GFPT PUBLIC COMPANY LIMITED

Form 56-1

Annual Registration Statement (Form 56-1)

GFPT Public Company Limited

As of 31 December 2013

Contents

			Page
Part 1	**Business Operations**		
	1.	Business Policy	2
	2.	Business Characteristics	10
	3.	Risk Factors	39
	4.	Assets for Business Operation	46
	5.	Legal Dispute	49
	6.	Corporate Information	50
Part 2	**Management and Good Corporate Governance**		
	7.	Securities and Shareholder Information	55
	8.	Management Organization	58
	9.	Good Corporate Governance	63
	10.	Corporate Social Responsibility	95
	11.	Internal Control and Risk Management	113
	12.	Connected Transactions	118
Part 3	**Financial position and Performance**		
	13.	Financial Information	122
	14.	Management Discussion & Analysis	126
Certification of the accuracy of information			136
Attachment			
Attachment 1	Information of Directors, Executive, Authority Persons and Company Secretary		137
Attachment 2	Information of the subsidiary's directors		155
Attachment 3	Information of Internal Audit Director		156
Attachment 4	Information of Assets Valuation		157

PART 1 BUSINESS OPERATION

1. Business Policy

GFPT Public Company Limited ("GFPT" or "the Company") was incorporated as a juristic person under the Civil and Commercial Code on 25 November 1981. The Company initially set up to operate chichen processing for export. The major shareholders are Sirimongkolkasem family. The Company has continuously expanded its operations; until now, the Company and its subsidairies' core businesses cover agriculture, livestock, and food processing. Its fully vertical integrated chicken production consists of feed production, integrated farm operations, chicken meat processing, and further processing.

Business Policy

GFPT operates chicken meat processing and fully cooked chicken products with modern production technology, food safety, and feed-to-food traceability. The Company is committed to operating the business with environmental friendliness and contributing to society.

1.1 Vision Mission and Strategy

Vision

GFPT strives to be a leading producer and exporter of fully integrated chicken production.

Mission

GFPT engages in business of production of processed chicken and processed foods from chicken. It always adheres to its missions developed by referring to extremely due care to stand in the front line of food production industry. Its missions are as follows:

1. **Food Quality**: Enhance product quality to the international standards.

   Strategy: Use only finest materials; strictly control all production process; ensure product quality meet international standards; and recognized by cutomers both domestic and international.

2. **Food Safety** : Confidence through the traceability system

   Strategy: Be fully confident with traceability system to ensure that all products are safe before delivery to consumers.

3. **Food Innovation** : New product development using modern technology

   Strategy: Always conduct research and development of new products and adopt modern technologies to constantly expand its business.

4. **Operation by excellence personnel** : Empowering people to become the expert

   Strategy: Promote capacity at all levels to become an expert in their fields, establish long term stability by providing confidence in better quality of life which will in turn lead the organization to meet international standard.

5. **Customers' satisfaction** : Attention to the needs of the customers and gain their highest satisfaction

   Strategy: Always give first priority to the customer's needs, offer products with international standard quality based on fair price policy.

6. **Business Alliance** : Build strong relationship among partners

   Strategy: Establish good relationship, fair treatment, and trust aimed for long term business cooperation.

7. **Social and environmental responsibility** : Build awareness and responsible to society and environment

   Strategy: Promote awareness and responsibility for community and environment, maintain economic balance and interest leading to sustainable achievement of business development.

1.2 Significant Change and Development of the Company

GFPT Public Company Limited (the "Company") was incorporated as a juristic person under the Civil and Commercial Code on 25 November 1981. The Company's major business is manufacture and sells fresh frozen chicken meat and further processing chicken products in both of domestic and international market.

1981 : Registered in the name of General Foods Poultry (Thai) Company Limited, consisted of 3 parties of shareholders

1. P. Charoen Phan Feedmill Company Limited (Thailand) holding 51%
2. General Foods Poultry Company Limited (New Zealand) holding 34%
3. United Trading Corporation (Luxemburg) holding 15%

1985 : 2 parties of shareholders; General Foods Poultry Company Limited and United Trading Corporation withdrawn their shares, so, P. Charoen Phan Group purchased all the shares.

1987 : The Company increased its share capital from 77.7 million Baht to 100 million Baht in order to expand the production capacity to eviscerate chicken at the rate of 6,000 birds/hour.

1989 : The Company increased its registered share capital from 100 million Baht to 150 million Baht in order to expand the production capacity to eviscerate chicken at the rate of 7,200 birds/hour.

: In October, the Company's name changed to "P. Charoen Phan Poultry Company Limited".

: In December, the Company's name changed to "GFPT Company Limited".

1990 : The Company increased its registered share capital from 150 million Baht to 420 million Baht to expand the business as an integrated chicken farm and acquired 99.99% shares of 2 subsidiary companies:

1. Krungthai Farm Company Limited operates parent chicken farm.
2. M.K.S. Farm Company Limited operates broiler farm.

1991 : The Company invested 99.99% shares in a subsidiary company, GF Foods Company Limited, operates the production and distribution of processed food.

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

: The Company acquired 65% shares in a subsidiary company, Krungthai Feedmill Public Company Limited, listed in the Stock Exchange of Thailand since 1988, which operates feed mill business.

1992 : The Company was listed in the Stock Exchange of Thailand with the registered share capital of 1,000 million Baht and paid-up capital of 570 million Baht.

1993 : The Company invested 49.00% shares in McKey Food Services (Thailand) Limited, which manufactures and sells processed frozen food. McKey Food Services (Thailand) Limited has a registered and paid-up capital of 100 million Baht and is a joint-venture company between the Company and Keystone Food Corporation (USA) that holds the remaining 51.00% shares.

1994 : GFPT Company Limited changed from being a “Company Limited” to "Public Company Limited".

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

1998 : Krungthai Feedmill Public Company Limited delisted from the Stock Exchange of Thailand.

2000 : The Company increased its paid-up capital from 570 million Baht to 626.91 million Baht.

2002 : The Company bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company’s share ownership increased from 65% to 96.5%.

2003 : The Company increased its share registered capital from 1,000 million Baht to 1,400 million Baht and paid-up capital from 626.91 million Baht to 1,253.82 million Baht.

: The Company invested 99.99% shares in a subsidiary company, GP Breeding Company Limited, operates rearing grand-parent chicken.

2008 : The Company invested 49.00% shares in GFPT Nichirei (Thailand) Company Limited, operated fully cooked chicken products and chicken meat for domestic and international sales. GFPT Nichirei (Thailand) Company Limited has a registered and paid-up capital of 1,170 million Baht and is a joint-venture company between the Company and Nichirei Foods, Inc. (Japan) that holds the remaining 51.00% shares.

2010 : The Company performed stock split from 10 Baht per share to 1 Baht per share. Therefore, the registered share capital of GFPT Public Company Limited was unchanged at 1,400 million Baht but the number of shares outstanding increased from 140 million shares to 1,400 million shares.

2011 : The Company bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company’s share ownership increased from 96.5% to 97.85%.

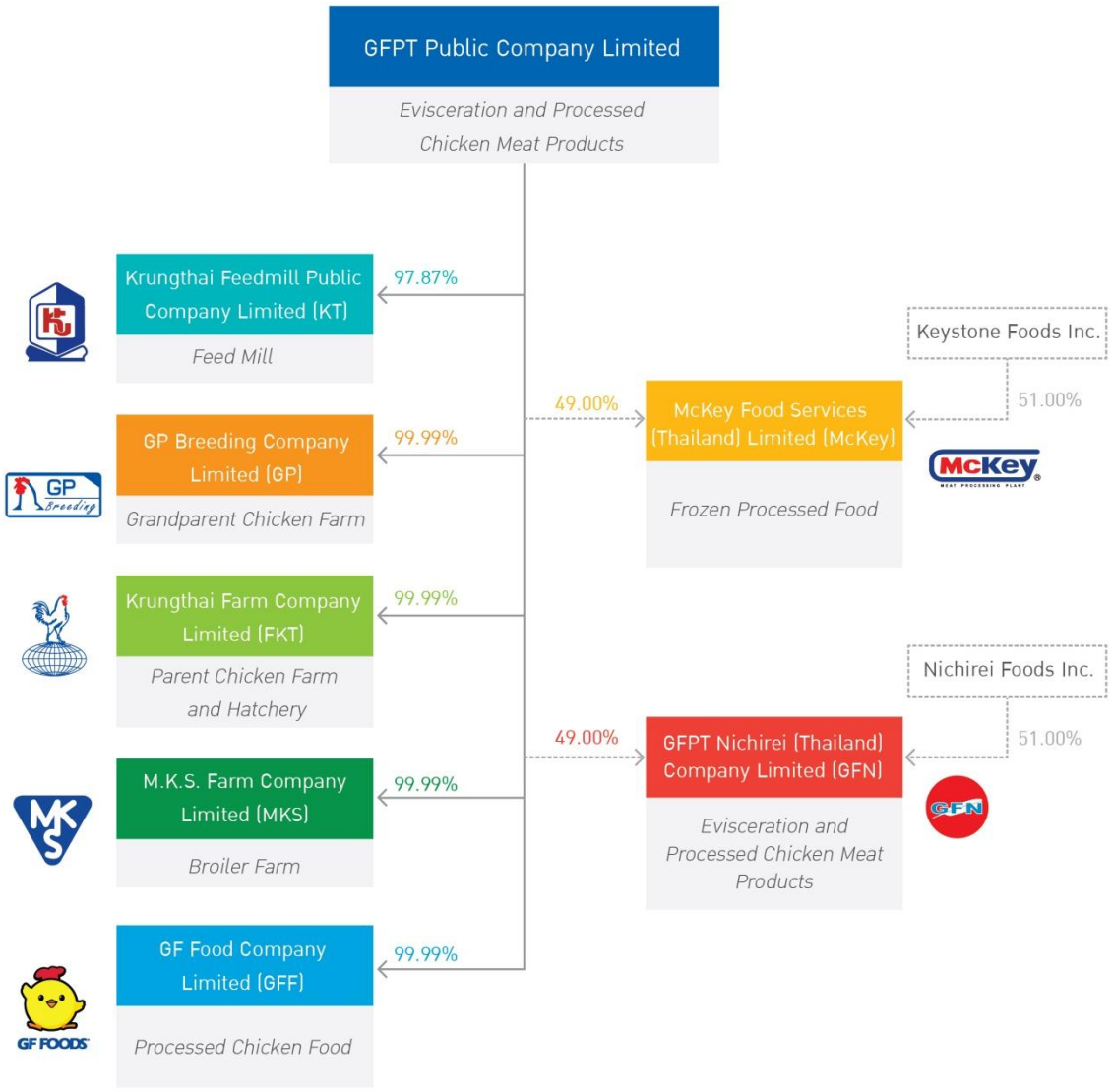
2012 : GFPT Nichirei (Thailand) Company Limited, a joint-venture company, increased its registered share capital. Therefore, the Company bought additional shares being offered amounted 903.56 million Baht to maintain its 49% share ownership. The details of GFPT Nichirei (Thailand) Company Limited registered capital are as follows:

- In May, GFPT Nichirei (Thailand) Company Limited increased registered capital from 1,170 million baht to 1,514 million baht. (GFPT 168.56 million baht)
- In December, GFPT Nichirei (Thailand) Company Limited increased registered capital from 1,514 million baht to 3,014 million baht. (GFPT 735.00 million baht)

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

2013 : The Company bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company's share ownership increased from 97.86% to 97.87%.

1.3 Company Group Structure



GFPT Public Company Limited (“GFPT”) founded in 1981 and became a public Company in 1994. Nowadays, GFPT has registered capital of 1,400,000,000 Baht and paid-up capital of 1,253,821,000 Baht. GFPT is the parent company of the group who operates the chicken production and distribution of frozen chicken meat, processed chicken, and its by-products under the customer and company brand name for both domestic and overseas market. In 2013, GFPT has chicken processing capacity of 124,600 tons per year and cooked chicken products capacity of 24,000 tons per year from the plant located at Samutprakarn Province.

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

The GFPT group is integrated poultry business. Beginning with the investment of 97.87% in Krungthai Feedmill Public Company Limited ("KT"), with paid-up capital of 400 million Baht, KT engages in feed mill business under the Company's brand. KT's main products are land animal feed and aquatic animal feed. KT distributes land animal feed especially chicken feed to the Company's subsidiaries namely MKS, FKT, GP, and also other animal raisers in general. For the aquatic animal feed, KT distributes aquatic animal raisers in general.

In 2013, KT has total capacity of 1,111,000 tons. The first feed mill, located at Samutprakarn Province, consists of 1 land animal feed line and 2 aquatic feed lines, with the total capacity of 599,000 tons. The second feedmill, at Banbueng, Chonburi province, has1 broiler feed line with the total capacity of 512,000 tons. Moreover, KT also operates parent chicken farms to produce seed eggs for selling to FKT. In 2013, KT has total capacity of 21,000,000 of seed eggs from its 3 farms in Chonburi province. There is no conflict of interest between the rests of shareholders and The Company.

The Company invests 99.99% in GP Breeding Company Limited ("GP"), with registered capital 200 million Baht, GP engages in grandparent chicken farming to produce parent day-old-chicks for FKT, KT, and customers. In 2013, GP has total capacity of 1,100,000 of parent stocks from its 1 farm in Chonburi province.

The Company invests 99.99% in Krungthai Farm Company Limited ("FKT"), with registered capital of 350 million Baht, FKT engages in parent breeder farming and hatchery business. For the commercial day-old-chicks, FKT purchases parent breeders from GP to produce commercial day-old-chicks and sells to MKS. In addition, FKT also imports the layer breeders to produce layer day-old-chicks and sell to KT and domestic layer farmers. In 2013, FKT produces 92 million commercial day-old-chicks from its 5 farms and 3 million layer day-old chicks from its 1 layer farm in Chonburi province.

The Company invests 99.99% in M.K.S. Farm Company Limited ("MKS"), with registered capital of 550 million Baht. MKS engages in broiler farm business by purchasing commercial day-old-chicks from FKT and raising them for 41-43 days. MKS sells broilers to GFPT and GFN (joint venture company). In 2013, MKS has total capacity of 73 million broilers from its 12 farms in Chonburi province. The excess amount of the production will be sold to local market.

The Company invests 99.99% in GF Foods Company Limited ("GFF"), with paid-up capital of 40 million Baht. GFF engages in production and distribution of processed foods business. Its main products are sausages, meat balls, chicken rolls, and other processed products which are distributed under "GF Foods" brand through fresh markets and wholesalers. In 2013, GFF has total capacity of 9,000 tons from 1 factory in Samutprakarn province.

The Company invests 49% in McKey Food Services (Thailand) Company Limited ("McKey"), with registered capital of 100 million Baht. McKey engages in production and distribution of semi-finished frozen foods for export market. McKey's products are distributed to McDonalds' restaurants both in Thailand and overseas. In 2013, McKey has a total production 25,000 tons from 1 factory in Samutprakarn province. There is no conflict of interest between the rests of shareholders and The Company.

The Company invests 49% in GFPT Nichirei (Thailand) Company Limited ("GFN"), with registered capital of 3,014 million Baht. GFN engages in chicken evisceration and processing and distribution for export domestic market. The capacity of chicken processing is 81,600 tons per year and the capacity of cooked chicken products is 26,000 tons per year from 1 factory in Chonburi province. There is no conflict of interest between the rests of shareholders and The Company.

1.4 Relationship with business of major shareholders.

- None -

2. Business Characteristics

Income Structure (according to consolidated financial statements)

Revenue Breakdown of GFPT and its subsidiaries	Operated by	% of Share holding	2013 Income (MB)	%	2012 Income (MB)	%	2011 Income (MB)	%
Evisceration/	GFPT		7,035.44	40.83	5,803.86	37.26	6,101.15	42.60
Processed Chicken	McKey, GFN	49.00	220.72	1.28	(74.39)	(0.48)	(111.29)	(0.78)
Feed Mill	KT	97.87	4,817.96	27.96	5,294.03	33.99	4,838.82	33.79
Chicken Farms / Day-Old-Chicks	FKT, GP, MKS, KT	99.99 97.87	4,004.94	23.24	3,664.25	23.52	2,812.83	19.64
Processed Foods	GFF	99.99	840.69	4.88	607.67	3.90	456.75	3.19
Other Income			311.65	1.81	281.13	1.81	222.96	1.56
Total			**17,231.40**	**100.00**	**15,576.55**	**100.00**	**14,321.22**	**100.00**

2.1 Product Characteristics

Chicken Evisceration and Processed Chicken

The business line of chicken evisceration and processed chicken operates by GFPT Public Company Limited ("GFPT"), a parent company of the group. The product of the Company is fresh chicken parts, cooked chicken and by product from chicken evisceration. The distribution channel is through both domestic sales and export sales at the proportion of 59% and 41%, respectively. The competition in this market can be considered in 2 parts as follow:

1) Domestic market

Competitor of the Company is the operator of evisceration business in Thailand. The Company has advantage over its vertical integrated poultry business that covers feed mill, chicken farm, chicken evisceration and processed food production, therefore, able to control the quality of products and cost of production.

2) Foreign market

Competitor of the Company is a large broiler producer including the United States of America, Brazil and China. Thailand is also considered to be one of the large broiler producers and has potential to compete with other countries. Most of the export value came from processed cooked chicken at beginning of the year and fresh frozen chicken at the end of the year. This is because the European Union has just allowed importing fresh frozen chicken from Thailand after Thailand controlled the outbreak of bird flu.

Dependent on large or few distributors

The raw material is chicken meat; the Company needs to depend on 1 distributor, which is M.K.S. Farm Company Limited, a broiler farm. In the year 2013, the purchase order amounted Baht 4,200 million. The Company expects that depending on 1 distributor will not affect the operation because M.K.S. Farm Company Limited is a subsidiary company with the same group of management.

Promotional Privileges

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

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

Feed mill

The business line of feed mill operates by Krungthai Feedmill Public Company Limited (“KT”). The product of KT is animal feed for both land and aquatic animal. KT distributes land animal feed, especially chicken feed, to M.K.S. Farm Company Limited, Krungthai Farm Company Limited and GP Breeding Company Limited and also other animal raisers in general. For the aquatic animal feed, KT distributes to aquatic animal raisers in general. The competition in feed mill business is not that intense because 53% of sales revenue came from related companies and the remaining 47% of sales revenue came from other companies. KT’s core strength is its long-established operation, KT operates feed mill business for more than 20 years, and thus, the customers are confident of the Company’s product. The Company also arranged academic professors to advice and guide on animal farming, consequently, gained more confidence from the customers. In addition,

the Company also operates parent chicken farming using evaporative cooling system, a closed system with automatic food and water feeding, to produce and sell seed eggs to Krungthai Farm Company Limited.

Dependent on large or few customers

In the feed mill business, the Company depends on 3 large customers i.e. M.K.S. Farm Company Limited, Krungthai Farm Company Limited and GP Breeding Company Limited. For the seed egg, the Company relies on only one customer, which is Krungthai Farm Company Limited. In the year 2013, the Company sales revenue for chicken feed amounted THB 6.32 billion and seed egg amounted THB 185 million. The Company does not expect that large or few customers will have any impact on the business because the customers are related companies with the same group of management.

Promotional Privileges

Krungthai Feedmill Public Company Limited, a subsidiary company, was granted 1 investment promotional certificates to produce seed eggs and 2 investment promotional certificates to produce feed mill and premix from the Board of Investment, which include the benefits and privileges under sections 25, 26, 28, 31 paragraph 1, 31 paragraph 4, 34 and 37 of the Investment Promotion Act B.E. 2520. The privileges granted the exemption of import tariff of machinery. It also granted the exemption of corporate income tax on net profits from investment of promotional activities not exceed 100 percent of total investment of the project excluded the value of land and working capital for eight years commencing from the first day when KT starts to earn income from the operation of promotional operation as follows:

Certificate No.	Date	Type of Promotional Activities	The First Date	The Expiry Date
1429(2)/2546	August 21, 2003	Seed Eggs	June 14, 2006	June 13, 2014
1850(2)/2548	September 20, 2005	Feed Mill Production and Premix	June 1, 2009	May 31, 2017
1173(2)/2553	February 16,2010	Feed Mill Production and Premix	July 12,2012	July 11, 2020

Farm Segment and Day-old-chicks Distribution

Farm business segment can be divided into 3 sub-categories as follows:

1. Grandparent Chicken Farm

The business line of grandparent chicken farm operates by GP Breeding Company Limited ("GP") starting from purchasing grandparent chicks from abroad and raise them in an evaporative cooling system, a closed system with automatic food and water feeding, to produce and sell parent chicks to Krungthai Farm Company Limited and Krungthai Feedmill Public Company Limited and other animal raisers both domestic and foreign market. The grandparent chicken farming business is very competitive but since GP is a subsidiary of GFPT that operates integrated poultry business, GP then does not compete with other companies in the industry.

Dependent on large or few customers

GP depends on 2 large customers i.e. Krungthai Farm Company Limited and Krungthai Feedmill Public Company Limited. The purchase volume of parent stock in the year 2013 amounted THB 116 million. GP do not expect that large or few customers will have any impact on the business because the customers are related companies with the same group of management.

Promotional Privileges

GP Breeding Company Limited, a subsidiary company, was granted an investment promotional certificate to produce parent chicken type 1.4 animal breeding business from the Board of Investment, which include the benefits and privileges under sections 25, 26, 28, 31 paragraph 1, 31 paragraph 3, 31 paragraph 4, and 34 of the Investment Promotion Act B.E. 2520. The privileges granted the exemption of import tariff of machinery. It also granted the exemption of corporate income tax on net profits from investment of promotional activities not exceed 100 percent of total investment of the project excluded the value of land and working capital for eight years commencing from the first day when GP starts to earn income from the operation of promotional operation as follows:

Certificate No.	Date	Type of Promotional Activities	The First Date	The Expiry Date
1932(2)/2548	October 11, 2005	Parent Chicken Farm	September 9, 2006	September 8, 2014

2. Parent Chicken Farm

The business line of parent chicken farm operates by Krungthai Farm Company Limited ("FKT") starting from purchasing broiler parent chicks from GP Breeding Company Limited and import egg laying parent chicks from abroad and raise them in an evaporative cooling system, a closed system with automatic food and water feeding, to raise and produce both broiler and egg laying chicks. FKT sells all broiler chicks to M.K.S. Farm Company Limited and egg laying chicks to Krungthai Feedmill Public Company Limited and other general animal raisers that operates egg laying chicken farm. The parent chicken farming business is very competitive but since FKT is a subsidiary of GFPT that operates integrated poultry business, FKT then does not compete with other companies in the industry.

Dependent on large or few customers

FKT depends on 2 large customers i.e. M.K.S. Farm Company Limited and Krungthai Feedmill Public Company Limited. The purchase volume of broiler and egg laying parent chicks in the year 2013 amounted THB 905 million. GP expected no impact from depending on large or few customers. GP do not expect that large or few customers will have any impact on the business because the customers are related companies with the same group of management.

Promotional Privileges

Krungthai Farm Company Limited, a subsidiary company, was granted 2 investment promotional certificates to produce parent chicken type 1.5 animal breeding business from the Board of Investment, which include the benefits and privileges under sections 25, 26, 28, 31 paragraph 1, 31 paragraph 3, 31 paragraph 4, and 34 of the Investment Promotion Act B.E. 2520. The privileges granted the exemption of import tariff of machinery. It granted the exemption of corporate income tax on net profits from investment of promotional activities not exceed 100 percent of total investment of the project excluded the value of land and working capital for eight years commencing from the first day when FKT starts to earn income from the operation of promotional operation as follows:

Certificate No.	Date	Type of Promotional Activities	The First Date	The Expiry Date
1187(2)/2553	February 24, 2010	Chicken Farm	None Income Yet	-
1591(2)/2553	June 8, 2010	Chicken Farm	August 22, 2013	August 21, 2021

3. Broiler farm

The business line of broiler farm operates by M.K.S. Farm Company Limited ("MKS"). The product is broiler, the raw material is the broiler chicks purchase from Krungthai Farm Company Limited, feed mix purchase from Krungthai Feedmill Public Company Limited and other raw materials such as vaccine are purchase domestically. The broiler chicks are raised in an evaporative cooling system, a closed system with automatic food and water feeding, until reaches 41 to 43 days then sells to GFPT Public Company Limited and GFPT Nichirei (Thailand) Company Limited (an associated company of GFPT). Therefore, broiler business is not competitive because major customers are GPFT (the parent company) and associated company of GFPT.

Dependent on large or few customers

MKS depends on 2 large customers i.e. GPFT and GFPT Nichirei (Thailand) Company Limited. The sales of broiler in the year 2013 amounted THB 4.2 billion and THB 3.3 billion, respectively. MKS does not expect that large or few customers will have any impact on the business because GFPT is a parent company with the same group of management and GFPT Nichirei (Thailand) Company Limited is an asscіated company.

Promotional Privileges

M.K.S. Farm Company Limited, a subsidiary company, was granted 12 investment promotional certificates to produce parent chicken type 1.5 animal breeding business from the Board of Investment, which include the benefits and privileges under sections 25, 26, 28, 31 paragraph 1, 31 paragraph 3, 31 paragraph 4, and 34 of the Investment Promotion Act B.E. 2520. The privileges so granted the exemption of import tariff of machinery and include exemption of corporate income tax on net profits for eight years and it also granted included exemption of corporate income tax on net profits from investment of promotional activities not exceed 100 percent of total investment of the project excluded the value of land and working capital for eight years commencing from the first day when MKS starts to earn income from the operation of promotional operation as follows:

Certificate No.	Date	Type of Promotional Activities	The First Date	The Expiry Date
1632(2)/2546	November 11, 2003	Broiler Farm	May 12, 2005	May 11, 2013
1571(2)/2551	June 6, 2008	Broiler Farm	April 17, 2010	April 16, 2018
2085(2)/2551	November 19, 2008	Broiler Farm	October 8, 2010	October 7, 2018
1341(2)/2552	April 28, 2009	Broiler Farm	June 9, 2011	June 8, 2019
1470(2)/2552	June 5, 2009	Broiler Farm	June 5, 2011	June 4, 2019

Certificate No.	Date	Type of Promotional Activities	The First Date	The Expiry Date
1997(2)/2553	August 24, 2010	Broiler Farm	October 25, 2011	October 24, 2019
1898(2)/2553	August 24, 2010	Broiler Farm	None Income Yet	-
2106(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
2107(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
2108(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
1674(2)/2554	June 9, 2011	Broiler Farm	None Income Yet	-
1022(2)/2555	January 12,2012	Broiler Farm	None Income Yet	-

Processed food

The business line of processed food operates by GF Foods Company Limited ("GFF"). The products are sausages, meatballs, chicken nuggets and other processed food under brand "GF Foods". The main market for this business is the distribution channel, fresh market and wholesalers/retailers. The processed food business is very competitive because sausages, meatballs, chicken nuggets and other processed food will use chicken debris resulting from the cutting of the product. GFF main competitors are manufacturers and distributors of processed food.

Dependent on large or few customers

GFF depends on 1 customer which is GPFT Public Company Limited, a parent company, to purchase raw materials i.e. chicken debris to manufacture and distribute. The sales in the year 2013 amounted THB 565 million. GFF do not expect that large or few customers will have any impact on the business because GFPT is a parent company with the same group of management.

2.2 Marketing and competition

Chicken Evisceration and Processed Chicken

(a) Marketing characteristic of the product

Significant competitive strategy

In marketing its products, the Company realized the importance of the quality. The Company had advantage over its competitors because of its 10 years extensive experience on the live stock sector. As a result, the quality of products is accepted by the customers. In addition, the Company has developed various products in accordance to the need of customers.

The Company's main policy is to manufacture value added products due to the higher cost of manufacturing in Thailand as compared to other competitors; therefore, if the products are common products, it will not be able to compete with other countries. The Company focuses on manufacturing processed food that requires skilled labor, which the competitors in other countries still behind on skilled labor or some countries have high cost of labor. The Company also emphasises on having production process to meet international standards and able to effectively trace the system back for error detection. Therefore, the Company has quality assurance in every production process to ensure product safety. A division has been set up to coordinate and monitor the shipping and storage to meet standard so that consumers and customers are confident of the quality of our products, hence, increases the Company's competitive advantage in the foreign market.

Nature of customers

Customers in the domestic market can be categorized into 3 groups as follow:

Group 1 Customers that are subsidiaries or associated companies such as GF Foods Company Limited (a subsidiary of GFPT) that purchases chicken parts that came from products trimming to manufacture sausages and other processed products accounted for 12% of domestic sales and 2 associated companies i.e. McKey Food Services (Thailand) Company Limited and GFPT Nichirei (Thailand) Company Limited accounted for 20% of domestic sales and 1% of domestic sales, respectively. The 2 associated companies purchases chicken parts to manufacture and sells to both domestic and foreign market.

Group 2 Customers that are manufacturer of processed food. This group of customers will purchase chicken parts and manufacture processed or semi-processed food for export to foriegn countries, accounted for 13% of domestic sales

Group 3 Customers that are wholesalers/retailers, who purchase products from the Company on a daily basis to sell to consumers, accounted for 54% of domestic sales.

As for customers in the foreign market, the Company export chicken meat to foreign countries including Japan, the Europian Union, Hong Kong and Singapore.

Target customers

The Company's target customers are consumers of meat in both domestic and foreign market.

Distribution and distribution channel

Products of GFPT distribute in both domestic and foreign market under the brand of "GFPT" and customers own trademark, accounted for 59% share of the domestic market and 41% share of the foreign markets.

For domestic market, most products are by-products of chicken evisceration such as chicken feather, head, bones, meat and leather scraps. The customers are wholesalers/retailers that purchases products on a daily basis and sell it to the customers. Another part is selling export quality products to processed food manufacturers for exports. A subsidiary company, GF Foods Company Limited, buys chicken meat to manufacture sausages and an associated company, McKey Food Services (Thailand) Company Limited buys chicken meat to manufacture fried chicken, chicken burger or nuggets.

For foreign market, GFPT sells products directly to customers. The main importers of our products are Japan and the European Union countries.

(b) Competitive conditions within the industry

For the competition in the domestic market, most operators that own slaughterhouses have fully integrated business, which include feed mill, breeder farm and chicken farm.

GFPT is considered to be one of the top operators in Thailand as compare to other companies. GFPT operates fully integrated poultry business that covers feed mill, chicken farm and slaughterhouse. GFPT has advantages from being fully integrated business; includes the ability to control quality, ability to process chicken evisceration by owning chicken farm as well as develop new techniques and effectively control production volume to be consistent with the market demand.

For the competition in the foreign market, the major competitors in the processed food business are China, Brazil and the United States of America. At present, the export market depends on the competitive advantage of each country such as cost of manufacturing, freight, and quality of products. Thailand is considered to have advantage over cost of manufacturing, quality and the effective product modification to match the customers' demand; consequently, Thailand export market grew every year.

(c) The Overview of Broiler Business in 2013 and Prospect for 2014

Situation in 2013

Production

In 2013, most top broiler production countries such as the United States and Brazil managed to increase their productions as a result of the world economic recovery and the rising demand for chicken meat. Comparing with other protein meat, chicken is relatively cheaper and having lower cholesterol. Furthermore, demand for chicken meat also increased favorably in the countries where chicken meat consumptions per capita were still low such as Mexico, China and the eastern European countries. However,

the broiler production and export in some countries were limit due to the Avian Flu outbreaks and rising cost of feed material such as China and Mexico.

In 2013, total world broiler production was approximately 84.640 million tons, an increase of 2.69% from 2012. The United States was still the world's largest broiler production followed by China, Brazil, and the European Union, respectively.

The United States produced approximately 16.958 million tons of chicken meat in 2013, an increase of 2.93% from 2012. China, the second largest world broiler producer, produced 13.500 million tons of chicken meat, decreased from 2012 by 1.46%. Brazil, the world's third largest producer, produced 12.770 million tons of chicken, increased from 2012 by only 0.16% while the EU, the world's fourth largest producer, increased its production by approximately 2.85% to reach 9.750 million tons in 2013.

In 2013, the broiler production of Thailand was approximately 1,104.050 million birds, equivalent to 1.524 million tons of chicken meat, increased only 0.63% from 2012. The broiler production increased less than expected because one of the largest integrated broiler companies temporary stopped its operations in late 2012. However, other top integrated broiler companies increased their productions to meet the export growth to EU market after lifting of the ban of Thai frozen chicken meat. Steady rising export demand was also expected after Japan and South Korea planned to lift the ban on Thai frozen chicken meat.

Market Situation

Domestic Market

Despite the negative effect of the inflation and political instability on the consumers' purchasing power, domestic consumption of chicken meat has managed to increase around 8.36% from 0.932 million tons in 2012 to 1.010 million tons in 2013. Although the increase is rather low, it is a good sign which reveals that the effect of economic and political crisis on the broiler meat industry is minimal.

The consumption of domestic market increased from the price of feed materials in 2013 was stable, which help maintaining the production cost and the price of chicken meat remained affordable by consumers. Furthermore, the growth of chicken meat consumption is partly from the growing concern on healthy diet among Thai consumers, who prefers low fat meat. The economic condition in Thailand had impact on the spending of Thai consumer; thus, chicken meat has become a preferred choice. Furthermore, the fast food business and quick service restaurants also helped in raising domestic demand because chicken meat is widely used as part of meat ingredients by various fast food chains. Chicken price is considerably low in comparison with other kinds of meats. Moreover, the increasing of Thai consumers' confidence on the food safety, strict bio-security system, and surveillance on Avian Flu outbreak of chicken meat also helps provide the growth of domestic consumption.

Export market

Export volume of Thai chicken meat products in 2013 was lower than expected because one of the largest integrated broiler companies temporary stopped its operations. As a result, export volume in 2013 was 525,217 tons, reduced 4.91% from previous year.

The main obstacle of chicken meat export in 2013 was the slow recovery of world economy and economic recession in the EU which is the major export markets of Thai chicken meat products. However, Thai chicken export showed positive trend as Japan has announced the lifting ban of Thai fresh frozen chicken meat on December 25, 2013. In addition, major export competitors like China and Mexico cannot effectively control the Avian Flu outbreak that has repeatedly occurred in their countries.

As for the export market, the European Union was the most important market of Thai chicken meat products. In 2013, export of chicken meat products to the European Union was approximately 243,825 tons, increased 2% from previous year and its proportion to overall chicken meat export increased from 43.3% in 2012 to 46.4% in 2013. The increase was mainly from the lifting ban of Thai frozen chicken meat since July 2012.

Chicken Export to Japan, the second largest market of Thai chicken export, was 211,061 tons in 2013, decreased 5% from 2012. Its share of overall chicken meat export was minimally decreased from 40.3% in 2012 to 40.2% in 2013. This decrease was primarily from the reluctant to lift its ban on Thai frozen chicken meat. Furthermore, the declining of export volume in 2013 was caused by the temporally stopped operation of one Thai integrated broiler company.

Besides these two major export markets, the export of Thai chicken meat products to other countries in 2013 was approximately 70,331 tons, declined 22.51% from previous year. The chicken meat export quickly recovered and grew favorably due to the lifting ban of Thai fresh chicken meat in many countries such as South Africa, Ghana, Bahrain, the United Arab Emirates, Egypt, Oman, Israel, Vietnam, Malaysia, Hong Kong, Lao PDR, Brunei, Nepal, Sri Lanka, and Singapore.

Prospects for 2014

Production

The broiler production in Thailand is likely to expand consistently in 2014. The estimated broiler production is 1.160 million birds or 1.680 million tons of chicken meat, an increase of 7.69% from year 2013. The broiler production in 2014 is expected to increase due to the anticipated recovering economic and political situation that should help boosting the domestic consumption. Furthermore, the high standard of farm management and strict bio-security of Thai broiler producers help enhance the export demand from major import countries such as Japan and Singapore.

The broiler production tends to increase due to the declining in price of major feed materials, which will partially offset the increase in cost of production resulting from the rising of minimum wage.

Market Situation

Although the growth of economic and political situation in Thailand still unclear, the domestic market for chicken meat products is expected to grow in 2014 because chicken meat is a better choice for consumers who prefers rich nutrient diet at reasonable price. It is expected that demand for chicken meat in 2014 will increase around 3.96% to reach approximately 1.050 million tons.

In 2014, the export market of Thai chicken meat is expected to recover and grow. The export volume of Thai chicken meat is forecasted to increase by 22% from 2013 reach approximately 630,000 tons in 2014; primarily from the recovering of world economy and the opportunity of other countries will lift ban of Thai frozen chicken meat such as Japan.

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

Positive Factors

- The high standard of Thai production system and the ability of Thai exporter to develop processed chicken meat products in accordance with consumer demand in international market would attain acceptance of Thai chicken meat products in the international markets with high purchasing power such as Japan and the EU. Moreover, the superior standard also give Thai chicken products a high competitive potential to export to other international markets such as neighboring countries in the ASEAN, South Africa, South Korea, and Russia.
- The efficiency of Thai government and broiler producers to handle and control the Avian Flu outbreak has made many countries gradually lift their ban Thai frozen chicken meat. As a result, the opportunity to enhance Thai chicken meat export in the major export markets such as the EU, Japan, and the ASEAN is promising.
- Pressure on competition with China has been relaxed due to the inability of Chinese government to efficiently control the Avian Flu outbreak. Furthermore, Chinese producers have shifted their target to focus more on domestic market so that the export of chicken meat declines.

- Skill of Thai labors specialized in cutting-up chicken parts, together with short transportation time of only 10-14 days from Thailand to Japan compare with 8 weeks from Brazil, help Thai uncooked chicken meat export gain comparative advantage over Brazil. If Japan lifts ban on Thai uncooked chicken meat in 2013, it is likely that Thailand will be able to earn some of Brazil market shares.

- The declining prices of feed materials and the clear government policy on import of these raw materials help Thai producers efficiently plan and control their production cost.

Negative Factors

- The nationwide increase of minimum wage rate to 300 Baht per day at the beginning of 2013 in accordance with the government policy has raised the production cost of chicken meat products. As a result, the competitiveness of Thai export will be reduced when compare with other competing countries of which their minimum wage rates do not change.
- The rising of oil price may raise the cost of energy used in feed production. Moreover, some feed materials may be used in production of gasohol and bio-diesel, which may cause increasing in price of feed materials.
- The inability to reach the agreement with the EU concerning the increase quota of cooked chicken meat export may limit the export growth of Thai cooked chicken product. EU has fixed its import quota allocated to Thai cooked chicken meat products and the out-of-quota tariff is high.
- The instability of Thai political situation since the second half of 2013 may affect the growth of Thai economy as well as the Thai tourism industry and hence the growth of domestic chicken meat market.

Export of Thai Chicken Meat Products to Important Markets

(2012 – 2014)

Market	2012		2013*		2014**	
	Volume (ton)	Proportion (%)	Volume (ton)	Proportion (%)	Volume (ton)	Proportion (%)
Japan	222,358	40.3	211,061	40.2	310,000	49.2
EU	239,241	43.3	243,825	46.4	250,000	39.7
Others	90,763	16.4	70,331	13.4	70,000	11.1
Total	552,362	100.0	525,217	100.0	630,000	100.0

Source: Thai broiler processing exporters association and forecasting.

Remark: * Estimated

** Forecasted

Volume and Value of Thai Chicken Meat Export

Volume: ton

Value: million baht

Year	Frozen		Processed Product		Total	
	Volume	Value	Volume	Value	Volume	Value
1997	151,120	10,951	41,114	4,951	192,234	15,902
1998	220,776	17,221	60,943	9,020	281,719	26,241
1999	211,675	14,817	61,924	8,669	273,599	23,486
2000	245,994	15,990	86,800	11,284	332,794	27,274
2001	320,779	23,096	117,018	15,212	437,797	38,308
2002	336,837	24,589	127,406	16,244	464,243	40,833
2003	388,913	28,105	157,074	19,763	545,987	47,868
2004	26,137	1,725	191,739	22,408	217,876	24,133
2005	96	6	265,023	30,478	265,119	30,484
2006	2,662	97	294,295	35,742	296,957	35,839
2007	11,052	522	322,471	36,791	333,523	37,313
2008	14,367	862	387,127	54,567	401,494	55,429
2009	18,260	1,242	378,809	51,492	397,069	52,734
2010	17,054	1,147	418,005	53,805	435,059	54,952
2011	27,258	1,881	435,267	60,290	462,525	62,171
2012	89,411	6,491	462,951	64,394	552,362	70,885
2013 (E)	95,000	7,885	435,000	61,495	530,000	69,380
2014 (F)	180,000	14,620	450,000	68,489	630,000	83,109

Source: Thai broiler processing exporters association and forecasting.

Remark: 2013 (E) is Estimated, 2014 (F) is Forecasted

Feed mill

(a) Marketing characteristic of the product

Significant competitive strategy

In marketing its products, the Company realized the importance of the quality. The Company had advantage over its competitors because of its 10 years extensive experience on the live stock sector. As a result, the customers accepted the quality of products. In addition, the Company has developed various products in accordance to the need of customers. The Company also emphasises on having production process to meet international standards and able to effectively trace the system back for error detection. Therefore, the Company has quality assurance in every production process to ensure product safety. A division has been set up to coordinate and monitor the shipping and storage to meet standard so that consumers and customers are confident of the quality of our products.

Nature of customers

Customers can be categorized into 2 groups as follow:

Group 1 Customers that are affiliated companies such as M.K.S. Farm Company Limited, Krungthai Farm Company Limited and GP Breeding Company Limited those buy only chicken feed.

Group 2 General customers who are animal raisers, both land and acquatic animals.

Target customers

The Company's target customers who are affiliated companies that accounted for 53% and general animal raisers both domestic and export market that accounted for 47%.

Distribution and distribution channel

Feedmill distributes under the Company's brand. The distribution channels include sells directly to animal raisers and sells to wholesalers/retailers for resale.

(b) Competitive conditions within the industry

There are more than 50 feedmill operators in Thailand, therefore, the market is highly competitive However, the market competition is not intense for Krungthai Feedmill Public Company Limited because 53% of sales revenue came from affiliated companies that operates as a fully integrated business that covers feed mill, parent chicken farm, broiler farm, selling day-old-chicks (broiler), chicken evisceration and processed food production. Owning chicken farm is one of the advantages over other competitors. In addition, the Company operates business for more than 20 years and considered to be one of the top feed mill operators.

(c) The overview of feed industry and future outlook

Situation in 2013

Overview

Prices of animal feed raw materials that are relatively stable along with the favorable export price of broilers and the rising of chicken meat export at the end of 2013 helped raised demand for animal feeds and kept the animal feed business grow moderately. However, there were some obstacles against the growth of animal feed industry in 2013 especially the loss of investor's confidence on Thai economy due to the political instability and the lower than expected economic growth. Furthermore, the drop in domestic purchasing power as well as the rather slow economic recovery in the major exporting countries such as the EU and Japan were altogether adversely affected the growth of Thai animal feed business.

Total demand for animal feed in Thailand was approximately 16,474,501 tons in 2013, an increase of 8.21% from 2012. Demand for animal feed of broiler-raising business had the highest share of about 32.95% of total feed products. Next to the broiler-raising, swine and layer hen raising business demanded about 26.32% and 11.17% of total animal feed produced in 2013, respectively. Since demand for animal feed of these three businesses altogether shared about 70% of the yearly total demand, their business growth would be an important stimulus for the development of animal feed industry. On the other hand, if these businesses encounter any critical problem, animal feed production would inevitably face serious difficulty.

About 5,428,566 tons of animal feed were used for broiler raising in 2013, an increase of 18.08% from the previous year. Swine raising business used approximately 4,336,500 tons of animal feed which increased by 13.07% from 2012 while layer hen raising which shared the third largest demand used about 1,830,000 tons of animal feed, up 4.24% from the previous year.

Demand for main feed ingredients

The growth of animal feed business as a result of the expansion of livestock farming had caused demand for its raw materials to increase, especially demand for main ingredients of most animal feed products such as maize, soybean meal and fishmeal. Although these raw materials could be produced domestically, they had to be imported in large amount due to excessive demand. Moreover, productive potential of some raw material is insufficient especially soybean which is used to produce soybean meal. In addition, most fishmeal product uses local raw material that has protein content less than what should be appropriate for animal feed production. As a result, growth of domestic supplies are not sufficient to meet demand for animal feed raw materials and considerable amount of them have to be imported each year. However, the government policy that has been rarely changed and likely to relax the control on import of raw materials helps the animal feed producers plan their production and import correctly and lessen the adversely effects arose from the volatility of raw material prices.

1. Maize

Animal feed business needed approximately 6,712,116.0 tons of maize in 2013, an increase of 11.05% from 2012. This demand level was higher than domestic supply which was only 4 – 4.5 million tons so that at least 100,000 tons of maize had to be imported in 2013.

In order to protect maize farmers, the import of maize must be in accordance with the following criteria set by the government.

- Import quota on maize from the WTO member countries is at 54,700 tons and the state-run Public Warehouse Organization was the sole authorized importer. In-quota import is subjected to 20% tariff. The non-quota import has to pay 73% tariff duty plus surcharge of 180 Baht per ton.
- Import from members of ASEAN Free Trade Area (AFTA) pay 0% tariff duty but time of import is limited to during March 1 to July 31 of 2013.
- Import under the contract farming scheme with neighboring countries and under the Ayeyawady – ChaoPhraya - Mekhong economic cooperation strategy (ACMECS) were subjected to 0% import tariff but time of import is limited to during March 1 to July 31 of 2013.
- Import in accordance with the Free Trade Agreement between Thai-New Zealand and Japan -Thailand Economic Partnership Agreement (JTEPA) is subjected to 0% import tariff.
- Import in accordance with the Free Trade Agreement between Thai-Australia within the quota of 7,696.84 tons was subjected to 10.67% import tariff. Only Public Warehouse Organization was the sole authorized importer. As for the out-of-quota import, time duration and amount was not limited but it will be subjected to 65.70% import tariff.
- Import in accordance with the Free Trade Agreement between ASEAN - Japan (AJCEP) is subjected to 12.7 % tariff if import during January 1 to March 31 of 2013. However, the import during April 1 to December 31 of 2013 is subjected to only 10.9% import tariff.
- Import in accordance with the Free Trade Agreement between ASEAN – Korea (AKFTA) is subjected to 8.89% import tariff.
- Import other than as stated above pay 2.75 Baht per kilogram of import tariff plus surcharge of 1,000 Baht per ton, with no limitation on import quantity and no specific time period.

2. Soybean Meal

Animal feed business demanded approximately 3,973,306.2 tons of soybean meal in 2013, an increase of 9.08% from the previous year. This demand was too high to be sufficiently supplied by domestic soybean meal which was a by-product of the soybean extracting industry. As a result, large amount of soybean meal had to be imported. The major sources of these imports were Argentina, Brazil, the United States, and India.

In 2013, the government policy on import of soybean meal was as follow:

- Import from WTO member countries within the arranged quota is restricted to be made only by specified association and organization such as Thai Broiler Processing Exporters Association, Animal Feed Producers Association of Thailand, etc. These associations are authorized to import soybean meal from WTO members under the minimum allowance condition with no limit on quantity and duration of import. These authorized importers pay only 2% tariff duty while others who import beyond quota limit or unauthorized importers had to pay high tariff duty of 119%. However, these authorized importers have to sign contract with the Ministry of Agricultural and Cooperative to buy from vegetable oil extracting industry all domestic soybean meal produced from Thai soybean at the guaranteed price.
- Import from members of ASEAN Free Trade Area (AFTA) pay tariff duty of 0% with no quota and time limit.
- Import from Australia and New Zealand in accordance with the Free Trade Agreement and import in accordance with Japan -Thailand Economic Partnership Agreement (JTEPA) is subjected to 0% tariff duty.
- In-quota import from Korea in accordance with ASEAN-Korea Free Trade Agreement (AKFTA) is subjected to 3.33% tariff duty and will be reduced to 2.22% in 2014.
- Import from countries other than those specified above was not subjected to quota and time limit but the tariff rate was high at 6% plus the surcharge of 2,519 Baht per ton.

3. Fish Meal

In 2013, animal feed industry had to use approximately 645,806.7 tons of fish meal as its raw material, a decrease of 5.39% from the previous year. Because of the insufficient local product, it is necessary that fish meal had to be imported. Import of fishmeal with protein content less than 60% had to get import permission from the government. Quantity and duration of import of fishmeal with protein content more than 60% was not restricted but import tariff was set in accordance with importing sources as follow:

- Import from members of ASEAN Free Trade Area (AFTA) and import in accordance with the Free Trade Agreement between Thai-Australia and Thai-New Zealand was subjected to 0% tariff duty.
- Import in accordance with the Free Trade Agreement between ASEAN–China and ASEAN-Australia-New Zealand is subjected to 0% tariff duty.
- In-quota import from Korea in accordance with ASEAN-Korea Free Trade Agreement (AKFTA) is subjected to 10% tariff duty.
- Import in accordance with the Japan-Thailand Economic Partnership Agreement (JTEPA) is subjected to 1.67% import tariff if import during January 1 to March 31 of 2013. However, the import during April 1 to December 31 of 2013 is subjected to only 0% import tariff.
- Import from sources other than specified above is subjected to 15% import tariff for the fishmeal with protein content more than 60%. Fishmeal with protein content less than 60% is subjected to 6% import tariff.

Trend for 2014

It is forecasted that more political stability in the late 2014 would moderately raise Thai economic growth in 2014. Moreover, the lift of import ban on Thai frozen chicken meat by Japan as well as the recovery from prolonged economic recession of important export markets for Thai products would support the growth of livestock production business and hence the animal feed industry. Total demand for animal feed in 2014 is forecasted to be approximately 16,455,024 tons, a decrease of merely 0.12% from 2013. This total demand may be classified in accordance with the main feed raw materials that there will be 620,104.3 tons of demand for fishmeal, 3,954,352.3 tons of demand for soybean meal, 6,743,982.5 tons of demand for maize and 1,512,132.8 tons of demand for broken-milled rice.

Broiler-raising business will use highest proportion of animal feed produced in 2014. It is forecasted that this business will use about 5,328,037 tons of animal feed or 32.38% of total feed demand. Next to the broiler-raising, demand for animal feed of swine and layer hen raising business will be approximately 4,720,000 tons and 1,840,000 tons, which will respectively be 28.68% and 11.18% of the total animal feed produced in 2014.

At this forecasted level of demand, feed raw materials especially maize, soybean meal, and fish meal may have to be imported at amount not less than in 2013. It is also expected that the measures imposed on the import of animal feed raw materials in 2014 would not be different from those in the previous year.

In conclusion, the expansion and growth potential of Thai animal feed industry in 2014 will depend on factors that may cause positive effects as well as negative effects on the industry as follow.

Positive factors

- Free trade agreement between Thailand and other ASEAN members as well as non-ASEAN countries such as Japan has considerably reduced import tariffs on the necessary animal feed raw materials. Not only the agreement helps relieve the shortage of raw materials, it also helps neutralize some negative effects caused by the rising of these raw material prices.
- Thai economics is anticipated to improve in 2014 as the demand in livestock products. Particulaly, the chicken meat market is growing both domestic market and international markets which can boot the growth of feed business industry.
- Government policy concerning the import of animal feed raw materials which is likely to provide more support on livestock raising business would also be helpful for animal feed industry.

Negative factors

- The nationwide increase of minimum wage rate to 300 Baht per day in accordance with the government policy directly raises the production cost in the animal feed industry.
  Furthermore, the minimum wage increased also raises the transportation cost as well as cost of producing animal feed raw materials such as maize, soybean meal and fishmeal so that it will indirectly raises the production cost of animal feed products.

- Although the import of main feed raw materials is more liberated, many import restriction measures imposed by the government still exist. These measures may raise the cost of animal feed production so high that the competitive potential of Thai livestock products would be worsen.
- World demands for maize and soybean which are main feed raw materials have been increasing consistently. Not only they are used to in the animal feed production, maize and soybean are also important raw materials for the manufacturing of alternative energy which will be used as substitute for the expensive petroleum products. Because demands for maize and soybean have increased at rapid rate while their supplies cannot be sufficiently produced and may be affected by the unfavorable weather, prices of these raw materials may rise markedly and harmfully affect the animal feed industry. Purchasing power of domestic consumers is reduced as a result of high inflation while the economies of some main export markets of Thai product are still not fully recovered. The slow growth of demand would critically affect the growth of livestock production and hence the animal feed industry.
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Estimated Demand for Animal Feed

(2012-2014)

Volume: ton

Animal Populations	2012		2013		2014	
	Volume of feed	Share (%)	Volume of feed	Share (%)	Volume of feed	Share (%)
Broiler	4,597,164	30.20	5,428,566	32.95	5,328,037	32.38
Broiler parent stock	716,184	4.70	747,432	4.54	733,824	4.46
Young layer hen	841,967	5.53	794,950	4.83	794.950	4.83
Layer hen	1,765,200	11.59	1,840,000	11.17	1,840,000	11.18
Layer hen parent stock	24,000	0.16	26,800	0.16	26,800	0.16
Swine	3,835,000	25.19	4,336,500	26.32	4,720,000	28.68
Swine breeder	837,000	5.50	855,600	5.19	883,500	5.37
Duck	252,000	1.66	252,000	1.53	264,600	1.61
Duck breeder	21,900	0.14	21,900	0.13	22,995	0.14
Layer duck	169,000	1.11	169,000	1.03	169,000	1.03
Dairy cow	574,875	3.78	591,300	3.59	620,865	3.77
Prawn	960,000	6.31	810,000	4.92	450,000	2.73
Fish	630,476	4.14	600,453	3.64	600,453	3.65
Total	15,224,766	100.00	16,474,501	100.00	16,455,024	100.00

Source: Animal Feed Producers Association of Thailand

Estimated Demand for Animal Feed Raw Materials

(2012-2014)

Unit: ton

Raw Materials	2012	2013	2014
Fish Meal	682,588.6	645,806.7	620,104.3
Soybean Meal	3,642,593.3	3,973,306.2	3,964,352.3
Maize	6,044,506.0	6,712,166.0	6,743,982.5
Broken-milled Rice	1,309,305.0	1,417,975.0	1,512,132.8

Source: Animal Feed Producers Association of Thailand

Grandparent Chicken Farm

(a) Marketing characteristic of the product

Significant competitive strategy

The Company sells parent chicks to related companies i.e. Krungthai Feedmill Public Company Limited and Krungthai Farm Company Limited and general animal raisers that operate parent chicks farming both domestic and foreign market. The Company emphasises on quality of products to meet international standards and control of cost of production in order to gain competitive advantage.

Nature of customers

Customers of the Company are related companies and general customers both in the domestic and foreign market.

Target customers

Customers of the Company are related companies and general customers both domestic and foreign market.

Distribution and distribution channel

The Company distributes parent chicks to Krungthai Farm Company Limited and Krungthai Feedmill Public Company Limited and to general customers both in the domestic and foreign market.

(b) Competitive conditions within the industry

This industry is highly competitive, the competitors are the same group that export chicken. However, since GFPT group operates fully integrated business, the competition is not intense. The Company mostly sells chicks to related companies.

Parent Chicken Farm

(a) Marketing characteristic of the product

Significant competitive strategy

The Company sells broiler chicks to related companies i.e. M.K.S. Farm Company Limited and sells egg laying cicks to Krungthai Feedmill Public Company Limited and to general animal raisers that operates egg laying chicken farm. The Company emphasises on quality of products to meet international standards and control of cost of production in order to gain competitive advantage.

Nature of customers

The Company sells broiler chicks to only 1 customer, M.K.S. Farm Company Limited, a related company with the same group of major shareholder. For egg laying chicks, the Company sells to Krungthai Feedmill Public Company Limited, a related company, and to the general customers that operates egg laying chicken farm business.

Target customers

Customers of the Company are related companies and general customers that operate egg laying chicken farm business.

Distribution and distribution channel

The Company distributes to customer including M.K.S. Farm Company Limited and Krungthai Feedmill Public Company Limited and to general customers that operate egg laying chicken farm business.

(b) Competitive conditions within the industry

This industry is highly competitive, the competitors are the same groups that export chicken. However, since GFPT group operates fully integrated business, the competition is not intense. The Company mostly sells chicks to related companies.

Broiler Farm

(a) Marketing characteristic of the product

Significant competitive strategy

The Company sells all broilers to GFPT Public Company Limited (parent company) and GFPT Nichirei (Thailand) Company Limited (joint venture company of GFPT). The Company distributes boilers to only 2 companies, which both are related companies, consequently, there is no competition in this business. The main strategy is the Company's extensive experience in this business for many decades, therefore, gained customers' confident on the quality of products. Nonetheless, the Company emphasises on quality of products to meet international standards and control of cost of production in order to gain competitive advantage.

Nature of customers

Customers of the Company are GFPT Public Company Limited, a parent company, and GFPT Nichirei (Thailand) Company Limited, a joint venture company with the parent company.

Target customers

Customers of the Company are the parent company and a joint venture company with the parent company. All broilers produced by the Company are purchased by both companies to eviscerate and process as processed food and sell it in both domestic and foreign markets.

Distribution and distribution channel

The Company distributes goods in the domestic market through GFPT Public Company Limited and GFPT Nichirei (Thailand) Company Limited.

(b) Competitive conditions within the industry

The Company does not face any competition in this industry because the Company sells all broilers to the parent company and a related company (joint venture company with the parent).

Processed Food

(a) Marketing characteristic of the product

Significant competitive strategy

The marketing strategy on determining the selling price depends on the commodity price of chicken in the domestic market. However, since the Company only buys chicken meat from the parent company, the Company is able to estimate cost and control quality of raw material. The Company also focuses on meeting the international standards to ensure quality and safety of the products. The Company emphasizes on responding to the customers need and develop new product to meet the behavioral changes of the consumers, as well as, expanding the distribution channel to reach even more to consumers. As a result, the Company gained competitive advantage over the competitors in the same industry.

Nature of customers

Customers can be categorized into 2 groups as follow:

Group 1 Customers in the fresh market

Group 2 Customers in provincial areas

Target customers

General consumers who favor sausages and other processed food and wholesaler/retailers.

Distribution and distribution channel

Products of GF Foods Company Limited distributes in Bangkok and other provinces by having distribution centers or branches in provinces such as Nakornpathom, Ubolratchathani, Bureerum, Nakornsawan,

Lampang, Tak, Chiangmai, Petchaburi, Phuket, Surathani and Hat-Yai, etc. under the brand “GF Foods”. The customers are wholesales/retailers or general consumers.

(b) Competitive conditions within the industry

Processed food made from chicken such as sausages are popular because of its high in protein, convenient and fast to consume. The general market is the domestic market. The demand of sausages consumption is in an upward trend due to the consumers’ behavioral and life style changes. Therefore, operators in the processed food industry expand its manufacturing capacity to produce ready to eat food, consequently, higher competition within the industry.

2.3 Sourcing of products

Chicken Evisceration and Processed Chicken

The Company buys raw material (chicken) only from M.K.S. Farm Company Limited, a subsidary company. The Company has 1 slaughterhouse located in Samutprakarn with the production capacity of 148,600 ton in 2013.

Environmental impact

There is minimum environmental impact occurs from chicken evisceration, however, there will be remains left over from the production. The Company manages the chicken remains by having wastewater treatment to control the water quality before flow into the public water supply. The Company is aware and conscious of being a part of the society by having socially responsible activities with the locals, policies to manufacture environmentally friendly products and sevices, comply with environmental laws, promote activities that protect the environment and conserve energy, as well as, policies to promote the use of environmentally friendly products. In the past 3 years, the Company has never received a compliant or a lawsuit or a dispute about environmental issue.

Feed mill

The Company buys raw material such as corn, soybean residue, protein from plants and other ingredients of animal feed from both inside Thailand and import from other countries depending on the domestic supply and commodity price. The Company faced shortage of raw materials used in the manufacture of animal feed due to insufficient supply of corn and soybean residue in the domestic market, thus, the Company will have to rely on import of raw materials from other countries. Furthermore, there is other limitation in raw material sourcing including import quota measures, price measures, and tax measures.

At present, the Company has 4 factories that manufacture animal feed, which consisted of 1 factory producing land animal feed and 2 factories producing aquatic animal feed. All 3 factories are located in the same area in Samutprakarn province with total capacity in the year 2013 of 599,000 tons. The other factory

producing land animal feed located in Ban Bueng, Chonburi has capacity of 512,000 tons. In addition, the Company also have parent chicken farm to produce seed eggs to Krungthai Farm Company Limited. In the year 2013, the Company has capacity to produce 21 million seed eggs from 3 farms in Chonburi.

Environmental impact

The manufactuing of animal feeds may cause dust and smell in the surrounding areas. The Company is aware of this impact and implemented preventive measures, as a result, in the past years, the Company has not faced any complaints from the surrounding areas. The water use to produce animal feeds and parent chicken farm do not have any environmental impact because of the implementation of an evaporative cooling system. Husks are used as foundation in the animal house, thus, great effect on the growth of animals and eliminate the smell. Trees are planted in some part of area to provide natural shade. Also, there is wastewater treatment to control the quality of water and convert it to clean water before flowing into the public water supply. The Company is aware and conscious of being a part of the society by having socially responsible activities with the locals, policies to manufacture environmentally friendly products and sevices, comply with environmental laws, promote activities that protect the environment and conserve energy, as well as, policies to promote the use of environmentally friendly products. In the past 3 years, the Company has never received a compliant or a lawsuit or a dispute about environmental issue.

Grandparent chicken farm

The Company imported grandparent chicken from abroad to produce parent broiler stock and sells it to Krungthai Farm Company Limited and Krungthai Feedmill Public Company Limited, which are related companies. In the year 2013, the Company's capacity to produce parent chicks is 1,100,000 chicks by having 1 farms located in Chonburi.

Environmental impact

Grandparent farming needs to be certified by the Department of Livestock Development, Ministry of Agriculture and Cooperatives in regards to the best practice of chicken farming and hatchery, this business does not have any environmental impact because of the implementation of an evaporative cooling system. Husks are used as foundation in the animal house, thus, great effect on the growth of animals and eliminate the smell. Trees are planted in some part of area to provide natural shade. Also, there is wastewater treatment to control the quality of water and convert it to clean water before flowing into the public water supply. The Company is aware and conscious of being a part of the society by having socially responsible activities with the locals, policies to manufacture environmentally friendly products and sevices, comply with environmental laws, promote activities that protect the environment and conserve energy, as well as, policies to promote the use of environmentally friendly products.

Parent chicken farm

The Company buys broiler parent chicks from GP Breeding Company Limited, a related company, to produce broiler chicks. Egg laying parent chicks are imported from abroad to produce egg laying chicks. The Company has total 5 broiler farms and 1 egg laying farm, all farms are located in Chonburi province. In the year 2013, the Company has capacity to produce 92 million broiler chicks and 3 million egg laying chicks.

Environmental impact

The hatchery business has been certified by the Department of Livestock Development, Ministry of Agriculture and Cooperatives in regards to the best practice of chicken farming and hatchery, this business does not have any environmental impact because of the implementation of an evaporative cooling system. Husks are used as foundation in the animal house, thus, great effect on the growth of animals and eliminate the smell. Trees are planted in some part of area to provide natural shade. Also, there is wastewater treatment to control the quality of water and convert it to clean water before flowing into the public water supply. The Company is aware and conscious of being a part of the society by having socially responsible activities with the locals, policies to manufacture environmentally friendly products and sevices, comply with environmental laws, promote activities that protect the environment and conserve energy, as well as, policies to promote the use of environmentally friendly products.

Broiler farm

The Company buys broiler chicks, a major raw material, from Krungthai Farm Company Limited, a related company. The chicken feed also buys from a related company - Krungthai Feedmill Public Company Limited. At present, the Company has 12 farms located in Chonburi and total capacity of 73 million chicken in 2013.

Environmental impact

The broiler farm business has been certified by the Department of Livestock Development, Ministry of Agriculture and Cooperatives in regards to the best practice of chicken farming and hatchery, this business does not have any environmental impact because of the implementation of an evaporative cooling system. Husks are used as foundation in the animal house, thus, great effect on the growth of animals and eliminate the smell. Trees are planted in some part of area to provide natural shade. Also, there is wastewater treatment to control the quality of water and convert it to clean water before flowing into the public water supply. The Company is aware and conscious of being a part of the society by having socially responsible activities with the locals, policies to manufacture environmentally friendly products and sevices, comply with environmental laws, promote activities that protect the environment and conserve energy, as well as, policies to promote the use of environmentally friendly products.

Processed Food

Chicken meats (raw material) are purchased only from GFPT Public Company Limited, a parent company. Therefore, there is no problem in sourcing raw material to feed the processed food business. The factory is located in Samutprakarn with total capacity of 9,000 tons in 2013.

Environmental impact

Process food business has no environmental impact, however, there will be remains left over from the production, therefore, the Company has wastewater treatment to control the water quality before flows into the public water supply. The Company is aware and conscious of being a part of the society by having socially responsible activities with the locals, policies to manufacture environmentally friendly products and sevices, comply with environmental laws, promote activities that protect the environment and conserve energy, as well as, policies to promote the use of environmentally friendly products. In the past 3 years, the Company has never received a compliant or a lawsuit or a dispute about environmental issue.

2.4 Undilivered Work

-None-

3. Risk Factors

Nowadays, business trend have changed dramatically and rapidly in both domestic and international market. Risk management is essential for the Company and its subsidiaries to survive and persist when unexpected situation occur.

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

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

1. Internal Risk factors

1.1 Financial Liquidity

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

Risk Management

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

1.2 Marketing and Sales

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

Risk Management

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

1.3 Human Resources

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

Risk Management

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

1.4 The Confidence of Consumer in Food Safety.

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

Risk Management

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

1.5 Risk on Administrative Management

As of October 31, 2013, the major shareholders, the Sirimongkolkasem family, hold 704,023,240 shares or 56.15% of total shares of total shares of the Company which allow the Sirimongkolkasem family can control the votes in the shareholders' meeting such as the appointment of the Company's directors or other matters that required majority votes except the matters need to be approved by 3/4 of the shareholders who attends the Meeting. Thus, the minority shareholders do not have the power to check and balance the vote of the majority shareholders.

Risk Management

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

4. External Risk Factors

4.1 Disease Outbreaks

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

Risk Management

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

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

2.2 Fluctuations in the Prices of Feed Materials

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

Risk Management

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

2.3 Price Volatility of Livestock and Meat Products

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

Risk Management

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

2.4 Price Volatility on Fuel Price

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

Risk Management

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

2.5 Changes in Consumers' Behavior

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

Risk Management

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

2.6 Competition and the liberalization of trade and the move towards becoming an ASEAN Economic Community (AEC).

Business is more competitive because there are new companies entering the market, each company focus to increase sales and profit along with the ASEAN Economic Community (AEC) in 2015. The AEC will affect the flexibility to transfer resources, capital, labor and larger international trade, which results in higher competition by importing from countries which have lower production cost including relocation of production base to the countries which have lower wages. These facts will impact the revenues and operations of the Company.

Risk Management

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

2.7 The Volatility on Foreign Currency Exchange Rate

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

Risk Management

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

2.8 Volatility on Interest Rates

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

Risk Management

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

2.9 Risks on Rules and Regulations

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

Risk Management

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

4. Assets for Business Operation

4.1 The characteristics of fixed assets of GFPT Public Company Limited (the "Company") and its subsidiary company's that are used in business operations are as follow:

Type/Characteristic	Ownership	Value (MB.)	Obligation
1. Land			
1.1 Land for factory:			
- Chicken evisceration and processed food 4 plots at Samutprakarn, total area 46-1-85.25 Rai	the Company	155.58	mortgaged 4 plots with financial institution THB 327 M
- Feed mill 23 plots at Samutprakarn and Chonburi, total area 290-1-92.50 Rai	Krungthai Feedmill Public Company Limited, a subsidiary company	87.55	mortgaged 23 plots with financial institution THB 675 M
1.2 Land for chicken farm			
- 13 plots at Chonburi, total area 736-1-11 Rai	the Company	43.27	mortgaged 12 plots with financial institution THB 560 M
- 54 plots at Chonburi, total area 3,596-1-36 Rai	M.K.S. Farm Company Limited, a subsidiary company	137.72	mortgaged 46 plots with financial institution THB 319 M
- 28 plots at Chonburi, total area 2,269-0-79 Rai	Krungthai Farm Company Limited, a subsidiary company	62.63	mortgaged 28 plots with financial institution THB 80 M
- 4 plots at Chonburi, total area 1,824-0-76 Rai	GP Breeding Company Limited, a subsidiary company	60.00	No obligations
2. Factory			
2.1 Factory to manufacture			
- Chicken evisceration and processed food 1 place at Samutprakarn	the Company	263.36	mortgaged with financial institution THB 450 M
- Feed mill 2 places at Samutprakarn and Chonburi	Krungthai Feedmill Public Company Limited, a subsidiary company	760.01	mortgaged with land

Type/Characteristic	Ownership	Value (million Baht)	Obligation
2.2 Chicken and hatchery farm			
- 188 houses, Chonburi	M.K.S. Farm Company Limited, a subsidiary company	803.48	No obligations
- 90 houses, Chonburi	Krungthai Farm Company Limited, a subsidiary company	244.74	mortgaged with land
- 7 houses, Chonburi	GP Breeding Company Limited, a subsidiary company	124.05	No obligations
- 13 houses, Chonburi	Krungthai Feedmill Public Company Limited, a subsidiary company	157.48	No obligations
3. Machinery			
3.1 Machinery to manufacture			
- Chicken evisceration and processed food 69 sets	the Company	456.39	No obligations
- 2 Feed mill factories 5 sets	Krungthai Feedmill Public Company Limited, a subsidiary company	147.66	mortaged 4 sets value THB 100 M
3.2 Machinery in chicken farms			
- Hatchery equipment			
20 sets	GP Breeding Company Limited, a subsidiary company	6.16	No obligations
202 sets	Krungthai Farm Company Limited, a subsidiary company	22.74	No obligations
- Chicken raising equipment			
1 set	Krungthai Feedmill Public Company Limited, a subsidiary company	20.25	No obligations
188 sets	M.K.S. Farm Company Limited, a subsidiary company	160.47	No obligations

In addition to the assets that legally owned by the Company and its subidiary companies , as at 31 December 2013, the Company and its subsidiary companies also rent office building as its head office, rent land for farming business and rent housing for employees from related persons as follow:

No.	Type	Lessor	Terms of lease		
			No. of years	Effective Date	End Date
1.	office building	P. Charoen Phan Feedmill Company Limited	3	1 August 2012	31 July 2015
2.	land	P. Charoen Phan Produce	20	1 August 2007	31 July 2027
3.	land	P. Charoen Phan G.P. Farm	20	1 October 2003	30 September 2023
4.	land and building	P. Charoen Phan Produce	3	1 August 2012	31 July 2015

Note : 1. The term of the rental agreements of office building, land and buildings are 3 years and renewable under certain conditions specified in the agreements

2. The term of the rental agreements of land for housing and farm business are 20 years and renewable under certain conditions specified in the agreements. In the case, the agreements are not renewed, the lessee agrees that the buildings, equipments and building improvements on the rental land belong to the lessor.

4.2 Investment policy in subsidiary and associated companies

The Company's policy is to investment and becomes a fully integrated poultry business that covers feed mill, grandparent chicken farm, parent chicken farm, broiler farm, chicken evisceration and processed food production. This will enable the Company to control quality and costs more efficiently. As for the 2 associated companies, although the Company holds 49% shares but the Company is able to management significant business operation such as raw material sourcing. The Company is the distributor of fresh chicken to McKey Food Services (Thailand) Company Limited; and M.K.S. Farm Company Limited (subsidiary company) is the distributor of fresh chicken to GFPT Nichirei (Thailand) Company Limited.

5. Legal dispute

The Company and its subsidiaries have no legal dispute or litigation that is considered to be material affects on its normal businesses operations. There are several minor litigations from its normal business activities such as cheque litigation.

The litigations have no negative impact on the assets of the Company and its subsidiaries. The value of the litigation is less than 5% of its shareholders' equity.

6. Corporate Information

6.1 General Information

Issuing Company

Name:	**GFPT Public Company Limited**
Type of Business:	Chicken Evisceration, Processed Chicken Food, and By-Products
Head Office:	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No:	0107537001471
Telephone:	0-2473-8000
Facsimile:	0-2473-8398
Home Page:	www.gfpt.co.th
Company Secretary and Investor Relations Department	02-4738000 e-mail: ir@gfpt.co.th
Internal Audit Department	02-4738000 e-mail: internalaudit@gfpt.co.th
Registered Capital:	1,400,000,000 baht
Paid-up Capital:	1,253,821,000 baht
No. of Shares:	1,253,821,000 shares
Type of Share:	Common Stock

Juristic Persons that the Company holds more than 10% of Share

Subsidiary Company

Name:	Krungthai Feedmill Public Company Limited
Type of Business:	Feed Mill and Parent Chicken Farm for Egg Production and Distribution
Head Office:	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No:	0107537001463
Telephone:	0-2473-8000
Facsimile:	0-2473-8398
Home Page	www.ktfeefmill.co.th
Registered Capital:	400,000,000 baht
Paid-up Capital:	400,000,000 baht
No. of Shares:	40,000,000 shares
Type of Share:	Common Stock
% of Shareholding	97.87%

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

Subsidiary Company

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

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

Subsidiary Company

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

Associated Company

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

Associated Company

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

6.2 Other Important Information

Registrar Name:	**Thailand Securities Depository Co., Ltd.**
Address:	62 The Securities Exchange of Thailand Building,
	Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone:	0-2229-2800
	0-2229-2888
Home Page:	www.tsd.co.th

Auditor:	**SAM NAK-NGAN A.M.C Co., Ltd.**
Address:	191 Silom Complex Building, 19th Floor,
	Silom Road, Bangrak, Bangkok 10500
Telephone:	0-2231-3980-7
Facsimile:	0-2231-3988
E-mail:	www.amc-mri.com

PART 2 MANAGEMENT AND GOOD CORPORATE GOVERNANCE

7. Securities and Shareholder Information

Company Security

7.1 The Registered Capital and Paid-up Capital

As of December 31, 2013, the company has registered capital in Stock Exchange of Thailand in amount 1,400,000,000 Baht. The paid-up capital was 1,253,821,000 Baht, comprising 1,253,821,000 shares at the par value of 1 Baht per share.

7.2 Major Shareholders

(a) **At the closing date of registrar book dated on October 31, 2013, the top ten major shareholders are as follows:**

Name of shareholders	No. of shares (shares)	%
1) Sirimongkolkasem Family (1)	704,023,240	56.15%
2) THAI NVDR CO., LTD.	59,342,149	4.73%
3) NICHIREI FOODS INC.	56,716,050	4.52%
4) Mr. Anucha Kittanamongkolchai	41,860,000	3.34%
5) SOMERS (U.K.) LIMITED	38,153,500	3.04%
6) Mr. Somkiat Limsong	25,065,200	2.00%
7) Mrs. Piangjai Chayawiwatkul	20,000,000	1.60%
8) NORBAX INC., 79	15,818,982	1.26%
9) NORTRUST NOMINEES LTD.	10,577,400	0.84%
10) K STAR EQUITY FUND	8,889,400	0.71%
Top 10 Shareholders	**980,445,921**	**78.19%**

Remark:

(1) Sirimongkolkasem family have 17 members (as acting in concert Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247)

List of Sirimongkolkasem Family are as follow:

Name of shareholders	No. of shares (shares)	%
1) Mr. Sujin Sirimongkolkasem	222,795,100	17.77%
2) Mr. Prasit Sirimongkolkasem	220,000,000	17.55%
3) Mr. Virach Sirimongkolkasem	180,000,000	14.36%
4) Mr. Pisanu Sirimongkolkasem	22,794,100	1.82%
5) Mrs. Pranee Parksook	11,391,930	0.91%
6) Ms. Wannee Sirimongkolkasem	10,100,000	0.81%
7) Ms. Warisara Sirimongkolkasem	6,368,100	0.51%
8) Ms. Nisa Sirimongkolkasem	6,031,600	0.48%
9) Ms. Wiwanya Sirimongkolkasem	5,982,700	0.48%
10) Ms. Jutamas Ingpochai	5,000,000	0.40%
11) Mr. Pongsathorn Ingpochai	4,390,000	0.35%
12) Dr. Anan Sirimongkolkasem	4,134,080	0.33%
13) Mrs. Somsiri Ingpochai	2,979,930	0.24%
14) Ms. Papinya Sirimongkolkasem	2,000,000	0.16%
15) Mr. Napol Sirimongkolkasem	54,500	0.00%
16) Mr. Jedsada Sirimongkolkasem	1,000	0.00%
17) P. Chareonphan Produces Co., Ltd. *	200	0.00%
Sirimongkolkasem Family	**704,023,240**	**56.15%**

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

(b) As of October 31, 2013, the major shareholders who have significant influences on the Company's management policy or operation are:

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

(c) Shareholders' agreement

-None-

7.3 The issuance of other securities

-None -

7.4 Dividend Payment Policy

7.4.1 Dividend Payment Policy of GFPT Public Company Limited

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

Dividend Payment Information

Year	2008[1]	2009[1]	2010	2011[2]	2012[2]
Earnings per Share – separated financial statement (THB/share)	0.47	0.33	0.33	0.38	(0.31)
Dividend per Share (THB/share)	0.25	0.25	0.30	0.33	-
Dividend Payout Ratio – separated financial statement (%)	53.14%	75.17%	91.71%	85.89%	-

Remarks:

(1) Earnings per share and dividend per share for fiscal 2008 and fiscal 2009 were restated due to stock -splits from THB 10 per share to THB 1 per share on May 17, 2010

(2) Separated dividend payout ratio for fiscal 2011 and fiscal 2012 were restated due to the adoption of Thai Accounting Standard No. 12 on Income Taxes

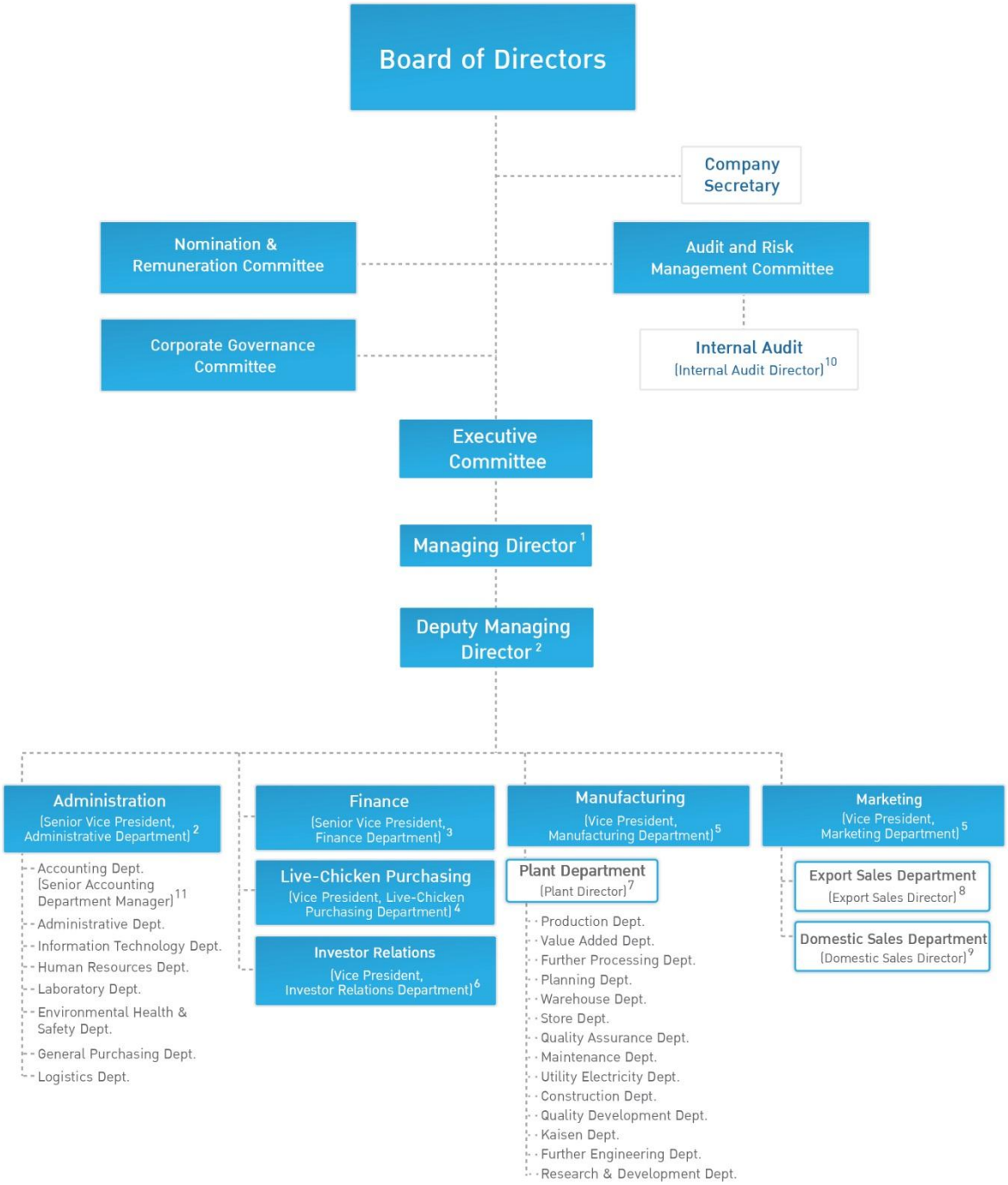
7.4.2 Dividend Payment Policy of Subsidiaries

The dividend policy of subsidiaries and joint ventures is "to pay from net profit after deduct legal reserves requirement, and subject to the Company's cash flow, liquidity, future investment plans of each company."

As of December 31, 2013, the Company received the dividend from subsidiaries in amount of THB 30 million and a joint-venture company in amount of THB 34.30 million.

8. Management Organization

Organization Chart (as of 31 December 2013)



Note: [1-11] are the executives as the definition of the Security and Exchange Act with the Company's criteria

Management

In 2013, the management structure of GFPT Public Company Limited composes of (1) the Board of Directors, (2) the Audit and Risk Management Committee, (3) the Nomination and Remuneration Committee, (4) the Corporate Governance Committee, and (5) the Executive Committee.

8.1 Board of Director and Sub-Committee

Board of Directors

As of 31 December 2013, the Board of Directors of GFPT Public Company Limited comprised of 9 directors as Follows:

Name - Surname		Tittle
1. Mr. Prasit	Sirimongkolkasem [1]	Chairman
2. Mr. Virach	Sirimongkolkasem [1]	Vice Chairman
		Managing Director
3. Dr. Anan	Sirimongkolkasem [1]	Chairman of Executive Committee
		Deputy Managing Director
		Member of Nomination and Remuneration Committee
		Member of Corporate Governance Committee
4. Dr. Sathit	Karanes	Independent Director
		Chairman of Audit and Risk Management Committee
		Chairman of Nomination and Remuneration Committee
		Chairman of Corporate Governance Committee
5. Mr. Paramet	Hetrakul	Independent Director
		Member of Audit and Risk Management Committee
		Member of Nomination and Remuneration Committee
6. Mr. Thanathip	Pichedvanichok	Independent Director
		Member of Audit and Risk Management Committee
		Member of Nomination and Remuneration Committee
7. Mrs. Somsiri	Ingpochai	Executive Director
8. Ms. Wannee	Sirimongkolkasem	Director
9. Mr. Sujin	Sirimongkolkasem	Director
		Member of Nomination and Remuneration Committee

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

- [1] Being authorized directors of the Company. The Company requires at least 2 directors are authorized to sign on behalf of the Company with the Company's seal.
- Information of Directors and Authority Persons of the Company and the subsidiaries are shown in the attachment 1
- Information of the subsidiary's directors are shown in the attachment 2

Sub-Committees

Audit and Risk Management Committee (ARC)

As of 31 December 2013, the Audit and Risk Management Committee comprised of 3 directors as follows;

Name - Surname		Tittle
1. Dr. Sathit	Karanes	Chairman of Audit and Risk Management Committee
2. Mr. Paramet	Hetrakul [1]	Member of Audit and Risk Management Committee
3. Mr. Thanathip	Pichedvanichok [2]	Member of Audit and Risk Management Committee

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

- [1] Audit committee who has extensive knowledge and experiences in reviewing financial statement.
- [2] Audit committee who has extensive knowledge and experiences in legal aspect

Nomination and Remuneration Committee (NRC)

As of 31 December 2013, the Nomination and Remuneration Committee comprised of 5 directors as follows;

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

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

Corporate Governance Committee (CGC)

As of 31 December 2013, the Corporate Governance Committee comprised of 7 directors as follows;

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

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

8.2 Executives

In 2013, the Executives of GFPT comprised of 11 executives as follows:

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

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

- Information of the Executive Committee of the Company and the subsidiaries are shown in the attachment 1

8.3 The Company Secretary

The Board of Directors has appointed Ms. Jutamas Ingpochai as the Company Secretary on 16 October 2008, under Section 89/15 of the Act.Securities and Exchange Commission Securities and Exchange Act B.E. 2535 amended by Act No. 4 in B.E. The information of the company secretary is in the attachment 1

The details of management structure, qualification, duties, responsibilities, meeting attendance and the remuneration of Board of Director, Sub-Committees, Executive Committee and Company Secretary are shown in the Good Corporate Governance Report, Chapter 5 Responsibilities of the Board of Directors.

8.4 Remuneration of the Board of Directors and Executives

8.4.1 Monetary Remuneration

Monetary Remuneration of directors and executives is shown in the Good Corporate Governance Report, Chapter 5 Responsibilities of the Board of Directors.

8.4.2 Non-monuneration Remuneration

-None-

8.5 Personnel

In 2013, The Company employs a total of 4,467 persons with a total benefits in amount of THB 952.75 millions. The benefits paid to employees were salary, overtime payment, cost of living subvention, bonuses, special subvention, social security payment etc. Furthermore, the subsidiaries paid similar benefits as the Company in amount to THB 993.24 millions. The details of personnel and benefit are shown in the following table:

2013	GFPT (Chicken Evisceration, Processed Chicken Food Products)	The subsidiaries				
		KT (Feed Mill and Parent Chicken Farm	GP (Grandparent Chicken Farm)	FKT (Parent Chicken Farm)	MKS (Broiler Farm)	GFF (Processed Food)
Satff in Line Operation / Service (Persons)	4,308	1,068	136	1,124	1,431	333
Staff in Management level (Persons)	49	13	4	19	-	23
Staff in Headquarter Office (Persons)	110	339	5	24	26	133
Total (Persons)	**4,467**	**1,420**	**145**	**1,167**	**1,457**	**489**
The Benefits (million THB)	**952.75**	**537.49**	**26.40**	**113.83**	**216.33**	**99.19**

In the past 3 years, The Company has no labour legal dispute. The HR policy for training and development is shown in the Corporate Social Responsibility Report, Chapter 4. Workforce Equality and Fairness.

9. Good Corporate Governance

Good Corporate Governance Policy

GFPT Public Company Limited (the "Company") realizes the importance of good corporate governance and believes that good management system; the Board of Directors and management with a vision and responsibility; implementation of control mechanism and balance of power for transparency and verification; equitable treatment of shareholders; and responsible for all stakeholders are key factor in adding value and maximum return to the shareholders of the Company in the long run.

The Company's Good Corporate Governance Principles are in accordance with the Criteria of Corporate Governance of The Organization for Economic Co-Operation and Development (OECD) under regulation of the Stock Exchange of Thailand, to be a guideline for directors, executives, and employees of the Company, thus, we review and revise the principles of Good Corporate Governance annually to be appropriate with the changes that may occur from the operation, environment, situation, or laws

The Board of Director has regularly monitor compliance with corporate governance policies and best practice. The Company's corporate governance policy is announced to all employees through the Company's intranet system and also to public through the Company's Home Page (www.gfpt.co.th) under the "Corporate Governance" section.

Compliance to the Good Corporate Governance Policies in the year 2013

Chapter 1 Rights of Shareholders

1.1 Policy to protect the rights of shareholders

The Board values the rights of shareholders and encouraging shareholders to exercise their rights. It covers the basic rights of the shareholders by law namely the right to sell, buy, or transfer shares; the right to allocate the dividend equally; the right to receive sufficient information; the right to attend shareholders' meetings; the right of shareholders to propose agenda; the right to vote at shareholders' meeting to appoint and dismiss of directors; determine remuneration of directors; appointment of auditor and deterimine audit fee; and issues that affect the fundamentals of the Company, which include the articles of association, memorandum of associations and decrease or increase share capital and approve special items.

The board of director also determined the best practice for shareholders more than legal basic rights by providing the right to get significant information on a timely and sufficient basis such as the results of operations, analysis of its operations, the credit ranking or newsletter to shareholders, via the company's Home Page and the Home Page of the Stock Exchange of Thailand that can be easily accessible and convenient.

In addition, the board of director will not act on any violation or deprivation of the rights of shareholders.

1.2 Shareholders' Meeting

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

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

The Company has complied with the law and the best practices of the AGM Checklist of the SEC. Also, considers the rights of shareholders and equitable treatment of shareholders by the principles of good corporate governance.

1.2.1 Proceedings before the Shareholders' Meeting

1) The Company has an opportunity for shareholders to propose agenda of the meeting and nominate qualified persons for appointment as a director. Shareholders can also send questions related to the agenda prior to the Annual General Meeting of Shareholders under the method identified by the board of directors. The information are disclose to shareholders thorough SEC's News and published on the Company's Home Page.

2) The Company has distributed the resolution of the board of directors including the date of the Annual General Meeting of Shareholders, the record date to attend the meeting and to receive dividends, the closing date of the share registration book and dividends payment to the shareholders on the same date of the board of directors' meeting through the news on Stock of Exchange.

3) The Company has prepared the notice to attend the Annual General Meeting of shareholders and related documents in both Thai and English language (for the convenience of foreign shareholders) with complete details, including information about the date / time / location of the meeting, meeting agenda by separate each item with a statement indicating the reasons and opinion of the board of directors, issues to take into consideration, proxy forms as set by the Ministry of Commerce, rules and procedures in attendance and the process of voting on each agenda.

4) To permit shareholders to have adequate time to study the information associated with the meeting, the Company announced the notice to shareholders and enclosures through the news of the Stock of Exchange and Company's Home Page at least 30 days before the meeting. The notice and enclosures, which is the same set that

was published on the Home Page, will be sent to the shareholders by registered mail 21 days in advance of the meeting date which over the time period prescribed by law. The notice of meeting advertised in the daily newspapers in the English version and Thai version for 3 consecutive days and 8 days before the meeting.

1.2.2 Conducted at the meeting of shareholders

1) The date, time and place of the meeting of shareholders are taking into account the convenience of the shareholders to attend the meeting by providing a place of sufficient size and can be easily accessible (accessible by public bus)

2) The Company invites shareholders to register for the meeting 2 hours before the meeting starts and organizes easy inspection system.

3) The Company encourages the use of the proxy form by shareholders who are unable to attend the meeting to appoint a person to attend the meeting and cast votes on their behalf. Shareholders may appoint one independent director or other persons as their proxy holder. The Company provides all proxies including Proxy Form A., Proxy Form B., and Proxy Form C (for custodian) together with the notice and also clearly indicates the evidence for proxy and directions. In addition, shareholders can download the proxy through the Company's Home Page.

4) The Company uses information technology (computer systems and bar code) and the ballot (every agenda) at the shareholders' meeting. IT was also use for the registration of shareholders; vote counting and; vote result for fast, accuracy, reliability of information.

5) The Company determined that the chairman, directors, chief executive officer, managing director, Chairman of various committees, the highest level of financial executives, and auditors attend the shareholders' meeting to answer questions on subjects related.

6) The Company has volunteers from the meeting of shareholders (independent parties) acting on behalf of the meeting to witness in counting or checking out the vote in the Annual General Meeting or the Extraordinary General Meeting of shareholders.

7) The Company provides voting for each item on the agenda such as the election of directors, the shareholders can vote each director individually.

8) The Company gives guidelines in conducting the meetings of shareholders. The process of casting vote includes the right to vote. Inform from the start, the right of shareholders to vote on a one share for one voice to shareholders meetings.

9) Chairman of the meeting allocate sufficient time and opens opportunity for the shareholders to independently comment and ask questions on matters relating to the agenda or related to the Company in the shareholders meeting.

10) The Company held clear and transparent the voting and disclosure of voting results in each agenda in the meeting of shareholders.

11) The Company will take no agenda other than that specified in the notice of meeting and no significant changes during the meeting.

1.2.3 After the shareholders' meeting

1) The Company published the resolutions of the shareholders' meeting and voting results of each agenda item through the Stock Exchange of Thailand and the Company's Home Page on the date of the Annual General Meeting.

2) The Company prepares minutes of shareholders that is accurate and complete for submission to the Stock Exchange of Thailand and on the Company's Home Page within 14 days from the date of the meeting.

3) The Company has published a recording with sound in the webcast separate by agenda to ensure transparency and verification.

The General Meeting of Shareholders for the year 2013, the Company has an opportunity for shareholders to propose agenda items and names in advance for 3 months before the end of the year during 1 October to 31 December 2012. And at the end of such period, there were no shareholders to propose agenda or candidates or submit questions in advance of the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2013 on Friday, 5 April 2013 at 9:30 AM at GFPT Building, No. 312, Rama 2 Road, Kwang Bangmod, Khet Jomthong, Bangkok 10150. There were 221 shareholders attending the Meeting in person and by proxy, accounted for 789,859,258 shares representing 63.00% of the shares sold.

For the Annual Oridinary General Meeting of Shareholders for the year 2013, the Company has assessed the quality of the Annual Ordinary General Meeting of Shareholders (AGM Assessment) by Thai Investors Association with over 100 points in "excellent" level.

The Company also held the Extraordinary General Meeting of Shareholders No. 1/2013 on Thursday, 12 December 2013 at 9:30 AM at GFPT Building, No. 312, Rama 2 Road, Kwang Bangmod, Khet Jomthong, Bangkok 10150. There were 294 shareholders attending in person and by proxy accounting for 912,517,140 shares representing 72.78% of the shares sold.

Charpter 2 Equitable Treatment of Shareholders

The Company recognizes the importance to treat all shareholders equally and fairly both major and minor shareholders and no shareholder has any special privileges over other shareholders. By doing the following:

2.1 Measures to prevent the use of inside information

The Company has measures to prevent the use of inside information. The directors, management, employees and stakeholders will not allow the use of inside information to benefit themselves or others. The Company set up written data holding policies of inside information and the securities trading of the Company's directors, executives and employees in the Company's Code of Ethics that will be granted to directors, executives and employees on the job. It can be summarized as follows:

• Directors, management and employees at all levels must keep critical business information as well as the confidential information about the Company and the various stakeholders of the Company. The information will not be disclosed to those not involved, both inside and outside the Company, or to seek benefits for themselves and others in wrongful way. This also applies to the retirement, resignation or termination of work from the Company, unless the information is already required by law to disclose to third parties involved.

• The Company's regulations on the security of computer systems and information technology need to be very strict in order to prevent the important information being revealed in the case that directors, executives, employees of the Company use inside information.

• Third party with an opportunity to get involved or have inside information need to sign an agreement to keep the information confidential (Confidentiality Agreement) to ensure that they will take precautions to maintain the confidentiality of inside information in the same manner of the employees of the company.

• Disclosure of key business information must be made by authorized personnel of the Company. When unauthorized personnel were asked about the business information that he/she has no duty to disclose that information, it should be recommended to contact the authorize persons.

• The directors, management, employees and related persons (spouse and minor children) cannot use inside information that are undisclosed to public or Stock Exchange of Thailand. The information includes financial statements or other finformation that affect the share price of the Company.

• The directors, management, employees and related persons (spouse and minor children) who have inside information prohibit trading of securities of the Company during the period of 1 month before disclosing information to the public and within 24 hours after disclosure (Blackout Period).

• In the case that the director, executive or employee who have inside information breach the code of conduct or behave in a way that will damange the Company, they will be punished ranging from a warning to cuting wages, suspension without pay or termination.

• Directors and executives (as defined by the SEC and SET) and related persons (spouse and minor children) are required to report holdings of securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 2535 within 3 days from the date of chaning ownership. Also, the change in ownership will have to be notified to the Company Secretary to record the changes and summarize the securities held by each directors and executive officers individually. The changes will be informed to the Board of Directors in the next meeting and shall be disclosed in the annual report and Annual Registration Statement (Form 56-1).

For the year 2013, the Company has no events that directors, management, employees, and related persons traded in securities by using inside information.

2.2 Governance on the conflict of interest

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

2.2.1 Receiving Money or Other Remuneration

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

2.2.2 Giving Gifts, Entertainment and Gratuities

The Company has no policy on offering money, incentives or other special benefits to its business partners, suppliers, customers, creditors or any other person they are dealing with on behalf of the Company in order to influence, or in exchange for, business deals, except for providing normal business entertainment, trade discounts or promotional campaigns. Such practices could be applied as a basis for the anti-corruption policy of the Company.

2.2.3 Outside Directorships

In the case that the Company's director, executive, manager, or employee participates as a shareholder or the management of the Company's competitors, which may cause a conflict of interest, shall notify to the Board of Directors in writing except being the director of the non-profit organization. Being such the

directorship does not infringe on any related laws or regulations governing the business of the Company. In addition, the person involved shall not use his or her position in the Company to promote the business outside of the company.

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

Directors, executives, managers and staff members at all levels shall not engage in any other business that affects their performance, duties and working hours in the Company and are prohibited from participating in any other business which is in competition with the companies in the group, regardless of whether directly or indirectly benefiting from that business.

2.2.5 Engaging in Business with Companies within the group

The directors, executives, managers and employees, who may have a conflict of interest, shall disclose his or her relationship and relevant information about the transaction to the Company prior engaging in the connected transaction. No director, manager or employee, who may enter into connected transactions, participates in consideration or approval of the related transaction. The authorized person who acts on behalf of the Company shall investigate and review whether the Company's directors, executives, managers, or employees have any relationship and conflicts of interest on such transaction. The definition of relationship shall be in accordance with "the Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions" set by the Stock Exchange of Thailand and The Office of The Securities and Exchange Commission.

2.2.6 Related Transactions within the Group

In the event of a related transaction, all connected transactions will be submitted for consideration and approved by the Audit Committee and the Board of Directors, respectively, the Company will ensure that the transactions with related parties of the Company are in accordance with the conditions and procedures under the Notification of the Board of Governors of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) and shall be delt on a fair and arm's length basis and taking into account the Company's best interests. The stakeholders that will have conflict of interest will not approve or consider the transaction. The related transactions will be disclosed in the annual report and Annual Registration Statement (Form 56-1)

2.3 Conflict of interest of Directors

The Company has stipulated that the directors and management, including their related persons including spouse and minor children, must prepare and submit a report on interests, connected transactions and acquisition or disposal of asets to the Company in accordance with the regulations of the Capital Market Commission and the Stock Exchange of Thailand prior to the Board of Directors' or shareholders' approval. The directors at stake will not participate or vote on the agenda related to their own interests. The Company Secretary is responsible for collection and delivery of copies of the report on interests to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 working days from the date of the receipt of the report.

Chapter 3 Roles of Stakeholders

3.1 Policy on practice to the stakeholders

The Board of Directors commit on providing the stakeholders equal rights by law or as agreed with the Company by having a policy on practice to the stakeholders as follow:

Shareholders :	The Company is committed to creating sustainable growth and returns to shareholders. Taking into account the current and future risks to achieve added value for our shareholders over the long term.
Employees :	The Company is committed to treating employees fairly, respectfully, equitably, and professionally so that its employees will have a reasonable salary, personal career development, good quality of life, and safeguard at work and respecting the privacy rights of all employees.
Customers :	The Company is committed to gain highest customer satisfaction through continuously improve product and service quality and to ensure that our customers shall get good quality products and services at reasonable prices. As well as to develop and maintain a sustainable relationship. It also provides a system for monitoring the implementation of the work that was provided to the customers.
Business Partners :	The Company is committed to fair and equal treatment of its suppliers and business partners to establish mutual trust and provide monitoring systems that will not allow disclosure of the business partners' information and use it by illegal means. The Company also has transparent and fair selection process of suppliers.
Creditors :	The Company intends to strictly comply with the terms of the contract and financial obligations especially in terms of guarantee andthe event default payment.

Competitors :	The Company is committed to comply with the international trade rules and promote fair competition. The Company shall not perform any illegal or unethical transaction. The Company shall not allege its competitors in disgrace without real information.
Communities, Social and Environment:	The Company is committed to conduct business that benefits the economy, society and consciously preserved and protect the environment together with sustainable development of the Company. The Company promotes a spirit of social responsibility in its employees at all levels. The Company welcomes feedback and suggestions from all parts of society to achieve a common approach in the implementation of sustainable business alongside the development of community and society. In 2013, The environmental, social and community activities of the Company are shown in the Corporate Social Responsibility Report.

3.2 Whistle-Blowing Service

Board of Directors develop processes and provide a channel for receiving and dealing with complaints of stakeholders through various channels as follows:

Contact Independent Directors

Emai : independentdirectors@gfpt.co.th

Facsimile : 0 2473 8398

Mail : Independent Directors

GFPT Public Company Limited

GFPT Tower, 18th Floor

No. 312 Rama 2 Road, Bangmod,

Jomthong, Bangkok 10150

Contact Board of Directors

Email : boardofdirectors@gfpt.co.th

Facsimile : 0 2473 8398

Mail : Directors

GFPT Public Company Limited

GFPT Tower, 18th Floor

No. 312 Rama 2 Road, Bangmod,

Jomthong, Bangkok 10150

Corporate Governance committee

Email : cgcommittee@gfpt.co.th

Facsimile : 0 2473 8398

Mail : Corporate Governance committee

GFPT Public Company Limited

GFPT Tower, 18th Floor

No. 312 Rama 2 Road, Bangmod,

Jomthong, Bangkok 10150

For employees, the Company has a process for dealing with complaints from the employees. The Company will consider which case is wrong and the level of the wrong conduct in order to impose a fair and accurate penalty for the offense itself. The employees can report complaints or feedback directly through the Company's email.

The Company discloses the process and channels on its Home Pages and annual reports to enhance the confidence of the person that report complaints, the Company strictly keeps all complaints confidential and the process of acceptance of the complaint or investigation procedures is set out. The information regarding complaints is accessible only to the persons assigned and involved. The management division will collect any complaint and present to the audit and risk management committees to consider.

In the year 2013, the Company did not receive a complaint of fraud or ethical misconduct or any case about negative reputation of the Company due to the administration of the Board of Directors and non-executive directors never resigned due to any mistake about corporate governance of the Company as well as any legal disputes concerning labor, consumer rights, and conducting trades.

Chapter 4 Disclosure and Transparency

4.1 Disclosure Policy

The Board of Directors discloses all important information relevant to the Company, both financial and non-financial, correctly, accurately, on a timely basis and transparently in accordance with "The Securities and Exchange Commission" (SEC) and "The Stock Exchange of Thailand" (SET) and other state agencies.

In the year 2013, the Company has complied with the principles of good corporate governance. No record of delayed sending report under section 56 for both forms 56-1 and form 56-2, including quarterly and yearly financial statements.

4.2 Channel Disclosure

The company provides a wide variety of channels to disseminate information so that users can equally access the information. The information is distributed both in Thailand and English language through the following channels:

1) SET's news
2) Annual Report and Annual Registration Statement (Form 56-1)
3) Company's Home Page (www.gfpt.co.th)

4.3 Information Disclosure Policy or Interview with the Press or Public

The Company has policy to provide information, advertise or public release in a clear and correct manner without misinterpretation with a focus to communicate complete, timely and fair understanding about the Company to all stakeholders.

4.4 Investor Relations Department

The Company established an **IR (Investor Relations)** as the representative of the Company and responsible for the information disclosure and any activities of the Company to its shareholders, investors, analysts and the general public. The channels include the Company's Home Page, announces of the quarterly results of operations, analysts meeting, conference call, road show in Thailand and abroad, etc. The Company has prepared the Management Discussion and Analysis (MD&A) on a quarterly basis to provide investors with information and understand the performance of the Company. Any information disclosure about the Company must be based on informations which are true, accurate and treated with caution. Anyone who does not get involved or assigned cannot provide information or interviews to the media or the public in any way which may affect the reputation and business operations of the Company.

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

In the year 2013, the Company had investor relations activities for the Company's information disclosures to investors continuously throughout the year and arranges an evluation of the effectiveness of the information disclosure, which has been evaluated by analysts. The evaluation results are at a good level. Investor relations activities shall be summarized as follows:

Investor relations activities in the year 2013	No. of time
Analyst Meeting	4
Plant Visit	3
Roadshow	4
Local Roadshow	4
One on One Meeting	46

Chapter 5 Responsibilities of the Board of Directors

The Board of Directors has an important role in corporate governance that will most benefit the Company. The Company has established the following guidelines.

5.1 Structure of the Board of Directors

5.1.1 Component of the Board of Directors

1) The Board of Directors shall consist of at least 5 and not more than 12 people.

2) The Board of Directors shall consist of not less than one-half of the directors must be resident in the Kingdom of Thailand.

3) The Board of Directors shall consist of at least three independent directors and the proportion is not less than one-third of the entire Board of Directors (according to the rules set forth in the Notice No. TorJor. 4/2552).

4) The Board of Directors shall have various skills, experience and knowledge and capability that benefit the Company regardless of gender, racial, religious, age or other specific qualifications. At least three of the directors must have knowledge and expertise in the Company's business. At least one of the directors must be knowledgeable in law. At least one of the directors must be knowledgeable in accounting and finance. At least one independent director must have experience in the Company's industry.

5) The Chairman shall not hold office as President or members of sub-committees and not the same person as the Managing Director.

As of 31 December 2013, GFPT Public Company Limited has a total of 9 directors consisted of:

- Non-Executive Director 3 persons (representing 33.33% of the number of Board of Directors)
- Executive Committee of 3 persons (representing 33.33% of the number of Board of Directors)
- Independent directors of 3 persons (representing 33.33% of the number of Board of Directors)

5.1.2 The Qualifications and Criteria for Selection of Director

1) The qualifications for a director shall have and shall not possess qualities defined in section 68 of Public Limited Company Act B.E. 2535, section 89/3 of Securities and Exchange Act B.E. 2535 amended by Securities and Exchange Act (No.4) B.E. 2551, Notification of the Securities and Exchange Commission No. KorJor. 8/2553 concerning stipulation on distrustful characters of company's director and executive and the Company's Article of Association.

2) The Board of Director of the Company shall have the knowledge, skills and understanding of the nature of business and industry and also good reputation and ethics, honest and good moral principals.
3) Directors must not serve on more than 3 other boards of Thai listed public companies.
4) If the directors are appointed as directors or executives in other companies that are not subsidiaries or affiliates, shall report to the office for information.

5.1.3 The Qualifications of Independent Directors

The qualifications of Independent Directors of the Company shall be as prescribe in the Notification of the Capital Market Supervisory Board and other future amendments except for the percentage of shareholding that will be more strict than the SEC's definition of Independent Directors (SEC imposes a 1 percent).

1) Hold share in total not more than 0.5 percent of total voting share of GFPT or its subsidiaries or associated companies or related companies which may have conflict of interest which shall be inclusive of shares held by his/her related person.
2) Not participate in the management and not an employee or staff or an advisor receiving regular salary or have control over GFPT, its subsidiaries, associated companies, or related companies that may have conflict of interest both at present or prior to being nominated for at least 2 years.
3) Not being a related person by blood or legal registration, such as father, mother, spouse, sibling and child, Including spouse of the children with the executives, major shareholders, top management or any nominator to be executive or top management of GFPT or its subsidiaries.
4) Not having any business relationship with GFPT, its subsidiaries, associated companies, related companies or major shareholders who may have conflicts of interest, in the manner that may interfere with his/her independent judgment. In addition, he or she must not be a major shareholder or an executive officer of the Company that having business relationship with GFPT, its subsidiaries, associated companies, related companies at present and prior to be nominated for at least 2 years. The "business relationship" aforementioned includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance in the amount of 3 percent or more of the net tangible assets of the Company or more than 20 million Baht which is lower. The transaction amount shall be calculated according to the calculation method for transaction value of connected transactions under the Notification of the Capital Market Advisory Board concerning the Connected Transaction. The transaction amount includes any amount incurred during 1 year prior to the date on which the business relationship with the person commences.

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

5.1.4 The Qualification of the Chairman

The Chairman should have the following qualifications

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

5.1.5 Term and Election of Director

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

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

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

5.1.5 Segregation of duties and responsibilities between the Board of Directors and the Executives.

The Company has segregation of responsibilities between the board and executives clearly as follow:

1) The Board is responsible for setting policy and overseeing the operations of the executive in policy.

2) Executives are responsible for management of the company in various fields. The Chief Executive Office and other executives will lead the team to manage business in accordance with the policies that cover the following areas:

- Manage and control the operations related to the general management of the company in order to meet the objectives, policies, rules and regulations of the company.
- Consider investment plan in businesses and present it to the Executive Committee and Board of Directors for consideration and approval.
- Have authority to bind the Company to the extent set out in the policies and regulations on "authorize approval"
- Perform any tasks assigned by the Board of Directors and / or the resolution of the shareholders meeting of the Company.

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

5.1.6 Segregation of duties and responsibilities between the Chairman and Managing Director

The Company is clearly distinct the position of Chairman and position of Managing Director as follow:

1) Chairman

- The Chairman takes the role of leader for the Board to define the policies, the direction of business operations as well as support the management and sub-committees to perform the duties in accordance with the Company's plan and policies.
- Act as chairman of the Board of Directors' meeting and chairman of shareholders' meeting of the Company.
- Cast vote in the event that the votes in the Board of Directors' meeting are equally divided (no majority vote).

2) The Managing Director is responsible to implement the Board of Directors' policies.

Therefore, the Chairman and Managing Director is not the same person. In order to select the most suitable persons for the two positions, it must be appointed by the Board of Directors.

5.2 Roles, Duties and Responsibilities of the Board of Directors

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

1) Perform duties in compliance with the laws, objectives and regulations provided by the Company and take action according to the resolutions of the shareholders' meeting with loyalty, care, accountability and ethically and most beneficial to the Company based on the Principle of Good Corporate Governance, taking into account the interests of all shareholders equally.
2) Consider and approve matters relating to the operations of the company, such as vision, mission, strategies, goals, business plans, financial plans and funding, risks, plans and budgets etc.
3) Give direction of business operations of the Company including funding, capital management, risk management and governance.
4) Monitor the management to effectively and efficiently implement the plan and policies.

5) Consider and approve important matters such as approving the credit line from the financial institutions, borrowing, pledging, new investment project, sale and purchase of assets, inter-transaction, and any conflicts of interest between the Company and the subsidiary companies to be in accordance with the regulations of the Office of the Securities and Exchange Commission (SEC), and Stock Exchange of Thailand (SET), and laws and regulations of the Company.

6) Approve financial statements prior to submission to the Stock Exchange of Thailand.

7) Set up reliable accounting system and financial reports.

8) Set up adequate and effective internal control system and risk management, both operational and financial reporting that can be assessed, monitor and manage significant risks.

9) Supervise the disclosure of financial reporting and other important information in a correct, timely and transparent manner and set up a channel of communication properly for each group of shareholders and stakeholders of the Company.

10) Consider and appoint sub-committee such as the Audit and Risk Management Committee, the Nomination and Remuneration Committee, Corporate Governance and Business Ethics Committee, Executive Committee, management, define the segregation of duties and responsibilities of other sub-committees. The sub-committees will assist the Board of Directors in governing the Company's business to achieve the Company's objectives. The members of the sub-committee mainly consist of independent directors.

11) Assess the Company's compliance to the Good Corporate Governance policy and consistently review such policy.

12) Provide succession plan and human resource development plan for employee, directors and executives.

13) Define and amend the list of authorized directors.

14) Authorize one or more directors, or any other persons, to take any action on their behalf within the authority approved by the Board of Directors and clearlydefine the authority of the authorized person.

5.3 Sub-Committees

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

At present, GFPT has the following sub-committees:

1) Audit and Risk Management Committee
2) Nomination and Remuneration Committee
3) Corporate governance Committee

5.3.1 Audit and Risk Management Committee

Structure and Qualifications

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

Term of office

1) The Audit and Risk Management Committee has term of office of 3 years. The members of the Audit and Risk Management Committee, whom retired from office by rotation, may be appointed by the Board of Directors for another term.
2) The Audit and Risk Management Committee shall hold office for a period equal to the tenure of directors. The term of office will end at the Annual General Meeting of Shareholders, same as the term of being a director.
3) If the Audit and Risk Management Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibit by law to become a Member of Audit and Risk Management Committee. The term of the newly Member of Audit and Risk Management Committee will equal to the remaining term of the former director.

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

Financial reporting, disclosure and auditing

1) Review the Company's financial reports to be accurate, complete, and reliable. The financial reporting and disclosures should be prepared in accordance with the accounting standards, laws and other standards.

2) Consider the disclosure of the Company in case of the related transactions or the conflict of interest to be accurate, complete, and in accordance with the regulations of Stock Exchange of Thailand (SET) to ensure that the aforementioned are reasonable to the Company and correctly maintain accounting records to be complete and transparent.

3) Prepare and publish an Audit and Risk Management Committee Report in the Company's Annual Report and give opinion on the following:

- An opinion on the accuracy, completeness and creditability of the Company's financial report.
- An opinion on the adequacy of the Company's internal control system and risk management system.
- An opinion on the suitability of an auditor.
- Comment about compliance with the law on securities and exchange, the Exchange Act, regulations or laws relating to the Company's business.
- Comment on the transactions that may have potential conflicts of interest and related party transactions.
- Comment or make observations under the Charter.
- Comment about other transactions that shareholders and investors should be aware under the scope of duties and responsibilities assigned by the Board of Directors.

4) Consider, select and nominate an independent auditor to serve the company including the proposed of dismissal of the auditor.

5) Consider the remuneration of the auditors of the Company.

6) Promote independence and provide comments on the suitability of an auditor.

Internal audit

1) Review the Company's internal control system and internal audit to be adequate and effective.

2) Supervise the internal audit department in both policy and operational level by approving a charter, independence and the scope and audit plan of the internal audit.

3) Provide review of internal control system by an independent assessor from outside the organization (Independent Quality Assessment Review) at least every 5 years.

4) Approve the annual internal audit plan and budget for the internal audit process toward efficiency and effectiveness of activities.

5) Select the appropriate person to work for auditors including consideration of rotation, dismissal of the internal auditor.

Risk Management

1) Propose risk management policy and guideline to cover risks that may affect the Company's business such as price risk, market risk, exchange rate risk, liquidity risk, and operational risk to the Board of Directors for consideration.
2) Monitor, audit, and evaluate the risk management according to the risk management policy
3) Review the adequacy and effiency of the policy and risk management system as a whole.
4) Review and revise risk management manual to be up-to-date and appropriate for the business environment and propose to the Board of Directors for approval annually.

Others

1) Review and amend the Charter of the Audit and Risk Management Committee to be up-to-date and appropriate to the environment of the organization and propose to the Board of Directors for approval.
2) Review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange, and laws relating to the Company's business.
3) Perform any other duties as assigned by the Board of Directors.
4) Conduct meeting at least 4 times a year.

5.3.2 Nomination and Remuneration Committee

Structure and Qualifications

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

Term of office

1) The Nomination and Remuneration Committee has term of office of 3 years. The members of the Nomination and Remuneration Committee, whom retired from office by rotation, may be appointed by the Board of Directors for another term.

2) The Nomination and Remuneration Committee shall hold office for a period equal to the tenure of directors. The term of office will end at the Annual General Meeting of Shareholders, same as the term of being a director.

3) If the Nomination and Remuneration Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibit by law to become a Member of Nomination and Remuneration Committee. The term of the newly Member of the Nomination and Remuneration Committee will equal to the remaining term of the former director.

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

1) Review the organization structure to be appropriate to the strategic needs of the company.

2) Establish rules and procedures for recruitment and selection to the position of director, member of the sub-committees, president and the executive and company secretary to propose to the Board of Directors or shareholders for approval.

3) Review, select and screen names and profiles of those to be nominated as directors, member of committees, president and the executive and company secretary in the event of a position vacancy and propose to the Board of Directors for approval.

4) Disclosure policies and details of the recruitment process in the annual report of the Company.

5) Set out clear and transparent criteria and policy of the remuneration package for the directors, sub-committees, and executives to propose to Board of Directors and/or the shareholder meeting for approval.

6) Recommend appropriate remuneration of the Board of Directors, sub-committee and management as compare to their duties and responsibilities.

7) Disclose remuneration policy and the various type of remuneration in the Annual Report of the Company.

8) Propose the criteria of succession of executive's position for further consideration by the Board of Directors.

9) Prepare succession plan and continuity management right for the position of Chief Executive Officer, Managing Director, Authorized Management, and high level executives and propose to the Board of Directors for approval.

10) Determine criteria for evaluating the performance of the Board of Directors annually and report to the Board of Directors.

11) Conduct annual performance evaluation of the Board of Directors and Chief Executive Officer and report to Board of Directors.

12) Provide an annually self-assessment evaluation of the performance of duties of the Nomination and Remuneration Committee and report to the Board of Directors.

13) Any other action with respect to the nomination and remuneration assign by the Board of Directors.

14) Conduct meeting at least 2 times a year.

5.3.3 Corporate Governance Committee

Structure and Qualifications

1) The Board appointed the Corporate Governance Committee

2) The Corporate Governance Committee consisting of 7 members and at least 3 members must be director of the Company and at least 2 members from employees.

3) The Board of Directors will appoint one independent director as Chairman of the Corporate Governance Committee. The Corporate Governance Committee of the Company can appoint an employee to act as Secretary of the Corporate Governance Committee.

Term of Office

1) The Corporate Governance Committee has term of service of 3 years. The members of the Corporate Governance Committee, whom retired from office by rotation, may be appointed by the Board of Directors for another term.

2) The Corporate Governance Committee shall hold office for a period equal to the tenure of directors. The term of office will end at the Annual General Meeting of Shareholders, same as the term of being a director.

3) If the Corporate Governance Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibit by law to become a Member of Corporate Governance Committee. The term of the newly Member of the Corporate Governance Committee will equal to the remaining term of the former director.

The Corporate Governance Committee has the following duties and responsibilities:

Corporate Governance

1) Set the policy and direction of the Corporate Governance and propose to the Board of Directors for approval.

2) Regulate advice and monitor compliance with the Company's Corporate Governance Policy and Code of Conduct and related laws.

3) Consistently review and improve corporate governance policies to be more appropriate.

4) Recommend corporate governance requirements of the business to directors, management and employees.

5) Promote information about the corporate governance policies and best practices for employees in the Company.

6) Annually issue report on the corporate governance of the Company.

Business Ethics

1) Prepare code of business ethics handbook and propose to the Board of Directors for approval.

2) Regulate, advice and monitor the compliance with the Company's code of business ethics and related laws.

3) Regularly review and update code of business ethics handbook to be more appropriate.

4) Recommend the code of business ethics requirements to directors, management and employees.

5) Accept complaints on actions that may violate business ethics and conduct investigation to clarify facts, questions, and interpretations of suspicious cases.

6) Create awareness and train employees to understand business ethics and promote employees to practice and follow the code of business ethics.

7) Annually issue report on the Company's business ethics to the Board of Directors for information. In the case of significant matters that may affect the Company, Corporate Governance and Business Ethics Committee will comment on the practice and suggest appropriate action.

5.4 Board of Directors' Meeting

5.4.1 Attendance of the Meeting

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

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

Annual Report

For the year 2013, the directors attended the meetings are as follow:

	Name	Position	Meetings in the 2013				
			Board of Directors	Audit and Risk Management Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Shareholders Meeting (Ordinary and Extraordinary)
			Total 11 times	Total 4 times	Total 2 times	Total 2 times	Total 2 times
1	Mr. Prasit Sirimongkolkasem	- Chairman	11/11	-	-	-	2/2
2	Mr. Virach Sirimongkolkasem	- Vice Chairman - Managing Director	11/11	-	-	-	2/2
3	Dr. Anan Sirimongkolkasem	- Chairman of Executive Committee - Deputy Managing Director - Member of Nomination and Remuneration Committee - Member of Corporate Governance Committee	11/11	-	2/2	2/2	2/2
4	Dr. Sathit Karanes	- Independent Director - Chairman of Audit and Risk Management Committee - Chairman of Nomination and Remuneration Committee - Chairman of Corporate Governance Committee	11/11	4/4	2/2	2/2	2/2
5	Mr. Paramet Hetrakul	- Independent Director - Member of Audit and Risk Management Committee - Member of Nomination and Remuneration Committee	11/11	3/4	2/2	-	2/2
6	Mr. Thanathip Pichedvanichok	- Independent Director - Member of Audit and Risk Management Committee - Member of Nomination and Remuneration Committee	11/11	4/4	2/2	-	2/2
7	Mrs. Somsiri Ingpochai	- Executive Director	11/11	-	-	-	2/2
8	Ms. Wannee Sirimongkolkasem	- Director	11/11	-	-	-	2/2
9	Mr. Sujin Sirimongkolkasem	- Director - Member of Nomination and Remuneration Committee - Member of Corporate Governance Committee	11/11	-	2/2	2/2	2/2

5.4.2 Meeting Agenda

The chairman, chairman of executive committee and managing director will together determine the agenda to ensure that all significant matters are included. The directors have the opportunity to freely propose agendas that will benefit the Company.

5.4.3 Meeting Documents

The Board of Directors assigns the Company Secretary to prepare and send the Board documents to directors so that they will have enough time to study and consider the issues on the agenda at least 5 working days before the meeting.

5.4.4 The Meeting

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

5.4.5 Invite management to attend the Meeting

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

5.4.6 Access to Information

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

5.4.7 Meeting with Non-Executive Directors

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

5.5 Remuneration of the Board of Directors and Executives

5.5.1 Remuneration for Directors

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

The Nomination and Remuneration Committee determines the remuneration policies and guidelines comparable to the practices of industry, experience, duties and accountability and responsibilities of the role, fair and in accordance with the result of operations.

The Nomination and Remuneration Committee consider director's remuneration by conducted remuneration survey to assess reasonableness and compatibility.

As of December 31, 2013, the total remuneration for 9 persons is 4,225,000 baht in the form of monthly remuneration and bonus in compliance with the approval of the shareholder's meeting. In addition, some directors received remuneration from subsidiaries of the Company in total amount of THB 0.52 million. The details of monetary remuneration of each director are shown as follow:

Unit: Baht

No.	Name-Surname	Remuneration		
		Director and Independent Director of GFPT	Director of Subsidiaries	Total
1.	Mr. Prasit Sirimongkolkasem	520,000	130,000	650,000
2.	Mr. Virach Sirimongkolkasem	455,000	130,000	585,000
3.	Dr. Anan Sirimongkolkasem	455,000	130,000	585,000
4.	Dr. Sathit Karanes	520,000	-	520,000
5.	Mr. Paramet Hetrakul	455,000	-	455,000
6.	Mr. Thanathip Pichedvanichok	455,000	-	455,000
7.	Mrs. Somsiri Ingpochai	455,000	130,000	585,000
8.	Ms. Wannee Sirimongkolkasem	455,000	-	455,000
9.	Mr. Sujin Sirimongkolkasem	455,000	-	455,000

5.5.2 Remuneration for Executives

The Board of Directors has delegate the Nomination and Remuneration Committee to be responsible for considering the appropriateness of executive compensation each year and propose to the Board of Directors for consideration and approval in determining reasonable compensation as compared to experience, roles and responsibilities of the scope of work. Under the transparent criterias, the remuneration for executives should be consistent with the results of operations of the Company, individual performance and comparable to the agricultural and food industry and the leading companies in Thailand.

As of December 31, 2013, the Company had 10 executives and paid 32,436,122 baht for salary, bonus, and other remuneration (excluding accounting manager).

5.6 Performance Evaluation of the Board of Directors and the Chairman of Executive Committee

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

5.6.1 Performance Evaluation of the Board of Directors

Criterias

The Nomination and Remuneration Committee provide annual performance evaluation of the Board of Directors at least 1 time per year based on the self-assessment guideline provided by the Stock Exchange of Thailand and adapt it to fit the Company's structure. The self-assessment serves as a framework to monitor the performance of the duties of the Board of Directors, promote collaborative consideration of the operational results and problems, create good corporate governance and disclose criterias, procedures, and evaluation result in the annual report.

Criterias in performance evaluation of the Board of Directors are as follow:

1) Structure and qualifications of the Board

2) Roles and responsibility of the Board

3) Meeting of the Board

4) Act of duties of directors

5) Relationship with the management

6) Self-development of directors and development of executives

7) Thai Institute of Directors' assessment of the Corporate Governance of listed companies

Procedures

The Board of Directors shall arrange the annual performance evaluation of the Board of Directors in January of each year to evaluate the previous year operation. The Company Secretary will distribute the evaluation form to each director and present it to the Nomination and Remuneration Committee and propose it to the Board of Directors to consider. As for the recommendations on the performance evaluation, the Company will use it to improve effectiveness of the Board's operation and maximize the benefits of corporate governance.

On January 30, 2013, the Committee held an annual evaluation of the operation of the Board both on a collective and individual basis. The result has reached to the satisfactory level based on an assessment of the Stock Exchange of Thailand. The result and recommendations are presented to the Corporate Governance and Business Ethics Committee and Board of Directors to enhance the work of the Board.

5.6.2 Performance evaluation of the sub-committee

Criterias

The Board of Directors provides annual evaluation of the performance of the Chief Executive Officer at least 1 time per year on leadership, roles and responsibilities, policy and practice, Board meeting, management and relationships with those involved.

Procedures

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

5.6.3 Performance evaluation of the Chief Executive Officer

Criterias

The Board of Directors provides annual evaluation of the performance of the Chief Executive Officer at least 1 time per year on leadership, set up and implementation of strategy, planning and financial result, relationship with the Board of Directors, relationship with outsiders, operational management and relationship with employees, succession plan, knowledge on product and service, risk management and internal control, corporate governance and business ethics, personal characteristics based on the assessment guideline provided by the Stock Exchange of Thailand.

Procedures

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

5.7 Development of Directors and Executives

5.7.1 Orientation

The orientation will be held every time new director is being appointed. This orientation will include Director's Handbook and other useful information in being a director. The Company has assigned the Company Secretary to make orientation for new directors to be informed of their duties and responsibilities as director. This orientation will include presentations by senior management on the Company's information about business operations.

5.7.2 Succession Plan and Knowledge Development

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

5.8 Internal Audit Department

The Board of Directors established the internal audit department that directly reports to the Audit and Risk Management Committee. The internal audit activities include administrational and operational activities of the business. The internal audit department and the auditor will attend meeting of at least 4 times with the Audit and Risk Management Committee.

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

1) Report on the review of internal control system and related transactions of the Company.
2) Consider the nomination and appointment of the auditors and qualified through the approval of SEC.
3) Review financial reports.
4) Oversee compliance with regulations and company policies.
5) Prepare both short and long term internal audit plan.

6) Control of internal audit to ensure compliance with the audit plans and standards.

7) Review the internal audit plan.

8) Prepare and review the annual budget of the internal audit.

9) Training and Development Agency audit.

10) Perform other tasks as assigned.

Note: Information of Internal Audit Directoras is shown in Attachment 3

5.9 The Company Secretary

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

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

Note: Information of the Company Secretary is shown in Attachment 1

Fee of the auditor

In the fiscal year 2013, The auditor of the Company and the subsidiaries is Mr. Ampol Chamnongwat, CPA No. 4663 from Sam Nak – Ngan A.M.C. Company Limited.

The Audit Fee in the fiscal year 2013 was as follows:

1. Audit fee

The Company and the subsidiaries paid the total fee 2,480,000.00 Baht

The Company's audit fee	in the amount of	805,000.00	Baht
The 5 subsidiaries' audit fee	in the amount of	1,675,000.00	Baht

2. Non-audited fee

-None-

10. Corporate Social Responsibility Report

GFPT disclosed this Corporate Social Responsibility Report (CSR Report) as an integrated annual report. The information in this report covers our social responsibility activities relevant to our communities, societies, and environment during the period of 1 January 2013 – 31 December 2013.

This CSR Report is prepared according to the SEC's Guidelines for Social Responsibility (B.E. 2555).

GFPT is planning to prepare and upgrade this report to the Sustainability Report to convey information on our operations and activities on various dimensions, including economic, social, environmental, and governance performance. The information will be clearly and timely disclosed in accordance to the framework of Global Reporting Initiative (GRI) in order to generate sustained value of the Company and to build confidence of all stakeholders.

Ethical and Fair Business Practice

Policy on Ethical and Fair Business Practice

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

Business Policies

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

Corporate Goverance Policy

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

Corporate Social Responsibility Policy

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

Business Ethics Policy

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

Management and Maintain Business Ethics

- Directors, management and employees should understand and strictly follow a code of business ethics, if found to have violated or acted upon on the contrary to the company's business ethics, appropriate process will be considered. In the event that such action is contrary to regulations and Memorandum of Association, the Company will consider appropriate punishment or penalty to the case.
- Directors, management and employees have signed acknowledgment of business ethics once employed and when changes are made.
- Managers and supervisors have to be role model in practicing business ethics and responsible for monitoring and encouraging subordinates to follow the business ethics.
- Corporate Governance and Business Ethics Committee has been appointed by the Board of Directors and is responsible for reviewing the Business Ethics Handbook to be in accordance with the Company's business, laws and regulations. Corporate Governance and Business Ethics Committee must arrange a meeting at least 2 times per year and reports to the Board of Directors.

Report on non-compliance of business ethics

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

Compliance with laws, rules and regulation policy

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

In 2013, the Company has not found guilty or not done any violation on the laws, the public company laws, the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand.

Intellectual Property or Copyright Policy

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

Safeguarding of Assets Policy

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

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

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

Resources Utilization Policy

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

Anti-corruption

Anti-corruption Policy

The Company has policy prohibits directors and employees of the Company to accept corrupt in any form, either directly or indirectly, which covers all businesses in every countries and all agencies involved. The Company consistently monitors the compliance with policies against corruption, revise guidelines and regulations in the business operation in order to comply with the changing regulations and the requirements of the law by the Audit and Risk Management Committee and the Board of Directors annually. The framework is as follows:

- The Company will assess the risks associated with corruption and make recommendations to employees and directors in the business in the fight against corruption.
- The Company prohibits bribery in all its forms in all activities under the control and monitoring to ensure that donations to charities, raising funds, gifts, entertainment and other expenses are transparent and will not be for the purpose of attempting to bribe whether with a public or private organization.
- The company has published its policy in the Code of Business Ethics as guideline for the director, management and employees to follow and stated the penalty if violated.
- The Company provides training to our employees to know about the policies and practices against fraud, as well as promoting moral, honesty, responsibility and their obligations to conduct business according to business ethics.

In 2013, the Company has no issue or deficiency in relation to the litigation charges involving anti-competition, discredit, monopoly trading, discrimination, and corruption. The Company has no fine or non-monetary penalty due to the illegal action, not comply with the applicable law, or violation of business ethics.

Human Rights

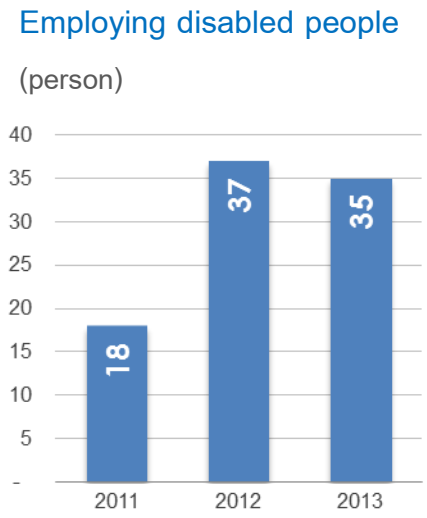
Human Rights Policy

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

Employment of Disabilities Policy

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

In 2013, the Company has employed 35 people with disabled workers in accordance with the legal requirement of 1:100 ratios of disabled workers to normal workers re: The Persons with Disabilities Empowerment Act B.E. 2550 section 35. The Company provides several job functions for disable workers in 14 retail shops inside the factory.



Workforce Equality and Fairness

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

Labor Relations Policy

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

Employees' compensation and benefit policy

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

Human resources training and development policy

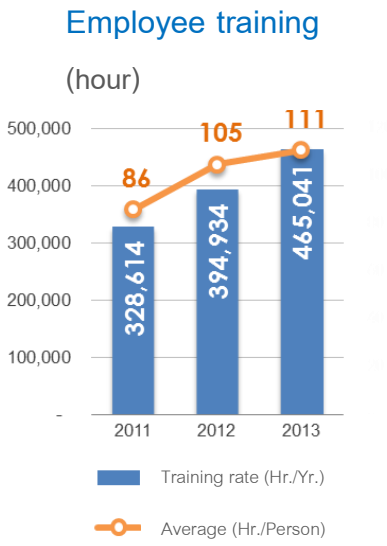
The Company has a policy of promoting human resources development by supports staff to develop in various areas including expertise, capabilities, positive attitude, moral values, business ethics and teamwork through training, seminars or study trips. The Company focuses to promote the employees from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

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

Training

The Company has designed and updated its training courses to facilitate its short-term and long-term objective and direction. We focus on the development of employees' skill, competences, experiences, technical know-how, managerial knowledge, and other relevant knowledge for new potential business opportunity. In addition, the Company provides information about human rights including the Labor Protection Act B.E. 2551 (amended) Section

11/1 re: the policy change, as well as labor laws. We also support our employees to join external training and seminar; thus, our employees can share and exchange knowledge and experience with other organizational and applied in the Company.



In 2013, the Company provides trainings in total of 465,041 hours, equivalent to an average of 111 hours of training hours per person per year. We offer a wide range of essential training programs such as executive development program, senior executive program, safety workplace to task force level, defensive driving, corporate social responsibility through sustainable development, corporate governance (CG), risk management, safety and health program, environmental conservation, and so on.

Safety and Working Environment Policy

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

Fatal Diseases Prevention

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

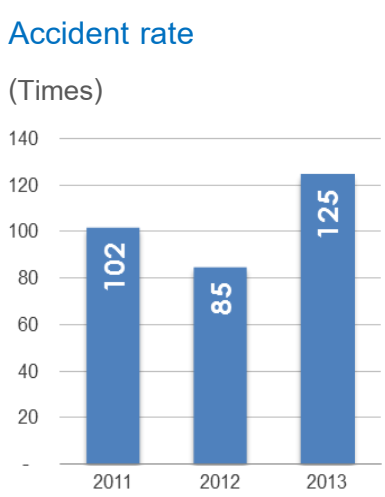
Safety policy

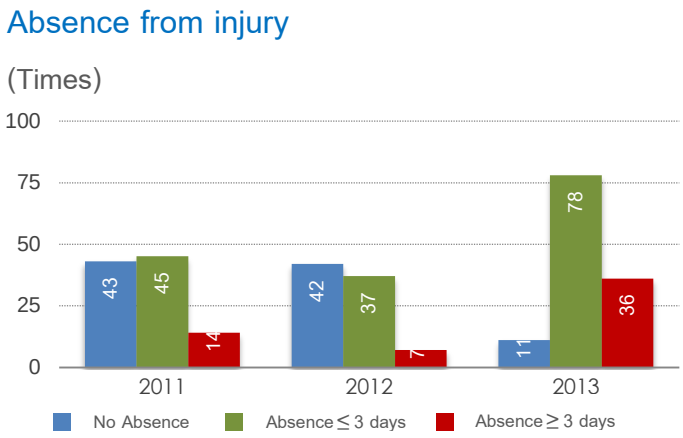
The Company encourages all employees to participate in the risk analysis and assessment of the workplace to create preventive plan for accident occurred from operation as well as to identify the root-cause to prevent the repetitive accident.

In 2013, the accident rate of the Company was 125 times increased from 2012 because the Company employed higher number of low skill foreign workers (MOU contract). However, the Company has implemented the preventive action and increased number of training to new workers in order to reduce the accident rate.

In 2013, the Company organized several activities to raise awareness of safety in the workplace as follows:

- **NEARMISS Project:** to prevent accident from operation based on finding causes to prevent repeat incidents and encouraging all employees to participate in the risk analysis and assessment at workplace.
- **5S Project:** to encourage employee to participate in workplace maintenance and cleanliness.
- **Safety Week Exhibition Project:** to provide event publicity about safety every year in order to educate employees about possible accidents in the workplace.
- **Safety training Project:** to provide training program on safety issue regarding how to use safety equipment and what to do in an unexpected incident.
- **Safety Journal Project:** the Company provides a monthly journal to promote knowledge about safety standards and preventive method on the unexpected events. The safety journal is available as hard-copy and online version to all employees.





Complaint Channel and Process after receive the compliant

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

Complaint Channel

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

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

Action after Receive the Complaint

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

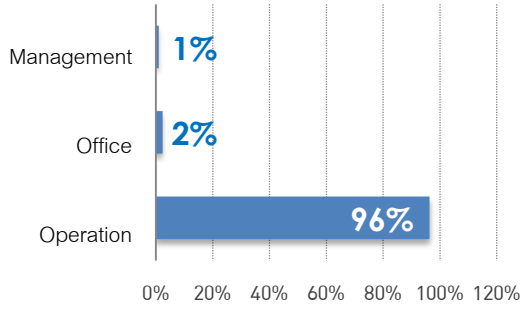
Protection and Confidentiality of the Complainant

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

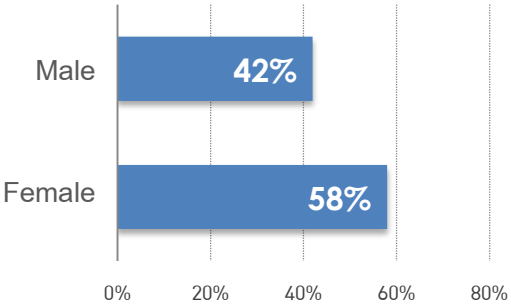
Diversity Employment

As of December 31, 2013, GFPT employs a total of 4,467 people with diversity of gender, age, level of education, race, work task, and work level. We provide equality and support diversity among genders, races, religions and cultures.

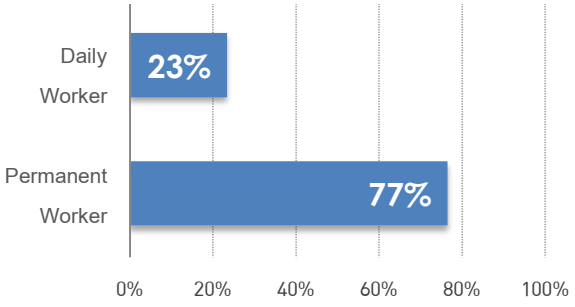
At the end of 2013, there are 4,467 employees (person)



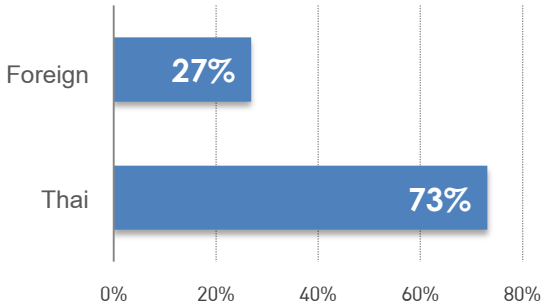
Employment by sex (person)



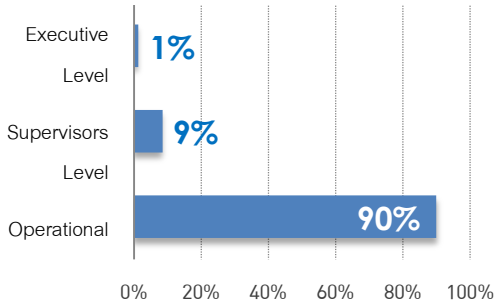
Employment by Type (person)



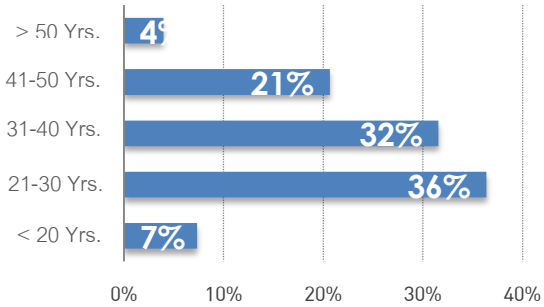
Employment by Race (person)



Employment by Level (person)



Employment by age (person)



Responsibility to Customers

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

Food Quality and Safety throughout our Food Chain

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

Feed Mill

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

Chicken Farm

Chicken farm is a key process of our integrated chicken production as chicken is the most important assets. Our chicken shall get healthy and high nutritious feed, have sufficient water, be treated with decent animal welfare, be reared in good environment, and free of diseases. In addition, we set up **"Chicken Veterinarian and Technical Team"** to monitor animal welfare practice, set measures to control disease prevention, and regulate the use of drugs and vaccines, in accordance with the laws and international standards. Our Chicken Veterinarian and Technical Team pass ISO 9001:2008. The team is responsible in making chicken health check planning, sharing knowledge about animal health and disease preventive protocol to chicken raising operators.

Chicken Processing Plant

Chicken meat processing plant is ultimate as it is the last step of production to deliver our chicken meat products to customers and consumers. Therefore, the safety and quality of chicken meat has been strictly controlled at every stage of production before shipping products to customers. In addition to the international standards of quality systems such as GMP, HACCP, etc., we also provide a **"Chemical Laboratory"** to test pesticide residues, nutrition, and various chemicals and **"Microbiological Laboratory"** to test microbes, pathogens, and residues of antibiotics in order to reassure the food quality and safety.

Our laboratory is certified by the Department of Livestock Development and received the Award for excellence in Laboratory Agricultural and Food in 2013 from The National Bureau of Agricultural Commodity and Food Standards (ACFS) and the golden awarded for excellence in Medical and Public Health Laboratory from Department of Medical Sciences, the Ministry of Public Health. These awards represented success in developing and maintaining standards and eventually to gain the trust of customers and consumers.

Standards for Quality Management

Each year, our meat processing production has been certified by internal audit, customer audit, and third party audit to assure customers' confidence that the quality of our products including feed, live chicken, chicken meat, and fully cooked chicken products meet international quality standards.

In 2013, the Company has certified the following quality system certification:

- GMP (Good Manufacturing Practice)
- HACCP (Hazard Analysis Critical Control Point)
- BRC Global Food Safety Standard
- ISO 9001(Quality Management System)
- ISO 14001 (Environmental Management System)
- ISO 17025 (Competence of Testing and Calibration Laboratories)
- ACP (Assure Chicken Production)
- HALAL (Food Permitted under the Islamic Law)
- SQMS (McDonald's Supplier Quality Management System)

Traceability from Feed to Food

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

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

Animal Welfare

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

We have also been certified for the animal welfare practices in accordance to the Red Tractor Assurance (RTA), which is the standard for the meat production for export throughout the chicken supply chain. Under these standards, the Company has taken all steps in regard to the happiness of chickens throughout the raising period.

For example, chicken must be free from hunger and thirst, the system shall provide enough food and water, environment shall be free from discomfort, free from pain, injury or illness (a preventive system and Capturing each chicken is tender), are free to live naturally, Free from fear and worry (with parenting conditions does not cause any distress, for instance, catching chickens before slaughter).

In compliance with regulations and standards of the Department of Livestock Development, of Agriculture and animal welfare standards, GFPT's animal welfare protocol is very strict covering chicken raising farm, feeding system, health management, disease and illness protection, catching live bird, animal welfare, recorded information, and staffs' and workers' training.

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

Bio-Security System

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

- ***Feed:*** We have nutritionist experts to research and develop high quality feed formula. Our feed mills operate with modern feed production systems and control by computerized system. Our feed products are safe and meet with the dietary requirement of different chicken's aging.
- ***Chicken:*** Our farm facilities are closed evaporative cooling system with ventilation system to prevent any disease carrier. All chicken houses are equipped with mechanical systems to deliver feed and water automatically. The CCTV systems have been set up in the chicken houses to closely monitor the chicken welfare.
- ***Personnel and Vehicles:*** We have set strict regulations for personnel and vehicles entering into the farm area. Only farm workers and farm vehicles are authorized to enter into the farm area. The authorized person must shower, shampoo, disinfect, and change clothes when entering into the farm house. All vehicles must be washed and disinfected to prevent dust, contamination, or any carrier from outside that may cause disease within the farm.

Poultry Compartmentalization

In order to mitigate the risk of avian influenza outbreak, GFPT has implemented the poultry compartmentalization according to guideline of Department of Livestock Development as follow:

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

Environment Policy

The Company committed to operate business together with control pullution and protect the environment. The Company's environment policy is as follow:

"Efficiently utilize resources and energy,

Prevent pollution, operates by law,

Consistently create awareness"

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

The Company has been accredited for the environmental management standard including ISO14001 and OHSAS 18001 by the independent auditor. The Company communicates its activities on the environmental management through various internal and external channels.

In 2013, the Company carried out activities and projects related to environmental management as follows:

Resource and Environmental Management

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

Water Resource

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

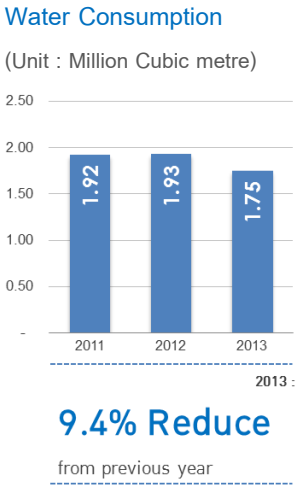
In 2013, our water consumption was in amount of 1.75 million cubic meter, decreased 9.4% from last year.

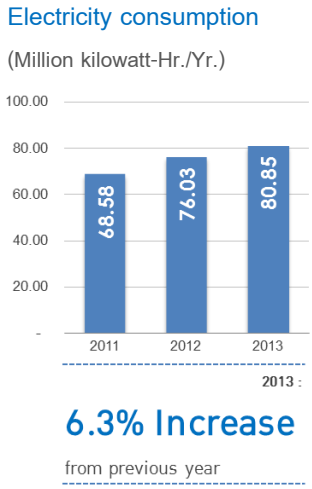
Energy

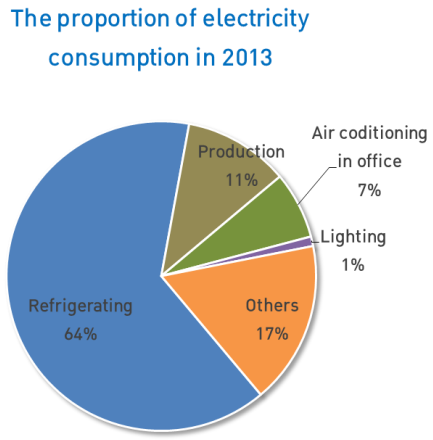
The Company continuously focuses on efficient energy consumption and energy conservation by using information system to analyze and control energy consumption in the production process; meanwhile, the machines, equipment, and production process are designed for maximum efficiency with minimal energy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

In addition, the Company promotes energy-saving activities such as automatic lighting system in office building and VDO Tele-Conference, which will save electricity and expenses as well as reducing the environmental impact which caused by transporting as well.

In 2013, the electricity utilization was in amount of 80.85 million kilowatt, increased 6.3% from last year, being 64% use in cooling system and 11% use in production process.







Energy Conservation

The energy conservation policy is set as a guideline for the implementation of energy consumption to effectively utilization and maximizes benefit. The Company set the energy conservation policy as part of the operation. We continue to improve the efficiency of energy usage by setting energy conservation measure annually, and communicating to all employees to understand and practice properly. The Company supports the energy conservation in terms of human resources, budget, training, and others to improve the energy management. The policy and implementation plan of the energy conservation is annually reviewed and updated.

Pollution and Waste Management

Air pollution

The Company uses pollution elimination system before releasing the pollution outside the plants and monitors level of pollution in applicable to the laws. The pollution level is monitored and measured twice a year by the authorized person of the Department of Industrial. In 2013, the level of contaminants in the air such as dust, nitrogen oxides, sulfur dioxide, carbon monoxide, and the opacity of all units, was lower than the standard required by law.

Water Pollution

The wastewater treatment of the Company complies with the standard defined by law. The Company uses high technology of wastewater treatment technology and closely monitors the level of wastewater before releasing to outside. The level of wastewater release to outside is comply with the law and does not affect the overall ecosystem. In addition, we focus on recycling treated wastewater within the plant.

Wastes

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

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

4 Rs Project

The Company has established guidelines for the waste management within the plant by using the concept of **4Rs (Reduce/ Reuse/ Recycle/ Repair)** to apply in the chicken production process. The Reduce, Reuse, Recycle, and Repair (Total Productive Management: TPM) can be applied to minimize the impact on the environment and efficient utilization of resources. GFPT's Plant has operated the 4 Rs Project as follows:

- **Reduce** to reduce the use of wood pallet by reuse with regular monitor the quality
- **Reuse** to reuse one-side used paper
- **Recycle** to use the water from wastewater treatment for cleaning roads and washing the machines outside the production line
- **Repair** to perform machine maintenance program annually

The Initiative Projects on Youth, Community, and Society

In 2013, the Company has implemented projects and activities for the community and society as follows:

1. Promoting youth for the quality of society

The Company believes that "youth are the pillars of tomorrow's society". The Company recognizes the importance of children and youth. In addition to supporting its cooked chicken products, the Company provides educational tools and equipment to youth. The Company also encourages social activities for local communities and remote communities by focusing on the knowledge development of youth to be the quality person in the society as well as encouraging the youth to express themselves creatively through various projects.

Student Luncheon Activity

Bike-Donation Activity

Children's Day Activity

2. Create a good society

The Company set a policy to support the disadvantaged in the rural society, basaltic, and those affected by disasters through its own activities, government agencies, charitable organizations, and non-profit organizations. In 2013, the Company has initiated several activities to promote the quality of life in local and remote communities.

Doing Good for the Mother and Father

Road Reparation to the Community Activity

Blood Donation by GFPT Staff

3. Promote religion and Thai culture

Religion and culture are important institutions in the society which have strong influence in people's beliefs, values and behaviors as a way of life of the individuals in society. The Company recognizes that Thai society has influenced by the religion, therefore, focusing on the commitment and preservation of Buddhism as well as continuously supported Thai arts and culture.

11. Internal Control and Risk Management

Board of Directors and management of the Company emphasize on having strong internal control system and risk management in order to ensure that the risk will be reduced and prevent damage that may occur to the Company. The Company has set goals and action plans as guidance for operations and it can be measurable. The organization structure was set up to support the management to operate efficiently and effectively in accordance with the regulations and policies and encourage continuous development. The organization structure is divided into divisions where the Chief Executive Officer is responsible for overseeing the operations. Written policies and procedures are maintained. Training courses are provided to employees to improve skills and understanding, so that employees understand and can perform correctly and efficiently. The Company also provide employee handbooks and code of conduct to employees in order to work more efficiently.

The Company also authorize the Audit and Risk Management Committee to oversee appropriateness of internal control system and risk management of the Company and its subsidiary companies. The Audit and Risk Management Committee reviews work of internal audit department, risk management department and auditors. Monitor the operation of the Company and its subsidiaries in order to prevent conflicts of interests as well as related transactions to safe guard the Company's assets. Review the effectiveness of operational control of the Company in various aspects. The Company provides independent internal audit department, evaluate operational efficiency and adequacy of the internal control system and risk management based on COSO (The Committee of Sponsoring Organizations of the Tread way Commission) framework and enterprise risk management framework.

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

1. The Company gave importance on risk management whereby the management will analyze and assess risk and inform the purpose of risk management policies to each department. In order to provide basis for risk assessment such as identifying the type of risk, measuring risk, controlling risk, reducing risk, monitoring and evaluating risk in order for the company to manage risks more efficiently.

2. The Company has defined the duties and powers of the executives and employees in written policy. Implement segregation of duties, the persons that have control is not the same persons that evaluate, therefore, promotes check and balance, transparency and prevent fraud. The Company defines operational procedures by considering the benefit of the Company.

3. The Company recognizes the importance of developing an information system that provide updated, correct and sufficient information to the executive and Board of Directors to make decisions.

4. The Company has compared actual operational performance to the quarterly target. In the case that the actual is significantly below target, the management will assign internal audit to check for the reason of the performance below target and make suggestions to find solutions and report to the Board accordingly.

Audit and Risk Management Committee

The key activities of the Audit and Risk Management Committee during the year 2013 under the duties and responsibilities assigned by the Board of Directors are summarized as follows:

1. Reviewed the quarterly financial statements and audited financial statements for the accounting period which covers the review of the compliance of accounting standards. The selection of accounting policies and disclosures in the financial statements.

2. Reviewed the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2013.

3. Reviewed the independence of the internal audit department and result of the internal audit that carried out during the year including reviewed the adequacy and appropriateness of internal controls and risk management.

4. Reviewed legal compliance with the rules and regulations related to Securities and Exchange, regulations of the Stock Exchange and other laws related to the business of the Company.

5. Reviewed appropriateness of the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2013. The transactions had to be justified and adhere to guidelines published by the Capital Market Supervisory Board.

6. Reviewed policies and practices of the Company to ensure compliance with good corporate governance of the Company as guideline given by The Stock Exchange of Thailand.

7. Reviewed independence, result and opinion of the auditor. Also, propose an appointment of the auditor of the Company and related audit fees to the Board of Directors to propose to the shareholders' meeting for consideration.

8. Meetings with the auditors without any executives of the company to enable the auditor to report freely on events and information about the Company. This include opinion on the internal control system and risk management.

9. Reviewed internal audit charter to be consistent with the practices and laws once a year.

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

1. Strategic Risk is the risk of strategy and policy of the Company, which result from inappropriate strategic plan and inappropriate implementation of strategy. This also include inconsistencies between policy, goals, strategies, organizational structures, competitive environment, resources, implementation of plan and environment. The Company consistantly monitor significant strategy and policies that may effect the business operation in order to achieve the strategic goals.

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

3. **Financial Risk** is the risk of insufficient budget, financial problems, including the risks that affect the operating results and financial position of the organization. The Company has to take into account the source of fund that will be both sufficient and obtainable on a timely basis in order to minimize the risks that may affect the Company's investments.

4. **Compliance Risk** is the risk of not following the rules, regulations or related laws. As well as, the existing rules or laws that are not practical and may obstruct the business operations. The Company strictly complies to rules (both inside and outside of the Company) and related laws by constantly monitoring and reviewing the operations.

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

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

The scope of internal control as follow

- **A controlled environment** - the Company had set up a good internal control environment by defined clear and appropriate organizational structure and organization lines as well as set up business goals and Key Performance Indicators (Key Performance Indicators: KPI) to evaluate the efficiency of operational performance to be in line with the Company's goals. The Company had written working manual as guideline for the business operations. In addition, the Company encouraged management and employees of the Company and its affiliates to

recognize the importance of good corporate governance by having business ethics and ethics for directors, executives and employees, as well as, encourage training to educate employees on an annual basis. As a result, the operation will be fair and transparent to all stakeholders.

- **Risk assessment** - The Company's risk management policies are determined by the Risk Management Committee. The Risk Management Committee oversees the implementation of the Company's risk assessment to identify and analyze risk factors according to the target level and at a level that is acceptable to the Company. The risk factors include strategic, operational, financial compliance and hazard. The result of the assessment is reported regularly to the Audit and Risk Management Committee and the risk factors are being reviewed on an annual basis.
- **Control Activities** - The Company had segregation of duties and responsibilities of each position clearly stated. The Company also had working manual or operational guideline that suit the operational structure of the Company. The current practices included review of performance to be in accordance with the rules, regulations, article of associations and authorization and working manual. This is to ensure that the performance had adequate internal control system and operational efficiency.
- **Information Technology (IT) and communication system** - the Company with a realized the importance of the IT and communication system and always encouraged the improvement of the system to ensure that all information was accurate and up-to-date. An efficient and modern IT system was adopted to guarantee the safety of the information and to bring such information to management work of the executive members and interested parties. This process should be carried out as a complete, accurate method and within an appropriate time so that it could be used in the business decision makings. Intranet function is initiated as a communication channel within the organization to broadcast policy, regulations and working manual and other bulletins.
- **Tracking system and evaluation** - The board of directors conducts an internal system that covers all fields such as accounting and finance, operation, compliance to laws and regulations and safe guard of assets. The internal audit department was assigned to be in charge of this duty.

From the scope of internal control system, the Audit and Risk Management Committee has submitted to the Board of Director Meeting no. 1/2557, held on 23 January 2014 for the considering the internal control system. The Board of Directors has an opinion that the Company and its subsidiaries have sufficient and internal control system and risk management that appropriate to the business operations. Also, the internal control system and risk management is effective enough to minimize business risk and protect the Company's assets from the executives' wrongful conduct or without authorization. The Company assessed the adequacy of internal controls system and risk management annually to be in accordance with the Office of the Securities and Exchange Commission (SEC). The internal audit department also reviewed the operations of various departments of the Company to ensure that those departments had followed the predetermined internal control system and risk management. In the case that

significant deficiencies are found, it will be reported to the Executive Committee and the Audit and Risk Management Committee for consideration and action.

In addition, SAM NAK-NGAN A.M.C. Co., Ltd., the Company's auditor who audited the quarterly and annual financial statements for fiscal 2013, assessed the Company and its subsidiaries and had an opinion that no material deficiency found to be impact on the results of the Company.

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

The Board of Directors has appointed Mr.Theerasak Piamsuphakpong to be Director of Internal Audit Department of the Company since January 1, 2011 because he has extensive experience in performing the internal audit and had been trained in courses related to the practice of internal audit together with an understanding of the activities and operations of the Company. Therefore, the Company considers it to be appropriate to appoint him to perform such duties. The detail of the Director of Internal Audit Department of the Company is shown in attachment 3.

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

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

12. Connected Transactions

Inter-transactions of the Company and its subsidiaries

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

Procedure for Approval of Inter-Transactions

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

Reason for Inter-Transactions

In the approval process of executing the inter-transaction, the Company shall execute the inter-transaction similarly to other normal business transaction done with other parties. As normal, the Company sets the authorized person and specifies the amount of credit limit for the inter-transaction. Moreover, the Audit Committee is responsible for reviewing the inter-transactions of the Company, its subsidiaries and related persons quarterly to eliminate conflicts of interest for the best interest of the Company. For the inter-transactions that occurred in 2013, the term and condition of the inter-transactions were fair and reasonable which were approved by the management or the Board of Directors before the transaction occurred. For the year ended December 31, 2013 and 2012, the Company and its subsidiaries had the inter-transactions were disclosed in the notes to audited financial statements by the Company's auditor. As reviewed by the Audit Committee, the audit committee had opinion that all transactions were carried out as normal business transaction with normal terms and conditions.

Inter-Transactions in the Future

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

Inter-transactions in the past year and the current year

For the year 2013 and 2012, the Company and its subsidiaries had the inter-transactions disclosed in the notes to audited financial statements note. 6. Inter-transactions with related companies. The details are as follows:

Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter-Transactions for the year ended December 31, 2013 (Million Baht)		Value of Inter-Transactions for the year ended December 31, 2012 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separated Financial Statements	Consolidated Financial Statements	Separated Financial Statements	Consolidated Financial Statements	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1. Sales 2.Purchases 3.Other Income 4. Rental Income 5. Other Expense	- - 0.09 7.05 2.55	223.39 221.97 17.31 15.30 78.80	- - - 6.65 2.39	- - 6.72 14.42 71.89	- Providing rental office building / Pricing by Independent Appraiser. - Selling of Chicken Meat Products / Pricing by Contract Price based on Market Price
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Income	1.04	2.54	1.02	2.52	Providing rental farms / Pricing by Contract Price
3. Panalab Co., Ltd. / Common Management	1. Other Income 2. Rental Income 3. Other Expense	- - -	0.06 0.08 0.01	- - -	0.13 0.12 0.02	Selling on plant drug / Pricing by Market Price
4. P.Vet. Co., Ltd. / Common Management	1. Sales 2. Other Income	- -	0.23 0.02	- -	0.44 0.02	Selling on animal drug / Pricing by Market Price
5. P. Charoen Phan G.P.Farm Co., Ltd. / Common Management	1. Rental Income	-	0.48	-	0.48	Providing land lease for broiler farms / Pricing by Contract Price

Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter-Transactions for the year ended December 31, 2013 (Million Baht)		Value of Inter-Transactions for the year ended December 31, 2012 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separated Financial Statements	Consolidated Financial Statements	Separated Financial Statements	Consolidated Financial Statements	
6. Krungthai Aqua-Culture Co., Ltd. / Common Management	1. Purchases	-	2,241.54	-	3,022.79	Expertise in Corn Supply for Feed Production / Pricing by Market Price
7. M.K.S. Condotown Co., Ltd. / Common Management	1. Other Income 2. Rental Income 3. Other Expense	1.35 0.35 0.91	1.35 0.35 0.91	1.28 0.34 0.85	1.28 0.34 0.85	Providing Rental Accommodations / Pricing by Market Price
8. Nichirei Food Inc. / Related Companies by Major Shareholding	1. Sales 2. Other Income 3. Other Expense	1,294.18 0.31 -	1,294.18 0.31 -	683.72 0.27 0.05	683.72 0.27 0.05	Producing and Selling of Chicken Meat Products / Pricing by Market Price
9. KEYSTONE FOODS (AP) LTD. / Related to the Associated Company by Shareholding with the Associated Company	1. Sales	268.96	268.96	317.78	317.78	Producing and Selling of Chicken Meat Products / Pricing by Market Price
10. Surapon Foods Public Co., Ltd. / Related to the Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.	1. Sales	4.30	4.30	4.64	4.64	Producing and Selling of Chicken Meat Products / Pricing by Market Price
11. Surapon Nichirei Foods Co., Ltd / Related to the Associated Company by Joint Venturing with the Associated Company	1. Sales	378.50	378.50	654.35	654.35	Producing and Selling of Chicken Meat Products / Pricing by Market Price

Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter-Transactions for the year ended December 31, 2013 (Million Baht)		Value of Inter-Transactions for the year ended December 31, 2012 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separated Financial Statements	Consolidated Financial Statements	Separated Financial Statements	Consolidated Financial Statements	
12. Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1. Interest Expenses	41.50	119.97	41.65	120.33	According to the Minute of Extraordinary General Meeting No.1/2009 dated January 29, 2009, it was approved that the Company and its subsidiaries to receive financial assistance from related persons to help the Company has more liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate is not over 6.00%

PART 3 FINANCIAL POSITION AND PERFORMANCE

13. Financial Information

Consolidated Statements of Financial Position of GFPT PCL and its subsidiary companies

	as at 31 December					
	2013		2012		2011	
	MB.	%	MB.	%	MB.	%
Cash and Cash Equivalent	311	2	283	2	179	2
Accounts Receivable-Net	1,101	8	960	8	811	8
Inventories–Net	3,217	25	4,212	32	2,816	27
Other Current Assets	17	-	21	-	9	-
Total Current Assets	**4,646**	**35**	**5,476**	**42**	**3,815**	**37**
Investment in Associated Companies–Net	1,616	12	1,429	11	630	6
Grandparent Chickens-Net	46	-	38	-	41	-
Parent Chickens-Net	367	3	288	2	309	3
Investment property-Net	375	3	328	2	263	3
Property, Plant and Equipment-Net	5,686	44	5,225	40	4,933	49
Deferred Tax Assets	322	3	320	2	130	1
Other Non-Current Assets	45	-	85	1	77	1
Total Non-Current Assets	**8,457**	**65**	**7,713**	**58**	**6,383**	**63**
Total Assets	**13,103**	**100**	**13,189**	**100**	**10,198**	**100**
Short-Term Loans from Financial Institutions	2,047	16	3,533	26	666	7
Accounts and Notes Payable	921	7	1,027	8	623	6
Current Portion of Long-Term Loans	2,080	16	80	1	80	1
Other Current Liabilities	28	-	15	-	58	-
Total Current Liabilities	**5,076**	**39**	**4,655**	**35**	**1,427**	**14**
Long-Term Loans	80	1	2,160	17	2,240	22
Provision for Employee Benefit	292	2	271	2	253	3
Advance Received for Rental Income from Associate	134	1	141	1	148	1
Other Non-Current Liabilities	63	-	22	-	16	-
Total Non-Current Liabilities	**569**	**4**	**2,594**	**20**	**2,657**	**26**
Total Liabilities	**5,645**	**43**	**7,249**	**55**	**4,084**	**40**
Total Shareholders' Equity	**7,458**	**57**	**5,940**	**45**	**6,114**	**60**
Total Liabilities and Shareholders' Equity	**13,103**	**100**	**13,189**	**100**	**10,198**	**100**

Remark: Figures in the 2011 and 2012 consolidated financial statement were restated for comparison.

Consolidated Statements of Comprehensive Income Statements of GFPT PCL and its subsidiary companies

	For the year ended 31 December					
	2013		2012		2011	
	MB.	%	MB.	%	MB.	%
Revenue from Sales	16,699	98	15,370	98	14,210	98
Other Income	312	2	281	2	223	2
Total Revenue	**17,011**	**100**	**15,651**	**100**	**14,433**	**100**
Cost of Sales	(14,418)	(85)	(14,374)	(92)	(11,986)	(83)
Selling and Administrative Expenses	(1,098)	(6)	(1,006)	(6)	(901)	(6)
Total Expenses	**(15,516)**	**(91)**	**(15,380)**	**(98)**	**(12,887)**	**(89)**
Participating Profit /(Loss) in Associated Companies	221	1	(74)	-	(111)	(1)
Profit before Financial Costs and Income Taxes	**1,716**	**10**	**197**	**2**	**1,435**	**10**
Financial Costs	(186)	(1)	(147)	(1)	(136)	(1)
Income Tax Revenue (Expenses)	(12)	-	190	1	53	-
Profit for The Period	**1,518**	**9**	**240**	**2**	**1,352**	**9**
Non-Controlling Interests	(14)	-	(8)	-	(20)	-
Net Profit	**1,504**	**9**	**232**	**2**	**1,332**	**9**

Remark: Figures in the 2011 and 2012 consolidated financial statement were restated for comparison.

Consolidated Cash Flows Statements of GFPT PCL and its subsidiary companies

	For the year ended 31 December		
	2013	2012	2011
	MB.	MB.	MB.
Net Cash Provided (Used) from Operating Activities	3,072	(135)	1,546
Net Cash Used in Investing Activities	(1,292)	(1,991)	(1,018)
Net Cash Provided (Used) from Financing Activities	(1,752)	2,230	(540)
Net Increase (Decrease) in Cash and Cash Equivalent	28	104	(12)
Cash and Cash Equivalent at the Beginning Balance	283	179	191
Cash and Cash Equivalent at the Ending Balance	**311**	**283**	**179**

Remark: Figures in the 2011 and 2012 consolidated financial statement were restated for comparison.

Financial Ratios of GFPT Public Company Limited and its subsidiaries

	2013	2012	2011
Liquidity Ratio			
Current Ratio [1] (times)	0.92	1.18	2.67
Quick Ratio [2] (times)	0.27	0.26	0.66
Cash Ratio [3] (times)	0.63	(0.04)	1.15
Account Receivable Turnover [4] (times)	16.72	18.15	18.87
Average Collection Period [5] (days)	22	20	19
Inventory Turnover [6] (times)	77.06	73.90	71.56
Inventory Turnover Period [7] (days)	5	5	5
Account payable Turnover [8] (times)	18.42	22.27	26.47
Average Payment Period [9] (days)	20	16	14
Cash Cycle [10] (days)	7	9	11
Profitability Ratio			
Gross Profit Margin [11] (%)	13.66	6.48	15.65
Operating Profit Margin [12] (%)	10.28	1.28	10.10
Cash Profit Margin [13] (%)	179.03	(68.49)	107.70
Net Profit Margin [14] (%)	8.84	1.48	9.23
Return on Equity or ROE [15] (%)	22.45	3.84	23.19
Efficiency Ratio			
Return On Assets or ROA [16] (%)	11.55	2.05	13.93
Return On Fixed Assets [17] (%)	35.14	13.68	36.14
Total Assets Turnover [18] (times)	1.29	1.34	1.49
Leverage Ratio			
Debt/Equity Ratio [19] (times)	0.76	1.22	0.67
Interest Coverage Ratio [20] (times)	8.51	1.25	9.53
Debt Service Coverage Ratio [21] (times)	0.19	(0.02)	0.53
Dividend Payout Ratio [22] (%)	82.14	0.00	97.23

Remark:

1) Current Ratio = Current Assets/ Current Liabilities

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

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

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

5) Average Collection Period = 360 / Account Receivable Turnover

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

7) Inventory Turnover Period = 360 / Inventory Turnover

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

9) Average Payment Period = 360 / Account payable Turnover

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

11) Gross Profit Margin = Gross Profit / Sales

12) Operating Profit Margin = Operating Profit / Sales

13) Cash Profit Margin = EBIT / Net Income

14) Net Profit Margin = Net Profit / Total Sales

15) Return On Equity or ROE = Net Profit / Average Equity

16) Return on Assets or ROA = Net Profit / Average Total Assets

17) Return on Fixed Assets = (Net Profit + Depreciation) / Average Total Fixed Assets

18) Total Assets Turnover = Sales / Average Total Assets

19) Debt/Equity Ratio = Total Debt / Equity

20) Interest Coverage = Cashflow from Operations + Interest Expenses + Tax / Interest Expenses

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

22) Dividend Payout = Dividends / Net Income

14. Management Discussion and Analysis

14.1 Overview

The result of operations in the year 2013 was impressive, delivering the best year in our Company's 32-years history. Total sales reached THB 17.01 billion, an increase of 8.69%.

Export volume of chicken products for fiscal 2013 was 22,500 MT increasing 3,850 MT or 21% from fiscal 2012. Considering direct and indirect export of GFPT Group in year 2013, the marketshare was 14% of total Thailand export of chicken products, positioning in no. 4 of Thai chicken exporters (include export volume of associated companies).

The Company's consolidated gross profit margin improved from 6% in fiscal 2012 to 14% in fiscal 2013, reflecting from the strategy of accelerating growth in value-added cooked chicken product sales. The cooked chicken product featured higher margin and less volatile selling price. In addition, the market price for poultry products improved from fiscal 2012 while the corn price sharply declined from 2012.

The participating profit in associated companies of year 2013 increased THB 295 million, turnaround from THB 74 million loss in year 2012 as the result of GFN's operational performance that turnaround since the first quarter of year 2013.

The consolidated net profit of the Company for fiscal 2013 was THB 1.50 billion, increased THB 1.27 billion or 548%, from fiscal 2012 (adjusted). The 2013 operational result was record high in GFPT's history since its startup. However, The Company has still to improving the quality standards. For excellence in the production of food in order to achieve a leading producer and exporter of fully integrated chicken production as 2014' operation plan of the Company.

In 2013, the Company adopted the Thai Accounting Standard No. 12 on Income Taxes. The consolidated and separate financial statements for the year ended December 31, 2012, summary of consolidated financial statement, and management discussion and analysis for fiscal 2013 presented herein have been retrospectively adjusted for comparison.

14.2 Results of Operations and Profitability

Revenue from Sales

The consolidated net sales for fiscal 2013 was THB 16.70 billion, increased THB 1.33 billion or 8.65%, from fiscal 2012; mainly from higher export volume of cooked chicken product, improved selling price of chicken meat products, and expansion of meat retail outlets in various provinces in Thailand.

Revenue by type of business

Business Segment of GFPT and its subsidiaries	2013		2012		2011	
	MB.	%	MB.	%	MB.	%
Chicken Processing	7,035.44	42.13	5,803.86	37.76	6,101.15	42.94
Feed	4,817.96	28.85	5,294.03	34.44	4,838.82	34.05
Farm and Day-Old-Chicks Sales	4,004.94	23.99	3,664.25	23.85	2,812.83	19.79
Processed Food	840.69	5.03	607.67	3.95	456.75	3.22
Total Sales	**16,699.03**	**100.00**	**15,369.81**	**100.00**	**14,209.55**	**100.00**

Chicken Processing Segment:

For fiscal 2013, revenue from chicken processing segment represented 42%, being the largest portion of GFPT's consolidated net sales amounting THB 7.04 billion, an increase of THB 1.23 billion or 21% from fiscal 2012. The export volume of chicken product in 2013 significantly increase of 3,850 MT or 21% from 2012; mainly from higher export volume of chicken products to Japan and EU. The export price of chicken products in 2013 also increased 12% from previous year.

Feed Segment:

Revenue from feed segment in fiscal 2013 represented 29% of the consolidated net sales amounting THB 4.82 billion, declined by THB 476 million or 9% from 2012; mostly from decreasing in feed sales. In particular, the volume sales of shrimp feed was 24% decreased compare to last year due to the Emergency Mortality Syndrome (EMS) outbreak. Whilst, sales from fish feed segment in fiscal 2013 increased 12% from fiscal 2012 in both volume sales and selling price. Therefore, total revenue from feed segment of the group did not significantly decline.

Farm & Day-Old-Chicks Segment:

The revenue from chicken farm has become a consistent major source of revenue for the company ever since we have started supplying live broilers to GFN (an associated company that operates since year 2011). The revenue from live broilers and day-old-chicks sales in 2013 was THB 4.01 billion, an increase of THB 341 million or 9% from 2012; mainly from the increase in volume sales of live broiler to GFN.

Processed Foods:

From the continuous expansion of meat wholesale outlets in large provinces, the processed foods segment's growth looks promising as the revenue from food products such as chicken sausages, meatballs and other processed foods. In 2013, the revenue from processed foods was THB 841 million, grew by THB 233 million, a 38% increase from 2012; mainly from higher sales volume of 30% that came from chicken sausage and chicken meatballs as well as slightly increased in domestic selling price.

In 2013, the Company has opened 12 meat wholesale outlets in 12 provinces including Phuket, Songkhla, Nakorn Pathom, Bureerum, Chiang Mai, Lampang, Surat Thani, Nakhon Sawan, Chiang Rai, Ubon Ratchathani, Tak and Phetchaburi. GFPT has plans to continue its expansion in the wholesale store in preparation for the Asian Economic Community in 2015.

Cost of Sales

Cost of sales for fiscal 2013 was THB 14.42 billion, slightly increase by THB 44 million from 2012. The cost of goods sold ratio in 2013 declined from 92% in 2012 to only 85% or dropped by 9% as compared to 2012. This is due to the efficient costs management and corn price declined in year 2013.

Gross Profit

In 2013, the consolidated gross margin was THB 2.28 billion, significantly increased THB 1.29 billion or 129% from 2012, driven by the company's strategy to focus on higher export cooked chicken products with higher margin and stable selling price. In addition, selling price of most products in fiscal 2013 improved from previous year. The corn price declined similarly to the global price trend; result in lower production cost of feed and chicken meat products. The consolidated gross margin improved from 6% in fiscal 2012 to 14% in fiscal 2013.

Other Income

In 2013, other income of the Company and its subsidiaries was THB 312 million, increased THB 31 million or 11% from 2012, mainly from foreign exchange gains by THB 46 million or 102% from 2012. The consolidated other incomes in 2013 was 2% of net sales, remained similar percentage as 2012.

Selling General and Administrative Expenses

The Consolidated SG&A expenses in fiscal 2013 totaled THB 1.10 billion, increased THB 92 million or 9% from fiscal 2012. The higher expenses were mainly from increasing in salary and bonus of employee,

depreciation of fixed-assets and utilities expenses. The consolidated SG&A expenses in 2013 were 6% of net sales, remained similar percentage as 2012.

Share of Profit from associated companies

In 2013, the Company's share of profit from associates under the equity method in the amount of THB 221 million, an increase of THB 295 million, or 397% from 2012 mainly from the investments in its 2 joint ventures. McKey's profit contribution was THB 81 million and GFN's was THB 140 million. The operating results of GFN in 2013 turned around from a loss to a profit due to the hike in export volume of frozen chicken meat to the EU market since the EU has lifted the ban of Thai frozen chicken meat in 3Q2012. In addition, the higher production capacity of cooked chicken products from the new production line which increased the amount of cooked chicken products from 16,800 MT to 21,600 MT since May 2013 also helped boosting performance of GFN.

Financial Costs

Financial costs of the group include interest expense and bank charges. The Company's finance costs in 2013 were THB 186 million, up THB 39 million or 27% from 2012 mainly from the fact that the group has higher level of short-term loan from institutions comparing to previous year. The consolidated financial costs of the group in 2013 were 1% of net sales, remained similar percentage as 2012.

Net Profit

The Company's net income during fiscal 2013 was THB 1.50 billion, increased in amount of THB 1.27 billion or 548% increased from 2012 of THB 232 million (restated). The EPS of fiscal year was THB 1.20 per share. The improved net income of the Company was primarily driven from higher sales revenues, improved average selling price, gained from foreign exchange rate, and participating profit from associated companies. The consolidated net profit margin in 2013 was 9% of net sales, significantly improved from 2% in 2012.

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

In 2013, the Consolidated EBITDA was THB 2.61 billion, an increase of THB 1.52 billion or increased by 139% from 2012. The increasing in EBITDA resulted from the hike in the sales growth and its ability to control cost. The EBITDA margin in 2013 was 15.62% increased from 7.10% in 2012.

Unit: THB million

	2013	2012	2011
EBIT	1,716	197	1,435
Depreciation Expense	888	892	820
Amortization Expense	4	3	2
EBITDA	2,608	1,092	2,257
EBITDA Margin (%)	**15.62**	**7.10**	**15.88**

Return on Equity

In 2013, the return on equity of the Company and its subsidiaries was 22.45%, significantly improved from 2012. The group improves efficiency in generating profit, slightly lower utilization of asset and lower risk from 2012 as follow:

DuPont Analysis	2013	2012	2011
Return on Equity or ROE [15] (%)	22.45	3.84	23.19
Operating Profit Margin [12] (%)	10.28	1.28	10.10
Total Assets Turnover [18] (times)	1.29	1.34	1.49
Equity Multiplier (times) (1+DE)	1.76	2.22	1.67

14.3 Financial position

Assets

For the consolidated financial statements as of December 31, 2013, total assets of the Company equal to THB 13.10 billion including THB 4.65 billion (35% of total assets) in current assets, THB 5.69 billion (44% of total assets) in property, plant and equipment (PP&E) - net, THB 1.62 billion (12% of total assets), in investments in associated companies, THB 413 million (3% of total assets) in grandparent chicken and parent chicken-net and THB 742 million (6% of total assets) in other assets.

Total assets as at December 31, 2013 decreased in amount of THB 86 million or 1% from 31 December 2012 primarily from the decrease in inventory-net in amount of THB 995 million as average corn price in 2013 declined from previous year. However, the PP&E-net increased in amount of THB 461 million. Trade and other receivables - net increased THB 141 million. Investments in associates – net increased THB 187 million. Grandparent and parent chickens – net increased THB 87 million.

Trade and other Receivables

In fiscal 2013, the Company and its subsidiaries recorded allowance for doubtful accounts in amount of THB 37 million, decreased of THB 11 million from fiscal 2012 of THB 48 million. The allowance for doubtful accounts was in acceptable level at 3.3% of total trade receivables. The average collection period of the Company and its subsidiaries was 22 days in fiscal 2013, slightly increased from 20 days in fiscal 2012. The account receivable turnover was 17 times, remained similar level as 2012.

Inventory

In fiscal 2013, the consolidated inventories – net of THB 3.22 billion substantially decreased about THB 995 million or 24% decreased from fiscal 2012; primarily from reduction in raw materials and raw materials in transit. The Inventory Turnover was 77 times, slightly increased from fiscal 2012 at 74 times. The Company and its subsidiaries recorded allowance for nonmovement inventories in amount of THB 3 million and allowance for decline in value of inventories in amount of THB 28 million which accounted only 1% of total inventories value.

In 2013, the utilization of assets of the Company and its subsidiaries were highly efficient. The consolidated return on asset was 11.55 times much higher than fiscal 2012 at 2.05 times.

Liabilities

As at December 31, 2013, total liabilities of the Company and its subsidiaries in amount of THB 5.65 billion comprising of THB 5.08 billion in current liabilities and THB 569 million in non-current liabilities.

The total liabilities as at December 31, 2013 decreased by THB 1.60 billion or 22% from December 31, 2012 primarily from the repayment of short-term borrowings from financial institutions in amount of THB 1.49 billion and trade and other payables in amount of THB 106 million. Loan from related parties of THB 2 billion was shifted from long-term loans to the current portion as the loans are due in 31 January 2014. All short-term and long-term loans of the group are in THB currency only. The Company has no exposure in foreign currency borrowings.

In fiscal 2013, trade and other payables of the Company and its subsidiaries was THB 921 million, decreased in amount of THB 106 million or 10% decreased from fiscal 2012. The 2013 account payable turnover was 18.42 times decreased from fiscal 2012 at 22.27 times. The consolidated average payment period in 2013 was 20 days.

The consolidated interest-bearing liabilities as at December 31, 2013 were THB 4.21 billion, decreased from fiscal 2012 in amount of THB 1.57 billion, mainly from the repayment of short-term loan from financial institutions in amount of THB 1.49 billion. The consolidated financing cost was 3.7% and 3.4% for fiscal 2013 and 2012, respectively.

Shareholders' Equity

As at December 31, 2013, the consolidated shareholders' equity in amount of THB 7.46 billion increased THB 1.52 billion or increased 26% from December 31, 2012; primarily from the increase in retained earnings in amount of THB 1.50 billion as a result of outstanding performance in the year 2013. The consolidated book value as at December 31, 2013 was THB 5.95 per share.

14.4 Liquidity and the Adequacy of Funding

Cash Flow Activities

In fiscal 2013, the Company and its subsidiaries generated cash flows from operating activities of approximately THB 3.07 billion increased of THB 3.21 billion from 2012; resulted primarily from the increasing in net income before tax in amount of THB 1.48 billion. The cash cycle of the Company and its subsidiaries was only 7 days in 2013 shorter than the 9 days in 2012.

The Company and its subsidiaries used cash in its investing activities in amount of THB 1.29 billion in fiscal 2013. The investing activities was made mostly in the investment in fixed assets in amount of THB 860 million, the grandparent and parent breeder stocks in amount of THB 456 million, and the investment properties of THB 86 million.

The Company and its subsidiaries used net cash from its financing activities in an amount of THB 1.75 billion mainly in repayment of short-term loan of THB 1.49 billion and interest payment of THB 186 million.

As at December 31, 2013, the Company and its subsidiaries' cash position in cash and cash equivalents was THB 311 million increased of THB 28 million from 2012.

Liquidity ratios

In 2013, the liquidity of the Company and its subsidiaries was considerably appropriate for its operations. As at December 31, 2013, the consolidated liquidity ratio was only 0.92 times decreased from previous year which was 1.18 times. The quick ratio in fiscal 2013 was 0.27 times quite similar to fiscal 2012 at 0.26 times. The cash ratio of the Company was 0.63 times much improved from previous year of (0.04).

Short-term Debt Maturity

As at December 31, 2013, the Company and its subsidiaries' current liabilities of THB 5.08 billion comprise of short-term loans from financial institutions THB 2.05 billion, trade payables and other payables THB 921 million, other current liabilities THB 28 million, the current portion of long-term loans from financial institutions of THB 80 million, and the current portion of long-term loans from related parties of THB 2.00 billion.

Due to its strong cash position and liquidity, the Company and its subsidiaries can repay the debt obligations including trade payables, short term loans, the current portion of long-term loans from financial institutions, and interest expenses. The repayment can be made from cash flow from operation activities. In 2013, the consolidated interest coverage ratio in was 8.51 times and the net debt to equity ratio was low at 0.56: 1. The Company and its subsidiaries have available credit line of the revolving short-term borrowings with banks including overdraft and promissory notes in amount of THB 3.11 billion and trade finance facilities being letter credit and trust receipt line for THB 3.57 billion.

The long-term loans from related parties in amount of THB 2.00 billion due on January 31, 2014 was re-classified as current liabilities since the first quarter of fiscal 2013. According to the resolution of the extraordinary shareholders' meeting no.1/2556 on December 12, 2012, the Company and its subsidiaries granted the approval from its shareholders to receive financial assistance from related parties in the amount not more than THB 2.00 billion with the interest rate of no more than 5.5% p.a., the maturity of not more than 10 years starting from February 1, 2014 until January 31, 2024, and no collateral pledging requirement.

Capital Structure

The Company and its subsidiaries had strong financial position. As at December 31, 2013, the consolidated debt to equity ratio was 0.76: 1 declined from 1.22: 1 as at December 31, 2012 resulting from improved operating performance and repayment of short-term loan. As at December 31, 2013, the consolidated interest-bearing liabilities were THB 4.21 billion. The net debt to equity of the Company was considerably low at 0.56: 1.

Capital Expenditure and Capital Resources

In 2013, the Company made an investment of THB 1.29 billion; mostly in purchasing of fixed assets in amount of THB 860 million, grandparent breeder and breeder stocks in amount of THB 456 million, and an investment property in amount of THB 86 million.

According to the investment plan in 2013, the Company has continued to expand its broiler production capacity mainly in the grandparent farm, breeder farm, hatchery, broiler farm, and processed food plant (sausage). The investment of THB 946 million was paid by cash flow from operations, short-term loans, and long-term loans.

In the few years ahead, the Company already planned for its future growth by emphasis on the upstream expansion of chicken farm areas with the investment budget of THB 800 million per year (similar level of investment budget for the past 3 years). However, this investment budget can be adjusted depending on the changes in future situation.

14.5 Contractual Obligations

The Company's contractual obligations are as follow:

Unit: THB million

Contractual Obligations	Total	Term of payment			
		Less than 1 year	1 – 3 year	3 – 5 year	More than 5 year
The long-term debt obligations	2,160	2,080	80	-	-
The finance lease obligations	-	-	-	-	-
The operating lease obligations	56.17	20.82	17.89	5.05	12.41
The acquisition obligations	165.53	49.84	115.69	-	-
The other debt obligations	1,085.92	1,085.92	-	-	-
Total	3,467.62	3,236.58	213.58	5.05	12.41

14.6 Forward Looking

Currency Fluctuations

The Company and its subsidiaries are exposed to fluctuations in the value of the U.S. dollar against Thai baht through foreign exchange transactions. Currency fluctuation risk relates primarily to sales proceeds from GFPT's export of chicken products as well as GFPT's import of feed grains. There is a common misperception that the Company and its subsidiaries will be adversely affected from the THB appreciation against the U.S. dollar, as the company will incur foreign exchange losses on its exports. However, the negative effects on the value of GFPT's export of chicken meat are offset by the positive gains from GFPT's import of feed grains. This implies a natural hedge between GFPT's import and export, limiting the risk of foreign exchange gains and losses at the minimum level. In addition, GFPT also uses forward contract to hedge the FX position.

Export limit

The export of chicken meat has limit depending on the policy of each country, some countries either impose tax or sanitation policy. In the future, sanitation policy will be the main policy use for trade barriers such as industry standard or ISO9000, GMP and HACCP or environmental policy or human rights policy or animal welfare policy. The impostion of tax sanctions will be redued because each country will enter WTO or free trade where the government will reduce its support on import tax.

Quota limit

The government limit quota on import of corn, which is the main raw material in feed mill production. The import has to be made only through Public Warehouse Organization. The corn are imported from the WTO member countries at the quota limit of 54,700 ton and import tax of 20%, however, if the imported quantity exceeds the quota, the import tax will be 73% plus additional fee of THB 180 per ton. In the case of import from non-WTO member countries, it has complied with the government's condition. Other than corn, there are other raw materials that need to import from abroad include soybean residue and fish powder, which will also need to comply with the government's condition as well (refer to the detail in Feed Mill Business (C) Demand of raw material for feed mill).

The Europian Union has implemented the import quota system since 1 July 2007. Thailand's import quota of processed chicken amount of 160,033 tons and exported at full quota, thus, export expansion will be difficult. Exported quantity that exceed the quota will have to bear import tax of up to 1,024 Euro per ton. The Europian Union allow the import of fresh frozen chicken, thus, the Company is able to export during the end of year 2012.

Price control

Feed mill business is under the price control policy, either for the purchase of raw materials or selling price of feed mill. Whereby the Company has to purchase domestic soybean residue at a minimum price at factory and enter into purchase agreement with the Ministry of Commerce. For the selling price of feed mill, the Company and its subsidiaries can not immediately increase the selling price because it has to be approved from the Department of Internal Trade, Ministry of Commerce.

CERTIFICATION OF THE ACCURACY OF INFORMATION

The Company has reviewed information provided in this annual registration statement with the cautiously, we hereby certify that such information is accurate, complete, true and has no misleading statement or omission of any material information which should be informed. Furthermore, we hereby certify that:

(1) The financial statements and financial information summarized in the annual registration statement show accurate and complete material information on financial status, operational results and cash flow of the Company and the Subsidiary;

(2) We are responsible for providing the Company with good information disclosure system to ensure that the Company has accurately and completely disclosed material information, both of the Company and the Subsidiary, including supervising to ensure compliance with such system;

(3) We are responsible for providing the Company with good internal control system and supervising to ensure compliance with such system. We also reported the information on evaluation of the internal control system as at 23 January 2014 to the auditor and the Audit Committee, including substantial faults and changes in the internal control system as well as improper act which may affect the preparation of the financial reports of the Company and the Subsidiary.

In this regard, as evidence that all documents is of the exact documents certified by us are of the same set, we have authorized Miss. Jutamas Ingpochai to initial every pages of the documents. Any document bearing no signature of Miss. Jutamas Ingpochai shall not be treated as information certified by us.

Authorized Directors

Name	Position	Signature
1. Mr. Prasit Sirimongkolkasem	Chairman	_____
2. Mr. Virach Sirimongkolkasem	Vice Chairman and Managing Director	_____
3. Dr. Anan Sirimongkolkasem	Chairman of Executive Committee and Deputy of Managing Director	_____

Authorized Person

Miss. Jutamas Ingpochai	Company Secretary	_____

Attachment 1: 1. Information of Directors, Executive, Authority Persons and Company Secretary

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
1. Mr. Prasit Sirimongkolkasem Position • Chairman • The authorized director Appointed on January 27, 1992 Age 73 years Family Relations • Brother of Mr. Virach Sirimongkolkasem • Brother of Dr. Anan Sirimongkolkasem • Brother of Mrs. Somsiri Ingpochai • Brother of Ms. Wannee Sirimongkolkasem • Uncle of Mr. Sujin Sirimongkolkasem none legal violation	Secondary School Directors Accreditation Program	17.55	1992 –Present 1978 –Present 1978 –Present 1981 –Present 1982 –Present 1993 –Present 1975 –Present 1975 –Present 1993 –Present 1984 –Present 1986 –Present 1987 –Present 1988 –Present 1990 –Present 1990 –Present 1993 –Present 1994 –Present 1995 –Present	Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Director Director	(1) GFPT PCL. (Chicken Meat Products) (2) Krungthai Feedmill PCL. (Feed mill) (3) Krungthai Farm Co., Ltd. (Hatchery Farm) (4) M.K.S. Farm Co., Ltd. (Broiler Farm) (5) GF Foods Co., Ltd. (Processed Chicken Food) (6) GP Breeding Co., Ltd (Grandparent Chicken Farm) (7) P.Charoenphan Feedmill Co., Ltd. (Feed mill) (8) P.Vet Co., Ltd. (Animal Medicine) (9) Panalab Co., Ltd. (Plants Pesticide) (10) P.Charoenphan Im-Ex Farm Co., Ltd. (Swine Farm) (11) P.Charoenphan G.P. Farm Co., Ltd. (Grandparent Chicken Farm) (12) Krung Thai Aqua-Culture Co., Ltd. (Shrimp and Fish Farm) (13) P.Charoenphan Produce Co., Ltd (Property & Real Estate) (14) P.Charoenphan Foods Co., Ltd. (Fast-Food) (15) M.K.S.Condo Town Co., Ltd. (Property & Real Estate) (16) Julchat Co., Ltd. (Property & Real Estate) (17) Sap Sirichai Co., Ltd. (Property & Real Estate) (18) Asia Flowers Co., Ltd. (Flower Export)

Name / Position / Date of Appointment / Age / Family Relations/ Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
2. Mr. Virach Sirimongkolkasem Position ● Vice Chairman ● The authorized director ● Managing Director Appointed on January 27, 1992 Age 64 years Family Relations ● Brother of Mr. Prasit Sirimongkolkasem none legal violation	Secondary School Directors Accreditation Program	14.36	1992 –Present 1978 –Present 1978 –Present 1981 –Present 1982 –Present 1993 –Present 1975 –Present 1984 –Present 1986 –Present 1987 –Present 1988 –Present 1990 –Present 1993 –Present 1991 –Present 2003 –Present	Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Vice Chairman and M.D. Chairman and M.D. Director	(1) GFPT PCL. (Chicken Meat Products) (2) Krungthai Feedmill PCL. (Feed mill) (3) Krungthai Farm Co., Ltd. (Hatchery Farm) (4) M.K.S. Farm Co., Ltd. (Broiler Farm) (5) GF Foods Co., Ltd. (Processed Chicken Food) (6) GP Breeding Co., Ltd (Grandparent Chicken Farm) (7) P.Charoenphan Feedmill Co., Ltd. (Feed mill) (8) P.Charoenphan Im-Ex Farm Co., Ltd. (Swine Farm) (9) P.Charoenphan G.P. Farm Co., Ltd. (Grandparent Chicken Farm) (10) Krung Thai Aqua-Culture Co., Ltd. (Shrimp and Fish Farm) (11) P.Charoenphan Produce Co., Ltd (Property & Real Estate) (12) M.K.S.Condo Town Co., Ltd. (Property & Real Estate) (13) Julchat Co., Ltd. (Property & Real Estate) (14) Ferma Co., Ltd. (Animal Medicine) (15) Mckey Food Services (Thailand) Ltd. (Frozen Processed Food)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
3. Dr. Anan Sirimongkolkasem Position ● The authorized director ● Chairman of Executive Committee ● Deputy Managing Director ● Senior Vice President, Administration Department ● Member of Nomination and Remuneration Committee ● Member of Corporate Governance Committee Appointed on January 27, 1992 Age 62 years Family Relations ● Brother of Mr. Prasit Sirimongkolkasem none legal violation	Faculty of Doctor of Medicine, Diplomate Thai Board of Ophthalmologist, Ramathibodi Hospital, Mahidol University Directors Accreditation Program	0.33	1992 –Present 1993 –Present 1991 –Present 1991 –Present 1991 –Present 1991 –Present 1991 –Present 1991 –Present 1993 –Present 1993 –Present 2008 –Present 1987 –Present 1991 –Present 1991 –Present 1995 –Present	Chairman of Executive Committee, Deputy Managing Director and Senior Vice President, Administration Department Chairman of Executive Committee and Deputy M.D. Chairman of Executive Committee and Deputy M.D Chairman of Executive Committee and Deputy M.D Director Director Director Director Director Director Director Director Director Managing Director President Director Director	(1) GFPT PCL. (Chicken Meat Products) (2) GP Breeding Co., Ltd (Grandparent Chicken Farm) (3) Krungthai Farm Co., Ltd. (Hatchery Farm) (4) M.K.S. Farm Co., Ltd. (Broiler Farm) (5) GF Foods Co., Ltd. (Processed Chicken Food) (6) Krungthai Feedmill PCL. (Feed mill) (7) P.Charoenphan Feedmill Co., Ltd. (Feed mill) (8) P.Vet Co., Ltd. (Animal Medicine) (9) Panalab Co., Ltd. (Plants Pesticide) (10) Mckey Food Services (Thailand) Ltd. (Frozen Processed Food) (11) GFPT Nichirei (Thailand) Co., Ltd. (Chicken Evisceration and Processed Chicken Food) (12) Vet pha Co., Ltd. (Pharmaceutical Trading) (13) P.Charoenphan Produce Co., Ltd (Property & Real Estate) (14) Ferma Co., Ltd. (Animal Medicine) (15) Asia Flowers Co., Ltd. (Flower Export) (16) Thai Broiler Processing Exporters Association (17) The Federation of Thai Industries (18) Thai National Shippers' Council

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
4. Mrs. Somsiri Ingpochai Position ● Executive Director Appointed on January 27, 1992 Age 66 years Family Relations ● Brother of Mr. Prasit Sirimongkolkasem none legal violation	Primary School Directors Accreditation Program	0.24	1992 –Present 1978 –Present 1978 –Present 1981 –Present 1982 –Present 1975 –Present 1988 –Present 1975 –Present 1993 –Present 1991 –Present	Executive Director Senior Vice President, Accounting & Finance Department Executive Director Director Director Director Director Director Director Director	(1) GFPT PCL. (Chicken Meat Products) (2) Krungthai Feedmill PCL. (Feed mill) (3) Krungthai Farm Co., Ltd. (Hatchery Farm) (4) M.K.S. Farm Co., Ltd. (Broiler Farm) (5) GF Foods Co., Ltd. (Processed Chicken Food) (6) P.Charoenphan Feedmill Co., Ltd. (Feed mill) (7) P.Charoenphan Produce Co., Ltd (Property & Real Estate) (8) P.Vet Co., Ltd. (Animal Medicine) (9) Panalab Co., Ltd. (Plants Pesticide) (10) Ferma Co., Ltd. (Animal Medicine)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
5. Dr. Sathit Karanes Position ● Independent Director ● Chairman of Audit and Risk Management Committee ● Chairman of Nomination and Remuneration Committee ● Chairman of Corporate Governance Committee Appointed on June 25, 1998 Age 61 years Family Relations - none - none legal violation	- Faculty of Doctor of Medicine, Diplomate Thai Board of General Surgery, and Pediatric Surgery, Mahidol University Directors Accreditation Program Audit Committee Program	-none-	1998 –Present 1988 –Present 2013 –Present	Independent Director and Chairman of Audit and Risk Management Committee Instructor and Doctor Director	(1) GFPT PCL. (Chicken Meat Products) (2) Faculty of Medicine, Ramathibodi Hospital (Hospital) (3) S.V.K. Family Mart Co., Ltd. (Retail)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
6. Mr. Paramet Hetrakul Position • Independent Director • Member of Audit and Risk Management Committee • Member of Nomination and Remuneration Committee Appointed on July 1, 2005 Age 50 years Family Relations - none - none legal violation	MBA, University of Hartford, Connecticut, USA The Institute of Chartered Financial Analysts, Virginia, USA, CFA Directors Accreditation Program	0.004	2005 –Present Present Present Present Present	Independent Director and Member of Audit and Risk Management Committee Director Director Director Director	(1) GFPT PCL. (Chicken Meat Products) (2) Si-Phya Publishing Co., Ltd. (Media Publishing) (3) Pra Choom Chang Co., Ltd. (Media Publishing) (4) Agri-Union Co., Ltd. (Agricultural) (5) Piyadamansion Co., Ltd. (Property Development)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
7. Mr. Thanathip Pichedvanichok Position ● Independent Director ● Member of Audit and Risk Management Committee ● Member of Nomination and Remuneration Committee Appointed on July 1,2008 Age 49 years Family Relations - none - none legal violation	Law, LL. M. University of Pennsylvania Law, LL. M. Southern Methodist University Law, LL. B. Thammasat University Directors Accreditation Program	-none-	2008 –Present 2005 –Present	Independent Director and Member of Audit and Risk Management Committee Director	(1) GFPT PCL. (Chicken Meat Products) (2) Thanathip and Partners Law Consultant Co., Ltd. (Legal Consultant)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
8. Ms. Wannee Sirimongkolkasem Position ● Diriector Appointed on April 18, 2003 Age 56 years Family Relations ● Sister of Mr. Prasit Sirimongkolkasem none legal violation	Bachelor Degree in Education, Srinakarintaravirote University Directors Accreditation Program	0.81	20003 –Present 1982 –Present 1982 –Present 1991 –Present 1993 –Present	Diriector Senior Vice President, Import and Chemicals Purchasing Department Diriector Diriector Diriector	(1) GFPT PCL. (Chicken Meat Products) (2) Krungthai Feedmill PCL. (Feed mill) (3) P.Vet Co., Ltd. (Animal Medicine) (4) Ferma Co., Ltd. (Animal Medicine) (5) Panalab Co., Ltd. (Plants Pesticide)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
9. Mr. Sujin Sirimongkolkasem Position ● Director ● Vice President, Live-Chicken Purchasing Department ● Member of Nomination and Remuneration Committee ● Member of Corporate Governance Committee Appointed on April 18, 2003 Age 43 years Family Relations ● Nephew of Mr. Prasit Sirimongkolkasem none legal violation	B.B.A. in Economic, Boston University Directors Certification Program (DCP)	17.77	2011 –Present 2003 –Present 2004 –Present 2004 –Present 2004 –Present 2004 –Present	Vice President, Live-Chicken Purchasing Department Director Vice President, Marketing Department Director Director Director	(1) GFPT PCL. (Chicken Meat Products) (2) Krungthai Feedmill PCL. (Feed mill) (3) P.Vet Co., Ltd. (Animal Medicine) (4) Ferma Co., Ltd. (Animal Medicine) (5) Panalab Co., Ltd. (Plants Pesticide)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
10. Mrs. Pranee Parksook Position ● Senior Vice President, Finance Department Appointed on August 1, 2011 Age 60 years Family Relations ● Sister of Mr. Prasit Sirimongkolkasem none legal violation	Bachelor Degree in Business Administration, Ramkhamhaeng University Directors Accreditation Program	0.91	2011 –Present 1981 – 2011 1980 –Present 1980 –Present 1980 –Present 1980 –Present 1981 –Present 1982 –Present 1988 –Present 1991 –Present 1993 –Present	Senior Vice President, Finance Department Director of Finance and Accounting Director Director Director Director Director Director Director Director Director	(1) GFPT PCL. (Chicken Meat Products) (2) Krungthai Feedmill PCL. (Feed mill) (3) Krungthai Farm Co., Ltd. (Hatchery Farm) (4) P.Charoenphan Feedmill Co., Ltd. (Feed mill) (5) P.Vet Co., Ltd. ((Animal Medicine) (6) M.K.S. Farm Co., Ltd. (Broiler Farm) (7) GF Foods Co., Ltd. (Processed Chicken Food) (8) P.Charoenphan Produce Co., Ltd (Property & Real Estate) (9) Ferma Co., Ltd. (Animal Medicine) (10) Panalab Co., Ltd. (Plants Pesticide)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
11. Mr. Kittichai Sirimongkolkasem Position ● Vice President, Manufacturing Department ● Vice President, Marketing Department Appointed on October 18, 2004 Age 44 years Family Relations ● Son of Mr. Prasit Sirimongkolkasem none legal violation	Master Degree in Information Technology, The university of La Verne	-none-	2004 –Present	Vice President, Manufacturing Department and Vice President, Marketing Department	(1) GFPT PCL. (Chicken Meat Products)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
12. Ms. Jutamas Ingpochai Position ● Vice President, Investor Relations Department (Appointed on January 1, 2011) ● Company Secretary (Appointed on October 6, 2008) ● Member of Corporate Governance Committee Age 38 years Family Relations ● Daughter of Mrs. Somsiri Ingpochai none legal violation	Ph.D. in Business Administration, Bangkok University Master Degree in Business Administration, Boston University, USA Bachelor Degree in Business Administration, Pine Manor College, USA Company Secretary Program Directors Accreditation Program	0.40	2011 –Present 2008 –Present	Vice President, Investor Relations Department Company Secretary	(1) GFPT PCL. (Chicken Meat Products)

Remark: Duties and responsibilities of the company secretary as the details in Part 2 Management and Good Corporate Governance, Good Corporate Governance, 5.9 Company Secretary

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
13. Mr. Thiti Wanachate Position ● Plant Director ● Member of Corporate Governance Committee Appointed on January 2, 2011 Age 57 years Family Relations - none - none legal violation	Bachelor Degree in Business Administration, Han Chiang College, Malaysia	- none -	2011 –Present 2002 –Present	Plant Director Assistant Plant Director	(1) GFPT PCL. (Chicken Meat Products)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
14. Mr. Artorn Uapopol Position ● Export Sales Director Appointed on January 2, 1996 Age 58 years Family Relations - none - none legal violation	Bachelor of Fine and Applied Arts Program, Suan Sunandha Rajabhat University	0.0001	1996 –Present	Export Sales Director	(1) GFPT PCL. (Chicken Meat Products)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
15. Mr. Danai Booncharoensukpisarn Position ● Domestic Sales Director Appointed on January 2, 2011 Age 54 years Family Relations - none - none legal violation	Bachelor of Business Administration Program in Marketing, Kasem Bundit University	0.0001	2011 –Present 1991 - 2010	Domestic Sales Director Domestic Sales Manager	(1) GFPT PCL. (Chicken Meat Products)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
16. Mr. Theerasak Piamsuphakphong Position ● Internal Audit Director ● Member of Corporate Governance Committee Appointed on July 1, 2011 Age 48 years Family Relations - none - none legal violation	- Master of Business Administration - Bachelor of Art **- Internal Audit Program: Prepared Course for Certified Internal Auditor: Pre - CIA).** Faculty of Commerce and Accountancy Chulalongkorn University, The Institute of Internal Auditors. - Accountant and Internal Audit Operating. The Institute of Certified Accountants and auditors of Thailand. - Accounting Act, B.E. 2543 (2000), Department of commercial Registration, Minister of Commerce. - The Basic Law and The Rules Relating to Listed Companies. Thai Listed Companies Association. - The Management of Internal Audit to Catch up on Changes in The Business World. Faculty of Commerce and Accountancy Chulalongkorn University - Reading Financial Statement and Analysis when Using IFRS for The First Time. Securities Analysts Association.	0.0001	2011 -present 2000 - 2011	Internal Audit Director Internal Audit Manager	(1) GFPT PCL. (Chicken Meat Products)

Name / Position / Date of Appointment / Age / Family Relations / Legal Violation	Education / Director Certificate	(%) Number of direct and indirect Shareholding	Working experience in past 5 years		
			Duration	Position	Name of company / Type of business
17. Ms. Ratchaneegorn Pavitrpok Position ● Senior Accounting Department Manager Appointed on July 1, 2011 Age 53 years Family Relations - none - none legal violation	Bachelor of Business Administration Program in Accounting	- none -	2011 -present 2007 – 2011	Senior Accounting Department Manager Accounting Manager	(1) GFPT PCL. (Chicken Meat Products)

Attachment 1: 2. The summary of the Director or Executive of the Company, Subsidiaries and Associated Companies.

Name	The Company	Subsidiaries					Associated Companies	
	GFPT	KT	MKS	FKT	GP	GFF	McKey	GFN
1. Mr. Prasit Sirimongkolkasem	x	x	x	x	x	x		
2. Mr. Virach Sirimongkolkasem	//	//	//	//	//	//	/	
3. Dr. Anan Sirimongkolkasem	//	//	//	//	//	//	/	/
4. Mrs. Somsiri Ingpochai	//	//	/	//		/		
5. Dr. Sathit Karanes	/							
6. Mr. Paramet Hetrakul	/							
7. Mr. Thanathip Pichedvanichok	/							
8. Ms. Wannee Sirimongkolkasem	/							
9. Mr. Sujin Sirimongkolkasem	/							
10. Mrs. Pranee Parksook	*							
11. Mr. Kittichai Sirimongkolkasem	*							
12. Ms. Jutamas Ingpochai	*							
13. Mr. Thiti Wanachate	*							
14. Mr. Artorn Uapopol	*							
15. Mr. Danai Booncharoensukpisarn	*							
16. Mr. Theerasak Piamsuphakphong	*							
17. Ms. Ratchaneegorn Pavitrpok	*							

Note: X = Chairman // = Executive Director / = Director * = Executive

Attachment 2 Information of the subsidiary's directors

Name	Subsidiary Company				
	KT	MKS	FKT	GP	GFF
1. Mr. Prasit Sirimongkolkasem	x	x	x	x	x
2. Mr. Virach Sirimongkolkasem	//	//	//	//	//
3. Dr. Anan Sirimongkolkasem	//	//	//	//	//
4. Mrs. Somsiri Ingpochai	//	/	//	-	/
5. Dr. Sathit Karanes	-	-	-	-	-
6. Mr. Paramet Hetrakul	-	-	-	-	-
7. Mr. Thanathip Pichedvanichok	-	-	-	-	-
8. Ms. Wannee Sirimongkolkasem	-	-	-	-	-
9. Mr. Sujin Sirimongkolkasem	-	-	-	-	-

Remark: X = Chairman // = Executive Director / = Director

Attachment 3: Information of Internal Audit Director

Name / Position / Date of appointment	Education / Seminar	Experience		
		Duration	Position	Name of company / Type of business
Mr. Theerasak Piamsuphakphong - The director of internal audit department since 1 July 2011	- Master of Business Administration - Bachelor of Art - Internal Audit Program: Prepared Course for Certified Internal Auditor: Pre - CIA). Faculty of Commerce and Accountancy Chulalongkorn University, The Institute of Internal Auditors. - Accountant and Internal Audit Operating. The Institute of Certified Accountants and auditors of Thailand. - Accounting Act, B.E. 2543 (2000), Department of commercial Registration, Minister of Commerce. - The Basic Law and The Rules Relating to Listed Companies. Thai Listed Companies Association. - The Management of Internal Audit to Catch up on Changes in The Business World. Faculty of Commerce and Accountancy Chulalongkorn University - Reading Financial Statement and Analysis when Using IFRS for The First Time. Securities Analysts Association.	2011- Present 2000 – 2011	- Director of internal audit department - Manager of internal audit department	GFPT PCL. (Operates chicken meat processing)

Remark: Duties and responsibilities of the director of internal audit department as the details in Part 2 Management and Good Corporate Governance, Good Corporate Governance, 5.8 Internal Audit Department

Attachment 4 Information of Assets Valuation

-None-

Attachment 5 Others

-None-