	99.99	99.99	200,499,895.00	200,499,895.00	-	-
Total					1,666,496,542.35	1,664,891,542.35	294,292,665.00	-

For the year ended December 31, 2016, the Company has invested more in KRUNGTHAI FOOD PUBLIC CO., LTD., a subsidiary for 15,400 shares in the amount of Baht 1.61 million. The proportion of shareholding increased from 98.0626 % to 98.1011 %. The purchase in lower price than the book value results in the discount from purchasing the investment amount of Baht 0.65 million representing in the shareholder's equity as it is considered as the change of shareholders after the control in such subsidiary.

For the year ended December 31, 2015, the Company has invested more in KRUNGTHAI FOOD PUBLIC CO., LTD., a subsidiary, for 11,500 shares in the amount of Baht 0.37 million. The proportion of shareholding increased from 98.0338% to 98.0626%. The purchase in lower price than the book value results in the discount from purchasing the investment amount of Baht 1.07 million representing in the shareholder's equity as it is considered as the change of shareholders after the control in such subsidiary.

10. Non-current biological assets

10.1 Grandparent chickens

Consisted of :-

	(Unit : Baht)		
	Consolidated financial statements		
	Grandparent chickens	Grandparent chickens during rearing	Total
Cost :-			
As at January 1, 2015	60,784,279.73	44,496,843.05	105,281,122.78
Purchase	-	97,946,512.47	97,946,512.47
Transfer in	107,158,349.16	-	107,158,349.16
Depreciation transferred to costs of rearing	-	9,466,249.84	9,466,249.84
Sale	(60,784,279.73)	-	(60,784,279.73)
Transfer out	-	(107,158,349.16)	(107,158,349.16)
As at December 31, 2015	107,158,349.16	44,751,256.20	151,909,605.36
Purchase	-	132,325,911.51	132,325,911.51
Transfer in	111,054,123.70	-	111,054,123.70
Depreciation transferred to costs of rearing	-	12,497,502.87	12,497,502.87
Sale	(124,498,992.25)	-	(124,498,992.25)
Transfer out	-	(111,054,123.70)	(111,054,123.70)
As at December 31, 2016	93,713,480.61	78,520,546.88	172,234,027.49

(Unit : Baht)

	Consolidated financial statements		
	Grandparent chickens	Grandparent chickens during rearing	Total
Accumulated depreciation :-			
As at January 1, 2015	(34,553,388.18)	-	(34,553,388.18)
Depreciation for the year	(73,871,157.14)	-	(73,871,157.14)
Depreciation for sale /retirement	55,338,786.20	-	55,338,786.20
As at December 31, 2015	(53,085,759.12)	-	(53,085,759.12)
Depreciation for the year	(112,198,386.48)	-	(112,198,386.48)
Depreciation for sale /retirement	114,235,078.41	-	114,235,078.41
As at December 31, 2016	(51,049,067.19)	-	(51,049,067.19)
Book value net :-			
As at December 31, 2015	54,072,590.04	44,751,256.20	98,823,846.24
As at December 31, 2016	42,664,413.42	78,520,546.88	121,184,960.30
Depreciation was shown in statements of comprehensive income for the year			
Ended December 31, 2015			73,871,157.14
Ended December 31, 2016			112,198,386.48

10.2 Parent chickens

Consisted of :-

(Unit : Baht)

	Consolidated financial statements		
	Parent chickens	Parent chickens during rearing	Total
Cost :-			
As at January 1, 2015	446,133,659.25	130,821,580.41	576,955,239.66
Purchase	-	477,147,362.37	477,147,362.37
Transfer in	465,580,720.39	-	465,580,720.39
Depreciation transferred to costs of rearing	-	34,262,898.35	34,262,898.35
Sale	(548,253,575.99)	-	(548,253,575.99)
Transfer out	-	(465,580,720.39)	(465,580,720.39)
As at December 31, 2015	363,460,803.65	176,651,120.74	540,111,924.39
Purchase	-	497,053,272.24	497,053,272.24
Transfer in	502,722,902.85	-	502,722,902.85
Depreciation transferred to costs of rearing	-	36,570,266.97	36,570,266.97
Sale	(490,359,233.98)	-	(490,359,233.98)
Transfer out	-	(502,722,902.85)	(502,722,902.85)
As at December 31, 2016	375,824,472.52	207,551,757.10	583,376,229.62

(Unit : Baht)

	Consolidated financial statements		
	Parent chickens	Parent chickens during rearing	Total
Accumulated depreciation :-			
As at January 1, 2015	(170,249,619.06)	-	(170,249,619.06)
Depreciation for the year	(407,577,262.48)	-	(407,577,262.48)
Depreciation for sale /retirement	424,607,249.28	-	424,607,249.28
As at December 31, 2015	(153,219,632.26)	-	(153,219,632.26)
Depreciation for the year	(426,250,166.16)	-	(426,250,166.16)
Depreciation for sale /retirement	402,873,004.47	-	402,873,004.47
As at December 31, 2016	(176,596,793.95)	-	(176,596,793.95)
Book value net :-			
As at December 31, 2015	210,241,171.39	176,651,120.74	386,892,292.13
As at December 31, 2016	199,227,678.57	207,551,757.10	406,779,435.67
Depreciation was shown in statements of comprehensive income for the year			
Ended December 31, 2015			407,577,262.48
Ended December 31, 2016			426,250,166.16

10.3 During cultivation-rubber trees

Consisted of :-

(Unit : Baht)

	Consolidated financial statements
Cost :-	
As at January 1, 2015	-
Purchase	52,089.00
Transfer in	635,813.85
As at December 31, 2016	687,902.85
Book value net :-	
As at December 31, 2015	-
As at December 31, 2016	687,902.85

11. Investment property

Consisted of :-

(Unit : Baht)

	Consolidated financial statements		
	Land and improvements	Building	Total
Cost :-			
As at January 1, 2015	264,645,714.80	111,682,219.42	376,327,934.22
As at December 31, 2015	264,645,714.80	111,682,219.42	376,327,934.22
Transfer in	602,100.00	18,628,273.56	19,230,373.56
As at December 31, 2016	265,247,814.80	130,310,492.98	395,558,307.78
Depreciation :-			
As at January 1, 2015	(140,455.10)	(23,078,531.69)	(23,218,986.79)
Depreciation for the year	(48,497.55)	(5,457,031.05)	(5,505,528.60)
As at December 31, 2015	(188,952.65)	(28,535,562.74)	(28,724,515.39)
Depreciation for the year	(48,495.00)	(5,490,563.19)	(5,539,058.19)
As at December 31, 2016	(237,447.65)	(34,026,125.93)	(34,263,573.58)
Allowance for impairment of assets :-			
As at January 1, 2015	(1,264,392.00)	(82,299.66)	(1,346,691.66)
Decrease during the year	414,246.00	58,490.56	472,736.56
As at December 31, 2015	(850,146.00)	(23,809.10)	(873,955.10)
As at December 31, 2016	(850,146.00)	(23,809.10)	(873,955.10)
Net book value :-			
As at December 31, 2015	263,606,616.15	83,122,847.58	346,729,463.73
As at December 31, 2016	264,160,221.15	96,260,557.95	360,420,779.10

Depreciation was shown in statements of comprehensive income for the year

Ended December 31, 2015	5,505,528.60
Ended December 31, 2016	5,539,058.19

(Unit : Baht)

	Separate financial statements		
	Land and improvements	Building	Total
Cost :-			
As at January 1, 2015	125,553,808.57	275,258,202.97	400,812,011.54
As at December 31, 2015	125,553,808.57	275,258,202.97	400,812,011.54
As at December 31, 2016	125,553,808.57	275,258,202.97	400,812,011.54
Depreciation :-			
As at January 1, 2015	(140,455.10)	(182,912,398.47)	(183,052,853.57)
Depreciation for the year	(48,497.55)	(10,506,068.72)	(10,554,566.27)
As at December 31, 2015	(188,952.65)	(193,418,467.19)	(193,607,419.84)
Depreciation for the year	(48,495.00)	(5,292,330.72)	(5,340,825.72)
As at December 31, 2016	(237,447.65)	(198,710,797.91)	(198,948,245.56)
Allowance for impairment of assets :-			
As at January 1, 2015	(43,200.00)	-	(43,200.00)
Decrease during the year	800.00	-	800.00
As at December 31, 2015	(42,400.00)	-	(42,400.00)
As at December 31, 2016	(42,400.00)	-	(42,400.00)
Net book value :-			
As at December 31, 2015	125,322,455.92	81,839,735.78	207,162,191.70
As at December 31, 2016	125,273,960.92	76,547,405.06	201,821,365.98

Depreciation was shown in statements of comprehensive income for the year

Ended December 31, 2015	10,554,566.27
Ended December 31, 2016	5,340,825.72

- Consolidated financial statements

As at December 31, 2016 and 2015, one subsidiary company pledged investment property at cost value of Baht 0.88 million for both years, to guarantee credit of the Group with commercial banks and financial institutions, (Note 15).

- Separate financial statements

As at December 31, 2016 and 2015, the Company pledged investment property at cost value amount of Baht 265.50 million for both years, to guarantee credit of the Group with commercial banks and financial institutions, (Note 15).

- Consolidated financial statements

As at December 31, 2016 and 2015, investment property on the Group's land and building held to has not identify objectives for future applications and intended to benefit from the rental income. The investment property at fair value as appraised by an independent appraiser. The estimated fair value based on market approach for land and the cost method for the building. The total fair value based on the appraisal report on November 2015 was Baht 1,089.19 million.

- Separate financial statements

As at December 31, 2016 and 2015, investment property on the Company's land and building held to has not identify objectives for future applications and intended to benefit from the rental income. The investment property at fair value as appraised by an independent appraiser. The estimated fair value based on market approach for land and the cost method for the building. The total fair value based on the appraisal report on November 2015 was Baht 955.27 million.

(Unit : Baht)

Cost :-	Separate financial statements										Total
	Land and land improvement	Building and building improvement	Machines and equipment	Tools	Office equipment	Vehicles	Others fixed assets	Construction in progress			
As at January 1, 2015	177,518,230.12	912,838,442.93	1,189,127,179.61	157,031,173.16	191,717,401.53	139,987,990.10	138,452,854.19	10,685,647.98			2,917,358,919.62
Purchase	-	276,000.00	7,214,715.65	1,326,198.58	3,267,055.83	8,924,300.00	142,349,060.52	76,646,086.77			240,003,417.35
Transfer in	-	4,634,890.03	62,195,076.34	4,846,702.94	-	-	95,639,403.26	180,549.98			167,496,622.55
Sales/written-off	-	(133,399.71)	(325,000.00)	(826,438.00)	(1,377,449.98)	(6,354,700.00)	-	-			(9,016,987.69)
Transfer out	-	-	-	-	-	-	(71,676,669.31)	(87,512,284.73)			(159,188,954.04)
As at December 31, 2015	177,518,230.12	917,615,933.25	1,258,211,971.60	162,377,636.68	193,607,007.38	142,557,590.10	304,764,648.66	-			3,156,653,017.79
Purchase	-	163,200.00	1,943,668.09	4,540,615.66	5,087,917.48	13,636,146.00	82,880,564.59	3,704,840.76			111,956,952.58
Transfer in	-	2,033,384.67	4,351,667.42	554,610.05	53,180.89	-	13,550,037.41	9,113.27			20,551,993.71
Sales/written-off	-	-	(13,375.00)	(8,071.00)	(1,574,449.56)	(5,805,450.00)	-	-			(7,401,345.56)
Transfer out	-	-	-	-	-	-	(6,992,843.03)	(3,685,952.91)			(10,678,795.94)
As at December 31, 2016	177,518,230.12	919,812,517.92	1,264,493,932.11	167,464,791.39	197,173,656.19	150,388,286.10	394,202,407.63	28,001.12			3,271,081,822.58
Accumulated depreciation:-											
As at January 1, 2015	(25,494,605.74)	(467,677,749.93)	(800,005,543.67)	(134,437,153.58)	(160,120,192.24)	(110,724,387.07)	-	-			(1,698,459,632.23)
Depreciation for the year	(2,479,497.98)	(31,721,877.92)	(77,571,472.96)	(10,680,753.04)	(14,104,638.30)	(11,383,474.91)	-	-			(147,941,715.11)
Depreciation for sale/written-off assets	-	131,822.58	324,999.00	826,436.00	1,377,211.98	6,354,697.00	-	-			9,015,166.56
As at December 31, 2015	(27,974,103.72)	(499,267,805.27)	(877,252,017.63)	(144,291,470.62)	(172,847,618.56)	(115,753,164.98)	-	-			(1,837,386,180.78)
Depreciation for the year	(2,432,968.24)	(30,237,913.97)	(78,491,268.87)	(7,690,195.78)	(9,998,232.05)	(10,202,064.67)	-	-			(139,052,643.58)
Depreciation for sale/written-off assets	-	-	13,374.00	8,069.00	1,465,656.28	3,193,006.65	-	-			4,680,105.93
As at December 31, 2016	(30,407,071.96)	(529,505,719.24)	(955,729,912.50)	(151,973,597.40)	(181,380,194.33)	(122,762,223.00)	-	-			(1,971,758,718.43)
Book value net :-											
As at December 31, 2015	149,544,126.40	418,348,127.98	380,959,953.97	18,086,166.06	20,759,388.82	26,804,425.12	304,764,648.66	-			1,319,266,837.01
As at December 31, 2016	147,111,158.16	390,306,798.68	308,764,019.61	15,491,193.99	15,793,461.86	27,626,063.10	394,202,407.63	28,001.12			1,299,323,104.15

Depreciation was shown in statements of comprehensive income for the year

Ended December 31, 2015	147,941,715.11
Ended December 31, 2016	139,052,643.58

- Consolidated financial statements

For the year ended December 31, 2016 and 2015, four subsidiary companies had collected cost of borrowings to cost of construction in progress amount of Baht 25.81 million and Baht 20.57 million, respectively. The cost of borrowings from the loan for general objectives is calculated from the rate of cost setting which is the rate of weighted average interest in each month of loan for general objectives, the interest rate was 1.73%-5.50% per annum and 1.78%-5.50% per annum, respectively.

As at December 31, 2016 and 2015, three subsidiary companies had land and land improvement, machines in the cost price was Baht 1,171.63 million and the book value of Baht 402.96 million and the cost price was Baht 1,286.50 million and the book value of Baht 200.66 million, respectively, and to be acquired in the future, as collateral against credit line to commercial banks and financial institutions (Note 15).

As at December 31, 2016 and 2015, five subsidiary companies had the assets which had not the depreciation but they still used. The cost price was Baht 2,882.72 million and the book value was Baht 370,433 million and the cost price was Baht 2,939.17 million and the book value was Baht 364,208 million, respectively.

- Separate financial statements

For the year ended December 31, 2016 and 2015, the Company had collected cost of borrowings to cost of construction in progress amount of Baht 9.87 million and Baht 8.31 million, respectively. The cost of borrowings from the loan for general objectives is calculated from the rate of cost setting which is the rate of weighted average interest in each month of loan for general objectives, the interest rate was 1.70%-5.50% per annum and 1.75%-5.50% per annum, respectively.

As at December 31, 2016 and 2015, The Company had land with buildings and improvement in the cost price was Baht 638.93 million and Baht 636.74 million, respectively, and the book value of Baht 245.00 million and Baht 265.78 million, respectively, and to be acquired in the future, as collateral against credit line to commercial banks and financial institutions. (Note 15).

As at December 31, 2016 and 2015, the Company had the assets which had not the depreciation but they still used. The cost price was Baht 1,368.38 million and the book value was Baht 13,870 and the cost price was Baht 1,284.77 million and the book value was Baht 12,253, respectively.

13. Deferred tax assets

Deferred tax assets and liabilities as at December 31, 2016 and 2015 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets	373,645,576.17	358,270,607.78	310,794,352.32	278,134,534.71
Deferred tax liabilities	(100,800.00)	(100,800.00)	-	-
Net	<u>373,544,776.17</u>	<u>358,169,807.78</u>	<u>310,794,352.32</u>	<u>278,134,534.71</u>

Movements in total deferred tax assets and liabilities for the year ended December 31, 2016 and 2015 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>		
	<u>As at</u>	<u>(Charged)/credited</u>	<u>As at</u>	<u>As at</u>	<u>(Charged)/credited</u>	<u>As at</u>
	<u>January 1,</u>	<u>to statements of</u>	<u>December 31,</u>	<u>January 1,</u>	<u>to statements of</u>	<u>December 31,</u>
	<u>2016</u>	<u>income (Note 26.1)</u>	<u>2016</u>	<u>2016</u>	<u>income (Note 26.1)</u>	<u>2016</u>
Deferred tax assets						
Trade accounts receivable	4,622,298.62	1,629,827.66	6,252,126.28	-	-	-
Inventories	2,310,644.63	(561,260.19)	1,749,384.44	2,052,987.10	(568,325.18)	1,484,661.92
Investments in subsidiaries	16,785,536.90	-	16,785,536.90	16,785,536.90	-	16,785,536.90
Grandparent chickens	1,399,097.43	2,052,018.48	3,451,115.91	-	-	-
Parent chickens	15,242,357.75	(2,377,525.25)	12,864,832.50	-	-	-
Property, plant and equipment	176,430.67	(85,467.83)	90,962.84	-	-	-
Employee benefit obligations	60,810,419.28	4,083,469.56	64,893,888.84	24,036,847.05	929,577.99	24,966,425.04
Tax losses carried forward for not more than five years	256,923,822.50	10,633,905.96	267,557,728.46	235,259,163.66	32,298,564.80	267,557,728.46
Total	<u>358,270,607.78</u>	<u>15,374,968.39</u>	<u>373,645,576.17</u>	<u>278,134,534.71</u>	<u>32,659,817.61</u>	<u>310,794,352.32</u>
Deferred tax liabilities						
Trade and other payables	(100,800.00)	-	(100,800.00)	-	-	-
Total	<u>(100,800.00)</u>	<u>-</u>	<u>(100,800.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>358,169,807.78</u>	<u>15,374,968.39</u>	<u>373,544,776.17</u>	<u>278,134,534.71</u>	<u>32,659,817.61</u>	<u>310,794,352.32</u>

(Unit : Baht)

	Consolidated financial statements			Separate financial statements			
	As at January 1, 2015	(Charged)/ credited to statements of income (Note 26.1)	(Charged)/ credited to statements of comprehensive income (Note 26.2)	As at December 31, 2015	As at January 1, 2015	(Charged)/ credited to statements of income (Note 26.1)	(Charged)/ credited to statements of comprehensive income (Note 26.2)
Deferred tax assets							
Trade accounts receivable	5,641,714.30	(1,019,415.68)	-	4,622,298.62	-	-	-
Inventories	2,288,459.61	22,185.02	-	2,310,644.63	1,571,681.39	481,305.71	2,052,987.10
Investments in subsidiaries	16,785,536.90	-	-	16,785,536.90	16,785,536.90	-	16,785,536.90
Grandparent chickens	3,888,721.78	(2,489,624.35)	-	1,399,097.43	-	-	-
Parent chickens	19,241,046.71	(3,998,688.96)	-	15,242,357.75	-	-	-
Property, plant and equipment	312,912.80	(136,482.13)	-	176,430.67	-	-	-
Employee benefit obligations	54,745,301.03	8,295,245.97	(2,230,127.72)	60,810,419.28	22,538,059.80	1,325,530.25	173,257.00
Tax losses carried forward for not more than five years	196,158,341.24	60,765,481.26	-	256,923,822.50	164,355,109.42	70,904,054.24	235,259,163.66
Total	299,062,034.37	61,438,701.13	(2,230,127.72)	358,270,607.78	205,250,387.51	72,710,890.20	173,257.00
Deferred tax liabilities							
Trade and other payables	(100,800.00)	-	-	(100,800.00)	-	-	-
Total	(100,800.00)	-	-	(100,800.00)	-	-	-
Net	298,961,234.37	61,438,701.13	(2,230,127.72)	358,169,807.78	205,250,387.51	72,710,890.20	278,134,534.71

14. Intangible assets

Consisted of :-

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	Software royalty		Software royalty	
Cost: -				
As at January 1, 2015		28,713,586.69		28,713,586.69
Purchase		5,662,305.49		5,662,305.49
As at December 31, 2015		34,375,892.18		34,375,892.18
Purchase		19,162,307.67		6,211,727.26
As at December 31, 2016		53,538,199.85		40,587,619.44
Accumulated amortization: -				
As at January 1, 2015		(16,732,917.54)		(16,732,917.54)
Amortization expenses		(4,887,957.40)		(4,887,957.40)
As at December 31, 2015		(21,620,874.94)		(21,620,874.94)
Amortization expenses		(5,723,855.85)		(5,436,800.83)
As at December 31, 2016		(27,344,730.79)		(27,057,675.77)
Book value net: -				
As at December 31, 2015		12,755,017.24		12,755,017.24
As at December 31, 2016		26,193,469.06		13,529,943.67
Amortization in statements of comprehensive income				
For the year ended December 31, 2015		4,887,957.40		4,887,957.40
For the year ended December 31, 2016		5,723,855.85		5,436,800.83

15. 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 30.1) are collateralized by land with building, condominium for rent, machines and equipment both existing and to be acquired in the future of the Group, and beneficiary from insurance in assets of the Group with the financial institutions.

As at December 31, 2016 and 2015, the Group received the credit in form of long-term borrowings from related persons in the amount of Baht 2,000.00 million. Annual interest rate is not more than 5.50% with maturity within 10 years from February 1, 2014 to January 31, 2024, and has no collateral.

16. Short-term loans from financial institutions

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term loans from financial institutions	1,800,000,000.00	1,785,000,000.00	1,530,000,000.00	1,480,000,000.00
Trust receipt payables	131,375,562.72	2,097,195.68	-	-
Total	<u>1,931,375,562.72</u>	<u>1,787,097,195.68</u>	<u>1,530,000,000.00</u>	<u>1,480,000,000.00</u>

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

- Consolidated financial statements.

As at December 31, 2016, a subsidiary company has short-term loans from financial institutions in the amount of Baht 270.00 million, were in the form of promissory notes from commercial bank with 1 month, at the annual interest rates of 1.73%.

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

- Separate financial statements

As at December 31, 2016 and 2015, short-term loans from financial institutions, in the amount of Baht 1,530.00 million and Baht 1,480.00 million, respectively, were in the form of promissory notes from several commercial banks with 1 month and the type of call, at the annual interest rates of 1.70%-1.76% and 1.75%-1.80%, respectively.

16.2 Trust receipt payables

For consolidated financial statements, as at December 31, 2016 and 2015, trust receipt payables under term of trust receipt contract, the Group received merchandise ordered by using credit of the financial institutions. Hence, the Group constitutes obligation commitment to the financial institutions for such merchandise fee both that kept or disposed.

For credits and guarantees, bank overdrafts and short-term borrowings from financial institutions, please see the notes to financial statements No. 15.

17. 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables-related parties	57,501,581.65	514,385.00	386,061,449.70	352,847,735.67
Trade payables-other parties	628,983,528.41	572,409,225.60	149,196,272.92	104,240,607.18
Total trade payables	686,485,110.06	572,923,610.60	535,257,722.62	457,088,342.85
Other payables-related parties	152,303.92	1,980.68	83,446.44	80,054.03
Other payables-other parties	37,580,675.46	41,644,790.20	11,449,865.49	13,318,774.31
Payable for asset purchased	16,894,719.42	25,315,547.41	7,945,735.84	6,772,321.44
Accrued expenses-related parties	4,749,148.75	895,620.72	449,319.21	700,684.94
Accrued expenses-other parties	129,833,856.51	148,978,220.03	65,199,112.24	76,203,969.57
Prepaid received	10,773,724.61	23,776,867.02	4,558,550.57	7,720,874.22
Total other payables	199,984,428.67	240,613,026.06	89,686,029.79	104,796,678.51
Total trade and other payables	886,469,538.73	813,536,636.66	624,943,752.41	561,885,021.36

18. Long-term loans from financial institutions

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Long-term loans from financial institutions	275,020,000.00	558,340,000.00	275,020,000.00	558,340,000.00
<u>Less</u> Current portion of long-term loans	(208,320,000.00)	(283,320,000.00)	(208,320,000.00)	(283,320,000.00)
Net	66,700,000.00	275,020,000.00	66,700,000.00	275,020,000.00

The movement of long-term loans for the year ended December 31, 2016 and 2015 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Beginning balance	558,340,000.00	455,000,000.00	558,340,000.00	375,000,000.00
Increase long-term loans for the year	-	400,000,000.00	-	400,000,000.00
Repayment for the year	(283,320,000.00)	(296,660,000.00)	(283,320,000.00)	(216,660,000.00)
Ending balance	275,020,000.00	558,340,000.00	275,020,000.00	558,340,000.00

- Separate financial statements

As at December 31, 2016 and 2015, long-term loans from financial institutions of the Company, has two credit line as follows:-

- 1st Credit line of the Company of Baht 450.0 0 million has the balance of Baht 75.00 million and Baht 225.00 million, respectively which has been repaid every 3 months, totally 12 installments. Baht 37.50 million per installment commences the first installment repayment in July 2014, the interest rate was 3.71% per annum.
- 2nd Credit line of the Company of Baht 400.0 0 million has the balance of Baht 200.02 million and Baht 333.34 million, respectively 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.

19. 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Beginning present value of the obligation	338,882,357.00	315,127,893.31	143,074,649.00	127,514,467.76
Current service cost	28,506,164.00	30,036,302.00	11,522,885.00	14,994,974.00
Interest expenses	8,626,002.00	7,947,763.00	3,653,294.00	3,366,987.00
Actuarial (profit) loss arising from defined benefit plan	-	(5,876,165.31)	-	1,984,616.24
<u>Less</u> Repayment for the year	(10,074,052.00)	(8,353,436.00)	(6,515,656.00)	(4,786,396.00)
Ending present value of the obligation	365,940,471.00	338,882,357.00	151,735,172.00	143,074,649.00

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

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Beginning balance	(5,876,165.31)	-	1,984,616.24	-
Recognized during the year	-	(5,876,165.31)	-	1,984,616.24
Ending balance	(5,876,165.31)	(5,876,165.31)	1,984,616.24	1,984,616.24

Expenses recognized in statements of comprehensive income are shown collectively for the year ended December 31, 2016 and 2015 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Recognized in profit or loss</u>				
Cost of sales	26,444,686.68	26,087,407.78	11,526,666.00	12,497,743.00
Administrative expenses	10,687,479.32	11,896,657.22	3,649,513.00	5,864,218.00
Total	37,132,166.00	37,984,065.00	15,176,179.00	18,361,961.00

Recognized in other comprehensive income

Actuarial (profit) loss arising from defined benefit plan	-	(5,876,165.31)	-	1,984,616.24
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For the year ended December 31, 2016 and 2015 the principal assumptions used for the purposes of the actuarial valuation were as follows :-

Discount rate	2.60%
Average salary increase rate	5.00%
Employee turnover rate	Age band
Retirement age	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, 2016 and 2015 were as follows:-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Discount Increase rate (1% movement)	(18,912,175)	(19,447,782)	(9,146,662)	(9,301,441)
Discount Decrease rate (1% movement)	21,410,789	21,965,298	10,365,659	10,538,231
Future salary growth Increase (1% movement)	23,797,522	21,217,362	11,375,642	10,178,867
Future salary growth Decrease (1% movement)	(21,418,002)	(19,201,075)	(10,214,716)	(9,183,644)
Employee turnover Increase rate (20% movement)	(20,362,217)	(17,430,854)	(9,945,398)	(8,618,106)
Employee turnover Decrease rate (20% movement)	25,549,876	21,610,282	12,494,097	10,695,141

20. Other non-current liabilities

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred repayment of leasehold	36,166,032.80	37,489,180.34	-	-
<u>Less</u> Current portion for deferred repayment of leasehold	(1,323,147.54)	(1,323,147.54)	-	-
Net	34,842,885.26	36,166,032.80	-	-
Deposit	15,955,237.23	23,156,237.33	12,840,135.23	15,270,070.33
Total	50,798,122.49	59,322,270.13	12,840,135.23	15,270,070.33

The movement of deferred repayment of leasehold for the year ended December 31, 2016 and 2015 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Deferred repayment of leasehold-beginning	37,489,180.34	38,812,327.88
<u>Less</u> Leasehold recognized as revenue in the year	(1,323,147.54)	(1,323,147.54)
Deferred repayment of leasehold-ending	<u>36,166,032.80</u>	<u>37,489,180.34</u>

As at December 31, 2016 and 2015, the deferred repayment leasehold of a subsidiary company is reward of a land lease agreement with the other company. The term of the lease is 30 years commencing on the date of maturity of 6 months after the date of registration of the lease at the land office ("The agreement date"), which recognize rental income from the lease of such land on a straight line method since the date the land lease became effective on October 31, 2013. The value to be paid until the end of the contract, were as follow:-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Within 1 year	1.51	1.51
1-5 years	6.50	6.35
5 years onwards	45.78	47.44
Total	<u>53.79</u>	<u>55.30</u>

21. Share capital

The movement of share capital for the year ended December 31, 2016 were as follows :-

	Number of share (Unit : share)	Amount (Unit : Baht)
Registered share capital (Baht 1 per share)		
As at January 1, 2016	1,400,000,000	1,400,000,000.00
Increment of capital	-	-
As at December 31, 2016	<u>1,400,000,000</u>	<u>1,400,000,000.00</u>
Issued and paid-up share capital (Baht 1 per share)		
As at January 1, 2016	1,253,821,000	1,253,821,000.00
Increment of capital	-	-
As at December 31, 2016	<u>1,253,821,000</u>	<u>1,253,821,000.00</u>

Capital management

The primary objectives of the Company and subsidiary companies' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure, and to maintain ratio of debt to equity to not exceeding the compliance with the loan agreements.

As at December 31, 2016 and 2015, in the consolidated financial statements, the debt to equity ratio is 0.50 : 1 and 0.59 : 1, respectively, and separate financial statements debt to equity ratio is 1.25 : 1 and 1.44 : 1, respectively.

22. 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.

23. Subsidy fund from the government

For consolidated financial statements as at December 31, 2016, a subsidiary company has received subsidy fund from the Energy Research and Development Institute, Chiang Mai University (CMU) according to the operation contract for the construction and installation of biogas project to promote the production of biogas dated December 30, 2014, which supported by ENCON Fund, Energy Policy and Planning Office amount of Baht 6.03 million. The payments are shown as follows:-

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

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

For the year ended December 31, 2016 and 2015, the Company recognized as other income in the statement of comprehensive income in the amount of Baht 0.90 million and Baht 0.45 million, respectively.

24. Dividend payment

24.1 The minutes of annual general shareholders' meeting in 2016 the Company dated on April 8, 2016 was unanimously approved the dividend payment from retained earnings unappropriated might to receive corporate income tax exemption at Baht 0.25 per share, the number of shares was 1,253,821,000 and amounting to Baht 313.46 million (paid in amount of Baht 313.32 million), whereby the Company has already paid dividend.

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

24.3 The minutes of annual general shareholders' meeting in 2015 of Krungthai Food Public Co., Ltd. dated on April 8, 2016 was unanimously approved the dividend payment from the Company's performance in 2015 at Baht 7.50 per share, the number of shares was 40,000,000 and amounting to Baht 300.00 million, whereby the Company has already paid dividend.

25. 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Changes in inventories of finished goods and work in process	120,850,190.97	24,212,599.30	100,176,813.74	(25,333,218.76)
Raw materials and consumables used	10,633,246,371.40	11,131,566,785.72	5,864,183,272.64	5,903,620,090.23
(Reverse) loss in value of non-movement inventories	(14,160,851.81)	1,558,197.61	(3,158,098.30)	(181,456.84)
Employee benefit expenses	2,215,968,429.01	2,110,441,099.27	1,163,911,138.33	1,095,462,018.13
Management's remuneration	120,186,966.00	76,131,474.90	51,392,681.00	44,652,072.90
Depreciation	592,654,714.12	583,508,762.17	144,393,469.30	158,496,281.38
Depreciation of chickens	538,448,552.64	481,448,419.62	-	-
Amortization expenses	5,723,855.85	4,887,957.40	5,436,800.83	4,887,957.40
Transportation expenses	285,255,435.74	275,181,383.94	94,239,071.60	81,251,993.53
Operating lease expenses	25,251,103.60	23,772,952.09	9,543,716.75	8,933,153.00
Utility expenses	636,397,418.56	669,790,267.59	231,615,190.73	238,234,085.38
Fee expenses	16,466,884.90	10,017,515.39	3,261,782.20	2,855,476.11
Traveling expenses	32,127,614.19	28,651,649.84	6,948,343.42	7,472,328.84
Sale promotion expenses	19,158,987.68	14,115,304.09	1,166,170.36	725,733.06
Loss from sales of grandparent chickens retirement	416,986.38	2,329,849.91	-	-
Loss from sales of parent chickens retirement	-	39,540,850.57	-	-
Other expenses	205,929,894.77	156,492,626.84	60,718,505.21	52,356,531.53
Total	<u>15,433,922,554.00</u>	<u>15,633,647,696.25</u>	<u>7,733,828,857.81</u>	<u>7,573,433,045.89</u>

26. Income tax (revenues) expenses26.1 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current tax expenses	221,069,834.13	41,858,240.43	-	-
Deferred tax expenses (Note 13)				
Movements in temporary differences	(15,374,968.39)	(61,438,701.13)	(32,659,817.61)	(72,710,890.20)
Income tax (revenues) expenses	<u>205,694,865.74</u>	<u>(19,580,460.70)</u>	<u>(32,659,817.61)</u>	<u>(72,710,890.20)</u>

26.2 Income tax is recognized in other comprehensive income

(Unit : Baht)

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

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

by the applicable tax rates for the year ended December 31, 2016 and 2015 as follows: -

(Unit : Baht)

	<u>Separate financial statements</u>			
	<u>2016</u>		<u>2015</u>	
Accounting profit before tax	300,042,306.91	179,884,488.41	55,264,697.63	(335,744,966.83)
Applicable tax rate	0%	20%	0%	20%
Accounting profit before tax multiplied by applicable tax rate	-	35,976,897.68	-	(67,148,993.37)
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	-	606,011.76	-	590,576.20
Reversal (loss) on devaluation of inventories	-	(568,325.18)	-	481,305.71
Employee benefit obligations	-	929,577.99	-	1,325,530.25
Dividends	-	(68,658,513.00)	-	(5,879,988.00)
Tax losses brought forward	-	(235,347,891.93)	-	(164,172,616.46)
Tax losses not yet used	-	267,557,728.46	-	235,259,163.66
Other	-	(495,485.78)	-	(454,977.99)
Total	-	-	-	-
Changes in temporary differences	-	32,659,817.61	-	72,710,890.20
Income tax revenues reported in comprehensive income statement	-	32,659,817.61	-	72,710,890.20

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2016 and 2015 in accordance with the clarification issued by the FAP in 2012.

27. Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit (loss) for the year (Unit : Baht)	1,643,696,279.56	1,194,917,501.72	512,586,612.93	(207,769,379.00)
The number of issued and paid-up ordinary shares (Unit : Shares)	1,253,821,000	1,253,821,000	1,253,821,000	1,253,821,000
Earnings (loss) per share (Baht/share)	1.31	0.95	0.41	(0.17)

28. 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>Total</u>
	<u>For the year ended December 31, 2016</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>	
Sales-general customers	7,209.37	4,196.45	3,907.83	145.01	166.21	896.28	171.87	-	16,693.02
- Transfer between sectors	558.45	4,663.29	5,823.57	1,433.97	-	6.18	159.01	(12,644.47)	-
	<u>7,767.82</u>	<u>8,859.74</u>	<u>9,731.40</u>	<u>1,578.98</u>	<u>166.21</u>	<u>902.46</u>	<u>330.88</u>	<u>(12,644.47)</u>	<u>16,693.02</u>
Profit from operation	196.49	254.30	825.55	191.53	3.20	10.40	107.53		1,589.00
Share of profit from associates									371.19
Financial cost									(98.03)
Income tax expenses									(205.69)
Profit for the year									<u>1,656.47</u>
Comprehensive income of non-controlling interests									(12.77)
Comprehensive income of GFPT PUBLIC COMPANY LIMITED									<u><u>1,643.70</u></u>
Assets by business sector									
- Fixed assets	1,102.66	3,095.92	1,489.33	1,027.74	-	37.86	405.96		7,159.47
- Center fixed assets	196.66	-	74.63	-	-	-	-		271.29
- Other assets	1,261.38	887.22	2,710.14	613.06	7.12	65.95	202.24		5,747.11
Common assets									<u>2,982.46</u>
Total assets									<u><u>16,160.33</u></u>

For the year ended December 31, 2016, 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 4,157.25 million.

(Unit : Million Baht)

Consolidated financial statements									
For the year ended December 31, 2015									
	Evisceration	Broiler	Feed	Parent	Chicks	Processed food	Grandparent	Eliminate	Total
	chicken	farm	mill	chickens	distribution	Production and distribution	chickens		
Sales-general customers	6,648.59	4,094.60	4,457.61	162.50	129.00	853.10	121.11	-	16,466.51
- Transfer between sectors	573.22	4,978.32	6,250.10	1,418.14	-	7.39	153.09	(13,380.26)	-
	7,221.81	9,072.92	10,707.71	1,580.64	129.00	860.49	274.20	(13,380.26)	16,466.51
Profit (loss) from operation	(234.26)	182.00	1,010.71	40.50	(31.79)	9.27	91.59		1,068.02
Share of profit from associates									248.79
Financial cost									(123.26)
Income tax revenues									19.58
Profit for the year									1,213.13
Other comprehensive income									(1.06)
Comprehensive income of non-controlling interests									(18.23)
Comprehensive income of GFPT PUBLIC COMPANY LIMITED									1,193.84
Assets by business sector									
- Fixed assets	1,112.92	2,520.10	1,357.58	1,018.88	-	36.48	400.68		6,446.64
- Center fixed assets	206.35	-	100.58	-	-	-	-		306.93
- Other assets	1,279.29	912.00	2,266.20	587.61	6.62	59.52	168.85		5,280.09
Common assets									2,942.66
Total assets									14,976.32

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

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, 2016 and 2015, 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>2016</u>	<u>2015</u>
Domestic sales-net	76.84	81.27
Export sales-net	23.16	18.73

29. Financial instruments

29.1 Policy on financial risk management

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

29.2 Risks on interest rates

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

(Unit : Baht)							
Consolidated financial statements							
As at December 31, 2016							
	Fixed interest rate			Floating interest rate	No interest bearing	Total	Interest rate
	Within 1 year	Within 1 year to 5 years	More than 5 years				
(% per annum)							
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	183,538,482.89	127,329,925.56	310,868,408.45	0.00-0.625
Trade and other receivables	-	-	-	-	932,660,420.06	932,660,420.06	-
	-	-	-	183,538,482.89	1,059,990,345.62	1,243,528,828.51	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,928,000,000.00	-	-	-	3,375,562.72	1,931,375,562.72	1.70-1.78
Trade and other payables	-	-	-	-	886,469,538.73	886,469,538.73	-
Long-term loans from financial institutions	208,320,000.00	66,700,000.00	-	-	-	275,020,000.00	3.25-3.71
Long-term loans from related persons	-	-	1,600,000,000.00	-	-	1,600,000,000.00	5.50
	2,136,320,000.00	66,700,000.00	1,600,000,000.00	-	889,845,101.45	4,692,865,101.45	

(Unit : Baht)

Consolidated financial statements

As at December 31, 2015

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

(Unit : Baht)

Separate financial statements

As at December 31, 2016

	Fixed interest rate					Total	Interest rate
	Within	Within	More than	Floating	No interest		
	1 year	1 year to 5 years	5 years	interest rate	bearing		
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	67,104,304.06	14,548,996.36	81,653,300.42	0.375
Trade and other receivables	-	-	-	-	511,396,894.04	511,396,894.04	-
	-	-	-	67,104,304.06	525,945,890.40	593,050,194.46	
Financial liabilities							
Short-term loans from financial institutions	1,530,000,000.00	-	-	-	-	1,530,000,000.00	1.70-1.76
Short-term loans from subsidiary	40,000,000.00	-	-	-	-	40,000,000.00	1.75-1.85
Trade and other payables	-	-	-	-	624,943,752.41	624,943,752.41	-
Long-term loans from financial institutions	208,320,000.00	66,700,000.00	-	-	-	275,020,000.00	3.25-3.71
Long-term loans from related persons	-	-	578,900,000.00	-	-	578,900,000.00	5.50
	1,778,320,000.00	66,700,000.00	578,900,000.00	-	624,943,752.41	3,048,863,752.41	

(Unit : Baht)

Separate financial statements

As at December 31, 2015

	Fixed interest rate					Total	Interest rate
	Within	Within	More than	Floating	No interest		
	1 year	1 year to 5 years	5 years	interest rate	bearing		
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	44,139,570.69	14,082,122.39	58,221,693.08	0.375
Trade and other receivables	-	-	-	-	496,762,274.19	496,762,274.19	-
	-	-	-	44,139,570.69	510,844,396.58	554,983,967.27	
Financial liabilities							
Short-term loans from financial institutions	1,480,000,000.00	-	-	-	-	1,480,000,000.00	1.75-1.80
Short-term loans from subsidiary	20,000,000.00	-	-	-	-	20,000,000.00	1.85
Trade and other payables	-	-	-	-	561,885,021.36	561,885,021.36	-
Long-term loans from financial institutions	283,320,000.00	275,020,000.00	-	-	-	558,340,000.00	3.25-3.71
Long-term loans from related persons	-	-	651,200,000.00	-	-	651,200,000.00	5.50
	1,783,320,000.00	275,020,000.00	651,200,000.00	-	561,885,021.36	3,271,425,021.36	

29.3 Risks on exchange rate

The Group had policy to decrease any risks on foreign exchange rate, which occurred from sale and payment on goods by hedging forward contract from several financial institutions for sale and payment on goods and raw materials 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>				
Value of Foreign Exchange Forward Contract				
(Million USD)	33.74	9.22	33.74	9.22
(Million EURO)	0.49	2.63	0.49	2.63
Value of Foreign Exchange Contract (Million Baht)	1,223.48	433.51	1,223.48	433.51
Fair Value of Foreign Exchange Contract (Million Baht)	1,227.00	439.61	1,227.00	439.61
<u>Liabilities</u>				
Value of Foreign Exchange Forward Contract				
(Million USD)	16.25	5.19	-	-
Value of Foreign Exchange Contract (Million Baht)	566.80	187.62	0.11	-
Fair Value of Foreign Exchange Contract (Million Baht)	582.70	187.89	0.10	-

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

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Liabilities that were not hedged by derivative financial instruments				
(Million USD)	0.39	0.85	0.06	0.04
(Million EURO)	-	0.11	-	-

29.4 Risks on credit term

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

29.5 Fair value

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

30. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2016 and 2015, the Group held other obligations as follows:-

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

		<u>Consolidated financial statements</u>					
		<u>As at December 31,</u>					
		<u>2016</u>			<u>2015</u>		
<u>Currencies</u>		<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
<u>(Unit : Million)</u>							
<u>The Company's credit line</u>							
Letters of guarantee	Baht	281.00	64.41	216.59	281.00	55.98	225.02
Bank overdraft	Baht	242.00	-	242.00	232.00	-	232.00
Short-term loans, letters of credit, trust receipts, packing credit and forward foreign exchange contract	Baht	10,116.59	3,176.00	6,940.59	9,986.45	2,713.23	7,273.22
Short-term loans, letters of credit, trust receipts, and forward foreign exchange contract	USD	148.50	22.11	126.39	140.00	6.11	133.89
Long-term loans	Baht	275.02	275.02	-	558.34	558.34	-
Fleet card	Baht	28.70	0.05	28.65	28.70	1.87	26.83
<u>The Group's credit line</u>							
Letters of guarantee	(1) Baht	60.00	51.69	8.31	60.00	41.78	18.22
Short-term loans, letters of credit, trust receipts, packing credit, shipping guarantee and forward foreign exchange contract	(2) Baht	1,200.00	634.01	565.99	1,200.00	95.24	1,104.76
Bank overdraft, short-term loans, letters of guarantee, letters of credit, trust receipts, and forward foreign exchange contract	(3) USD	6.50	1.07	5.43	6.50	0.55	5.95
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	-	62.88	62.88	-	62.88
Fleet card	(6) Baht	50.00	-	50.00	50.00	-	50.00

		<u>Separate financial statements</u>					
		<u>As at December 31,</u>					
		<u>2016</u>			<u>2015</u>		
<u>Currencies</u>		<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
<u>(Unit : Million)</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	3,344.93	1,569.97	1,774.96	3,344.93	1,701.91	1,643.02
Letters of credit, trust receipts, and forward foreign exchange contract	USD	68.00	19.49	48.51	59.50	5.03	54.47
Long-term loans	Baht	275.02	275.02	-	558.34	558.34	-
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	60.00	51.69	8.31	60.00	41.78	18.22
Short-term loans, letters of credit, trust receipts, packing credit, shipping guarantee and forward foreign exchange contract	(2) Baht	1,200.00	634.01	565.99	1,200.00	95.24	1,104.76
Bank overdraft, short-term loans, letters of guarantee, letters of credit, trust receipts, and forward foreign exchange contract	(3) USD	6.50	1.07	5.43	6.50	0.55	5.95
Fleet card	(6) Baht	50.00	-	50.00	50.00	-	50.00

- (1) As at December 31, 2016 and 2015, the Company received the credit with a subsidiary in the form of a bank guarantee in amount of Baht 60.00 million for both years.
- (2) As at December 31, 2016 and 2015, 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, 2016 and 2015, the Company received the credit with three subsidiaries in the form of overdrafts in amount of Baht 30.00 million, short-term loans in amount of Baht 40.00 million, bank guarantee in amount of Baht 80.00 million, the credit line is unused letters of credit, trust receipts and forward foreign exchange contracts for both years.
- (4) As at December 31, 2016 and 2015, two subsidiaries received credit in the form of short-term loan in amount of Baht 200.00 million for both years.

- (5) As at December 31, 2016 and 2015, two subsidiaries received credit in the form of letters of credit in amount of Baht 10.00 million and foreign currency forward contracts in amount of Baht 52.88 million for both years.
- (6) As at December 31, 2016 and 2015, the Company received credit with four subsidiaries in the form of a credit guarantees with a fleet card in amount of Baht 50.00 million for both years.

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

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
The agreement of buy back broiler and layer chickens	-	4.53	-	-
Service fee of high speed signal				
Within 1 year	2.85	2.94	-	-
1-5 years	5.44	8.06	-	-
Total service fee	<u>8.29</u>	<u>11.00</u>	-	-
Rental fee:-				
Within 1 year	24.05	23.88	9.16	9.21
1-5 years	23.32	43.37	9.67	17.61
Over 5 years	7.15	8.86	6.31	7.54
Total rental fee	<u>54.52</u>	<u>76.11</u>	<u>25.14</u>	<u>34.36</u>

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

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Obligation of capital expenditure	91.87	82.80	56.65	78.63

31. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group based on market value to fair value measurement 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 based on cost method or income approach to fair value measurement their assets and liabilities instead.

Fair value hierarchy

As at December 31, 2016 and 2015, 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, 2016</u>				<u>As at December 31, 2015</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 11)	-	-	1,089.19	1,089.19	-	-	1,089.19	1,089.19
Foreign Exchange Forward Contract (Note 29.3)	-	1,227.00	-	1,227.00	-	439.61	-	439.61
<u>Liabilities disclosed at fair value</u>								
Foreign Exchange Forward Contract (Note 29.3)	-	582.70	-	582.70	-	187.89	-	187.89

(Unit : Million Baht)

	<u>Separate financial statements</u>							
	<u>As at December 31, 2016</u>				<u>As at December 31, 2015</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 11)	-	-	955.27	955.27	-	-	955.27	955.27
Foreign Exchange Forward Contract (Note 29.3)	-	1,227.00	-	1,227.00	-	439.61	-	439.61
<u>Liabilities disclosed at fair value</u>								
Foreign Exchange Forward Contract (Note 29.3)	-	0.10	-	0.10	-	-	-	-

32. Promotional privileges

The Group was granted investment promotional certificates. It obtained benefits and privileges under sections 25, 26, 28, 31 paragraph 1, 31 paragraph 2, 31 paragraph 3, 31 paragraph 4, 34, 36(1), 36(2) and 37 of the Investment Promotion Act B.E. 2520 from the Board of Investment. The privileges so granted the import tariff of machinery and include exemption of corporate income tax on net profits for eight years and it also granted included exemption of corporate income tax on net profits from investment of promotional activities not exceed 100 percent of total investment of the project excluded the value of land and working capital for 8 years commencing from the first day when the Group starts to earn income from the operation of promotional operation as follows:-

The Company

<u>Certificate No.</u>	<u>Date</u>	<u>Type of promotional activities</u>	<u>The first date</u>	<u>The expiry date</u>
1699(3)/2547	August 25, 2004	Finished chicken products	July 23, 2007	July 22, 2015
1329(2)/2552	April 24, 2009	Evisceration chicken	July 1, 2011	June 30, 2019
1051(3)/2553	January 18, 2010	Finished chicken products	January 15, 2011	January 14, 2019

The subsidiary companies

<u>Certificate No.</u>	<u>Date</u>	<u>Type of promotional activities</u>	<u>The first date</u>	<u>The expiry date</u>
1850(2)/2548	September 20, 2005	Feed mill production and premix	June 1, 2009	May 31, 2017
1173(2)/2553	February 16, 2010	Feed mill production and premix	July 12, 2012	July 11, 2020
1233(2)/2557	February 25, 2014	Parent chicken farm	December 1, 2014	November 30, 2022
1571(2)/2551	June 6, 2008	Broiler farm	April 17, 2010	April 16, 2018
2085(2)/2551	November 19, 2008	Broiler Farm	October 8, 2010	October 7, 2018
1341(2)/2552	April 28, 2009	Broiler Farm	June 9, 2011	June 8, 2019
1470(2)/2552	June 5, 2009	Broiler Farm	June 5, 2011	June 4, 2019
1591(2)/2553	June 8, 2010	Chicken Farm	August 22, 2013	August 21, 2021
1897(2)/2553	August 24, 2010	Broiler Farm	October 25, 2011	October 24, 2019
1898(2)/2553	August 24, 2010	Broiler Farm	August 30, 2014	August 29, 2022
2106(2)/2553	October 19, 2010	Broiler Farm	February 23, 2016	February 22, 2024
2108(2)/2553	October 19, 2010	Broiler Farm	August 28, 2014	August 27, 2022
1674(2)/2554	June 9, 2011	Broiler Farm	December 23, 2014	December 22, 2022
1022(2)/2555	January 12, 2012	Broiler Farm	February 21, 2016	February 20, 2024
2084(2)/2557	September 3, 2014	Broiler Farm	July 25, 2015	July 24, 2023
1187(2)/2553	February 24, 2010	Chicken Farm	None Income Yet	-
2107(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
2083(2)/2557	September 3, 2014	Broiler Farm	None Income Yet	-
2085(2)/2557	September 3, 2014	Broiler Farm	None Income Yet	-
2086(2)/2557	September 3, 2014	Broiler Farm	None Income Yet	-
2576(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-
2577(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-
2578(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-

(Unit : Baht)

Separate financial statementsFor the year ended December 31, 2016

	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	4,102,738,822.00	3,665,078,224.46	7,767,817,046.46
Cost of sales	(3,599,246,023.05)	(3,733,710,424.59)	(7,332,956,447.64)
Gross profit (loss)	503,492,798.95	(68,632,200.13)	434,860,598.82
Gain on exchange rate	28,887,889.47	2,330,682.10	31,218,571.57
Other revenues	11,485,563.45	469,784,259.74	481,269,823.19
Selling expenses	(82,239,947.44)	(34,553,656.95)	(116,793,604.39)
Administrative expenses	(127,567,995.24)	(156,510,810.54)	(284,078,805.78)
Financial cost	(34,016,002.28)	(32,533,785.81)	(66,549,788.09)
Profit before income tax	300,042,306.91	179,884,488.41	479,926,795.32
Income tax expenses	-	32,659,817.61	32,659,817.61
Total comprehensive income for the year	300,042,306.91	212,544,306.02	512,586,612.93

(Unit : Baht)

Separate financial statementsFor the year ended December 31, 2015

	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	4,080,396,293.90	3,141,417,457.49	7,221,813,751.39
Cost of sales	(3,779,665,286.02)	(3,411,529,643.69)	(7,191,194,929.71)
Gross profit (loss)	300,731,007.88	(270,112,186.20)	30,618,821.68
Gain (loss) on exchange rate	9,274,260.83	(1,672,420.42)	7,601,840.41
Other revenues	4,168,644.74	136,633,286.97	140,801,931.71
Selling expenses	(85,358,038.28)	(21,494,426.93)	(106,852,465.21)
Administrative expenses	(130,342,424.25)	(145,043,226.72)	(275,385,650.97)
Financial cost	(43,208,753.29)	(34,055,993.53)	(77,264,746.82)
Profit (loss) before income tax	55,264,697.63	(335,744,966.83)	(280,480,269.20)
Income tax revenues	-	72,710,890.20	72,710,890.20
Profit (loss) for the year	55,264,697.63	(263,034,076.63)	(207,769,379.00)
Actuarial loss arising from defined benefit plan	(1,118,331.25)	(866,284.99)	(1,984,616.24)
Income tax relevance with other comprehensive income	-	173,257.00	173,257.00
Total comprehensive income for the year	54,146,366.38	(263,727,104.62)	(209,580,738.24)

33. Events after the reporting period

The minutes of the Board of Directors Meeting No. 10/2559 of Krungthai Food Public Co., Ltd. (Subsidiary) dated on December 22, 2016, approved the related company (Subsidiary) operated the parent chickens farm that sold parent chickens in the book value of Baht 64.30 million, food, medical supplies and other raw materials in book value of Baht 1.84 million, that's the cost as at January 1, 2017 and transferred the employees of the parent chickens farm, obligations for employee benefits to related companies of Baht 7.84 million, including the related companies such rented buildings, machinery and tools for the parent chickens farm for a period of three years from January 1, 2017 until December 31, 2019 (the contract will be renewed every 3 years) and has sold a parent chickens and other raw materials, as already mentioned on January 1, 2017.

34. Approval of financial statements

These financial statements have been approved for issuance by GFPT PUBLIC COMPANY LIMITED authorized directors on February 20, 2017.



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