

From Farm to Fork



รายงานประจำปี 2547 บริษัท จีเอฟพีที จำกัด (มหาชน)

GFPT PUBLIC COMPANY LIMITED
Annual Report GFPT 2004

C Contents

GFPT Public Company Limited

ข้อมูลทางการเงิน	3	Financial Highlights
สารจากประธานกรรมการบริษัท	4	Message from the Chairman
รายละเอียดเกี่ยวกับบริษัท	5	Company Information
ลักษณะการประกอบธุรกิจ	9	Business Operations
รายงานสภาวะธุรกิจของคณะกรรมการ	13	Business Overviews from Directors
โครงสร้างการถือหุ้นและการจัดการ	20	Shareholding Structure and Management
ปัจจัยความเสี่ยง	26	Risk Management
รายการระหว่างกัน	28	Inter-Transaction
คำอธิบายและการวิเคราะห์ของฝ่ายจัดการ	29	Management Discussion and Analysis
คณะกรรมการบริษัท	36	Board of Directors
การกำกับดูแลกิจการที่ดี	38	Corporate Governance
รายงานคณะกรรมการตรวจสอบ	41	Statements from Audit Committee
รายงานความรับผิดชอบของคณะกรรมการ		Report of the Board of Directors'
ต่อรายงานทางการเงิน	42	Responsibilities for Financial Statements
งบการเงิน	43	Financial Statements
ค่าตอบแทนของผู้สอบบัญชี	82	Audit Fee

Financial Highlights

Financial Information

(Unit : Million Baht)

	2004	2003	2002
Current Assets	1,540	1,681	1,547
Total Assets	5,411	5,433	5,017
Current Liabilities	2,039	1,560	2,096
Total Liabilities	2,569	2,085	2,233
Equity	2,842	3,349	2,784
Sale	5,377	7,490	6,898
Total Income	5,463	7,610	7,002
Profit Margin	187	780	1,019
Net Profit (Loss)	(502)	254	571
Financial Ratio			
	2004	2003	2002
Liquidity Ratio (time)	0.75	1.08	0.74
Profit Margin Ratio (%)	3.48	10.41	14.77
Return on Asset Ratio (%)	(9.27)	4.68	11.38
Debt to Equity Ratio (time)	0.90	0.62	0.80



Message from the Chairman

The consistent growth of world trade and Thai economy as well as the high export growth in 2003 made most of the entrepreneurs in broiler business highly anticipate that the business would continue to progress favorably. Although the evidence of bird flu outbreak has been observed in neighboring countries, it never cause problem to poultry raising business in Thailand. Therefore, when the bird flu outbreak was detected at the beginning of 2004, the chaos prevailed in the attempt to solve this unexpected problem had made the outbreak widen and more severe that its impact was more harmful than it should be.

The fear of danger from eating chicken meat and egg that spread quickly and extensively among domestic consumers had caused the demand for all poultry products to decrease rapidly. It took some time until the government managed to cooperate with the private sector to launch campaign to restore confidence in the safety of poultry products among the consumers. During that time, broiler-raising industry had faced with severely loss resulted from the extermination procedure to control the outbreak. Widespread decrease in demand for poultry products had made the situation worse. Moreover, for safety and health reasons, the ban was imposed by the main export market of Thai chicken meat, especially Japan and the EU, on export of frozen chicken meat products from the countries experienced the bird flu outbreak including Thailand. This ban had made the problem even worse because most of Thai export was uncooked in the frozen chicken meat category.

However, the extensively campaigns to restore confidence in the safety of chicken meat products among domestic consumers that had been launched cooperatively by the government and the private sector were success in some extent. Furthermore, the strict and relentless government measures of controlling, exterminating, and surveillance of the bird flu outbreak, together with the permission of import countries for the cooked chicken meat exported from Thailand, made Thai broiler-raising industry eventually recover from the crisis in the second half of 2004.

GFPT, which is one of the major producer, trader, and exporter of chicken meat products in Thailand, attempts to control and limit the loss since the problem begins. However, since there are many uncontrollable factors, the company still cannot avoid the impacts resulted from the unpredicted uncertainty occurred in the broiler industry and has to adjust the achievement target downward. After all, high potential of the company to produce great varieties of processed chicken meat as well as its strict quality control system conformed with international standard has helped reduce the severity of outbreak impact in some extent.

It is expected that Thai broiler industry will be able to recover and develop once again as a result of more readiness and strictness of both government and private sector to conduct surveillance, control, and prevention of the bird flu outbreak. Furthermore, the government negotiation to persuade foreign importers to accept Thai food safety standard and allow the export of frozen chicken meat will also cause the industry to recover in 2005. Even though the expected recovery of the broiler industry may not able to reach the growth level of the year 2003, it will certainly help accelerate the recover of GFPT.

The success of GFPT despite the pressure from critical problems throughout 2004, is the result of the dedication of all staffs and management team, together with kindly support from all shareholders. Therefore, on behalf of the Chairman of the Board of Directors, I would like to offer my genuine thanks to all the parties concerned. It is my sincere believe that all these valuable supports and contributions will continue in the future.

Mr. Prasit Sirimongkolkasem
Chairman of the Board of Directors

Company Information

Listed Company



Name:	GFPT Public Company Limited
Type of Business:	Chicken Evisceration and Processed Food
Head Office:	GFPT Tower, No. 118 Moo 4 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No:	Bor Mor Jor 394
Home Page:	www.gfpt.co.th
Telephone:	0-2476-9922, 0-2468-9922, 0-2460-1700
Facsimile:	0-2468-1024, 0-2468-1218
Registered Capital:	1,400,000,000 baht
Paid-up Capital:	1,253,821,000 baht
No. of Shares:	125,382,100 shares
Type of Share:	Common Stock

Subsidiary Company



Name:	Krungthai Farm Company Limited
Type of Business:	Hatchery Farm
Head Office:	GFPT Tower, No. 118 Moo 4 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No:	Bor Jor 1697/21
Telephone:	0-2476-9922, 0-2468-9922, 0-2460-1700
Facsimile:	0-2468-1024, 0-2468-1218
Registered Capital:	350,000,000 baht
Paid-up Capital:	350,000,000 baht
No. of Shares:	35,000,000 shares
Type of Share:	Common Stock

Subsidiary Company



Name:	MKS Farm Company Limited
Type of Business:	Broiler Farm
Head Office:	GFPT Tower, No. 118 Moo 4 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No:	Bor Jor 2853/24
Telephone:	0-2476-9922, 0-2468-9922, 0-2460-1700
Facsimile:	0-2468-1024, 0-2468-1218
Registered Capital:	550,000,000 baht
Paid-up Capital:	550,000,000 baht
No. of Shares:	55,000,000 shares
Type of Share:	Common Stock

Subsidiary Company



Name:	GF Foods Company Limited
Type of Business:	Processed Food
Head Office:	GFPT Tower, No. 118 Moo 4 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No:	Bor Jor 149/25
Telephone:	0-2476-9922, 0-2468-9922, 0-2460-1700
Facsimile:	0-2468-1024, 0-2468-1218
Registered Capital:	30,000,000 baht
Paid-up Capital:	30,000,000 baht
No. of Shares:	300,000 shares
Type of Share:	Common Stock

Subsidiary Company



Name:	Krungthai Feedmill Public Company Limited
Type of Business:	Feed Mill
Head Office:	GFPT Tower, No. 118 Moo 4 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No:	Bor Mor Jor 393
Telephone:	0-2476-9922, 0-2468-9922, 0-2460-1700
Facsimile:	0-2468-1024, 0-2468-1218
Registered Capital:	400,000,000 baht
Paid-up Capital:	400,000,000 baht
No. of Shares:	40,000,000 shares
Type of Share:	Common Stock

Subsidiary Company



Name:	GFPT-GP Company Limited
Type of Business:	Purchase / Sale on Raw Material
Head Office:	GFPT Tower, No. 118 Moo 4 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No:	Bor Jor (3) 1043/2536
Telephone:	0-2476-9922, 0-2468-9922, 0-2460-1700
Facsimile:	0-2468-1024, 0-2468-1218
Registered Capital:	100,000,000 baht
Paid-up Capital:	60,400,000 baht
No. of Shares:	10,000,000 shares
Type of Share:	Common Stock

Associated Company



Name:	McKey Food Services (Thailand) Limited
Type of Business:	Processed Food
Head Office:	210 Moo 1, Teparak Road, K.M. 20.5 Bangsaothong District, King-Amphur Bangsaothong, Samuthprakarn 10540
Company Certificate No:	Bor Or Jor Sor Por 4101
Telephone:	0-2315-4763-4, 0-2315-4766-7
Facsimile:	0-2315-4765
Registered Capital:	100,000,000 baht
Paid-up Capital:	100,000,000 baht
No. of Shares:	1,000,000 shares
Type of Share:	Common Stock

Other Information



Registrar	
Name:	Thailand Securities Depository Co., Ltd.
Address:	62 The Stock Exchange of Thailand Building, 4th , 7th Floor, Ratchadapisek Road, Klongtoey, Bangkok
Telephone:	0-2229-2800, 0-2654-5599
Facsimile:	0-2359-1259
Registrar-Debenture	-None-
Legal Consultant	-None-
Contract Management Consultant	-None-
Auditor	S.K. Accountant Services Co., Ltd.
Address	128/151 Phayathai Plaza Building, 14th Floor, Phayathai Road, Ratchatavee, Bangkok 10400
Telephone	0-2216-5595-7
Facsimile	0-2216-5596-7
E-mail	ky1966@ksc.th.com

Business Operations

Group Structure



Business Operations

GFPT Public Company Limited has registered capital 1,400,000,000 baht and paid-up capital 1,253,821,000 baht. GFPT Public Company Limited is the parent company of the group who operates the chicken production and distribution and by products under the customer and company brand name. The GFPT sells the chicken meat in both of domestic and export market. The capacity is 82,800 tons per year. The plant is located in Samuthprakarn Province. GFPT Public Company Limited and its subsidiary companies operate integrated poultry business which categorized 6 business sectors-that are chicken evisceration and processed food, hatchery farm, broiler farm, feed mill, processed food production and distribution and purchase-sale on raw material.

The GFPT group is integrated poultry business. To begin with investment 99.99% in Krungthai Farm Co., Ltd., with paid-up capital 350 million baht, operated hatchery farm by purchasing parent stocks to hatched layer and commercial day-old-chicks. Then, the company sells wholly commercial day-old-chicks to MKS Farm Co., Ltd. and Krungthai Feedmill Public Company Limited. For layer day-old-chicks, the company sells to other customers. At present, the production capacity for commercial day-old-chicks is 45 million chicks and layer day-old-chicks is 5 million chicks respectively, There are 6 farms for hatching commercial day-old-chicks and 1 farm for layer day-old-chick. All of these farms are located in Cholburi province.

The company still invests 99.99 % in MKS Farm Co., Ltd., with paid-up capital 550 million baht, operates broiler farm. MKS Farm Co., Ltd. buys day-old-chicks from Krungthai Farm Co., Ltd. After feeding day-old-chicks around 41-43 days, the company sells to parent company, GFPT Public Company Limited. The production capacity is 34 million birds with 8 broiler farms. All of these farms are located in Cholburi province.

The company invests 99.99 % in GF Foods Co., Ltd., with paid-up capital 30 million baht, who operates processed products under the company's brand name. At present, the capacity is 3,900 tons and the plant is located in Samuthprakarn province.

The company invests 96.75 % in Krungthai Feedmill Public Company Limited, with paid-up capital 400 million baht who operates feed mill business under the company's brand name. The production capacity is 325,500 tons. The company has 1 landed animal feed mill plant and 2 fishery feed mill plant which are located in Samuthprakarn Province.

The company invests 99.99 % in GFPT-GP Co., Ltd., with registered capital 100 million baht and paid-up capital 60.40 million baht, who operates grandparent stock farm. In 2004, the company changes business from feeding grandparent stock farm to purchase-sale on raw material because of the spread of Bird Flu.

The company investes 49 % in McKey Food Services (Thailand) Limited, with paid-up capital 100 million baht who operates chicken processed foods to supply to McDonald's products in both domestic and export market. The capacity is 7,000 tons and the plant is located in Samuthprakarn Province.



Income Structure

Product Line by	Operated	% of Shareholding MB	2004 Income	% MB	2003 Income	% MB	2002 Income	%
Evisceration /Processed Food	GFPT		2,998.13	55.76	4,103.27	54.78	3,595.49	52.13
Hatchery Farm	FKT	99.99	172.20	3.20	191.86	2.56	124.11	1.80
Broiler Farm	MKS	99.99	2.90	0.06	64.89	0.87	1.80	0.03
Feed Mill	KT	96.75	2,043.37	38.00	3,000.25	40.06	3,034.40	43.98
Processed Food	GFF	99.99	160.02	2.98	129.66	1.73	142.01	2.06
Purchase/Sale on Raw Material	GFPT-GP	99.99	-	-	-	-	-	-
Total			5,376.62	100.00	7,489.93	100.00	6,897.81	100.00

GFPT Public Company Limited and its subsidiary companies have 6 business sectors; chicken evisceration and processed food, hatchery farm, broiler farm, feed mill, processed food and purchase-sale on raw material.

In 2004, the company had evisceration and processed food income at 55.76%, feed mill business at 38.00%, hatchery farm at 3.20%, processed food at 2.98%, and broiler farm at 0.06%, respectively.

Summary on Significant Changing in the Previous Year

The table of income structure was shown that in 2004, the income from sale was reduced by 2,113 million baht since the spread of Bird Flu disease. Thus, the company could not export fresh chicken meat; we exported only cooked chicken meat. As this result, the sale volume of the company dropped by 69%.

Broiler Business in 2004

Domestic Market

Demand for chicken meat and products decreased because the consumers were worrying that these products might be contaminated with Bird Flu virus. The panic spread rapidly after the outbreak was disclosed and unsuccessful attempt to decisively stop it at the beginning caused most consumers to temporarily suspend their purchase of all chicken meat products until they certainly knew that the products were free from risk of contaminating with the deadly virus.

Various campaigns were jointly conducted by the government and private sector to persuade and restore consumer confidence in safety of the chicken products. The popular campaigns were such as the chicken products give-away, price-discounting campaign, and heavy public relations to make clear that Thai chicken meat products



were safe under strictly hygienic control. Although these campaigns may not be able to normalize domestic consumption, it helped recover domestic demand in some extent.

Domestic consumption of chicken meat in 2004 was approximately 518,000 tons, a decrease of 43.7% from the previous year.

Export Market

Volume of chicken meat export in 2004 was about 210,000 tons, down 61.53% from 2003, while its value decreased by 52.99% to only 22,500 million baht. Although both volume and value of chicken meat export decreased in quite a large extent, value decreased in less percentage than export volume due to the higher export price fetched by the processed chicken meat that were the main export item in 2004.

Of the total 210,000 tons of chicken meat export in 2004, export in frozen category was 26,000 tons and worth only 1,700 million baht while export of processed chicken meat was approximately 184,000 tons worth 20,800 million baht. Export of frozen chicken meat decreased considerably by 93.31% as a result of international ban on uncooked chicken meat that might be at risk of Bird Flu virus contamination. On the other hand, export of processed chicken meat increased by 17.14% because only cooked products were allowed to export internationally. Ban on the export of frozen chicken meat in major export market caused the proportion of export in frozen category to reduce from 71.23% of the total chicken meat export in 2003 to only 12.38% in 2004. As for the processed category, its export proportion rose from 28.77% to 87.62% during the same period.



Feed Mill Business Situation in 2004

2004, total demand for animal feed in Thailand was approximately 9,858,484 tons, a decrease of 13.43% from 2003. The outbreak of Avian Influenza or Bird Flu at the beginning of 2004 that could not be controllable until the second half of the year was the important cause of this declining demand. Poultry production including broiler, layer hen, duck, and layer duck decreased considerably as a result of the extermination of virus infected as well as suspicious poultry to cut the epidemic cycle. Moreover, the production was further reduced because of the fear of eating poultry products that spread among consumers and the international ban on export of poultry products from countries affected by the outbreak including Thailand. The government tried to relieve the situation by campaigning extensively to re-establish consumer confidence on safety of poultry products. The government also negotiated with major importing partners to lift the export ban and was successful in persuade some countries to accept the cooked chicken meat products from Thailand. As a result of these measures, demand for chicken meat products was recovered in some extent but it was still far from the expected level.

Because poultry raising business shared almost half of the total demand for animal feed, therefore the critical Avian Influenza outbreak could seriously affect this overall demand and the animal feed industry as a whole.

Despite the serious effect of Bird Flu outbreak on the poultry business, broiler raising still shared most of the total demand for animal feed followed by swine and layer hen raising respectively. In 2004, about 2,942,160 tons of animal feed were used for broiler raising, a decrease of 22.75% from the previous year. Swine raising used about 2,932,300 tons of animal feed which was almost the same amount demanded in 2003. Layer hen raising business that also confronted with the Bird Flu outbreak had to lower demand for animal feed by 24.03% to 984,960 tons in 2004.

Business Overviews

from Directors



The Overview of Broiler Business in 2004 and Prospect for 2005

Situation in 2004

Production

The outbreak of Bird Flu or Avian Influenza in many Asian countries that are major producers of broiler had led to the extermination of millions of poultry. However, amount of world broiler produced in 2004 was still increasing due to the expansion of productive capacity in major broiler raising countries such as Brazil and Mexico that were not affected by the outbreak. As for the United States, its broiler production increased amid the experienced of Bird Flu outbreak because the virus contamination was not critical and effect on broiler production was not significant. The expansion of broiler raising in these non-Asian countries made the world chicken meat production increase by 1.8% from 2003 to reach 55.23 million tons in 2004.

The United States was still the world's largest broiler raiser. In 2004, it produced 15.31 million tons of chicken meat, an increase of 4.2% from 2003. The chicken meat production in China, the next world leader, decreased by 2.0% to 9.70 million tons in the same period. Brazil, the world's third largest producer, produced 8.10 million tons of chicken meat which was 6.0 % higher than in 2004 follow by the EU that produced approximately 7.69 million tons, rising over the previous year by 0.6%.

In 2004, Thailand raised approximately 700 million broilers. Its chicken meat production was 0.93 million tons, decreasing severely of 31.3 % from 2003. This high decreasing rate was the result of the outbreak of the Bird Flu virus at the beginning of the year. The outbreak forced Thai government to exterminate all the suspicious broiler and other poultry to prevent further spread of the epidemic. Approximately 2-3 million of broiler parent stocks were killed in the process. The less parent stocks together with ban on export of fresh chicken meat and the higher prices of feed raw materials inevitably made the broiler raising business adjust its production downward.

Thai government had tried to minimize the damage by urgently conducted various measures to stop the outbreak as well as provide help to the poultry business. Such helping measures were, for example, the providing of compensation for those farmers who had to destroy their suspicious and virus contaminated poultry, the nationwide campaign to encourage consumers to be confidence in eating chicken products, and a five-year tax exemption for chicken slaughterhouse.

Market Situation

Domestic Market

Demand for chicken meat and products decreased because the consumers were worrying that these products might be contaminated with Bird Flu virus. The panic spread rapidly after the outbreak was disclosed and unsuccessful attempt to decisively stop it at the beginning caused most consumers to temporarily suspend their purchase of all chicken meat products until they certainly knew that the products were free from risk of contaminating with the deadly virus.



Various campaigns were jointly conducted by the government and private sector to persuade and restore consumer confidence in safety of the chicken products. The popular campaigns were such as the chicken products give-away, price-discounting campaign, and heavy public relations to make clear that Thai chicken meat products were safe under strictly hygienic control. Although these campaigns may not be able to normalize domestic consumption, it helped recover domestic demand in some extent.

Domestic consumption of chicken meat in 2004 was approximately 518,000 tons, a decrease of 43.7% from the previous year. Moreover, annual consumption per capita was also declining from 13.3 kilogram in 2003 to merely 8.1 kilogram in 2004. It was the first time in almost 10 years that annual domestic consumption per capita of chicken meat was less than 10 kilogram.

Export market

Volume of chicken meat export in 2004 was about 210,000 tons, down 61.53% from 2003, while its value decreased by 52.99% to only 22,500 million baht. Although both volume and value of chicken meat export decreased in quite a large extent, value decreased in less percentage than export volume due to the higher export price fetched by the processed chicken meat that were the main export item in 2004.

Of the total 210,000 tons of chicken meat export in 2004, export in frozen category was 26,000 tons and worth only 1,700 million baht while export of processed chicken meat was approximately 184,000 tons worth 20,800 million baht. Export of frozen chicken meat decreased considerably by 93.31% as a result of international ban on uncooked chicken meat that might be at risk of Bird Flu virus contamination. On the other hand, export of processed chicken meat increased by 17.14% because only cooked products were allowed to export internationally. Ban on the export of frozen chicken meat in major export market caused the proportion of export in frozen category to reduce from 71.23% of the total chicken meat export in 2003 to only 12.38% in 2004. As for the processed category, its export proportion rose from 28.77% to 87.62% during the same period.

Japan is still the principal market of Thai chicken meat products. In 2004, export of chicken products to Japan was approximately 109,000 tons, a decrease of 60.95% from the previous year. However, its proportion to overall chicken meat export increased from 49.85% in 2003 to 51.90% in 2004 because Thailand can export only in processed category of which its percentage in total export of chicken meat to Japan was highest when compared with other countries. Furthermore, the higher percentage was also due to the fact that Thailand can export less amount of chicken meat to other countries besides Japan and the European Union (EU).

Export to the EU which was Thailand second largest market decreased 46.20% to be only 86,000 tons in 2004. The proportion of export to the EU also rose from 29.28% in 2003 to 40.95% in 2004 due to the same reason stated in the case of Japan which was the great decrease in export to other markets.

Besides these two major markets, the export of Thai chicken meat products to other countries in 2004 was merely around 15,000 tons, a decrease of 86.84% from the previous year. The main cause of this declining was the ban on Thai chicken meat products after the Bird Flu outbreak in the beginning of 2003.

Prospects for 2005

Production

It is expected that Thai chicken meat production will recover from the critical misfortune in 2004. The estimated production in 2005 is 720 million broilers or 0.95 million tons of chicken meat. Amount of broiler and chicken meat will increase from the previous year by 2.9% and 2.4% respectively.



The recovery in production is the result of strictly government control and surveillance on Bird Flu outbreak in 2004. The recovery was also due to the expectation that export will increase as a result of the ability to restore confidence among foreign governments and consumers in the hygienic standard and safety assurance from disease and toxic contamination of Thai chicken meat products.

Besides the production increase to meet the export demand that is expected to rise in some extent, the expansion is also made to meet the domestic demand that tends to increase after the recovering from the 2004 outbreak crisis.

However, there are many obstacles and risks that may negatively affect the production and drag it lower than expectation. The most important risk is the possibility that new outbreak of Bird Flu might occur. Consistent outbreak surveillance would be required to keep this risk under control and zoning measure may be imposed in order to fully control of the disease and establish confidence among both domestic and foreign consumers. Another possible risk is cause by the insufficient domestic raw materials to produce animal feed so that their imports are inevitable. As a result, cost of animal feed will be subject to the unpredictable changes in prices of imported raw materials. Higher prices of these raw materials will raise the price of animal feed as well as the cost of broiler production.

Market Situation

The expected growth of Thai economy in 2005 will sufficiently support the rise of domestic demand for chicken meat products on the condition that confidence of Thai consumer on safety of chicken meat products is reassured. Demand for chicken meat is also expected to rise because it is usually a better choice for consumer who wants food with rich nutrient content at reasonable price. Furthermore, growth of international tourist due to the continually promotion will also help stimulate demand for various types of processed chicken meat products. It is expected that demand for chicken meat in 2005 will increase by 1.3% from 2004 to be approximately 650,000 tons while annual consumption per capita will increase from 8.1 kilogram to 10.1 kilogram.

Demand for Thai chicken meat export would likely to recover in 2005. It is expected that export volume will be about 300,000 tons and worth 34,000 million baht, an increase of 43% from 2004. Another supporting factor for the growth of chicken meat export is the continually recovering of world economy. However, the recovering of Thai chicken meat export still depends on the level of confidences of the importers and consumers in foreign markets on hygienic standard of Thai products. To restore this confidence, government must fully cooperate with related private sector to impose more strict measures and regulations to prevent the outbreak. These measures will certainly benefit Thai chicken meat export in the long run.

Lesson learned from the 2004 outbreak clearly show that the losing of consumer confidence in hygienic standard can produce seriously and extensively destructive effects on broiler raising industry as well as the export of chicken meat products. The loss in 2004, therefore, is an expensive lesson that each party concerned must learn to cooperate to prevent its repetition.

Besides the risk of Bird Flu outbreak, there are some obstacles that should not be overlooked since they can make chicken meat export fall substantially below the expected target. One of the obstacles is the fierce competition from Brazil which greatly expands its production capacity in 2004 and is not affected by the Bird Flu outbreak.

Export Volume and Value

Volume and Value of Thai Chicken Meat Export

Volume: ton
Value: million baht

Year	Frozen		Processed Product		Total	
	Volume	Value	Volume	Value	Volume	Value
1992	174,829	10,399	6,922	728	181,751	11,127
1993	157,080	8,886	9,506	1,242	166,586	10,128
1994	152,903	9,846	15,615	1,850	168,518	11,696
1995	149,935	9,662	26,276	3,088	176,211	12,750
1996	137,215	9,085	31,555	3,372	168,770	12,457
1997	151,120	10,951	41,114	4,951	192,234	15,902
1998	220,776	17,221	60,943	9,020	281,719	26,241
1999	211,675	14,817	61,924	8,669	273,599	23,486
2000	245,994	15,990	86,800	11,284	332,794	27,274
2001	320,779	23,096	117,018	15,212	437,797	38,308
2002	336,837	24,589	127,406	16,244	464,243	40,833
2003	388,913	28,105	157,074	19,763	545,987	47,868
2004	26,000	1,700	184,000	20,800	210,000	22,500
2005	-	-	300,000	34,000	300,000	34,000

Source: Thai Broiler Processing Exporters Association.

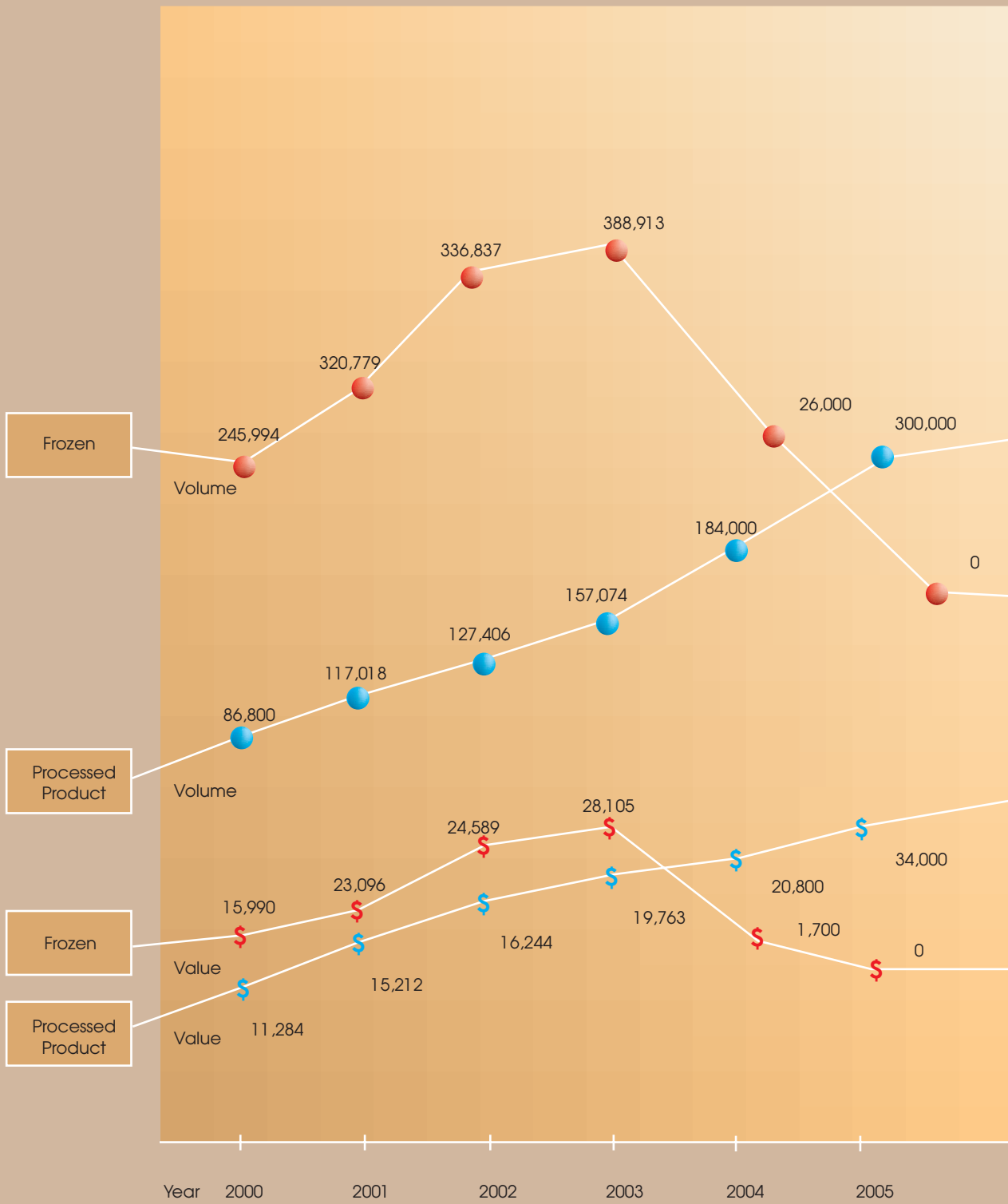
* Estimated

** Forecasted

Volume and Value of Thai Chicken Meat Export 2000-2005

Volume: ton

Value: million baht



● Frozen Chicken Volume ● Processed Product Volume
\$ Frozen Chicken Value \$ Processed Product Value

Export of Thai Chicken Meat Products to Important Markets
(2003 - 2005)

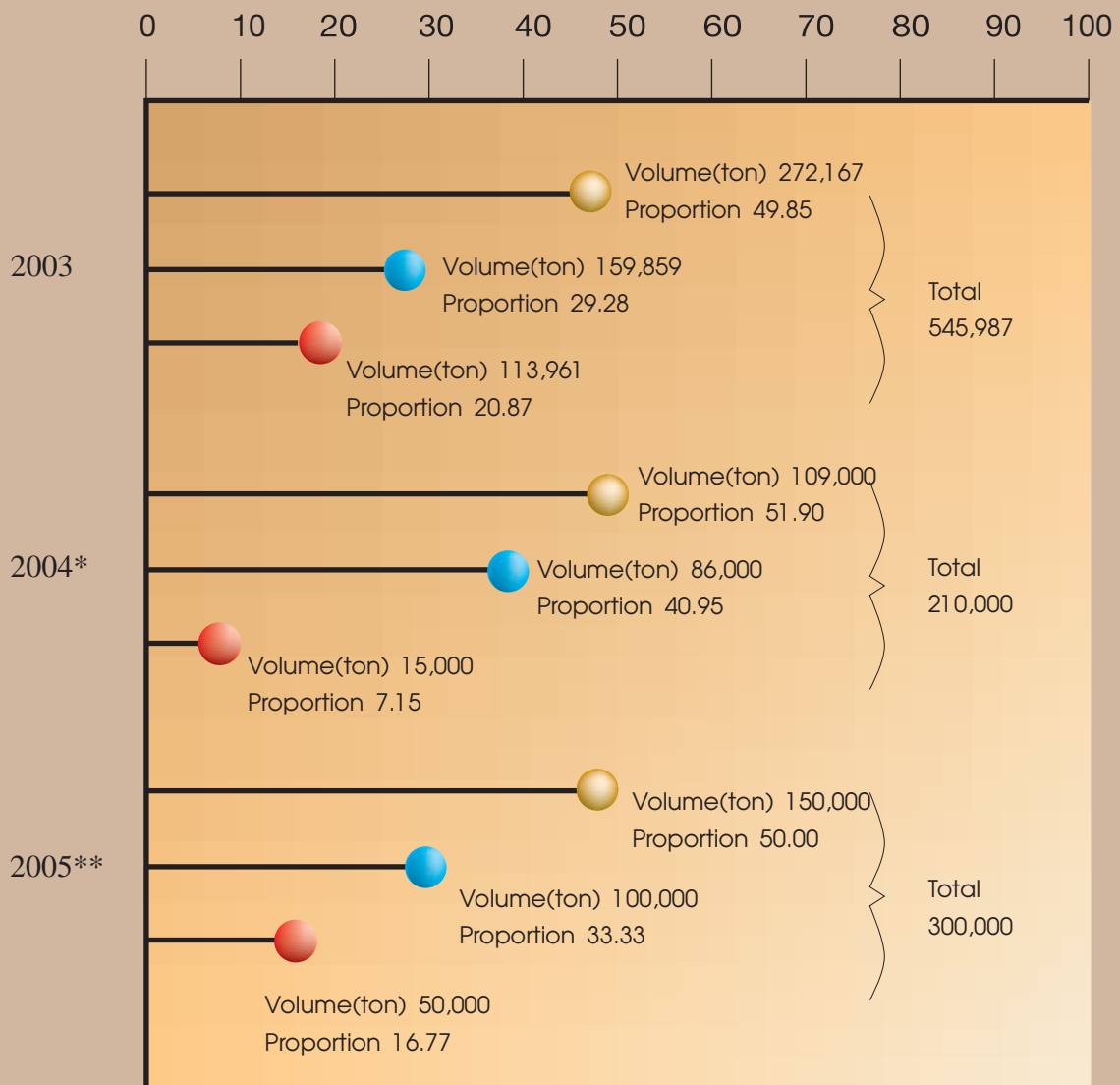
Market	2003		2004*		2005**	
	Volume (ton)	Proportion (%)	Volume (ton)	Proportion (%)	Volume (ton)	Proportion (%)
Japan	272,167	49.85	109,000	51.90	150,000	50.00
EU	159,859	29.28	86,000	40.95	100,000	33.33
Others	113,961	20.87	15,000	7.15	50,000	16.77
Total	545,987	100.00	210,000	100.00	300,000	100.00

Source: Thai Broiler Processing Exporters Association.

* Estimated

** Forecasted

Export of Thai Chicken Meat Products to Important Markets (2003 - 2005)



Japan
 EU
 Others

Source: Thai Broiler Processing Exporters Association.

* Estimated

** Forecasted

Shareholding Structure and Management

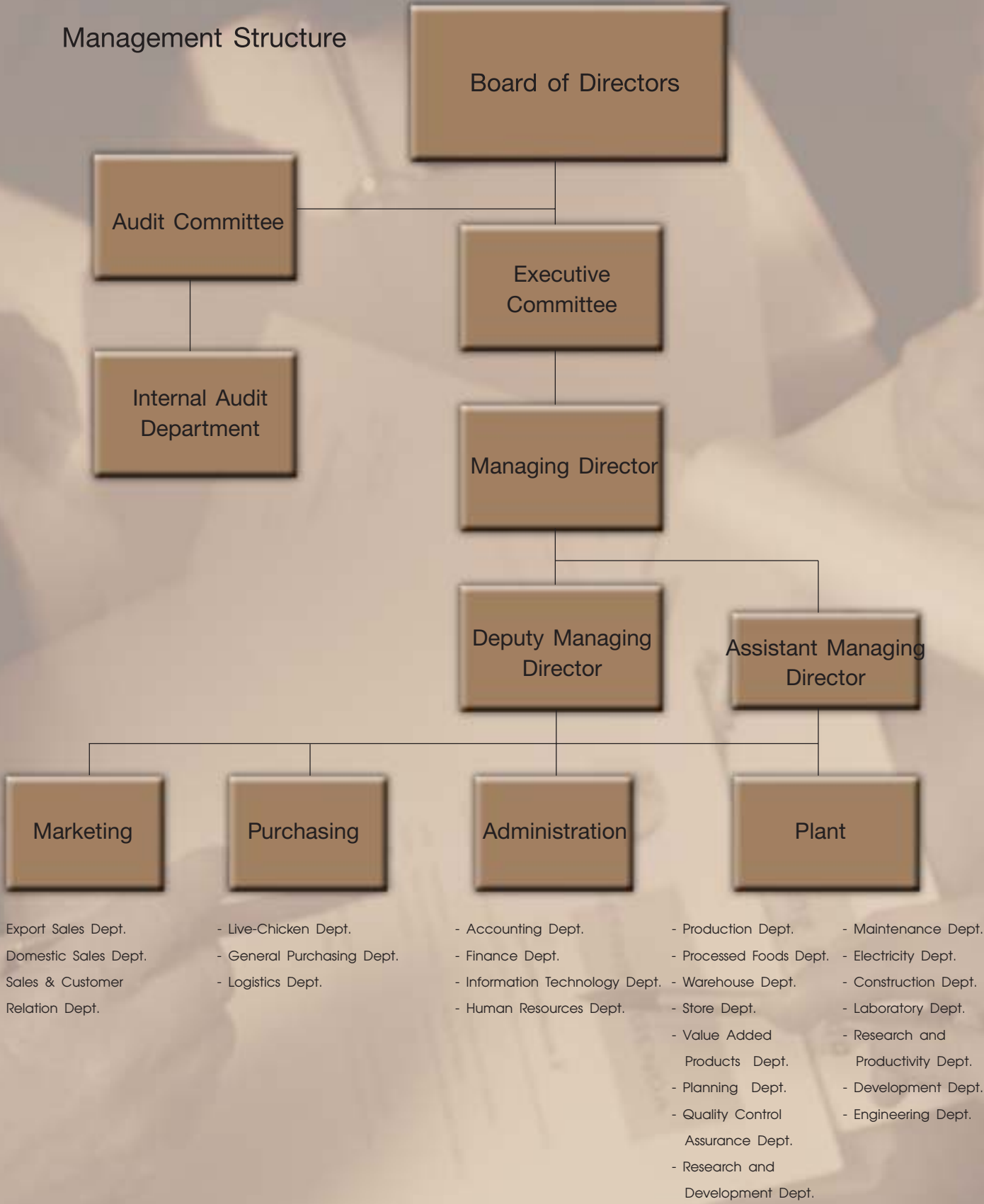
Top Ten Shareholders as of the Registered Book on 7 April 2004

Name of Shareholders	No. of Shares	%
1 Mr. Sujin Sirimongkolkasem	22,279,510	17.77
2 Mr. Prasit Sirimongkolkasem	22,000,000	17.55
3 Mr. Virach Sirimongkolkasem	18,000,000	14.36
4 Albouys Nominees Limited	3,800,000	3.03
5 Thai NVDR Limited	3,607,869	2.88
6 Mr. Somkiat Limsong	2,376,520	1.90
7 NCB TRUST LIMITED A/C CLIENT	2,359,940	1.88
8 Mr. Pisanu Sirimongkolkasem	2,279,410	1.82
9 NCB TRUST LIMITED -UBS AG LONDON BR-IPB CLIENT AC	2,122,000	1.69
10 Mrs. Pranee Parksook	1,251,200	0.99
Total	80,076,449	63.87

Ultimate Shareholders to set up the Company's Policy as of 7 April 2004

Name of Shareholders	No. of Shares	%
1 Mr Prasit Sirimongkolkasem	22,000,000	17.55
2 Mr Virach Sirimongkolkasem	18,000,000	14.36
3 Dr Anan Sirimongkolkasem	364,008	0.29

Management Structure



- Export Sales Dept.
- Domestic Sales Dept.
- Sales & Customer
- Relation Dept.

- Live-Chicken Dept.
- General Purchasing Dept.
- Logistics Dept.

- Accounting Dept.
- Finance Dept.
- Information Technology Dept.
- Human Resources Dept.

- Production Dept.
- Processed Foods Dept.
- Warehouse Dept.
- Store Dept.
- Value Added Products Dept.
- Planning Dept.
- Quality Control Assurance Dept.
- Research and Development Dept.

- Maintenance Dept.
- Electricity Dept.
- Construction Dept.
- Laboratory Dept.
- Research and Productivity Dept.
- Development Dept.
- Engineering Dept.

The Management Structure composes of 3 committee.

1. The Board of Directors
2. The Executive Committee
3. The Audit Committee

The Board of Directors

1.	Mr Prasit	Sirimongkolkasem	Title	Chairman of the Board of Directors
2.	Mr Virach	Sirimongkolkasem	Title	Vice Chairman of the Board of Directors and Managing Director
3.	Dr Anan	Sirimongkolkasem	Title	Chairman of Executive Committee, Deputy Managing Director and Company Secretary
4.	Mr Chalerm	Sukontgajorn	Title	Chairman of Audit Committee and Independent Director
5.	Mr Anuchit	Chitru-di-amphai	Title	Director of Audit Committee and Independent Director
6.	Dr Sathit	Karanes	Title	Director of Audit Committee and Independent Director
7.	Mrs Somsiri	Ingpochai	Title	Executive Director
8.	Mrs Pranee	Parksook	Title	Executive Director and Finance Director
9.	Ms Wannee	Sirimongkolkasem	Title	Director
10.	Mr Sujin	Sirimongkolkasem	Title	Director

Extent and Authority of the Board of Directors

The authorized directors compose of Mr. Prasit Sirimongkolkasem, Mr. Virach Sirimongkolkasem and Dr Anan Sirimongkolkasem. These 2 of 3 directors sign with the company's seal. Furthermore, the Board of Directors' authorities and responsibilities are as follows:

- (1) The Board of Directors shall manage the business in accordance with the law and the objects enumerated in the Company's Memorandum of Association and shall have the authority to do all things therein provided or related thereto as well as the resolution of the shareholders' meeting.
- (2) The Board of Directors shall set up the policy and strategy.
- (3) The Board of Directors shall have the authority to change the authorized directors.
- (4) The Board of Directors shall have the authority to provide the authority to directors or others such as Executive Committee and Audit Committee, The Board of Directors shall definitely assign the extent of authority.
- (5) The Board of Directors shall set up the meeting especially the major matters such as credit line, borrowing, bank guarantee, business expansion or investment.
- (6) The Board of Directors shall approve the financial statements before submission to SET.
- (7) The Board of Directors shall oversee financial report and disclose financial information to ensure accuracy sufficiency and creditability.

Executive Committee

1.	Dr Anan	Sirimongkolkasem	Title	Chairman of Executive Committee and Deputy Managing Director
2.	Mr Virach	Sirimongkolkasem	Title	Managing Director
3.	Mrs Somsiri	Ingpochai	Title	Executive Director
4.	Mrs Pranee	Parksook	Title	Executive Director and Finance Director

Extent and Authority of the Executive Management Committee

- (1) To oversee the routine management or other duties as defined by the Board of Directors.
- (2) To review the organization management, planning, controlling and evaluating of company's performance in order to propose to the Board of Directors.
- (3) To review the business plan quarterly.
- (4) To consider other duties as defined by the Board of Directors.

Audit Committee

1.	Mr Chalerm	Sukontgajorn	Title	Chairman of Audit Committee
2.	Mr Anuchit	Chitru-di-amphai	Title	Director of Audit Committee
3.	Dr Sathit	Karanes	Title	Director of Audit Committee
4.	Mr Chatchai	Ratanawalai	Title	Secretary

Extent and Authority of the Audit Committee

- (1) To oversee financial report and disclose financial information accuracy, sufficiency and creditability.
- (2) To review and evaluate the effectiveness of internal control and audit system.
- (3) To ensure the company comply to the applicable laws and regulations.
- (4) To consider the appointment of auditor and propose the audit fee.
- (5) To review connected transaction that may lead to a conflict of interest and ensure it accuracy and completeness of the disclosed information.
- (6) To prepare audit committee report with the signature of the Chairman of Audit Committee and also disclose in annual report.
- (7) To consider other duties as defined by the Board of Directors.

Nominating Committee

The company does not have nominating committee to nominate the directors. However, the Board of Directors will nominate the directors and approve, exceed 50% by shareholders who attend the meeting or by proxy.

Responsibility on Internal Information

The company sets the usage of internal information policy by protecting the management and employee used for personally. For especially, the information which still not reveal to public, the management cannot buy/sell or transfer shares before the information disclose to public. Every time to buy/sell or transfer shares, the management or employees have to send report to SEC/SET and send 1 copy to the Board of Directors.

Internal Control

The company pays attention to internal control in order to protect any risks. The company sets the mission, business planning to evaluate the company's performance and Chairman of Executive Committee is responsible for setting the company's policy. Besides this, the company has working manual for employees in order to clarify the working duty and ethics on working. This internal control system will help to administrate more efficiency.

Furthermore, the Audit Committee and Internal Audit officers will help to consider the sufficiency on internal control system.

The Significant on Internal Control System

- (1) The company realizes on risk management. The management analyzes and evaluates any risks and inform to every departments who are involved with, to know the objectives, policy and how to manage risks. And every managers evaluate the crisis point of risks, type of risks, risks control and reducing any risks in order to help the company control and administrate more efficiency.
- (2) The company sets duty and authority for management and employees by separately in order to inspect each other by thinking the company's benefits.
- (3) The company realizes the important of the development of information system that are accurate, sufficient and updated. It will help the Board of Directors and management to make a decision.
- (4) The company follows up the results of company's performance by comparing the target in every quarter. In case the performance is significantly different from the target, the management will find the solutions and report to the Board of Directors.

The Board of Directors feels that the internal control system of the company is adequate and also prevents any risks but the company also pays attention on the opinions of auditors and audit committee to develop the internal audit system.

The company also realizes the responsibilities and duties to disclose the information to public. The company has the measure to prevent the usage of internal information by setting the rules. For example, the management and employees cannot buy/sell the company's shares before 1 month before submission financial statements to SET.

In the past, the management and employees will not break the rules or will not use the internal information for their benefits. So, the company has not any punishments on this matter.

Risk Management



1 Risk Management on Operation

Depend on Major Customer or Supplier

Krungthai Farm Co., Ltd., is one subsidiary who operates to produce layer and commercial day-old-chicks. Only commercial day-old-chicks, the company wholly sells to MKS Farm Co., Ltd in the amount of 285.00 million baht or 5.22% of total income on consolidated financial statements. If the company loses this customer, it may mostly impact the company's operation. However, the company will not have any problems with this customer. Because we have a good relationship and the major shareholders of these two companies are the same shareholders.

MKS Farm Co., Ltd., one subsidiary that operates to produce broilers and the major customer is GFPT Public Company Limited. In 2004, GFPT Public Company Limited purchased live-chicken in the amount of 1,940.53 million baht or 35.52% of total income on consolidated financial statements. If the company loses this customer in the long run, it may cause the operational problems. However, the company will not have any problems with this customer because not only we have a good relationship and the major shareholders of these two companies are the same shareholders, but also this customer is the parent company of the group.

Krungthai Feedmill Public Company Limited, is one subsidiary who operates feed mill business. The majority customers are MKS Farm Co., Ltd. and Krungthai Farm Co., Ltd. which purchased chicken feed mill in the amount of 1,334.64 million baht or 24.43% of total income on consolidated financial statements and 321.31 million baht or 5.88% of total income on consolidated financial statements respectively. If the company may lose these two customers, it may cause the operational performance in the long run. However, the company will not have any problems with these two customers because we have a good relationship and the major shareholders of these two companies are the same shareholders.

GF Foods Company Limited is one subsidiary company who operates to produce processed food. The company has to purchase chicken meat from GFPT Public Company Limited who is the parent company. In 2004, the company purchased chicken meat 35.73 million baht. If the company may lose this supplier in the long run, it may cause the operational problems on cost of raw materials. However, the company will not have any problems because this supplier is the parent company and it has the same shareholders.

Depend on Market Limitation

In 2004, the company could not export fresh chicken meat so, the revenue from sale decreased by 1,099.83 million baht because of the spread of Avian Influenza. Thus, the company exported only cooked chicken products.

Japan is the majority of cooked chicken importer. The company mostly exported to Japan last year at 80% represented 621.53 million baht or 11.38% of total income on consolidated financial statements. The changing of trading policy of the majority importers may affect the company's operation. For instance, changing the import duty tax, changing the regulations of importation standards and hygienic standards, all of these factors may directly impact on the cost of production, selling quantity and the profitability of the company. To expand to the niche market is hard and takes more time because the regulations of importation for each country are different.

2. Risk Management on Production

Pricing on Raw Materials Depends on Pricing of the World Market

One subsidiary that operates feed mill business imported raw materials such as corn, soybean meal and premix. The pricing of raw materials depends on the world market situation and foreign exchange rate. The company cannot increase the selling price up to the higher cost of raw materials because to adjust the selling price, the Internal Trade Department should approve it. The fluctuated price of raw materials will mostly impact on the cost of goods sold. However the company plans and controls the stock which it will not be affected the production process.

3. Risk Management on Administrative Management

Major Shareholders holds more than 50%

As of December 31, 2004, Sirimongkolkasem family owned 54.35% of total shares. It implied that Sirimongkolkasem family has ability to control company. For example, to appoint the directors or to make decision of other business except the matters that it had law or regulation to be approved by 3/4 of the shareholders who attend the Meeting. Minority shareholders cannot have the power to inspect the majority shareholders of the company.

4. Risk Management on Financial Position

As of December 31, 2004, GFPT Public Company Limited and its subsidiary companies have not foreign currency loan so the company have not any risks on financial status. However, the company had the risks on revenue from sale in term of foreign currency. As of December 31, 2004, the company had assets in foreign currency in the amount of USD 0.86 million. The company exposed the risks by making foreign exchange forward contract. As of, December 31, 2004, the company made forward contract USD 1.81 million, the asset value of forward contract were Baht 71.18 million and the fair value of forward contract were Baht 70.84 million.

5. Risk Management on Selling Stocks

-None-

Inter-Transaction



From the past the company had inter-transactions within the group especially in normal business such as purchasing and selling transactions and financial assistance. These transactions had advantages on the company, for instance, quality control and pricing control of raw materials. All transactions were normal transactions from purchasing and selling conditions were the same as to other general customers. (Please see the details in the notes to financial statements in No.7)

To approve the purchasing and selling inter-transactions or financial assistance, it will be approved by the Board of Directors included independent directors and the auditor also audited all transactions.

Management Discussion and Analysis



COMPANY'S PERFORMANCE

Summary of Company's Performance

The performance of GFPT Public Company Limited and its subsidiaries in 2004 had net loss 502.50 million baht or loss per share was 4.01 baht. Comparing to the previous year, the company had net profit 254.29 million baht or earnings per share was 2.57 baht or dropped by 297.61 percent. The reasons are as follows:

In the first quarter in 2004, the company could not export the chicken meat until in the second quarter we could export only cooked chicken products because of the spread of Avian Influenza. As this result, the sale volume of GFPT was dropped by 69 percent and it also affected the selling price in both of domestic and export market was decreased.

Major Factors Affect Company's Operation

Government Policy

- Export Limitation

To export chicken meat will face several limitations. It depends on each government policy such as tariff or non-tariff barriers such as hygienic standards. In this future, most countries will use hygienic standards as a measure of barriers such as ISO 9000, GMP, HACCP, Environment and Human Right and Animal Welfare. For tariff barrier, it will less important because most countries are going to WTO system or Free Trade and the government will decrease import tariff and subsidy.

- Quota

In 2004, Thai government set import quota on maize at 54,700 tons in 2004 and the state-run Public Warehouse Organization was the sole authorized importer. Time of import was limited to during March 1 to June 30 of 2004 but there was no import proposed. On June 8, 2004 there was the cabinet resolution allowing the import of 500,000 tons of maize at 0% tariff duty and the import had to be within July 15, 2004. There was no import of maize under this condition as well.

- Pricing

Feed mill business is involved with pricing policy even the purchasing price of raw materials and the selling price of feed mill. To clarify, the company must purchase soybean meal in domestic market at 9.50 baht per kilogram. Meanwhile, the selling price of feed mill, the company cannot adjust the selling price unless the Internal Trade Department provides the permission.

Foreign Exchange Rate

In 2004, Thai currency was stable for the whole year, so it will not affect on income, cost, expenses and company's operation.

The Past Year Performance of each Business Sector

Evisceration Business

- Revenue from Sale

The revenue from sale of the company in 2004 was dropped by 1,099.83 million baht because of the spread of Bird Flu. Thus, the selling quantity of the company was decreased by 69 % since the company could export only cooked chicken products.

- Other Income

In 2004, the other income rose up 28.24 million baht that it came from general operation.

- Cost and Selling & Administrative Expense

The cost of goods sold dropped 487.84 million baht or dropped by 24.62 percent since the sale volume decreased 69 percent. The selling and administrative expenses were lower 41.63 million baht but the expenses were higher from loss in subsidiary companies in the amount of 312.43 million baht.

- Profitability

In 2004, the company had net loss in the amount of 502.50 million baht because of the Bird Flu disease.

- Return on Equity

In 2004, the company had net loss in the amount of 502.50 million baht So, the Board of Directors was approved to omit the dividend payment and the dividend payment policy is not less than 50% of net profit.

Hatchery Farm Business

- Revenue from Sale

The company had lower revenue from sale in the amount of 145.25 million baht or dropped by 19.27% since selling quantity of day-old-chicks was decreased by 40.81%.

- Other Income

The other income in 2004 decreased 14.53 million baht which came from transportation charges and it was the normal transaction from the general operation.

- Cost and Selling & Administrative Expense

The cost of goods sold in 2004 was lower 147.07 million baht or lowered by 19.38 % due to the selling quantity was decreased by 40%. In addition, the cost of raw materials was increased for example, the price of feed mill and premix. The selling and administrative expenses decreased 8.83 million baht but the company had more expenses in loss from disposal eggs, day-old-chicks and sale of the retirement in parent chicken in the amount of 74.63 million baht because of the outbreak of Avian Influenza.

- Profitability

The company had net loss in the amount of 115.23 million baht or loss per share was 3.29 baht since the spread of Bird Flu disease.

- Return on Equity

The company had net loss in the amount of 115.23 million baht so the Board of Directors decided to omit dividend payment in this year and the dividend payment policy depends on the performance.

Broiler Farm Business

- Revenue from Sale

The revenue from sale decreased 871.37 million baht or dropped by 30.84%. Because of the disease of Bird Flu, the company reduced the production capacity.

- Other Income

The other income increased 2.66 million baht and this transaction came from normal operation.

- Cost and Selling & Administrative Expense

The cost of goods sold reduced 409.68 million baht or reduced by 17.44% due to the sale volume was decreased 22%. For selling and administrative expenses were increased 3.87 million baht. In addition, the company had loss from disposal of chicken 72.14 million baht because the company decreased the production capacity 2.94 million birds.

- Profitability

The company had loss in the amount of 81.97 million baht because of the Bird Flu disease.

- Return on Equity

The company had net loss in the amount of 81.97 million baht or loss per share was 1.49 baht. Thus, the Board of Directors decided to omit dividend payment in this year and the dividend payment policy depends on the performance.

Feed Mill Business

- Revenue from Sale

The company had less revenue in the amount of 1,249 million baht since the selling volume of landed animal feed mill was decreased by 38% whereas the sale volume of fishery feed mill was increased by 6% . The Bird Flu disease caused the chicken farmers cut their production capacity.

- Other Income

The other income in 2004 was reduced 50.49 million baht because the revenue of transportation reduced 23 million baht and the income from import tax under 19 bis also reduced 11 million baht. It was because the parent company, GFPT, decreased by 69% in the volume of chicken exportation and this transaction came from normal operation.

- Cost and Selling & Administrative Expense

The cost of goods sold in 2004 was dropped 1,233 million baht because of the decreasing in sale volume of feed mill. The selling and administrative expenses were higher 15 million baht.

- Profitability

The profit in 2004 was reduced because of the decreasing in sale volume of feed mill especially in chicken feed so, the company had loss in the amount of 129.72 million baht or loss per share was 3.24 baht.

- Return on Equity

In 2004, the company had net loss in the amount of 129.72 million baht or loss per share was 3.24 baht. The Board of Directors decided to omit dividend payment in this year. The dividend payment policy depends on the company's performance.

Processed Food Business

- Revenue from Sale

The revenue from sale in 2004 was increased 30.36 million baht since the sale volume increased by 19.50%.

- Other Income

The other income in 2004 and 2003 were 824,687 baht and 695,574 baht and this transaction came from normal operation.

- Cost and Selling & Administrative Expense

The cost of goods sold in 2004 rose 25 million baht because of increasing in sale volume 19%. The selling and administrative expenses were increase 2.40 million baht.

- Profitability

The company had net loss in the amount of 2.77 million baht or loss per share was 9.24 baht.

- Return on Equity

The company had net loss in the amount of 2.77 million baht in this year. Hence, the Board of Directors omits dividend payment in this year. The dividend payment policy depends on the company's performance.

Purchase-Sale on Raw Material

This subsidiary company was set up in 2003 and firstly the company had purpose to feed chicken grandparent farm. Due to the spread of Bird Flu the Board of Directors postponed this project. In 2004, this subsidiary company operates purchase and sell raw materials to GFPT's group of companies. This company had revenue 169 million baht and had the cost of good sold and selling and administrative expenses 166.90 million baht. The company had net profit 1.47 million baht or earning per share was 0.24 baht. Even the company had profit the Board of Directors considers to omit dividend payment in this year. The dividend payment policy depends on the company's performance.



FINANCIAL POSITION

Assets

(1) Asset Segment

- Current Assets

The current assets in 2004 dropped 140 million baht from decreasing in cash and cash equivalent items and accounts and notes receivable.

- Land, Building and Equipment

Land, buildings and equipment in 2004 were added up 157.03 million baht from construction item because of expanded production capacity from the previous year.

- Other Assets

In 2004, other assets were increased 65 million baht from prepaid expenses.

(2) Asset Quality

- Accounts and Notes Receivables

The consolidated financial statements was shown that the ratio of credit collection from customers reduced from 23 days in 2003 to 19 days in 2004. Moreover, the company reserved doubtful debts in this year in the amount of 38 million baht or 1.37% of total sale.

Liquidity

(1) Cash Flow

The cash flow used from operation in 2004 was 523.79 million baht. It derived from net loss in the amount of 502 million baht. The cash used from investing activities was 596 million baht. The company purchased fixed assets because of expanded production capacity in cooked production line. For cash used from financing activities, the company had 989 million baht from bank overdrafts, short-term loan and long-term loan.

(2) Liquidity ratio

Current assets to current liabilities ratio was 0.75 time. The company expected it would not have any liquidity problems.

(3) Payment Schedule of Short Term Loan Effects on Liquidity

In 2004, the company had more loans in the amount of 479 million baht. Most of loans were in the form of bank overdrafts and short-term loan but the company confident that the company can pay all debts on schedule.

Investment

(1) Expenses from Investment

In 2004, the company had less investment than last year in the amount of 129 million baht. However the

company purchased fixed assets in the amount of 458 million baht in this year especially purchasing in machinery because the company expanded production capacity in cooked production line.

(2) Future Investment

The company will expand more in cooked production line in 2005.

Sources of funds

(1) Funds Structure

The consolidated financial statements indicated that debts to equity was jumped from 0.62 time to 0.90 time because of increasing in short-term loan 479 million baht.

(2) Equity

The equity in 2004 was dropped 506 million baht because the company had loss 502 million baht.

(3) Liabilities

Long-term loan and short-term loan were in form of baht currency only. The company had not any debts from foreign currency. The details of interest rate, payment schedule and collateral, please see in the notes to financial statements clause 17, 18, and 19.

THE SIGNIFICANT FACTORS IMPACT ON OPERATION AND FINANCIAL POSITION IN THE FUTURE

The trend of chicken business in Thailand in 2004 faces the problems of the spread of Bird Flu. Even though GFPT's chicken farm have not the spread of Bird Flu but the company still has the effects from this matter.

Lesson learned from the 2004 outbreak clearly show that the losing of consumer confidence in hygienic standard can produce seriously and extensively destructive effects on broiler raising industry as well as the export of chicken meat products. The loss in 2004, therefore, is an expensive lesson that each party concerned must learn to cooperate to prevent its repetition.

Domestic Market

The government and private sector provide information to consumers about the right way to consume chicken in order to make consumers confident on Thai chicken products.

Export Market

The government declared the situation on the spread of Bird Flu in Thailand and also explained the details of Thai action plan to control the situation. The company believes that we can export cooked products more than last year.

Board of Directors

of GFPT Public Company Limited



1	2	3	4	5	
6	7	8	9	10	11

1. Mr. Prasit Sirimongkolkasem Chairman of the Board of Directors
 - No. of Shareholding 22,000,000 Shares
 - Education Secondary School, Directors Accreditation Program
 - Working Experience Present Chairman of the Board of Directors - GFPT Public Co., Ltd.
- Krungthai Feedmill Public Co., Ltd. - Krungthai Farm Co., Ltd.
- MKS Farm Co., Ltd. - GF Foods Co., Ltd. - GFPT-GP Co., Ltd.
2. Mr. Virach Sirimongkolkasem Vice Chairman and Managing Director
 - No. of Shareholding 18,000,000 Shares
 - Education Primary School, Directors Accreditation Program
 - Working Experience Present Vice Chairman and Managing Director - GFPT Public Co., Ltd.
- Krungthai Feedmill Public Co., Ltd. - Krungthai Farm Co., Ltd.
- MKS Farm Co., Ltd. - GF Foods Co., Ltd. - GFPT-GP Co., Ltd.
3. Dr. Anan Sirimongkolkasem Chairman of Executive Committee
 - No. of Shareholding 364,008 Shares
 - Education Faculty of Science Mahidol University Faculty of Medicine, Ramathibodi Hospital Mahidol University, Directors Accreditation Program
 - Working Experience Present Chairman of Executive Committee - GFPT Public Co., Ltd.
- Krungthai Farm Co., Ltd. - MKS Farm Co., Ltd. - GF Foods Co., Ltd. - GFPT-GP Co., Ltd.
Executive Director, Krungthai Feedmill Public Co., Ltd.
President of Thai Broiler Processing Exporters Association
Vice Chairman, The Federation of Thai Industries
Director, The Thai National Shippers' Council
4. Mrs. Somsiri Ingpochai Executive Director
 - No. of Shareholding 275,000 Shares
 - Education Primary School, Directors Accreditation Program
 - Working Experience Present Executive Director - GFPT Public Co., Ltd.
- Krungthai Feedmill Public Co., Ltd. - Krungthai Farm Co., Ltd.
- MKS Farm Co., Ltd. - GF Foods Co., Ltd. - GFPT-GP Co., Ltd.

5. Mrs. Pranee Parksook Executive Director and Finance Director
 No. of Shareholding 1,251,000 Shares
 Education B.B.A. in Administration Ramkhamhaeng University, Directors Accreditation Program
 Working Experience Present Executive Director - GFPT Public Co., Ltd. - Krungthai Feedmill Public Co., Ltd.
 - Krungthai Farm Co., Ltd. - MKS Farm Co., Ltd. - GF Foods Co., Ltd. - GFPT-GP Co., Ltd.
6. Mr. Chalerm Sukontgajorn Chairman of Audit Committee and Independent Director
 No. of Shareholding 200 Shares
 Education B.B.A. in Law Thammasart University, Directors Accreditation Program
 Working Experience 1996-2000 Assistance of Law - Comlink Co., Ltd. - CVD. Co., Ltd.
 - Serimanop Co., Ltd. - DTC Public Co., Ltd.
 Present Chairman of Audit Committee and Independent Director
 - GFPT Public Co., Ltd.,
7. Dr. Sathit Karanes Director of Audit Committee and Independent Director
 No. of Shareholding - Shares
 Education Faculty of Science Mahidol University Faculty of Medicine, Ramathibodi Hospital
 Mahidol University, Directors Accreditation Program
 Working Experience 1981-2000 Instructor Faculty of Medicine Ramathibodi Hospital
 Present Director of Audit Committee and Independent Director - GFPT Public Co., Ltd.
8. Mr. Anuchit Chitru-di-amphai Director of Audit Committee and Independent Director
 No. of Shareholding - Shares
 Education University of Notre Dame South Bend, Indiana, U.S.A. (M.B.A.),
 Directors Accreditation Program
 Working Experience 1993-1997 Deputy Managing Director - Aekaphat Finance and Securities Public Co., Ltd.
 Present Managing Director - Siam Paetra Co., Ltd.
 Director of Audit Committee and Independent Director - GFPT Public Co., Ltd.
9. Pol. Lt. Gen. Uthai Uthanepipat Independent Director (Resigned Since 1 January 2005)
 No. of Shareholding - Shares
 Education Faculty of Medicine Siriraj Hospital Mahidol University
 Work Experience Present Chairman Bangkok Cooperative
 Independent Director - GFPT Public Co., Ltd.
10. Ms. Wannee Sirimongkolkasem Director
 No. of Shareholding 800,000 Shares
 Education B.B.A. in Education Srinakharinraj University, Directors Accreditation Program
 Working Experience 1996-1999 Senior Import Manager - Krungthai Feedmill Public Co., Ltd.
 Present Import Director - Krungthai Feedmill Public Co., Ltd.
 Director - GFPT Public Co., Ltd.
11. Mr. Sujin Sirimongkolkasem Director
 No. of Shareholding 22,279,510 Shares
 Education B.B.A. in Economic Boston University, Directors Certification Program
 Working Experience 1995-1996 Accountant - Krungthai Feedmill Public Co., Ltd.
 1996-1997 Assistant Purchasing Manager - Krungthai Feedmill Public Co., Ltd.
 Present : Life-Chicken Purchasing Manager - GFPT Public Co., Ltd.
 Director - GFPT Public Co., Ltd.

Corporate Governance



Policy On Corporate Governance

Due to the Stock Exchange of Thailand (SET) has worked continuously to promote good corporate governance to listed companies; it helps the listed companies to outline the organization to grow steadily and efficiently. GFPT Public Company Limited realizes on the important of good corporate governance. To practice the good corporate governance, the company is confident that it will benefit to company performance, shareholders, investors and other related parties.

Rights and Equitable Treatment to Shareholders

The company cares for equal treatments for all shareholders. For example, the rights to receive the company information and the rights to attend the meeting. Nevertheless, the company gives a chance to shareholders to share any comments or opinions to the Board of Directors.

Various Groups of Stakeholders

Even the various groups of stakeholders have the different objectives and expectations; the company pays attention to the fairness for the rights of these various groups of our stakeholders such as management, shareholders, investors, customers and vendors.

Shareholders' Meetings

The company set up the shareholders' meeting one time in this year. The agendas of the meeting should be send to shareholders in advance because the shareholders can study the company information before attend the meeting. Besides this, the company opens a chance to shareholders to exchange any opinions or comments with our directors.

Leadership and Vision

The directors of the Board of Directors, who have knowledge, ability and experience on business, determine the company's policy, the direction of business and management control. The directors pay attention to laws and regulations, objectives, articles of association and shareholders' resolutions. They also realize on the importance of good corporate governance that it will provide the efficiency and accountability to shareholders and management.

The Board of Directors provides internal audit system to audit company's performance and also reduce the management risks. The company sets code of conduct for employee to audit the internal operation. Moreover, the company had audit committee to review the financial report that is accuracy and accountability.

Conflict of Interests

The company sets up the guidelines on keeping and protecting inside information to directors, employee and related parties in order to reduce conflict of interests.

Business Ethics

The company notified the code of ethics or statement of business conduct to directors and employees in order to encourage them to monitor regularly.

Balance of Power for Non-Executive Directors

GFPT Public Company Limited composed of 11 directors, 4 directors are independent directors and they are not the company's employees. So, these 4 directors are free to review the internal audit system and they also can provide any comments to improve the internal audit system.

Aggregation or Segregation of Positions

Titles of Chairman of the Board of Directors, Chairman of Executive Committee and Managing Director are separated to several people so that no one would be granted unlimited power.

Remuneration for Directors and Management

1. Monetary Remuneration

Monetary Remuneration for Directors

In 2004, the total remuneration for 11 persons is 4,030,000 baht in the form of meeting fee. The details are as follows:

	Name	Title	Remuneration per Year
1.	Mr Prasit Sirimongkolkasem	Chairman of the Board of Directors	455,000 Baht
2.	Mr Chalerm Sukontgajorn	Chairman of Audit Committee and Independent Director	455,000 Baht
3.	Mr Anuchit Chitrudi-amphai	Director of Audit Committee and Independent Director	390,000 Baht
4.	Dr Sathit Karanes	Director of Audit Committee and Independent Director	390,000 Baht
5.	Mr Virach Sirimongkolkasem	Vice Chairman and Managing Director	390,000 Baht
6.	Dr Anan Sirimongkolkasem	Chairman of Executive Committee	390,000 Baht
7.	Mrs Somsiri Ingpochai	Executive Director	390,000 Baht
8.	Mrs Pranee Parksook	Executive Director and Finance Director	390,000 Baht
9.	Ms Wannee Sirimongkolkasem	Director	260,000 Baht
10.	Mr Sujin Sirimongkolkasem	Director	260,000 Baht
11.	Pol Lt Gen Uthai Uthanepipat	Independent Director	260,000 Baht

Monetary Remuneration for Executive Management

In 2004, the company had 14 persons and paid 11,478,103 baht.

2. Other Remuneration

-None-

The Meeting

The company sets up monthly meeting and sends the agendas to directors in advance in order to study the matters before the meeting. In 2004, the directors attend the meeting as these followings:

	Name	Title	No. of Meeting/Attendance
1.	Mr Prasit Sirimongkolkasem	Chairman of the Board of Directors	12/12
2.	Mr Virach Sirimongkolkasem	Vice Chairman and Managing Director	12/12
3.	Dr Anan Sirimongkolkasem	Chairman of Executive Committee Deputy Managing Director and Company Secretary	12/12
4.	Mr Chalerm Sukontgajorn	Chairman of Audit Committee and Independent Director	12/12
5.	Mr Anuchit Chitrudi-amphai	Director of Audit Committee and Independent Director	12/12
6.	Dr Sathit Karanes	Director of Audit Committee and Independent Director	12/12
7.	Pol Lt Gen Uthai Uthanepipat	Independent Director	12/12
8.	Mrs Somsiri Ingpochai	Executive Director	12/12
9.	Mrs Pranee Parksook	Executive Director and Finance Director	12/12
10.	Ms Wannee Sirimongkolkasem	Director	12/12
11.	Mr Sujin Sirimongkolkasem	Director	12/12

Other Committee

The company has not other committee because the company's organization structure is not complicated.

Internal Control

The company evaluates the internal control system in 2004 on 24 February 2005 from the Board of Directors' meeting no. 2/2005. Three independent directors from audit committee attend the meeting with the directors and management. They evaluate the internal control system together and summarize that it can be categorized 5 sections that are organization and environment, risk management, the control of management authority, information and technology and implementation. The directors have an opinion that the internal control system of the company is sufficient and efficient.

The Report from the Board of Directors

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors is responsible for the GFPT Public Company Limited and its subsidiaries' financial statements and financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with Thai generally accepted accounting principles, using appropriate accounting policy consistently as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to financial statements and the auditor also gives an opinion on our financial statements in auditor report.

Investor Relation

The directors are responsible to disclose the company's information to public accuracy and transparency. Even the companies still not set up investor relation department, nowadays, the Chairman of Executive Committee are responsible to provide fundamental company's information and the overview of business industry to institutional investors, shareholders, analysts and others.

Statements

from Audit Committee



The Audit Committee is responsible the duties on financial statements to comply with accounting policy and SET's regulations or other relevant laws. Furthermore, the audit committee is responsible for the accountability in internal control management and good corporate governance in both of financial system and operation system.

In 2004, the audit committee also reviewed the quarterly financial statements and annually financial statements to comply with accounting standards and general accounting policy.

To evaluate the internal control system, it can be seen that the GFPT and subsidiary companies had the sufficient internal control system. Besides this, the audit committee also evaluates the risk management on production, marketing, financing and business environment of the company. It found that they have not any significant matters to damage the business.

In 2005, the audit committee propose Mr Somchai Kurujitkosol, S.K. Accountants and Services Co., Ltd to be our company's auditor and it should be approved by our shareholders from shareholders' meeting.

Mr Chalerm Sukontgajorn
Chairman of the Audit Committee

Dr Sathit Karanes
Director of Audit Committee

Mr Anuchit Chitrudi-amphai
Director of Audit Committee

Report of the Board

of Directors' Responsibilities for Financial Statements



The Board of Directors is responsible for the GFPT Public Company Limited and its subsidiaries' financial statements and financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with Thai generally accepted accounting principles, using appropriate accounting policy consistently as well as applying careful judgement and best estimation. Important information is adequately disclosed in the notes to financial statements.

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

The Board of Directors has appointed an Audit Committee, which consists of Non-Executive Directors who are responsible the quality of financial statements and internal control system. The comments on these issues are readily included the Audit Committee Report in this annual report.

The Board of Directors has an opinion that GFPT's overall internal control system has reached to the satisfactory level and rendered credibility and reliability to the GFPT Public Company Limited and its subsidiary companies' financial statements for the year ended December 31, 2004.

Dr Anan Sirimongkolkasem
Chairman of Executive Committee

Mr Virach Sirimongkolkasem
Managing Director

INDEPENDENT AUDITOR'S REPORT

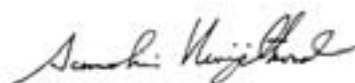
To the Shareholders and Directors of GFPT PUBLIC COMPANY LIMITED.

I have audited the accompanying consolidated and the company only balance sheets as of December 31, 2004 and 2003, and the related consolidated and the company only statements of income, the statements of changes in shareholders' equity, and the cash flow statements for the year then ended of GFPT PUBLIC COMPANY LIMITED and its subsidiaries, and also the financial statements of GFPT PUBLIC COMPANY LIMITED. These financial statements are the responsibility of the company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and company's financial statements referred to above present fairly, in all material respects, the consolidated and the company's financial position as of December 31, 2004 and 2003, the results consolidated and the company operations and cash flow for the year ended then of GFPT PUBLIC COMPANY LIMITED and its subsidiaries, and also the financial statements of GFPT PUBLIC COMPANY LIMITED, respectively in accordance with generally accepted accounting principles.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED



(Somchai Kurujitkosol)

Authorized Auditor No. 3277

Bangkok,

February 15, 2005.

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As of December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
	Baht	Baht	Baht	Baht
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalent Items	49,773,961.36	180,173,115.67	11,782,115.68	113,290,489.30
Accounts and Notes Receivable-Net (Note 8)	269,725,133.72	449,253,946.18	92,645,517.19	119,395,780.81
Accounts Receivable-Subsidiary, Associated and Related Companies (Note 7.2.9)	11,699,025.62	39,513,222.00	11,952,267.55	39,653,360.00
Inventories-Net (Note 10)	1,003,481,628.66	884,532,507.09	334,832,659.42	145,900,076.71
Factory Supplies	140,337,045.97	103,127,285.36	21,308,044.73	21,670,445.87
Short-Term Loan to Subsidiary Companies (Note 7.2)	-	-	140,000,000.00	260,000,000.00
Other Current Assets				
Account Receivable-Revenue Department	6,514,964.02	5,107,126.58	6,514,964.02	5,107,126.58
Prepaid Expenses	51,145,660.51	12,467,643.54	17,610,393.22	5,123,536.56
Others	7,739,564.75	6,876,026.00	4,112,816.54	2,920,449.59
TOTAL CURRENT ASSETS	1,540,416,984.61	1,681,050,872.42	640,758,778.35	713,061,265.42
NON-CURRENT ASSETS				
Parent Chickens-Net (Note 11)	133,396,451.89	151,389,143.33	-	-
Investments in Subsidiary and Associated Companies (Note 12)	94,756,070.99	86,653,088.64	2,256,360,778.47	2,560,653,701.82
Long-Term Investments-Net (Note 13)	3,650.00	6,850.00	-	-
Assets for Rent-Net (Note 14)	232,899,229.64	258,758,081.46	232,899,229.64	258,758,081.46
Property, Plant and Equipment-Net (Note 15)	3,241,925,636.58	3,084,892,682.25	672,739,643.47	613,992,955.48
Property, Plant Not Used for Operations-Net (Note 16)	114,205,265.98	97,486,564.58	21,953,095.00	-
Deferred Goodwill	48,164,355.30	54,586,269.34	-	-
Prepaid Corporate Income Tax	-	10,560,248.03	-	10,560,248.03
Other Non-Current Assets	5,161,276.75	8,161,875.36	1,883,212.95	1,729,426.00
TOTAL NON-CURRENT ASSETS	3,870,511,937.13	3,752,494,802.99	3,185,835,959.53	3,445,694,412.79
TOTAL ASSETS	5,410,928,921.74	5,433,545,675.41	3,826,594,737.88	4,158,755,678.21

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As of December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank Overdrafts and Short-Term				
Loans from Financial Institutions (Notes 17, 18)	1,453,073,451.17	562,952,159.87	510,000,000.00	412,500,000.00
Accounts and Notes Payable	180,169,573.57	727,992,956.84	31,920,646.87	16,441,088.44
Accounts and Notes Payable-Subsidiary and Associated Companies (Notes 7.2)	39,029,478.92	51,840.00	56,732,815.11	24,222,794.22
Current Portion of Long-Term Loans (Notes 17, 19)	197,500,000.00	111,250,000.00	75,000,000.00	56,250,000.00
Other Current Liabilities				
Accrued Expenses	70,460,404.65	63,561,211.99	47,642,127.51	33,613,229.46
Other Payables	85,710,701.46	82,120,997.04	37,931,884.83	30,534,402.16
Others	12,819,332.06	11,929,615.47	7,796,195.08	5,103,169.11
TOTAL CURRENT LIABILITIES	2,038,762,941.83	1,559,858,781.21	767,023,669.40	578,664,683.39
NON-CURRENT LIABILITIES				
Long-Term Loans (Notes 17, 19)	521,250,000.00	508,750,000.00	228,750,000.00	243,750,000.00
Other Non-Current Liabilities	8,753,873.43	16,065,327.63	8,072,492.53	11,084,420.08
TOTAL NON-CURRENT LIABILITIES	530,003,873.43	524,815,327.63	236,822,492.53	254,834,420.08
TOTAL LIABILITIES	2,568,766,815.26	2,084,674,108.84	1,003,846,161.93	833,499,103.47

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As of December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
SHAREHOLDERS' EQUITY				
Share Capital (Note 20)				
Authorized Share Capital:				
140,000,000 Ordinary Shares @ Baht 10	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:				
125,382,100 Ordinary Shares @ Baht 10	1,253,821,000.00	1,253,821,000.00	1,253,821,000.00	1,253,821,000.00
Premiums on Share Capital	525,000,000.00	525,000,000.00	525,000,000.00	525,000,000.00
Capital Surplus Arisen from Land Evaluation (Note 15)	622,932,289.33	622,932,289.33	622,932,289.33	622,932,289.33
Unrealized Gain (Loss) Securities Available for Sale	(1,350.00)	1,850.00	(1,350.00)	1,850.00
Retained Earnings (Loss)				
Appropriated				
Legal Reserve	69,555,368.93	69,555,368.93	69,555,368.93	69,555,368.93
Unappropriated	351,441,267.69	853,946,066.48	351,441,267.69	853,946,066.48
SHAREHOLDERS' EQUITY OF GFPT PUBLIC COMPANY LIMITED	2,822,748,575.95	3,325,256,574.74	2,822,748,575.95	3,325,256,574.74
MINORITY SHAREHOLDERS' INTEREST	19,413,530.53	23,614,991.83	-	-
TOTAL SHAREHOLDERS' EQUITY	2,842,162,106.48	3,348,871,566.57	2,822,748,575.95	3,325,256,574.74
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,410,928,921.74	5,433,545,675.41	3,826,594,737.88	4,158,755,678.21

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF INCOME

For the Year ended on December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
REVENUES FROM OPERATION				
Sales (Note 22)	5,376,626,314.66	7,489,938,141.61	3,033,871,588.22	4,133,700,752.43
Gain from Sales Parent Chicken Retirement	-	10,879,728.04	-	-
Other Income	78,392,615.19	99,039,048.37	60,209,147.44	31,966,744.49
Participating Profit in Subsidiary Companies	-	-	-	395,583,966.01
Participating Profit in Associated Company	8,102,982.35	10,628,123.03	8,102,982.35	10,628,123.03
TOTAL REVENUES	5,463,121,912.20	7,610,485,041.05	3,102,183,718.01	4,571,879,585.96
EXPENSES FROM OPERATION				
Cost of Sales (Note 22)	5,189,998,634.32	6,709,665,512.82	3,054,205,250.50	4,052,063,540.88
Selling and Administrative Expenses	495,440,140.30	579,257,658.50	185,977,209.02	227,609,949.82
Loss from Sales of Parent Chicken Retirement	35,504,564.48	-	-	-
Loss from Disposal of Chicken	111,267,332.31	-	-	-
Loss from Impairment of Assets	19,910,643.58	-	9,852,356.50	-
Loss from Impairment of Parent Chicken	636,174.72	-	-	-
Loss from Decline in Value of Inventories	7,155,796.70	5,879,072.53	5,766,023.26	3,588,958.61
Doubtful Debts (Reverse)	39,074,476.08	9,912,527.73	(185,460.00)	719,722.35
Participating Loss in Subsidiary Companies	-	-	312,429,705.70	-
Directors' Remunerations (Note 23)	4,680,000.00	4,770,000.00	4,030,000.00	4,070,000.00
TOTAL EXPENSES	5,903,667,762.49	7,309,484,771.58	3,572,075,084.98	4,288,052,171.66
PROFIT(LOSS) BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX	(440,545,850.29)	301,000,269.47	(469,891,366.97)	283,827,414.30
INTEREST EXPENSES	(65,428,202.73)	(47,527,005.79)	(32,613,431.82)	(29,532,902.46)
CORPORATE INCOME TAX (Note 24)	(693,387.91)	(477,703.28)	-	-
PROFIT(LOSS) BEFORE MINORITY SHAREHOLDERS' INTEREST	(506,667,440.93)	252,995,560.40	(502,504,798.79)	254,294,511.84
PLUS(LESS) LOSS(PROFIT) BEFORE PURCHASING IN ORDINARY SHARES	-	(8,502.24)	-	-
PLUS(LESS) LOSS(PROFIT) FROM MINORITY SHAREHOLDERS' INTEREST	4,162,642.14	1,307,453.68	-	-
NET PROFIT(LOSS) FOR GFPT PUBLIC CO., LTD.	(502,504,798.79)	254,294,511.84	(502,504,798.79)	254,294,511.84

PRIMARY PROFIT(LOSS) PER SHARE OF (Note 21)

GFPT PUBLIC COMPANY LIMITED (BAHT)	(4.01)	2.57	(4.01)	2.57
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (Unit:Shares)	125,382,100	98,759,873	125,382,100	98,759,873

The consolidated financial statements and the financial statements for the company only for the year ended on December 31, 2004 and 2003 identified the operation with investment promotional benefits and without investment promotional benefits. The company also identified the operation of both types in Note No. 25

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Year ended on December 31, 2004 and 2003

48

	CONSOLIDATED									
	Issued and Paid-up Share Capital	Premium on Share Capital	Capital Surplus			RETAINED EARNINGS			Minority Shareholders' Interest	Total
			Unrealized Gain(Loss)	Unrealized Gain(Loss)	Unrealized Gain(Loss)	Appropriated	Unappropriated			
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as of December 31, 2002	626,910,500.00	525,000,000.00	622,932,289.33	(3,550.00)	65,455,530.85	917,206,642.72	26,224,007.38	2,783,725,420.28		
Unrealized Gain(Loss) in Securities Available For Sale	-	-	-	5,400.00	-	-	-	-	5,400.00	
Unrealized Amount in the Statement of Income	626,910,500.00	525,000,000.00	622,932,289.33	1,850.00	65,455,530.85	917,206,642.72	26,224,007.38	2,783,730,820.28		
Net-Profit (Loss)	-	-	-	-	-	254,294,511.84	-	254,294,511.84		
Legal Reserve (Note 20)	-	-	-	-	4,099,838.08	(4,099,838.08)	-	-		
Payment for Dividends (Note 20)	-	-	-	-	-	(313,455,250.00)	-	(313,455,250.00)		
Capital Increase in Ordinary Shares (Note 20)	626,910,500.00	-	-	-	-	-	-	626,910,500.00		
Minority Shareholders' Interest in Dividend Payment	-	-	-	-	-	-	(1,301,561.87)	(1,301,561.87)		
Minority Shareholders' Interest in Net Profit (Loss) for the Period	-	-	-	-	-	-	(1,307,453.68)	(1,307,453.68)		
Balance as of December 31, 2003	1,253,821,000.00	525,000,000.00	622,932,289.33	1,850.00	69,555,368.93	853,946,066.48	23,614,991.83	3,348,871,566.57		
Unrealized Gain(Loss) in Securities Available For Sale	-	-	-	(3,200.00)	-	-	-	(3,200.00)		
Unrealized Amount in the Statement of Income	1,253,821,000.00	525,000,000.00	622,932,289.33	(1,350.00)	69,555,368.93	853,946,066.48	23,614,991.83	3,348,868,366.57		
Net-Profit (Loss)	-	-	-	-	-	(502,504,798.79)	-	(502,504,798.79)		
Decrease in Minority Shareholders' Interest	-	-	-	-	-	-	(38,819.16)	(38,819.16)		
Minority Shareholders' Interest in Net Profit (Loss) for the Period	-	-	-	-	-	-	(4,162,642.14)	(4,162,642.14)		
Balance as of December 31, 2004	1,253,821,000.00	525,000,000.00	622,932,289.33	(1,350.00)	69,555,368.93	351,441,267.69	19,413,530.53	2,842,162,106.48		

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Year ended on December 31, 2004 and 2003

THE COMPANY ONLY

	Issued and Paid-up		Premium on		Capital Surplus		Unrealized Gain(Loss)		RETAINED EARNINGS				Total	
	Share Capital		Share Capital		Arisen From		Securities Available		Appropriated		Unappropriated		Total	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as of December 31, 2002	626,910,500.00	525,000,000.00	622,932,289.33	(3,550.00)	65,455,530.85	935,293,848.38	2,775,588,618.56							
Adjusted the Differences in Retained Earnings (Note 2)	-	-	-	-	-	(18,087,205.66)	18,087,205.66							
Unrealized Gain(Loss) in Securities Available For Sale	-	-	-	5,400.00	-	-	5,400.00							
Unrealized Amount in the Statement of Income	626,910,500.00	525,000,000.00	622,932,289.33	1,850.00	65,455,530.85	917,206,642.72	2,757,506,812.90							
Net-Profit (Loss)	-	-	-	-	-	254,294,511.84	254,294,511.84							
Legal Reserve (Note 20)	-	-	-	-	4,099,838.08	(4,099,838.08)	-							
Payment for Dividends (Note 20)	-	-	-	-	-	(313,455,250.00)	(313,455,250.00)							
Capital Increase in Ordinary Shares (Note 20)	626,910,500.00	-	-	-	-	-	626,910,500.00							
Balance as of December 31, 2003	1,253,821,000.00	525,000,000.00	622,932,289.33	1,850.00	69,555,368.93	853,946,066.48	3,325,256,574.74							
Unrealized Gain(Loss) in Securities Available For Sale	-	-	-	(3,200.00)	-	-	(3,200.00)							
Unrealized Amount in the Statement of Income	1,253,821,000.00	525,000,000.00	622,932,289.33	(1,350.00)	69,555,368.93	853,946,066.48	3,325,253,374.74							
Net-Profit (Loss)	-	-	-	-	-	(502,504,798.79)	(502,504,798.79)							
Balance as of December 31, 2004	1,253,821,000.00	525,000,000.00	622,932,289.33	(1,350.00)	69,555,368.93	351,441,267.69	2,822,748,575.95							

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CASH FLOW STATEMENTS
For the Year ended on December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
	Baht	Baht	Baht	Baht
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit (Loss)	(502,504,798.79)	254,294,511.84	(502,504,798.79)	254,294,511.84
Adjustment to Net Profit (Loss) for Cash Received (Paid) from Operations				
Depreciation - Parent Chicken During the Period	1,305,657,233.67	174,335,412.39	-	-
Depreciation-Assets for Rent	11,801,951.82	11,801,950.15	11,801,951.82	11,801,950.15
Depreciation-Fixed Assets	263,072,882.08	256,279,055.37	63,112,722.62	60,428,787.07
Depreciation-Other Assets	145,571.60	138,253.26	-	-
Dilapidation-Fixed Assets	112,151.22	210,014.92	-	-
Amortization Expenses from Consutruction	6,897,505.61	-	-	-
Written off Goodwill	6,423,467.05	5,165,738.86	-	-
Negative Goodwill	(3,372.17)	(105,351.77)	-	-
Bad Debts	602,963.83	-	-	-
Doubtful Debts (Reverse)	38,463,512.25	9,911,277.38	(185,460.00)	718,472.00
Doubtful Debts from Other Accounts Receivable	8,000.00	1,250.35	-	1,250.35
Loss from Disbursement	2,779,000.00	-	-	-
Loss from Impairment of Fixed Assets	19,910,643.58	-	9,852,356.50	-
Loss from Raw Materials Dilapidation	299,400.00	337,372.62	-	337,372.62
Loss from Impairment of Factory Supplies Dilapidation	-	246,888.88	-	246,888.88
Loss from Expired Refund of Withholding Tax	199,147.75	154,879.05	153,185.00	93,999.77
Loss (Gain) from Sales of Parent Chicken Retirement	35,504,564.48	(10,879,728.04)	-	-
Loss from Impariment of Parent Chicken	636,174.72	-	-	-
Loss from Disposal of Chicken	111,267,332.31	-	-	-
Loss from Decline in Value of Inventories	7,155,796.70	5,879,072.53	5,766,023.26	3,588,958.61
Loss (Gain) from Sales of Fixed Assets	(6,669,217.05)	(2,303,764.04)	(906,540.06)	(355,137.19)
Loss (Gain) from Sales of Dilapidated Assets	(143,136.54)	-	-	-
Loss (Gain) from Unused Assets	-	19,293,412.53	-	-
Loss (Gain) from Unrealized Exchange Rate	(659,737.04)	(229,469.93)	(89,200.97)	(42,496.50)
Expenses from Adjusted Construction	15,836.00	-	-	-
Participating Loss (Profit) in Subsidiary Companies	-	-	312,429,705.70	(395,583,966.01)
Participating Loss (Profit) in Associated Company	(8,102,982.35)	(10,628,123.03)	(8,102,982.35)	(10,628,123.03)
Profit from Minority Shareholders' Interest During in this Period	(4,162,642.14)	(1,307,453.68)	-	-
Profit(Loss) from Operating Activities before				
Changes in Operating Assets and Liabilities	113,615,738.59	712,595,199.64	(108,673,037.27)	(75,097,531.44)
(Increase) Decrease in Accounts and Notes Receivable	165,485,483.53	46,704,148.61	54,624,766.84	16,241,627.82
(Increase) Decrease in Inventories	(237,671,650.58)	(32,282,783.70)	(194,698,605.97)	50,121,485.77
(Increase) Decrease in Factory Supplies	(32,954,469.64)	(12,642,684.28)	362,401.14	(1,880,315.89)
(Increase) Decrease in Prepaid Corporate Income Tax	10,407,063.03	-	10,407,063.03	-
(Increase) Decrease in Other Current Assets	(41,003,355.91)	503,661.98	(15,087,061.05)	(2,171,730.10)
(Increase) Decrease in Other Non-Current Assets	3,000,598.61	(3,284,305.44)	(153,786.95)	(628,014.92)
Increase (Decrease) in Accounts and Notes Payable	(508,845,744.35)	(65,907,091.46)	47,989,579.32	(139,937,919.57)
Increase (Decrease) in Other Current Liabilities	11,606,421.36	11,174,054.98	24,220,656.89	926,212.70
Increase (Decrease) in Other Non-Current Liabilities	(7,436,154.20)	(1,243,358.17)	(3,011,927.55)	(1,101,431.61)
Cash Provided (Used) from Operating Activities-Net	(523,796,069.56)	655,616,842.16	(184,019,951.57)	(153,527,617.24)

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CASH FLOW STATEMENTS

For the Year ended on December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in Short-Term Loan to Subsidiary Companies	-	-	(50,000,000.00)	(340,000,000.00)
Cash Received from Loan to Subsidiary Companies	-	-	170,000,000.00	80,000,000.00
Dividend Received from Subsidiary Companies	-	-	-	327,448,325.75
Dividend Received from Associated Companies	-	4,900,000.00	-	4,900,000.00
Purchases of the Investment in Subsidiary Companies (Consolidated : Net from Cash Payment)	(37,000.00)	110,516.93	(37,000.00)	(60,899,895.00)
Cash Payment from Investment in Parent Chicken	(199,909,903.87)	(212,204,088.59)	-	-
Cash Receive from Sales of Parent Chicken Retirement	51,196,132.44	43,558,525.00	-	-
Cash Received from Insurance-Vehicle	650,000.00	-	-	-
Purchases of Fixed Assets	(458,470,399.24)	(564,645,626.56)	(139,607,964.11)	(129,093,930.23)
Sales of Fixed Assets	10,528,116.04	3,082,208.55	906,542.06	958,271.95
Cash Provided (Used) from Investing Activities-Net	(596,043,054.63)	(725,198,464.67)	(18,738,422.05)	(116,687,227.53)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in Bank Overdrafts and Short-Term Loans from Financial Institutions	890,689,969.88	(516,774,790.11)	97,500,000.00	(221,529,506.05)
Increase in Long-Term Loans	210,000,000.00	500,000,000.00	60,000,000.00	300,000,000.00
Long - Term Loans Payment	(111,250,000.00)	(75,820,000.00)	(56,250,000.00)	(15,820,000.00)
Dividend Payment	-	(313,455,250.00)	-	(313,455,250.00)
Cash Receive from Increase in Capital	-	626,910,500.00	-	626,910,500.00
Minority Shareholders' Interest in Dividend Payment	-	(1,301,674.25)	-	-
Cash Provided (Used) from Financing Activities-Net	989,439,969.88	219,558,785.64	101,250,000.00	376,105,743.95
Increase (Decrease) in Cash and Cash Equivalent Items-Net	(130,399,154.31)	149,977,163.13	(101,508,373.62)	105,890,899.18
Cash and Cash Equivalent Items at the Beginning of the Period	180,173,115.67	30,195,952.54	113,290,489.30	7,399,590.12
Cash and Cash Equivalent Items at the Ending of the Period	49,773,961.36	180,173,115.67	11,782,115.68	113,290,489.30
Additional Disclosure of Cash Flow:				
1.) Cash Payment during the Period				
- Interest Expenses	108,944,234.01	49,447,263.40	45,884,602.95	27,431,847.29
- Corporate Income Tax	2,612,440.06	2,933,686.58	688,356.51	314,483.87
2.) Cash and Cash Equivalent Items				
- Cash	1,949,551.75	512,793.00	1,559,551.75	40,000.00
- Cash at Bank - Current Accounts	20,981,141.84	18,123,424.09	5,464,998.58	5,204,561.07
- Cash at Bank - Savings Accounts	26,843,267.77	161,536,898.58	4,757,565.35	108,045,928.23
Total	49,773,961.36	180,173,115.67	11,782,115.68	113,290,489.30

3.) Items not Effects on Cash

3.1 For the year ended on 31 December 2004 and 2003, one subsidiary company transferred assets in progress to factory supplies in the amount of Baht 4.26 million and Baht 2.00 million respectively.

3.2 For the year ended on 31 December 2004, one subsidiary company received the transferring land and building in the amount of Baht 4.48 million from one account receivable.

3.3 For the year ended on 31 December 2004 and 2003, one subsidiary company transferred depreciation to the cost of assets in the amount of Baht 1.52 million and Baht 0.28 million respectively.

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2004 and 2003

1. Basis of Financial Statements

- 1.1 The financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543 which is the accounting standard determined by the Institute of Certified Accountants and Auditors of Thailand and which the Board of Supervision of Auditing Practices, appointed by Minister of Commerce under the Accounting Act. B.E. 2505, resolved and announced to be implemented and in accordance with the determination of the office of the Securities and Exchange Committee on the subject of preparation and presentation of the financial reports.
- 1.2 In order to prepare the financial statements to comply with generally accepted accounting standards, the company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ the estimated amount.
- 1.3 For the convenience of the user and English translation of the consolidated and company financial statement's has been prepared from statutory financial statements that are issued in the Thai language

2. Corrected from the Differences between Retained Earnings of Consolidated and the Company only

The company was corrected the differences of retained earnings items of the company only because it was higher than the retained earnings of the consolidated in the amount of 18.90 million baht. The different amounts were occurred from the past and could not find the causes in the investment in subsidiary companies' accounts. The company are calculated by proportion of investment in subsidiary companies that have acquired and showed difference retained earnings of the company only on that time. In accordance with the generally accepted accounting principles, the company adjusted the different amounts by decreased 18.09 million baht in the retained earnings account and investment in subsidiary companies' account in the company only in order to make a balance between the retained earnings of the company financial statements and the retained earnings of the consolidated financial statements.

3. General Information

The company was registered on November 25, 1981 and later registered as a public company on May 10, 1994, registration number Bor Mor Jor 394 with its registered head office located at 118 Moo 4, Rama II Rd., Bangmod, Jomthong, Bangkok.

Its main business activity is producing and distributing frozen and cooked chicken products. Its employee data is as follows:

	Consolidated		The Company only	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Average Employees (number)	6,784	7,748	3,507	4,247
Employee Expenses (Million Baht)				
For the year ended on December 31	759.06	860.73	383.45	488.36

4. Benefits and Privileges from Investment Promotion

GFPT PUBLIC COMPANY LIMITED was granted two investment promotional certificates. It obtained benefits and privileges under sections 25, 26, 28, 31, 34, 36(1), 36(2) and 37 of the Investment Promotion Act B.E. 2520 (1977) from the Board of Investment. The privileges so granted include exemption of corporate income tax on net profits for eight years (No. 1056 (1) /2002) and it also granted included exemption of corporate income tax on net profits from investment of promotional activities not exceed 100 percent of total investment of the project excluded the value of land and working capital for eight years (No. 1776 (2) /2002) commencing from the first day when the company starts to earn income from the operation of promotional operation.

<u>Certificate No.</u>	<u>Dated</u>	<u>Type of Promotional Activities</u>	<u>The First Date</u>	<u>The Expiry Date</u>
1056(1)/2002	January 23,2002	Semi-Finished and Finished Chicken Products	September 3,2002	September 2, 2010
1776(2)/2002	December 11,2002	Semi-Finished Chicken Products	-	-

Revenues to calculate net profit should be included by products and dilapidation products from production line.

KRUNGTHAI FEEDMILL PUBLIC COMPANY LIMITED, a subsidiary company, was granted an investment promotion certificate No.1055(1)/2001 dated on January 17, 2001 and obtained benefits and privileges under sections 25, 26, 28, 31, 34 and 37 of the Investment Promotion Act B.E. 2520 (1977) from the Board of Investment. The privileges so granted include exemption of corporate income tax on net profits for eight years commencing from the first day when the company starts to earn income from the operation of promotional activities in the production of shrimp feed mill.

This subsidiary company started to earn income from promotional activities since May 2, 2001.

M.K.S.FARM COMPANY LIMITED, a subsidiary company, was granted six investment promotional certificates and also obtained benefits and privileges under sections 25, 26, 28, 31, 34 and 37 of the Investment Promotion Act B.E. 2520 (1977) from the Board of Investment. The privileges so granted include exemption of corporate income tax on net profits for three years (Certificates NO.1506/1999) and eight years (Certificates NO.1608 (1)/2001, NO.1678 (1)/2001, NO 1696 (1)/2001, NO. 1779 (2)/2002 and NO. 1632 (2)/2003) commencing from the first day when the company starts to earn income from the operation as followings:

<u>Certificate No.</u>	<u>Date</u>	<u>Type of Promotional</u>	<u>The First Day</u>	<u>The Expiry Date</u>
1506/1999	November 16, 1999	Broiler Feeding	January 3, 2001	January 2, 2004
1608(1)/2001	September 24, 2001	Broiler Feeding	October 30, 2001	October 29, 2009
1678(1)/2001	October 25, 2001	Broiler Feeding	January 15, 2002	January 14, 2010
1696(1)/2001	November 6, 2001	Broiler Feeding	July 26, 2002	July 25, 2010
1779(2)/2002	December 12, 2002	Broiler Feeding	February 21, 2003	February 20, 2011
1632(2)/2003	November 11, 2003	Broiler Feeding	-	-

Revenues to calculate net profit should be included by products and dilapidation products from production line such as dead chicken and chicken dung.

5. Summary of Significant Accounting Policy

- 5.1 Income from sales is recognized when goods are delivered to customers and expenses are recognized on an accrual basis.
- 5.2 Cash and cash equivalent items are included cash at banks in saving accounts, current accounts and fixed accounts not over than 3 months and free from any guarantees.
- 5.3 Allowance for doubtful accounts is estimated from accounts receivable which are likely to be uncollectible.
- 5.4 Inventories are valued at lower of actual cost or net value by using the following methods:
- 5.4.1 GFPT PUBLIC COMPANY LIMITED
- Finished goods are valued at weighted average moving cost method.
 - Raw materials, packaging materials and other supplies are valued at weighted average moving cost method.
- 5.4.2 M.K.S. FARM COMPANY LIMITED
- Rearing parent stocks are valued at cost method.
 - Raw materials and supplies are valued at weighted average moving cost method.
- 5.4.3 KRUNGTHAI FARM COMPANY LIMITED
- Raw materials, packaging materials and other supplies are valued at weighted average moving cost method.
 - Seed eggs and eggs during hatching are valued at cost method.
- 5.4.4 KRUNGTHAI FEEDMILL PUBLIC COMPANY LIMITED
- Finished goods and goods in process are valued at FIFO method.
 - Raw materials and others are valued at FIFO method.
- 5.4.5 GF FOODS COMPANY LIMITED
- Finished goods are valued at the weighted average moving cost.
 - Raw materials, packaging materials and supplies are valued at weighted average cost.
- 5.5 Allowances for dilapidated goods are estimated from goods which are subject to dilapidation.
- 5.6 Parent chickens
- KRUNGTHAI FARM COMPANY LIMITED
- Parent chickens are valued at cost calculated depreciation from estimated the production of eggs.
 - Rearing parent stocks are valued at actual cost.
 - Removal of old parent chickens was shown in profit (loss) from sale of removal of old parent chickens in income statements.
- 5.7 Investments in subsidiary and associated company are recorded by using equity method.
- 5.8 Goodwill is written off by using a 20 years straight-line method.
- 5.9 Long-Term Investments
- Investment in marketable securities for sale is recorded at fair price and recognized the changes in value of investments in marketable securities for sale on separated item in shareholders' equities. It also should be recorded in statements of income when the company sold such investments.
 - Investment in non-marketable securities which are held as a general investment are shown at cost price and also adjusted the allowance for diminution in investments in securities.
- 5.10 Fixed assets are recorded at cost after deduction of depreciation expenses which are calculated on a straight-line method over their approximate useful-life as follows:
- | | | |
|--|-------|-------|
| - Land Improvements (Before Year 1985) | 20,33 | Years |
| - Building and Improvements | 20-33 | Years |
| - Building for Rent | 20 | Years |
| - Machines and Equipment | 5-10 | Years |
| - Tools | 5 | Years |
| - Office Equipment | 5 | Years |
| - Vehicles | 5 | Years |

Land from M.K.S. FARM CO., LTD. was recorded at cost price, and later it was shown on market price which appraised from independent appraiser. The increasing price from land revaluation was shown in shareholders' equity. The decreasing price from land revaluation of the previous period was recorded at capital surplus arisen from land evaluation. M.K.S. FARM CO., LTD. took the amount of decreasing price to deduct the excess of capital accounts and also transferred the excess of capital accounts to accumulated profit (loss) accounts when the excess of capital occurred. M.K.S. FARM CO., LTD. will update land valuation every 5 years.

- 5.11 Financial instruments, financial assets were shown in balance sheets composed of cash and cash at banks, investments, accounts receivable. Financial liabilities were shown in balance sheets composed of accounts payable and borrowings. The accounting policy of each items would be disclosed in separated items.
- 5.12 Items denominated in foreign currencies are recorded in Baht at the prevailing exchange rate when the transactions occur, and their balances of assets and liabilities at the ended of period are converted into Baht at the prevailing exchange rate on that date. Profit or loss arising from such conversion is shown as revenues or expenses in the income statements.
- 5.13 Primary profit (loss) per share is calculated by dividing net profit (loss) with the number of issued and paid-up shares at the end of the period. The company did not calculate the fully diluted earnings (loss) per share since it has no ordinary share equivalent.
- 5.14 The appropriation of retained earnings is attributable to the Public Company Act 2535 (1992). The company will appropriate retained earnings when it is approved at the shareholders' meeting.

6. Basis of Consolidation

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

Company's Name	Type of Business	Percentage of Shareholdings		Registration
		As of		
		December 31, 2004	December 31, 2003	
M.K.S.FARM CO., LTD.	Broiler Farm	99.9999	99.9999	Thailand
KRUNGTHAI FARM CO., LTD.	Hatchery Farm	99.9999	99.9999	Thailand
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	Feed Mill	96.7559	96.7460	Thailand
GF FOODS CO., LTD.	Processed Food	99.9999	99.9999	Thailand
GFPT-GP CO, LTD	Production and Distribution			
(Previous Name - CHAICHAROEN FEEDMILL CO., LTD.)	Purchase-Sale Raw Material	99.9999	99.9999	Thailand

- 6.2 The consolidated financial statements are prepared under the rules and regulations of the Stock Exchange of Thailand with the only objective to explain the combined financial position and operating result of GFPT PUBLIC COMPANY LIMITED and its subsidiaries. The use of information in the consolidated financial statements for any other purposes may be restricted by the differences in business natures of its subsidiaries.
- 6.3 The accounting period of subsidiary companies and the accounting period of GFPT PUBLIC COMPANY LIMITED are ended at the same period. The percentage of shareholdings at 99.99% of the subsidiary companies, the company are treated as holdings of 100 percent of consolidated financial statements
- 6.4 Accounting policy for subsidiary companies will utilize the same policy as that of the GFPT PUBLIC COMPANY LIMITED in the preparation of the consolidated financial statements.

7. Inter-Transactions within the Group

The significant inter-transactions between subsidiary companies, associated company and related companies were as follows:

7.1 Inter-Revenues and Expenses

	The Company Only	
	For the Year	
	Ended on December 31,	
	2004	2003
	'000 Baht	'000 Baht
Inventory Sales :		
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	9	-
GF FOODS CO., LTD.	35,729	30,426
MCKEY FOOD SERVICES (THAILAND) LTD.	265,392	351,118
	301,130	381,544
Other Revenues and Services :		
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	6,443	3,996
M.K.S.FARM CO., LTD.	455	794
KRUNGTHAI FARM CO., LTD.	2,022	883
GF FOODS CO., LTD.	8,210	6,909
MCKEY FOOD SERVICES (THAILAND) LTD.	2,234	1,822
	19,364	14,404
Inventory Purchases :		
M.K.S.FARM CO., LTD.	1,948,150	2,752,763
KRUNGTHAI FARM CO., LTD.	126,005	86,927
MCKEY FOOD SERVICES (THAILAND) LTD.	350,575	1,752
	2,424,730	2,841,442
Interest Receivable :		
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	3,866	1,140
KRUNGTHAI FARM CO., LTD.	7,081	2,311
	10,947	3,451
Other Expenses :		
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	89
M.K.S.FARM CO., LTD.	480	191
KRUNGTHAI FARM CO., LTD.	198	-
GF FOODS CO., LTD.	29,488	24,950
P. CHAROEN PHAN PRODUCE CO., LTD.	722	464
P. CHAROEN PHAN FEEDMILL CO., LTD.	6,584	2,734
	37,472	28,428

7.2 Inter-Assets and Liabilities

The Company Only
As of
December 31, December 31,

	2004 '000 Baht	2003 '000 Baht
Accounts Receivable :		
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	9	-
GF FOODS CO., LTD.	633	683
MCKEY FOOD SERVICES (THAILAND) LTD.	11,310	38,970
	11,952	39,653
Other Accounts Receivable :		
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	353	78
M.K.S. FARM CO., LTD.	39	33
KRUNGTHAI FARM CO., LTD.	50	80
GF FOODS CO., LTD	674	674
MCKEY FOOD SERVICES (THAILAND) LTD.	196	223
	1,312	1,088
Accounts and Notes Payable :		
M.K.S. FARM CO., LTD.	17,703	21,779
KRUNGTHAI FARM CO., LTD.	-	2,392
MCKEY FOOD SERVICES (THAILAND) LTD.	39,029	52
	56,732	24,223
Accrued Expenses :		
M.K.S. FARM CO., LTD.	2	191
KRUNGTHAI FARM CO., LTD.	1,588	8
GF FOODS CO., LTD	2,738	2,132
	4,328	2,331

As of December 31, 2004, the movement of loan from subsidiary, associated and related companies were as follows:

	Balance December 31, 2003 '000 Baht	Within the Year		Balance December 31, 2004 '000 Baht
		Increase '000 Baht	Decrease '000 Baht	
Loan to :				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	120,000	50,000	(170,000)	-
KRUNGTHAI FARM CO., LTD.	140,000	-	-	140,000

As of December 31, 2003, the movement of loan from subsidiary, associated and related companies were as follows:

	Balance	Within the Year		Balance
	As of	Increase	Decrease	As of
	December 31, 2002			December 31, 2003
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Loan to :				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	120,000	-	120,000
KRUNGTHAI FARM CO., LTD.	-	140,000	-	140,000
M.K.S. FARM CO., LTD.	-	80,000	(80,000)	-
Loan from :				
GF FOODS CO., LTD	-	15,000	(15,000)	-

- The Company Only

As of December 31, 2004 and 2003 the whole amount of loan to KRUNGTHAI FEEDMILL PUBLIC CO., LTD. was loan in the form of promissory note with interest rate of 1.90-5.00 % and 4.00 % per annum respectively.

As of December 31, 2004 and 2003, the whole amount of loan to KRUNGTHAI FARM CO., LTD. was loan in the form of promissory note with interest rate of 5.00-6.00 % per annum and 4.00 % per annum respectively.

As of December 31, 2003 the whole amount of loan to M.K.S. FARM CO., LTD. was loan in the form of promissory note with interest rate of 4.00 % per annum.

As of December 31, 2003 the whole amount of loan from GF FOODS CO., LTD. was loan in the form of promissory note with interest rate of 2.50 % per annum.

Inventory Sales was charged with subsidiary companies and associated company at higher price than the cost or nearly the market price.

Other incomes, services and other selling expenses were charged with subsidiary companies, associated company and related companies based on the agreement at cost price.

Raw material purchase from subsidiary companies was charged based on the agreement or nearly the market price.

Raw material purchase from one subsidiary company was charged based on the market price.

The inter-transactions between the company and the above subsidiary companies were deducted during the preparation of the consolidated financial statements.

7.3 Relationship among the Companies

Consist of:

Company's Name	Relationship
Krungthai Farm Co., Ltd	Subsidiary Company by Shareholding and Mutual Management
M.K.S Farm Co., Ltd	Subsidiary Company by Shareholding and Mutual Management
GF Foods Co., Ltd	Subsidiary Company by Shareholding and Mutual Management
Krungthai Feedmill Public Company Limited	Subsidiary Company by Shareholding and Mutual Management
GFPT-GP Co, Ltd	Subsidiary Company by Shareholding and Mutual Management
(Previous Name - CHAICHAROEN FEEDMILL CO., LTD.)	
McKey Food Services (Thailand) Ltd	Associated Company by Shareholding
P. Charoen Phan Feedmill Co., Ltd	Mutual Management
P. Charoen Phan Produce Co., Ltd	Mutual Management

8. Accounts and Notes Receivable-Net

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31 ,	December 31 ,	December 31 ,	December 31 ,
	2004	2003	2004	2003
	Baht	Baht	Baht	Baht
Accounts Receivable-Local	258,746,110.66	414,094,333.28	64,125,923.35	55,280,773.88
<u>Less</u> Allowance for Doubtful Accounts Receivable	(73,961,752.01)	(35,498,239.76)	(5,301,252.73)	(5,486,712.73)
Net	184,784,358.65	378,596,093.52	58,824,670.62	49,794,061.15
Notes Receivable	51,269,317.50	1,056,133.00	149,389.00	-
Accounts Receivable-Foreign	33,671,457.57	69,601,719.66	33,671,457.57	69,601,719.66
Accounts and Notes Receivable-Net	269,725,133.72	449,253,946.18	92,645,517.19	119,395,780.81

Accounts and Notes Receivable were classified by aging as followings:

	Consolidated		The Company Only	
	As of		As of	
	December 31 ,	December 31 ,	December 31 ,	December 31 ,
	2004	2003	2004	2003
	Baht	Baht	Baht	Baht
Accounts and Notes Receivable (within due period)	184,336,768.34	282,973,111.67	83,281,611.14	111,987,776.76
Accounts and Notes Receivable (past due period)				
- Less than 3 months	58,635,849.92	143,590,391.34	9,098,664.00	7,407,982.00
- More than 3 months	50,915,953.47	210,925,049.93	5,566,494.78	5,486,734.78
Total	293,888,571.73	447,488,552.94	97,946,769.92	124,882,493.54
Return Cheque	49,798,314.00	37,263,633.00	-	-
Total	343,686,885.73	484,752,185.94	97,946,769.92	124,882,493.54
<u>Less</u> Allowance for Doubtful Accounts	(73,961,752.01)	(35,498,239.76)	(5,301,252.73)	(5,486,712.73)
Net	269,725,133.72	449,253,946.18	92,645,517.19	119,395,780.81

9. Accounts Receivable-Subsidiary, Associated and Related Companies

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31,	December 31,	December 31,	December 31,
	2004	2003	2004	2003
	Baht	Baht	Baht	Baht
Accounts Receivable-Subsidiary Companies	-	-	642,028.00	683,648.00
Accounts Receivable-Associated Companies	11,310,239.55	38,969,712.00	11,310,239.55	38,969,712.00
Accounts Receivable-Related Companies	388,786.07	543,510.00	-	-
Total	11,699,025.62	39,513,222.00	11,952,267.55	39,653,360.00

Accounts and Notes Receivable - Subsidiary, Associated and Related Companies were classified by aging as followings:

	Consolidated		The Company Only	
	As of		As of	
	December 31,	December 31,	December 31,	December 31,
	2004	2003	2004	2003
	Baht	Baht	Baht	Baht
Accounts and Notes Receivable (within due period)	11,461,437.62	39,190,885.00	11,952,267.55	39,653,360.00
Accounts and Notes Receivable (past due period)				
- Less than 3 months	237,588.00	322,337.00	-	-
- More than 3 months	-	-	-	-
Total	11,699,025.62	39,513,222.00	11,952,267.55	39,653,360.00

10. Inventories-Net

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31,	December 31,	December 31,	December 31,
	2004	2003	2004	2003
	Baht	Baht	Baht	Baht
Finished Goods	142,430,243.80	136,854,532.03	108,885,651.14	112,160,310.35
Raw Materials	308,876,545.00	453,695,744.07	10,938,214.91	4,810,591.61
Goods in Process	233,796,308.89	46,484,684.01	226,010,467.94	33,539,003.08
Seed Eggs and Eggs during Hatching	22,158,211.09	30,450,415.79	-	-
Rearing Pullet Chicken	12,981,870.18	-	-	-
Rearing Broiler Chicken	118,459,704.61	129,536,336.35	-	-
Raw Materials in Transit	124,592,158.34	-	-	-
Goods in Transit	1,734,045.97	2,507,158.70	-	-
Medical Supplies, Supplies and Others	58,134,832.26	97,530,130.92	5,000,729.55	5,626,552.53
Total	1,023,163,920.14	897,059,001.87	350,835,063.54	156,136,457.57
<u>Less</u> Allowance for Non-Current Goods	(823,169.00)	(823,169.00)	(823,169.00)	(823,169.00)
Allowance for Dilapidated Goods	(337,372.62)	(337,372.62)	(337,372.62)	(337,372.62)
Allowance for Decline in Value of Goods	(18,521,749.86)	(11,365,953.16)	(14,841,862.50)	(9,075,839.24)
Net	1,003,481,628.66	884,532,507.09	334,832,659.42	145,900,076.71

11. Parent Chicken-Net

Consist of :

	Consolidated	
	As of	
	December 31,	December 31,
	2004	2003
	Baht	Baht
Beginning Balance in Parent Chicken	151,389,143.33	146,199,264.09
<u>Plus</u> Parent Chicken	199,909,903.87	212,204,088.59
	351,299,047.20	358,403,352.68
<u>Less</u> Depreciation in Parent Chicken	(130,565,723.67)	(174,335,412.39)
<u>Less</u> Depreciation in Parent Chicken Early Retirement	(35,289,671.54)	(17,520,312.50)
<u>Less</u> Rearing Parent Chicken (Salvage Value)	(51,411,025.38)	(15,158,484.46)
<u>Less</u> Devalue of Impairment in Parent Chicken	(636,174.72)	-
Ending Balance in Parent Chicken	133,396,451.89	151,389,143.33

12. Investments in Subsidiary and Associated Companies-Net

As of December 31, 2004, GFPT Public Company Limited had investments in its subsidiary and associated companies as follows:

Name of Companies	Paid-up capital Baht	% Share- Holding	Equity Method		Cost Method		Dividend	
			Consolidated	GFPT	Consolidated	GFPT	Consolidated	GFPT
			Baht	Baht	Baht	Baht	Baht	Baht
- Subsidiary Companies								
M.K.S.FARM CO., LTD.	550,000,000	99.9999%	-	1,191,672,966.43	-	549,999,910.00	-	-
KRUNGTHAI FARM CO., LTD	350,000,000	99.9999%	-	481,170,108.54	-	349,999,910.00	-	-
KRUNGTHAI								
FEEDMILL PUBLIC CO., LTD.	400,000,000	96.7559%	-	404,539,436.60	-	592,237,242.86	-	-
GF FOODS CO., LTD.	30,000,000	99.9999%	-	22,657,983.09	-	29,999,100.00	-	-
GFPT-GP CO., LTD	60,400,000	99.9999%	-	61,564,212.82	-	60,899,895.00	-	-
(CHAICHAROEN FEEDMILL CO., LTD.)								
- Associated Company								
MCKEY FOOD								
SERVICES (THAILAND) LTD.	100,000,000	49.0000%	94,756,070.99	94,756,070.99	49,000,000.00	49,000,000.00	-	-
Total			94,756,070.99	2,256,360,778.47	49,000,000.00	1,632,136,057.86	-	-

As of December 31, 2003, GFPT Public Company Limited had investments in its subsidiary and associated companies as follows:

Name of Companies	Paid-up capital Baht	% Share- Holding	Equity Method		Cost Method		Dividend	
			Consolidated	GFPT	Consolidated	GFPT	Consolidated	GFPT
			Baht	Baht	Baht	Baht	Baht	Baht
- Subsidiary Companies								
M.K.S.FARM CO., LTD.	550,000,000	99.9999%	-	1,256,659,063.06	-	549,999,910.00	47.25	288,749,952.75
KRUNGTHAI FARM CO., LTD	350,000,000	99.9999%	-	596,353,757.75	-	349,999,910.00	-	-
KRUNGTHAI								
FEEDMILL PUBLIC CO., LTD.	400,000,000	96.7460%	-	534,960,893.35	-	592,200,242.86	1,301,627.00	38,698,373.00
GF FOODS CO., LTD.	30,000,000	99.9999%	-	25,433,978.67	-	29,999,100.00	-	-
GFPT-GP Co.,Ltd,	60,400,000	99.9999%	-	60,592,920.35	-	60,899,895.00	-	-
(CHAICHAROEN FEEDMILL CO.,LTD.)								
- Associated Company								
MCKEY FOOD								
SERVICES (THAILAND) LTD.	100,000,000	49.0000%	86,653,088.64	86,653,088.64	49,000,000.00	49,000,000.00	4,900,000.00	4,900,000.00
Total			86,653,088.64	2,560,653,701.82	49,000,000.00	1,632,099,057.86	6,201,674.25	332,348,325.75

The resolutions of the board of directors' meeting no. 8/2003 dated 26 August 2003 resolved to approve the company to purchase 99.99% ordinary shares of GFPT-GP Co., Ltd (Previous Name- Chaicharoen Feedmill Co., Ltd.) in order to Feed the chicken grandparent farm at 15.00 baht per share, amounting to Baht 1.50 million. The company paid this investment on 27 August 2003 and this subsidiary company had total assets in the amount of 0.12 million baht. The total liabilities 0.02 million baht and shareholders' equities 1.60 million baht. The subsidiary company had total revenues 0.08 million baht and net profit 0.008 million baht. To purchase this subsidiary company, it occurred negative goodwill in the amount of 0.11 million baht, the company recognized revenue in the whole amount of consolidated financial statements.

For quarter 3/2003, the minutes of the extraordinary shareholders' meeting no. 2/2003 and no. 3/2003 dated 25 August 2003 and 25 September 2003 respectively, GFPT-GP Co., Ltd. (Previous Name- Chaicharoen Feedmill Co., Ltd.), the subsidiary company, had resolved to increase the 9,900,000 ordinary shares from 100,000 ordinary shares, totaling 10,000,000 ordinary shares (par value at 10.00 Baht). The company called to pay 60% of the price of the value of ordinary shares (calculated valued at 6.00 Baht), total 9,900,000 ordinary shares amounting to 59,400,000 Baht. The company had increased in capital with the Ministry of Commerce on 29 September 2003. At present, the company still not calls the shareholders to pay the left.

Investment in subsidiary companies which the company held more than 99.99%, the company recorded by equity method as if the company held 100% of authorized capital.

For the financial statements of the associated company for the year ended December 31, 2004 and 2003 which were used to record such investment by equity method, had audited by any other certified auditor with unqualified opinions. In accordance to the financial report dated 21 January 2005 and 19 January 2004, the company recorded the amount of profit of associated company by equity method with the reference of this other certified auditor.

13. Long-Term Investments-Net

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	Baht	Baht	Baht	Baht
General Investment				
- Quality Place Co., Ltd.	6,500,000.00	6,500,000.00	6,500,000.00	6,500,000.00
Investment in Securities for Sales				
- Thai Petrochemical Industrial Public Co., Ltd.	5,000.00	5,000.00	-	-
<u>Less</u> Allowance for Diminution in Value of				
Investment in Securities for Sale	(1,350.00)	1,850.00	-	-
Allowance for Diminution in Value of				
Investment in General Investment	(6,500,000.00)	(6,500,000.00)	(6,500,000.00)	(6,500,000.00)
Net	3,650.00	6,850.00	-	-

As of December 31, 2004 and 2003, the company had Baht 6.50 million invested in ordinary shares of a listed company which was to be delisted from the Stock Exchange of Thailand, and the whole amount of that investment was recorded in the allowance for diminution in security value.

14. Assets for Rent-Net

Consist of :

	Consolidated and The Company Only			
	Balance	Increase /	Sale /	Balance
	As of	Transfer in	Transfer out	As of
	December 31, 2003			December 31, 2004
	Baht	Baht	Baht	Baht
Cost :				
Land	53,111,348.47	-	(14,056,900.00)	39,054,448.47
Poultry Houses	166,870,029.67	-	-	166,870,029.67
Condominium Units	162,431,733.01	-	-	162,431,733.01
Other Buildings	4,812,914.05	-	-	4,812,914.05
Total	387,226,025.20	-	(14,056,900.00)	373,169,125.20
Accumulated Depreciation :				
Poultry Houses	(84,696,918.03)	(6,996,305.94)	-	(91,693,223.97)
Condominium Units	(42,045,642.71)	(4,565,000.88)	-	(46,610,643.59)
Other Buildings	(1,725,383.00)	(240,645.00)	-	(1,966,028.00)
Total	(128,467,943.74)	(11,801,951.82)	-	(140,269,895.56)
Net	258,758,081.46	(11,801,951.82)	(14,056,900.00)	232,899,229.64

Depreciation in Income Statements

For the Year ended on December 31 ,

2004

11,801,951.82

2003

11,801,950.15

15. Property, Plant and Equipment-Net

Consist of :

	Consolidated					
	Balance	Purchase	Increase /	Sale	Decrease	Balance
	As of December 31, 2003		Transfer in		Transfer out	As of December 31, 2004
	Baht	Baht	Baht	Baht	Baht	Baht
Cost :						
Land and Land Improvement	291,801,313.37	-	-	-	(17,748,551.50)	274,052,761.87
Building and Building Improvement	2,163,328,254.91	-	36,479,986.86	-	-	2,199,808,241.77
Machines and Equipment	1,268,853,498.28	2,695,833.94	97,862,263.57	-	(166,846,800.79)	1,202,564,795.00
Tools	406,295,630.05	26,825,591.81	11,418,147.01	(59,573.98)	(411,741.07)	444,068,053.82
Office Equipment	186,507,864.35	6,177,162.90	315,054.07	-	(90,380.00)	192,909,701.32
Vehicles	350,469,752.29	8,214,270.63	6,811,411.81	(18,728,310.84)	(5,050.00)	346,762,073.89
Others	1,303,395.00	-	-	-	-	1,303,395.00
Construction in Progress	264,383,311.53	410,076,449.96	168,366,954.68	-	(164,055,495.90)	678,771,220.27
Total	4,932,943,019.78	453,989,309.24	321,253,818.00	(18,787,884.82)	(349,158,019.26)	5,340,240,242.94
Capital Surplus arisen from						
Land Evaluation :						
Land and Land Improvement	622,932,289.33	-	-	-	-	622,932,289.33
Total Capital Surplus arisen from						
Land Evaluation	622,932,289.33	-	-	-	-	622,932,289.33
Accumulated Depreciation :						
Land and Land Improvement	(7,689,796.45)	-	(1,213,857.30)	-	-	(8,903,653.75)
Building and Building Improvement	(975,645,640.27)	-	(103,267,368.88)	-	-	(1,078,913,009.15)
Machines and Equipment	(814,600,920.51)	-	(72,739,222.71)	-	-	(887,340,143.22)
Equipment and Tools	(299,478,441.26)	-	(33,733,243.38)	49,192.40	299,604.85	(332,862,887.39)
Office Equipment	(136,668,023.91)	-	(16,126,887.54)	-	90,368.00	(152,704,543.45)
Vehicles	(236,100,806.46)	-	(37,512,456.16)	14,372,929.97	5,047.00	(259,235,285.65)
Others	(798,998.00)	-	-	-	-	(798,998.00)
Total	(2,470,982,626.86)	-	(264,593,035.97)	14,222,122.37	395,019.85	(2,720,758,520.61)
Land, Building and Equipment-Net	3,084,892,682.25	453,989,309.24	56,660,782.03	(4,365,762.45)	(348,762,999.41)	3,242,414,011.66
Allowance for Impairment in						
Construction in Progress	-	-	(488,375.08)	-	-	(488,375.08)
Net	3,084,892,682.25	453,989,304.24	56,172,406.95	(4,365,762.45)	(348,762,999.41)	3,241,925,636.58

Depreciation in Income Statements

For the Year ended on December 31,

2004

263,072,882.08

2003

256,279,055.37

Depreciation Transferred in Costs of Construction in Progress

2004

1,520,153.89

The Company Only

	Balance As of December 31, 2003	Purchase	Increase / Transfer in	Sale	Decrease Transfer out	Balance As of December 31, 2004
	Baht	Baht	Baht	Baht	Baht	Baht
Cost :						
Land and Land Improvement	82,705,039.72	-	-	-	(17,748,551.50)	64,956,488.22
Building and Building Improvement	292,215,206.01	-	4,612,199.85	-	-	296,827,405.86
Machines and Equipment	520,184,214.45	1,389,486.11	74,825,686.97	-	(166,846,800.79)	429,552,586.74
Tools	92,977,625.75	1,232,380.71	1,938,656.41	-	-	96,148,662.87
Office Equipment	96,304,914.54	2,863,968.80	25,587.09	-	-	99,194,470.43
Vehicles	57,088,629.19	2,240,000.00	-	(2,444,432.00)	-	56,884,197.19
Construction in Progress	49,250,498.04	131,882,128.49	166,846,800.79	-	(81,402,130.32)	266,577,297.00
Total	1,190,726,127.70	139,607,964.11	248,248,931.11	(2,444,432.00)	(265,997,482.61)	1,310,141,108.31
Accumulated Depreciation :						
Land and Land Improvement	(7,689,796.45)	-	(1,213,857.30)	-	-	(8,903,653.75)
Building and Building Improvement	(130,858,312.53)	-	(12,772,382.27)	-	-	(143,630,694.80)
Machines and Equipment	(263,233,747.69)	-	(26,372,869.36)	-	-	(289,606,617.05)
Equipment and Tools	(70,374,714.27)	-	(5,912,884.85)	-	-	(76,287,599.12)
Office Equipment	(67,763,781.96)	-	(9,313,394.20)	-	-	(77,077,176.16)
Vehicles	(36,812,819.32)	-	(7,527,334.64)	2,444,430.00	-	(41,895,723.96)
Total	(576,733,172.22)	-	(63,112,722.62)	2,444,430.00	-	(637,401,464.84)
Net	613,992,955.48	139,607,964.11	185,136,208.49	(2.00)	(265,997,482.61)	672,739,643.47
Depreciation in Income Statements						
For the Year ended on December 31 ,						
2004						63,112,722.62
2003						60,428,787.07

- Consolidated

M.K.S. FARM COMPANY LIMITED, a subsidiary company, had the value of 44 title deeds of land-used for operation before 1991. The book value of this land was Baht 94.30 million and land had previously been appraised in 2000, by an independent appraisers company. The balance of capital surplus arisen from land evaluation amounting to Baht 322.43 million was shown as shareholders' equity, which is not available for distribution as dividends.

KRUNGTHAI FARM COMPANY LIMITED, a subsidiary company, recorded the value of land-used for operations before 1991, at cost of Baht 60.59 million. Previously this land had an appraised in 2000, by an independent appraisers company. This land had capital surplus arisen from land evaluation amounting to Baht 300.50 million was shown as shareholders' equity which is not available for distribution as dividends.

- The Company Only

KRUNGTHAI FEEDMILL PUBLIC COMPANY LIMITED, a subsidiary company, was included the costs of borrowings with cost of construction in 2004 in the amount of Baht 2.27 million, The cost of borrowings, from general purpose was calculated from the interest rate by weighted average cost of each month of total borrowings at the rate 0.21 - 0.39% per month.

The company and subsidiary companies had mortgaged land buildings, building improvements, machines and equipment, both existing and to be acquired in the future, as collateral against credits and guarantees (Note 17) and long-term loans (Note 19).

16. Land, Building not used for Operations-Net

Consist of :

	Consolidated			
	As of			
	31 December 2004	31 December 2003	31 December 2004	31 December 2003
	Baht	Baht	Baht	Baht
Land not Used for Operation	107,359,303.88	152,304,403.88	-	-
Purchase in this Period	4,154,385.95	-	-	-
Transfer in	31,805,451.50	-	31,805,451.50	-
Sale/Transfer Out	-	(44,945,100.00)	-	-
	143,319,141.33	107,359,303.88	31,805,451.50	-
<u>Less Allowance for Impairment-Land not Used for Operation</u>	(30,488,440.50)	(11,066,172.00)	(9,852,356.50)	-
Land not Used for Operation - Net	112,830,700.83	96,293,131.88	21,953,095.00	-
Beginning Balance of Building not Used for Operation - Net	1,980,093.86	2,118,347.12	-	-
Purchase in this Period	326,704.05	-	-	-
Depreciation for Portion Shown in Income Statements	(145,571.60)	(138,253.26)	-	-
	2,161,226.31	1,980,093.86	-	-
<u>Less Allowance for Impairment-Building not Used for Operation</u>	(786,661.16)	(786,661.16)	-	-
Ending Balance of Building not Used for Operation - Net	1,374,565.15	1,193,432.70	-	-
Net	114,205,265.98	97,486,564.58	21,953,095.00	-

- Consolidated

For the quarter ended on June 30, 2004, three subsidiary companies had reappraised land not used for operation. The book value of this land was Baht 47.36 million. And the value of land appraised by the Department of Lands was lower than the book value in the amount of Baht 9.57 million. The subsidiary companies recorded the discount of the land appraisal as "Loss from Impairment" by showing it under the statements of income and the "Allowance of Impairment" was shown, as net from land and buildings not used for operation.

- The Company Only

For the quarter ended on March 31, 2004, the company had appraised land not used for operation. The book value of land was Baht 31.80 million and the value of land appraised by the Department of Lands was lower than the book value in the amount of Baht 9.85 million. The company recorded the discount of the land appraisal as "Loss from Impairment" by showing it under the statements of income and the "Allowance of Impairment" was shown, as net from land and buildings not used for operation.

17. Credits and Guarantees

Bank overdrafts, loans from banks, short-term loans from financial institutions, packing credits payable, trust receipts payable and long-term loans of the parent company and subsidiary companies are collateralized by land with buildings, plant, land with building-condominium for rent, machines, and equipment, both existing and to be acquired in the future. The credit facilities were also guaranteed by subsidiary and related companies.

18. Bank Overdrafts and Short-Term Loans from Financial institutions

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	31 December 2004	31 December 2003	31 December 2004	31 December 2003
	Baht	Baht	Baht	Baht
Bank Overdrafts	821,981.72	274,648.14	-	-
Loans from Banks-Local Currency	1,223,000,000.00	481,000,000.00	510,000,000.00	411,000,000.00
Packing Credits Payable	-	1,500,000.00	-	1,500,000.00
Trust Receipts Payable	229,251,469.45	80,177,511.73	-	-
Total	1,453,073,451.17	562,952,159.87	510,000,000.00	412,500,000.00

18.1 Terms and Conditions on Loans from Banks for Parent Company:

Loans from banks in the form of Baht currency, as of December 31, 2004 and 2003, part of the amount of Baht 260.00 million and Baht 361.00 million respectively, were in the form of bill of exchange from several commercial banks with annual interest rates of 5.00-5.75 percent and 4.00 percent respectively, partly in amount of Baht 250.00 million and Baht 50.00 million, was in the form of promissory notes from commercial bank with annual interest rate of 1.80-2.725 percent and 1.80 percent respectively.

18.2 Terms and Conditions on Loans from Banks for Three Subsidiary Company :

18.2.1 Terms and Conditions on Loans from Banks for the First Subsidiary Company:

Loan from bank in the form of Baht currency, as at December 31, 2004, the amount of Baht 20.00 million was in the form of promissory note with annual interest rates of 2.875 percent.

18.2.2 Terms and Conditions on Loans from Banks for the Second Subsidiary Company:

Loan from bank in the form of Baht currency, as at December 31, 2004, the amount of Baht 40.00 million was in the form of bill of exchange with annual interest rates of 6.25 percent.

Loan from bank in the form of Baht currency, as at December 31, 2004, the amount of Baht 18.00 million was in the form of promissory note with annual interest rates of 2.88 percent.

Loans from banks in the form of Baht currency, as of at December 31, 2004 and December 31, 2003, the amount of Baht 70.00 million and Baht 70.00 million respectively, were in the form of bill of exchange with annual interest rates of 6.25 percent and 4.00 - 5.50 percent respectively.

18.2.3 Terms and Conditions on Loans from Banks for the Third Subsidiary Company:

Loan from bank in the form of Baht currency, as at December 31, 2004, the amount of Baht 565.00 million was in the form of promissory note with annual interest rates of 1.80-6.25 percent.

18.3 Trust Receipts Payable

As of December 31, 2004 and 2003 the annual interest rate was 1.8875-2.50 percent and 2.00 percent respectively.

18.4

Packing Credits Payable

As of December 31, 2004 the total amounts of packing credits were guaranteed by subsidiary companies. The annual interest rates were 1.75 percent.

19. Long-Term Loans

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2004 Baht	December 31, 2003 Baht	December 31, 2004 Baht	December 31, 2003 Baht
Long-term Loans from Banks-Local Currency	483,750,000.00	350,000,000.00	303,750,000.00	300,000,000.00
Long-term Loans from Financial Institutions - Local Currency	235,000,000.00	270,000,000.00	-	-
<u>Less</u> Current Portion of Long-Term Loans	(197,500,000.00)	(111,250,000.00)	(75,000,000.00)	(56,250,000.00)
Net	521,250,000.00	508,750,000.00	228,750,000.00	243,750,000.00

19.1 Terms and Conditions on Long-Term Loans for Parent Company:

Long-term loans in local currency from banks consist of the conditions of repayment the principal and interest are as follows:

- (1) A loan with credit line of Baht 300.00 million, as of December 31, 2004 and 2003, the outstanding amount of Baht 243.75 million and Baht 300 million, respectively. This was to be repaid every 3 months at Baht 18.75 million and it should be started in May 2004. The interest rate would be charged at 4.50 percent per annum and repaid every 3 months. It also should be fully paid the whole amount within five years.

Credits and Guarantees (please see the notes to financial statements No. 17)

- (2) As at December 31, 2004, the part of amount Baht 60.00 million was in the form of bill of exchange. This loan had not any guarantee and it was started on 13 September 2004 - 13 September 2006. The annual interest rate was 5.75%.

19.2 Terms and Conditions on Long - Term Loans for Two Subsidiaries:

19.2.1 Long-term loans for the first subsidiary:

- (1) As at December 31, 2004 and 2003, the amount of Baht 30.00 million and Baht 50.00 million respectively were loans from commercial bank with Baht currency, which has been repaid of Baht 5.00 million every quarterly basis, totally 20 installments, the first installment started from September 26, 2001. The annual interest rate was as follows:

First year	Fixed Rate 5.75 percent per annum
Second year	Fixed Rate 6.25 percent per annum
Third year	Fixed Rate 7.00 percent per annum
Fourth-Fifth years	with MLR or Fixed Rate whichever is lower.

The total amount of long-term loans was secured by parts of land, buildings and machines.

- (2) Loan from financial institution with Baht currency, the principal of Baht 150.00 million, which has been repaid every 6 months, totally 8 installments. The first and second installments should be paid at Baht 15.00 million and the third to eighth installments should be paid at Baht 20.00 million. The first installment will be started on 29 July 2005. The interest should be paid at quarterly basis at the end of the month. The annual interest rate of the first year is 3.25% and for the year afterwards, the annual interest rate is fixed rate at 6-months fixed deposit plus 2.50% from Thai Military Bank.

The long-term loans were secured by land of parent company and the parent company and related company also pledged their guarantees.

19.2.2 Long-term loans for the second subsidiary:

- As at December 31, 2004 and 2003, long term loans from financial institutions with Baht currency with outstanding of Baht 235.00 million and Baht 270.00 million respectively composed of 2 credit lines as follows:

First credit line, the principal of Baht 140.00 million, as at December 31, 2004 and 2003, the outstanding amounts of Baht 35.00 million and Baht 70.00 million respectively was borrowed in the form of 8 promissory notes contracts of equal amounts with principal to be repaid in 6 monthly installments amounting to Baht 17.50 million beginning on September 2002 and to be fully repaid by December 2005. Interest, at 7.00 percent per annum is to be paid every 3 months. As at 31 December 2003, the interest rate was dropped at 5.25 percent per annum since 1 April 2003 - 31 March 2004 and at 6.00 percent per annum since 1 April 2004 onwards.

Second credit line, the principal of Baht 200.00 million, as at 31 December 2004 and 2003, the outstanding amounts of Baht 200.00 million was borrowed in the form of Borrowings Agreement. The repayment was equal amounts with principal Baht 20.00 million to be repaid in every 6 months beginning on March 15, 2005 and to be fully repaid by 15 September 2009. The interest rate was charged at 4.125 percent per annum since 24 December 2003 - 15 September 2007 and at MLR per annum since 16 September 2007 onwards.

The total amount of long-term loans were secured by parts of land, buildings and machines together with the benefits arising from insurance on the buildings and other assets of the company as well as land belonging to an related company. The parent company and related company also pledged their guarantees.

20. Share Capital and Dividend Payment

The resolutions of the board of directors' meeting no. 2/2003 dated February 27, 2003 and the resolutions of the annual general shareholders' meeting in 2003 dated April 18, 2003 resolved to pay a dividend of Baht 5.00 per share from the company's performance in 2002, total 62,691,050 shares and totaling Baht 313.45 million. The payment date was on May 12, 2003. At present, the company fully paid dividends and also had legal reserved in the amount of Baht 4.10 million.

The resolutions of the board of directors' meeting no. 2/2003 dated February 27, 2003 and the resolutions of the annual general shareholders' meeting in 2003 dated April 18, 2003 resolved to decrease in registered capital from 100,000,000 shares at par value Baht 10, totaling Baht 1,000.00 million to 62,691,050 shares at par value Baht 10, totaling Baht 626.91 million. The company deducted unsold shares 37,308,950 shares at par value Baht 10, totaling Baht 373.09 million so that the registered capital was equal to the paid up capital. Then, the company increased in registered capital 77,308,950 shares at par value Baht 10, totaling Baht 773.09 million. Now the registered capital of the company was 140,000,000 shares at par value Baht 10, totaling Baht 1,400.00 million. The company allocated the 77,308,950 shares as follows:

- Allocated 62,691,050 shares to existing shareholders by ratio (1 old ordinary share: 1 new ordinary share) and the selling price was at Baht 10. At present, the company fully received the money from capital increase.
- For 14,617,900 shares, the company stills not sell to shareholders.

The company had registered the capital increase since 5 June 2003.

21. Primary Profit (Loss) Per Share

For the year ended on 31 December 2003, the company calculated primary profit (loss) per share by dividing profit (loss) with weighted average numbers of shares as follows:

<u>Period</u>	<u>No. of Shares</u>	<u>No. of Days</u>	<u>No. of Shares by Date</u>
1 January 2003 - 4 June 2003	62,691,050	155	9,717,112,750
5 June 2003 - 31 December 2003	125,382,100	210	26,330,241,000
		<u>365</u>	<u>36,047,353,750</u>

Net Profit (Loss)	254,294,511.84 Baht
Weight Average Numbers of Shares (36,047,353,750/365)	98,759,873 Shares
Primary Profit (Loss) Per Share	2.57 Baht

22. Profit Margin

The profit margin for the year ended December 31, 2004 was sharply decreased from 2003 due to the Thai government officially announced that Thai had the spread of Avian Influenza and the importers banned to import Thai chicken meat. Exceptionally, Japan, EU, Singapore, South Korea and Switzerland allowed importing cooked chicken products from Thailand.

23. Directors' Remuneration

Remuneration paid to directors was that under Section 90 of Public Company Act which did not include salaries and related benefits paid to executive directors.

24. Corporate Income Tax

According to the Royal Decree No. 387 dated September 6, 2001 to approve the deduction of corporate income tax for the listed company from the Stock Exchange of Thailand from 30 percent to 25 percent only the profit not exceed to 300 million baht on five consecutive years to start the period herein or after September 6, 2001. So, the corporate income tax for net profit from promotional activities under the condition of BOI (Note 4). The company calculated at 25 percent of the net profit before the equity method of investments in subsidiary and associated companies and plus the adjustment transactions from the Revenue Code.

The subsidiary companies calculated corporate income tax of the net profit from promotional activities under the condition of BOI (Note 4). And the company calculated corporate income tax of the net profit from without promotional activities at 30 percent and plus the adjustment transactions from the Revenue Code.

25. Details of Income Statements Categorized by Activities with Investment Promotional Benefits and Activities without Investment Promotional Benefits

	Company Only		
	For the Year ended on December 31, 2004		
	Activities with	Activities without	Total
	Investment	Investment	
	Promotional Benefits	Promotional Benefits	
	Baht	Baht	Baht
REVENUES FROM OPERATION			
Sales	679,263,497.39	2,354,608,090.83	3,033,871,588.22
Other Incomes	-	60,209,147.44	60,209,147.44
Participating Profit(Loss) in Associated Company	-	8,102,982.35	8,102,982.35
TOTAL REVENUES	679,263,497.39	2,422,920,220.62	3,102,183,718.01
EXPENSES FROM OPERATION			
Cost of Sales	665,239,443.59	2,388,965,806.91	3,054,205,250.50
Selling and Administrative Expenses	64,676,150.16	121,301,058.86	185,977,209.02
Loss from Assets Impairment	-	9,852,356.50	9,852,356.50
Loss from Decline in Value of Inventories	4,250,477.77	1,515,545.49	5,766,023.26
Doubtful Debts (Reverse)	-	(185,460.00)	(185,460.00)
Participating Loss in Subsidiary Companies	-	312,429,705.70	312,429,705.70
Directors' Remuneration	794,654.00	3,235,346.00	4,030,000.00
TOTAL EXPENSES	734,960,725.52	2,837,114,359.46	3,572,075,084.98
Profit (Loss) before interest			
expenses	(55,697,228.13)	(414,194,138.84)	(469,891,366.97)
Interest Expenses	(6,486,817.18)	(26,126,614.64)	(32,613,431.82)
Net Profit(Loss) for GFPT Public Co.,Ltd.	(62,184,045.31)	(440,320,753.48)	(502,504,798.79)

Company Only
For the Year ended on December 31, 2003

	Activities with Investment Promotional Benefits	Activities without Investment Promotional Benefits	Total
	Baht	Baht	Baht
REVENUES FROM OPERATION			
Sales	767,170,978.77	3,366,529,773.66	4,133,700,752.43
Other Incomes	1,151,389.89	30,815,354.60	31,966,744.49
Participating Profit(Loss) in Subsidiary Company	-	395,583,966.01	395,583,966.01
Participating Profit(Loss) in Associated Company	-	10,628,123.03	10,628,123.03
TOTAL REVENUES	768,322,368.66	3,803,557,217.30	4,571,879,585.96
EXPENSES FROM OPERATION			
Cost of Sales	694,429,743.56	3,357,633,797.32	4,052,063,540.88
Selling and Administrative Expenses	72,804,139.42	154,805,810.40	227,609,949.82
Loss from Decline in Value of Inventories	768,829.37	2,820,129.24	3,588,958.61
Doubtful Debts (Reverse)	-	719,722.35	719,722.35
Directors' Remuneration	774,529.50	3,295,470.50	4,070,000.00
TOTAL EXPENSES	768,777,241.85	3,519,274,929.81	4,288,052,171.66
Profit (Loss) before interest			
expenses	(454,873.19)	284,282,287.49	283,827,414.30
Interest Expenses	(5,674,878.14)	(23,858,024.32)	(29,532,902.46)
Net Profit(Loss) for GFPT Public Co.,Ltd.	(6,129,751.33)	260,424,263.17	254,294,511.84

	Consolidated		
	For the Year ended on December 31, 2004		
	Activities with	Activities without	Total
	Investment	Investment	
	Promotional Benefits	Promotional Benefits	
	Baht	Baht	Baht
REVENUES FROM OPERATION			
Sales	1,209,911,582.38	4,166,714,732.28	5,376,626,314.66
Other Incomes	31,719.88	78,360,895.31	78,392,615.19
Participating Profit(Loss) in Associated Company	-	8,102,982.35	8,102,982.35
TOTAL REVENUES	1,209,943,302.26	4,253,178,609.94	5,463,121,912.20
EXPENSES FROM OPERATION			
Cost of Sales	1,110,625,027.63	4,079,373,606.69	5,189,998,634.32
Selling and Administrative Expenses	104,468,296.80	390,971,843.50	495,440,140.30
Loss from Sale of Parent Chicken Retirement	-	35,504,564.48	35,504,564.48
Loss from Disposal of Chicken	28,138,261.86	83,129,070.45	111,267,332.31
Loss from Impairment of parent Chicken	-	636,174.72	636,174.72
Loss from Assets Impairment	-	19,910,643.58	19,910,643.58
Loss from Decline in Value of Inventories	3,948,233.41	3,207,563.29	7,155,796.70
Bad Debts and Doubtful Debts	2,827,769.98	36,246,706.10	39,074,476.08
Directors' Remuneration	887,549.00	3,792,451.00	4,680,000.00
TOTAL EXPENSES	1,250,895,138.68	4,652,772,623.81	5,903,667,762.49
Profit (Loss) before interest expenses and corporate income tax	(40,951,836.42)	(399,594,013.87)	(440,545,850.29)
Interest Expenses	(14,888,468.91)	(50,539,733.82)	(65,428,202.73)
Corporate Income Tax	-	(693,387.91)	(693,387.91)
Profit (Loss) Before Minority Shareholders' Interests	(55,840,305.33)	(450,827,135.60)	(506,667,440.93)
Plus (Less) Loss (Profit) from Minority Shareholders' Interests	459,069.18	3,703,572.96	4,162,642.14
Net Profit(Loss) for GFPT Public Co.,Ltd.	(55,381,236.15)	(447,123,562.64)	(502,504,798.79)

	Consolidated		
	For the Year ended on December 31, 2003		
	Activities with	Activities without	Total
	Investment	Investment	
	Promotional Benefits	Promotional Benefits	
	Baht	Baht	Baht
REVENUES FROM OPERATION			
Sales	1,361,886,408.24	6,128,051,733.37	7,489,938,141.61
Profit from Sales of Parent Chicken Retirement	-	10,879,728.04	10,879,728.04
Profit (Loss) from Exchange Rate	2,440,289.31	9,430,855.49	11,871,144.80
Other Income	46,605.40	87,121,298.17	87,167,903.57
Participating Profit(Loss) in Associated Company	-	10,628,123.03	10,628,123.03
TOTAL REVENUES	1,364,373,302.95	6,246,111,738.10	7,610,485,041.05
EXPENSES FROM OPERATION			
Cost of Sales	1,081,534,502.73	5,628,131,010.09	6,709,665,512.82
Selling and Administrative Expenses	104,201,627.26	475,056,031.24	579,257,658.50
Loss from Decline in Value of Inventories	3,006,121.59	2,872,950.94	5,879,072.53
Doubtful Debts	1,302,722.79	8,609,804.94	9,912,527.73
Directors' Remuneration	855,137.50	3,914,862.50	4,770,000.00
TOTAL EXPENSES	1,190,900,111.87	6,118,584,659.71	7,309,484,771.58
Profit (Loss) before interest			
expenses and corporate income tax	173,473,191.08	127,527,078.39	301,000,269.47
Interest Expenses	(11,951,465.80)	(35,575,539.99)	(47,527,005.79)
Corporate Income Tax	-	(477,703.28)	(477,703.28)
Profit (Loss) Before Minority Shareholders' Interests	161,521,725.28	91,473,835.12	252,995,560.40
Plus (Less) Loss (Profit) Before Purchase in Ordinary Shares	-	(8,502.24)	(8,502.24)
	161,521,725.28	91,465,332.88	252,987,058.16
Plus (Less) Loss (Profit) from Minority Shareholders' Interest	322,791.52	984,662.16	1,307,453.68
Net Profit(Loss) for GFPT Public Co.,Ltd.	161,844,516.80	92,449,995.04	254,294,511.84

Expenses and interest expenses, which could not identified the sector of business, the company allocated expenses and interest expenses by revenue of each sector basis.

26. Business Sector Operation

The information on business sector operations is as followings:

	Consolidated							
	For the year ended on December 31, 2004							
	Evisceration Chicken	Egg Hatching	Chicken Farm	Feedmill	Processed Food Production and Distribution	Purchase Sale on Raw Material	Written-off Items	Total
	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Sales - General Customers	2,998,134	172,202	2,900	2,043,374	160,016	-		5,376,626
- Transfer between Sectors	35,737	436,134	1,950,942	1,656,283	2	169,045	(4,248,143)	-
	3,033,871	608,336	1,953,842	3,699,657	160,018	169,045	(4,248,143)	5,376,626
Profit from Operation	(12,322)	27,833	30,692	122,315	15,228	2,882		186,628
Other Income								86,495
Common Expenses								(713,669)
Interest Expenses								(65,428)
Corporate Income Tax								(693)
Profit (Loss) from Minority								4,162
Shareholders' Interest								
Net Profit (Loss)								(502,505)
Fixed Assets	672,740	595,888	1,387,775	576,813	8,698	12		3,241,926
Common Assets								2,169,003
Total Assets								5,410,929

	Consolidated							
	For the year ended on December 31, 2003							
	Evisceration Chicken	Egg Hatching	Chicken Farm	Feedmill	Processed Food Production and Distribution	Chicken Grandparent Farm	Written-off Items	Total
	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Sales - General Customers	4,103,275	191,862	64,889	3,000,253	129,659	-	-	7,489,938
- Transfer between Sectors	30,426	561,723	2,760,318	1,948,691	-	-	(5,301,158)	-
	4,133,701	753,585	2,825,207	4,948,944	129,659	-	(5,301,158)	7,489,938
Profit from Operation	86,779	36,699	502,981	143,939	9,874	-		780,272
Other Income								120,547
Common Expenses								(599,819)
Interest Expenses								(47,527)
Corporate Income Tax								(478)
Plus (Less) Loss (Profit) Before								
Purchase in Ordinary Shares								(8)
Plus (Less) Loss (Profit) from								1,307
Minority Shareholders' Interest								
Net Profit (Loss)								254,294
Fixed Assets	613,993	612,027	1,322,936	526,897	8,520	60,520		3,144,893
Common Assets								2,288,653
Total Assets								5,433,546

The parent company and subsidiary companies operate six business sectors including evisceration chicken, hatchery farm, broiler farm, feed mill, processed food production and distribution and purchase-sale on raw material (In 2003, chicken grandparent farm). Profit from each sector arisen from sales was deducted by cost of sales in respect to that sector.

Fixed assets of each sector are used for operation of that sector. Common assets mostly consisted of accounts and notes receivable-net, inventories and assets for rent.

To set out the price transfer between sectors, the policy was these followings:

For the policy to set out the price transfer between sectors of parent company, subsidiary companies, associated company and related companies, (please see the note to financials statements No. 7.2)

For the significant items of the policy to set out the price transfer between sectors of parent company, subsidiary companies, associated company and related companies were as below:

- Purchase/sale on chicks, feed mill, and the price set out from agreement that nearly the market price.
- Purchase/sale on raw materials, the price set out from nearly the market price.
- Other incomes, services and other selling and administrative expenses would collected based on agreement at cost price.

27. Financial Instruments

27.1 Policy on Financial Risk Management

The company 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 company has no policy to use financial instruments for speculating or for trading.

27.2 Risks on Interest Rates

Risk on interest rates is derived from fluctuation of market interest rate in the future which affect upon operating result and cash flow. The company had assets and liabilities which it may have risk on interest rate as follows:

	Company Only			
	Amount		Annual Interest Rate	
	31 December	31 December	31 December	31 December
	2004	2003	2004	2003
	<u>Million Baht</u>	<u>Million Baht</u>	%	%
Loans to Subsidiary Companies	140.00	260.00	5.00-6.00	4.00
Short-Term Loans from Banks	510.00	412.50	1.80-5.75	1.75 - 4.00
Long-Term Loans from Banks - Floating Rate	243.75	300.00	4.50	4.50
Long-Term Loans from Banks - Fixed Rate	60.00	-	5.75	-

	Consolidated			
	Amount		Annual Interest Rate	
	31 December	31 December	31 December	31 December
	2004	2003	2004	2003
	<u>Million Baht</u>	<u>Million Baht</u>	%	%
Bank Overdrafts	0.82	0.27	MLR	MLR
Short-Term Loans from Banks	1,452.25	562.68	1.80-6.25	1.75 - 5.50
Long-Term Loans from Banks - Floating Rate	658.75	300.00	3.25-6.00	4.50
Long-Term Loans from Banks - Fixed Rate	60.00	50.00	5.75	7.00
Long-Term Loans from Financial Institutions - Fixed Rate	-	270.00	-	4.125 - 5.25

27.3 Risks on Exchange Rate

Risk on exchange rates is involved with export sales in term of US dollar currency, as of 31 December 2004 and 2003, the company had assets in foreign currency in the amount of USD 0.86 million and USD 1.76 million respectively. The company exposed the risks by making foreign exchange forward contract.

27.4 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 is sent and some is sold by opening Letter of Credit issued to the company which can be cash 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.

27.5 Fair Value

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

28. Foreign Exchange Forward Contract

The company had policy to decrease any risks on foreign exchange rate, which occurred from sale on goods by hedging forward contract from several financial institutions as follows:

As of, December 31, 2004 and 2003, the company made forward contract USD 1.81 million and USD 4.99 million, the asset value of forward contract were Baht 71.18 million and Baht 198.04 million and the fair value of forward contract were Baht 70.84 million and Baht 197.69 million respectively

29. Liquidity Problems

As shown in the consolidated and company only financial statements as of December 31, 2004, current liabilities exceed current assets by Baht 498.34 million and Baht 126.26 million. However, the group of companies still has a balance of credit available from banks and financial institutions amounting to Baht 634.81 million, the company will not facing liquidity problems and it also can repay all liabilities on schedule.

30. Subsequent Events

The resolutions of the Board of Directors No. 1/2005 dated 27 January 2005, and the resolutions of the Board of Audit Committee No. 1/2005 dated 27 January 2005 approved GFPT Public Company Limited and subsidiary companies to receipt financial assistance from directors in the amount not exceed Baht 1,000 million. It was because this transaction will help the company has more liquidity. The annual interest rate is not over 5% and pay every month. The borrowing period is 1 year and this loan has not any guarantee or collateral.

31. Contingent Liabilities and Obligations

In addition to the liabilities shown on the balance sheets as of December 31, 2004 and 2003, the company had other contingent liabilities as follows:

	Consolidated	
	As of	
	December 31, 2004	December 31, 2003
	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Guarantee	39.05	34.61
Letter of Credit	301.36	194.06
Joint Guarantee on Bank Credit with Subsidiaries and Related Companies		
- Credit Line Baht 983.00 Million, Credit Used	660.13	-
- Credit Line Baht 320.00 Million, Credit Used	-	320.00

	The Company Only	
	As of	
	December 31, 2004	December 31, 2003
	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Guarantee	11.32	11.31
Letter of Credit	107.22	110.00
Joint Guarantee on Bank Credit with Subsidiaries and Related Companies		
- Credit Line Baht 983.00 Million, Credit Used	660.13	-
- Credit Line Baht 320.00 Million, Credit Used	-	320.00

32. Approval of the Financial Statements

The company's directors have approved these financial statements.

Audit Fee

1. Audit Fee

The company and subsidiary companies paid the audit fee to

- The auditor of the company in the amount of 1,910,000 Baht
- The other company, individual person or related party involve with the auditor of the company in the amount of 0 Baht

2. Non Audit Fee

The company and subsidiary companies paid the non audit fee such as the inspection of BOI project under the condition to use the rights for waive the corporate income tax to

- The auditor of the company in the amount of 90,000 Baht
- The other company, individual person or related party involve with the auditor of the company in the amount of 0 Baht and will be paid in the future under the agreement that it still not finished in the amount of 0 Baht

GFPT



GFPT

บริษัท จีเอฟพีที จำกัด (มหาชน)

อาคาร จีเอฟพีที เลขที่ 118 หมู่ 4 ถนนพระราม 2

แขวงบางมด เขตจอมทอง กรุงเทพฯ 10150

โทรศัพท์ : 02-476-9922, 02-468-9922

โทรสาร : 02-468-1218 www.gfpt.co.th



GFPT PUBLIC COMPANY LIMITED

GFPT TOWER No. 118 Moo 4 Rama II Road,

Bangmod, Jomthong, Bangkok 10150

Tel : 02-476-9922, 02-468-9922

Fax : 02-468-1218 www.gfpt.co.th