



GOOD FOOD GOOD CHICKEN

Integrated
Annual Report 2019

 **GFPT**
GFPT Public Company Limited



Integrated Annual Report 2019



COZZINI'S

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GOOD FOOD GOOD CHICKEN

“Good Food...is the beginning of good health”

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





GOOD BREEDER

We choose the most efficient breed genetic suitable for raising good broiler based on factors that contribute to health and well-being of chicken including feed conversion, growth rate, and uniformity for meat processing.



GOOD CARE

Good care for chickens is our priorities and it reflects our goal to be the trusted chicken producer. We are dedicated to health and well-being of chicken we raise with a commitment to animal welfare and enrichment.



GOOD FARM MANAGEMENT

We are committed to uphold good farm management practices with strict bio-security help preventing disease transmission.



GOOD ENVIRONMENT

Driven by our passion to reduce our impact on environment across chicken supply chain and contribute to sustainable growth of our business.



GOOD WORKPLACE

We commit to provide consumers safe and good tasting food produced in a safe work environment.



GOOD PEOPLE

We provide our people with knowledge, skills, resources, and workplace culture to pursuit of operational excellence.



GOOD HEALTH

Strict quality control and commitment to good manufacturing practices help us make food products which are compelling, delicious, and healthy.



GOOD LIFE

We are driven by a conviction that we can nurture everyone to live a good life with chickens that we raise.



GOOD COMMUNITY

We encourage to take every opportunity to work with local communities, to contribute to the well-being of communities, to understand any potential issues, and to develop community relationships.



GOOD PLANET

We are aware of social responsibility and environmental friendliness for good planet. Our ambition to do more with less by maximizing efficient use of our natural resources such as air, water and land to produce quality chicken products as well as reducing waste generated during production processes.





VISION

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

About this report

GFPT Public Company Limited prepares “Integrated Annual Report 2019” in order to communicate sustainability strategies, management processes, operating results of economic, society, and environment, and issues that are considered to have material impact to the Company and its stakeholders. This report is prepared based on the Global Reporting Initiative Guidelines (GRI) Standards, “Core” Option, reporting on annual basis starting from 1 January 2019 to 31 December 2019. The GRI Content Index is also disclosed in the end of this report.

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

MISSION AND STRATEGY



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



1 Quality

Enhance product quality to international standards

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

2 Food Safety

Achieve confidence through the traceability system

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

3 Innovation

New product development using modern technology

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

4 Satisfaction

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

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

5 Responsibility

Build awareness and be responsible towards the society and environment

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

6 Expertise

Encourage personnel's capabilities to become experts

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

7 Alliance

Build long term relationship with business partners

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

CHAIRMAN



Message from the Chairman GRI 102-14

Although the growth of Thai economy and export in 2019 was slightly less than expected, the company manages to overcome the obstacles. The success in 2019 was due to many supporting factors especially the growth of both domestic and international demand for broiler products as well as the competitive efficiency of the Company.

The success of GFPT has reflected its high competency to confront with competitions and obstacles. Since maintaining of this high competitiveness is a major challenge to the Company under the present intense competitive situation, therefore, GFPT must continuously improve its efficiency in production and management. In doing so, the Company has to focus on research and development in order to produce processed chicken meat products that both attract and satisfy the tastes of consumers in each different market. Moreover, high standard of hygiene and environmental conservation in the production process have to be maintained and consistently improved to comply with international standard. With this consistent development in competitive potentiality, it could be assured that the Company's business performance should achieve more accomplishment in the coming years.

Apart from the business strategies aiming at enhancing competitive potentiality as mention above, GFPT has also set strategic policy to achieve sustainable growth through the ideology adhere to the social responsibility principle. In accordance with this policy, the Company has regularly carried out development activities for the community surrounding each of the Company's plant. Furthermore, GFPT has also engaged in a campaign to strengthen the energy-saving consciousness among the Company's employees and gave priority to the environmental conservation management so that our operations will affect the environment as least as possible. Furthermore, the Company has set a "Social Accountability" policy in accordance with the international standards, laws, ethics of

business operators towards employees at the workplace in order to guarantee that the Company acts fairly and equally without any bias to its labor and all level of employees.

Beside the corporate social responsibility, GFPT has placed great importance on countering corruption. The Company has encouraged its personnel at all levels to be aware of corruption in all forms. The Anti-Corruption and Anti-Bribery Policy is incorporated into the Corporate Compliance Policy, which is in accordance with the Corporate Governance Policy and the Company's Code of Conduct. To confirm such intent, GFPT has announced its determination to become a member of the Private Sector Collective Action Coalition Against Corruption (CAC). In order to ensure the consistent with the anti-corruption measures of the CAC, GFPT has issued and proclaimed the additional guidance to be used as standard practice for personnel at all levels.

Lastly, on behalf of the Chairman of the Board of Directors, I would like to thank all shareholders for their consistently supports of GFPT's management. I also offer my genuine thanks to all executives and staffs of the company for their dedication and tireless efforts to make this achievement possible. I wish that all these invaluable supports and contributions will continue to help GFPT achieve its ultimate goal of sustained growth in the future.



Mr. Prasit Sirimongkolkasem

Chairman

Major Development of the Company

GRI 102-10

1981

1981

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



1992

- Listed in the Stock Exchange of Thailand with registered share capital of THB 1,000 million.



2003

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

2012

- Bought additional shares of GFN being offered amounted THB 903.56 million to maintain its 49.00% share ownership.

1989

- The Company's name changed to "GFPT Company Limited".

1991

- Backward business expansion to complete vertical integrated chicken production by investing 99.99% share in FKT (parent chicken farm), M.K.S. (broiler farm), and GFF (processed food factory) and acquiring 65.00% shares in KT (feed mill).



1993

- Invested 49.00% shares in McKey (processed food products factory)

1994

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

2002

- Bought additional shares of KT, consequently, the Company's share ownership increased to 96.50%.

2008

- Invested 49.00% shares in GFN (chicken processing plant and further processing factory).



2010

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

2014

- "Krungthai Feedmill Public Company Limited" name changed to "Krungthai Food Public Company Limited"
- FKT expanded parent chicken farm, capacity increased by 15 million chicks per year.



2016

- GP expanded grandparent chicken farm, capacity increased by 800,000 chicks per year.



2017

- GFF increased its registered share capital to THB 160 million to expand its sausage production capacity.
- McKey set up its new further processing plant.



2018

- M.K.S. expanded broiler farm, capacity increased by 11 million broilers per year.

2019

- Continued bought additional shares of KT, subsequently, the Company's share ownership increased to 98.28%.

Future Project

GFPT Group focuses on organic growth through expanding capacity of processed chicken along with our vertical integrated chicken production. Backward integration starts from expansion of grandparent chicken farm, parent chicken farm, and broiler farm for our future business expansion.

In next 3-5 years, GFPT plans to construct new chicken processing plant on area of over 700 rai at Thung Khwang Sub-district, Chonburi province. There are new slaughterhouse with capacity at 150,000 birds per day and further processing factory with capacity at 24,000 tons per year to facilitate increasing of consumer demand and export markets.

To comply with sustainable business policy, the Company focuses on production process to be efficient for good quality production and food safety products in accordance with international standards and environmental friendliness. The Company uses new technology for our production process as well as traceability system. Chickens are raised by animal welfare principle. We are also responsible for environment by using resource efficiently and maximizing benefit.



INTEGRATED CHICKEN PRODUCTION WITH OWN-FARM POLICY



GFPT Fully Vertical Integrated Chicken Production

Feed Mill



KT2
Broiler Feed, Breeder Feed
(No Fishmeal or Any Animal Protein)

Feed Mill for Domestic Market in Thailand.



KT1
Animal Feed (Pig, Cow, Duck, Layer Hen)
Aqua Feed (Fish & Shrimp)

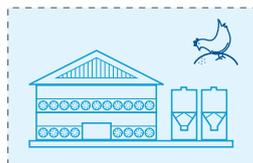


Animal Farmers

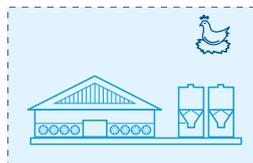


Feed Wholesalers

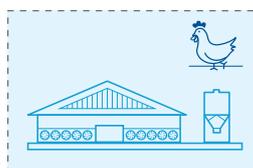
Farm



MKS
Broiler Farm



FKT
Breeder Farm

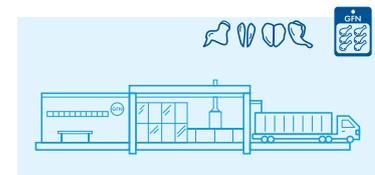


GP
Grandparents Farm

Primary Plants



GFPT
Primary Plant



GFN
Primary Plant



GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-7, GRI 102-9

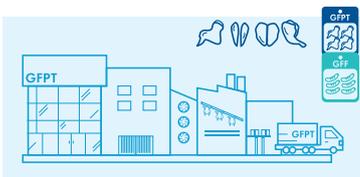
About the Company

GFPT Public Company Limited (“GFPT”) founded in 1981 and became a public company in 1994. Head office is located at 312 Rama 2 Road, Bangmod, Jomthong, Bangkok. Nowadays, GFPT has registered capital of 1,400,000,000 Baht and paid-up capital of 1,253,821,000 Baht with Thai nationality holds 85.36% and a foreign ownership of 14.64% accordingly which is below the legal threshold of foreign ownership of 49% of the registered paid-up capital.

Presently, the Company has 5,623 employees and a total of 13,023 employees for the Group. In 2019, the Group generated income of Baht 16,864 million. Main business of the Company is chicken evisceration and chicken processing. Core products are fresh frozen chicken parts and cooked further processed chicken as well as by-products under the customers’ and company brand names for both domestic and overseas markets. In 2019, GFPT has chicken processing capacity of 122,000 tons per year and cooked chicken products capacity of 24,000 tons per year from the plant located at Samutprakarn, Thailand.

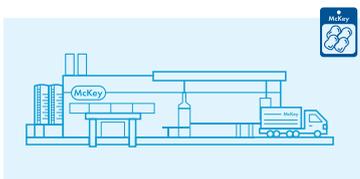
With more than 30 years in the of chicken meat processing industry, the Company presently owns 5 subsidiaries and 2 joint venture companies all under the name of “GFPT Group” mainly conducting agriculture business focusing on fully vertical integrated chicken production starting from feed mill, grandparent chicken farm, parent chicken farm, broiler farm, hatchery farm, chicken evisceration and chicken processing, and processed food production. The Company sets policy to be a leader of integrated further production of livestock and agriculture. The Company undertakes to provide food safety products and traceability. The Company is committed to operating business with environmental friendliness and contributing to society.

Further & Food Plants



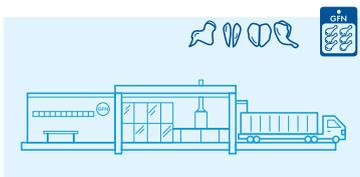
GFPT / GFF

Further Processing Plant /
Processed Food Plant



McKey

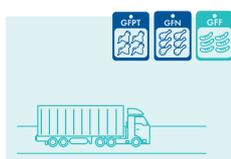
Further Processing Plant



GFN

Further Processing Plant

Distribution



Domestic Market

Chicken Parts and Meat
Processed Food [Sausage]



Export Market

Frozen Chicken Meat
Cooked Chicken Products

-  JP
-  EU
- Others



BUSINESS OPERATIONS

GFPT Public Company Limited (“GFPT”) founded in 1981 and became a public company in 1994. Nowadays, GFPT has registered capital of 1,400,000,000 Baht and paid-up capital of 1,253,821,000 Baht. GFPT is the parent company of the group who operates chicken production and distribution of frozen chicken meat, processed chicken, and its by-products under the customers’ and company brand names for both domestic and overseas markets. In 2019, GFPT has chicken processing capacity of 122,000 tons per year and cooked chicken products capacity of 24,000 tons per year from the plant located at Samutprakarn.

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

The GFPT group operates integrated poultry business. Beginning with the investment of 98.28% in Krungthai Food Public Company Limited (“KT”), with paid-up capital of 400 million Baht, KT engages in feed mill business under the Company’s brand. KT’s main products are animal feed and aquatic feed. KT distributes animal feed especially chicken feed to the Company’s subsidiaries namely MKS, FKT, GP, and domestic animal raisers. For the aquatic feed, KT distributes to domestic aquatic raisers. In 2019, KT has total capacity of 1 million tons per year. The first feed mill, located at Samutprakarn province, consists of 1 animal feed line and 2 aquatic feed lines, with the total capacity of 599,000 tons. The second feed mill, at Banbueng, Chonburi province, has 1 broiler feed line with the total capacity of 512,000 tons per year. There is no conflict of interest between the rest of shareholders and The Company.

The Company invested 99.99% in GP Breeding Company Limited (“GP”), with registered capital 200 million Baht, GP engages in grandparent chicken farming to produce parent day-old-chicks for FKT and customers. In 2019, GP has total capacity of 2.60 million of parent stocks from its 1 farm in Chonburi province.

The Company invested 99.99% in Krungthai Farm Company Limited (“FKT”), with registered capital of 350 million Baht, FKT engages in parent breeder farming and hatchery business. For the commercial day-old-chicks, FKT purchases parent breeders from GP to produce commercial day-old-chicks and sells to MKS. In addition, FKT also imports the layer breeders to produce layer day-old-chicks and sells to KT and domestic layer farmers. In 2019, FKT produces 124 million commercial day-old-chicks from its 7 farms and 3 million layer day-old chicks from its 1 layer farm in Chonburi province.

The Company invested 99.99% in M.K.S. Farm Company Limited (“MKS”), with registered capital of 550 million Baht. MKS engages in broiler farm business by purchasing commercial day-old-chicks from FKT and raising them for 41-43 days. MKS sells broilers to GFPT and GFN (joint venture company). In 2019, MKS has total capacity of 103 million broilers from its 13 farms in Chonburi province.

The Company invested 99.99% in GF Foods Company Limited (“GFF”), with paid-up capital of 160 million Baht. GFF engages in production and distribution of processed foods business. Its main products are sausages, chicken rolls, and other processed products which are distributed under “GF Foods” brand through fresh markets and wholesalers. In 2019, GFF has total capacity of 37,800 tons per year from 1 factory in Samutprakarn province.

The Company invested 49.00% in McKey Food Services (Thailand) Limited (“McKey”), with registered capital of 100 million Baht. McKey engages in production and distribution of semi-finished frozen foods for export market. McKey’s products are distributed to McDonalds’ restaurants both in Thailand and overseas. In 2019, McKey has a total production of 73,000 tons from 3 factories in Samutprakarn and Chonburi province. There is no conflict of interest between the rest of shareholders and The Company.

The Company invested 49.00% in GFPT Nichirei (Thailand) Company Limited (“GFN”), with registered capital of 3,014 million Baht. GFN engages in chicken evisceration, processing and distribution for domestic and export markets. In 2019, the capacity of chicken processing is 67,000 tons per year and the capacity of cooked chicken products is 52,000 tons per year from 1 factory in Chonburi province. There is no conflict of interest between the rest of shareholders and The Company.

Benefits and Privileges from Board of Investment (BOI) Promotion

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

1) Tax Benefits and Privileges from Investment Promotion (Corporate Income Tax Exemption)

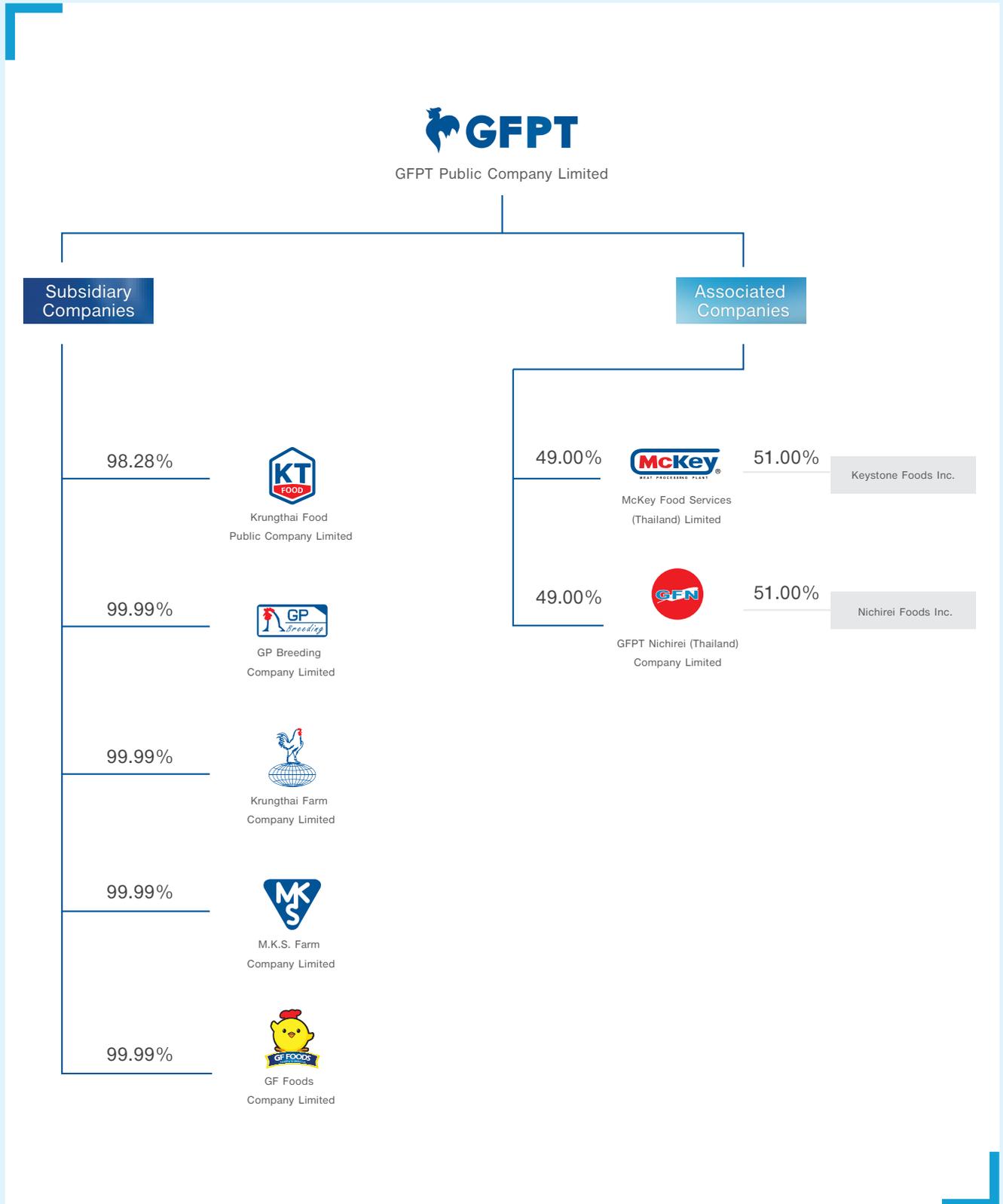
Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year – Ending Year
GFPT PCL.	Samutprakarn	1329(2)/2552 1051(3)/2553	Evisceration Chicken Finished Chicken Products	2011 - 2019 2011 - 2019
M.K.S. Farm Co.,Ltd.	Chonburi	1341(2)/2552 1470(2)/2552 1897(2)/2553 1898(2)/2553 2108(2)/2553 1674(2)/2554 2084(2)/2557 2106(2)/2553 1022(2)/2555 2107(2)/2553 2085(2)/2557 2083(2)/2557 2086(2)/2557 2576(2)/2557 2577(2)/2557 2578(2)/2557	Broiler Farm Broiler Farm	2011 – 2019 2011 – 2019 2011 – 2019 2014 – 2022 2014 – 2022 2014 – 2022 2015 - 2023 2016 - 2024 2016 - 2024 2017 - 2025 2017 - 2025 2018 - 2026 No Income Yet No Income Yet No Income Yet No Income Yet
Krungthai Farm Co.,Ltd.	Chonburi	1591(2)/2553 1187(2)/2553 62-0375-1-00-1-0	Chicken Farm Chicken Farm Chicken Farm	2013 - 2021 2019 - 2027 No Income Yet
GP Breeding Co.,Ltd.	Chonburi	1233(2)/2557 61-0732-1-00-1-0	Primary Breeder Farm and Hatchery Parent chicks and DOC	2014 – 2022 No Income Yet
GF Foods Co.,Ltd.	Samutprakarn	60-1254-0-00-1-2	Producing or Preserving Food or Flavoring by Using Modern Technology	2018 - 2026
Mckey Food Services (Thailand) Ltd.	Chonburi	59-1125-0-00-2-0	Frozen Cooked Chicken Products	2017 – 2025
GFPT Nichirei (Thailand) Co.,Ltd.	Chonburi	2258(3)/2555 2225(3)/2557 59-1079-0-00-2-0 62-1027-1-00-1-0 62-1423-1-00-1-0	Frozen Cooked Chicken Finished Products and Frozen Chicken Finished Products and Frozen Chicken Premix Finished Products and Frozen Chicken	2013 – 2021 2015 – 2023 2017 – 2025 No Income Yet No Income Yet

2) Benefits and Privileges from Import Duties as follows:

Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year – Ending Year
Mckey Food Services (Thailand) Ltd.	Chonburi	59-1125-0-00-2-0	Frozen Cooked Chicken Products	2019 – 2020 (Renew every 1 years)

Group Structure

Group Structure as at December 31, 2019



Company Information, Subsidiary Companies, and Associated Companies

GRI 102-1, GRI 102-3, GRI 102-7

	GFPT	KT	GP	FKT
Name	GFPT Public Company Limited Issuing Company	Krungthai Food Public Company Limited Subsidiary Company	GP Breeding Company Limited Subsidiary Company	Krungthai Farm Company Limited Subsidiary Company
Type Of Business	Chicken Evisceration, Processed Chicken Food, and By-Products	Feed Mill and Chicken Distribution	Grandparent Chicken Farm for Parent Stock Chicks Production and Distribution	Parent Chicken Farm and Hatchery for Chicks Production and Distribution
				
Head Office	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
Certificate No.	0107537001471	0107537001463	0105536132457	0105521016944
Telephone	0 2473 8000	0 2473 8000	0 2473 8000	0 2473 8000
Facsimile	0 2473 8398	0 2473 8398	0 2473 8398	0 2473 8398
Registered Capital	1,400,000,000 Baht	400,000,000 Baht	200,000,000 Baht	350,000,000 Baht
Paid-Up Capital	1,253,821,000 Baht	400,000,000 Baht	200,000,000 Baht	350,000,000 Baht
No. Of Shares	1,253,821,000 shares	40,000,000 shares	20,000,000 shares	35,000,000 shares
Type Of Share	Common Stock	Common Stock	Common Stock	Common Stock
Website	www.gfpt.co.th	www.ktfood.co.th		

Other Important Information

Registrar Name

Thailand Securities Depository Co., Ltd.
Address 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Telephone 0 2009 9000, 0 2009 9991
www.set.or.th/tsd

Auditor

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

Registrar Debenture

-None-

MKS

M.K.S. Farm Company Limited

Subsidiary Company

Broiler Farm



312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

0105524028536
0 2473 8000
0 2473 8398
550,000,000 Baht
550,000,000 Baht
55,000,000 shares
Common Stock

GFF

GF Foods Company Limited

Subsidiary Company

Processed Chicken Food



312 Rama 2 Road,
Bangmod, Jomthong,
Bangkok 10150

0105525001496
0 2473 8000
0 2473 8398
160,000,000 Baht
160,000,000 Baht
1,600,000 shares
Common Stock

McKey

McKey Food Services (Thailand) Limited

Associated Company

Frozen Processed Food



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

0115536003282
0 2315 4763-4
0 2315 4765
100,000,000 Baht
100,000,000 Baht
1,000,000 shares
Common Stock

GFN

GFPT Nichirei (Thailand) Company Limited

Associated Company

Chicken Evisceration and Processed Chicken Food



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

0105551130397
038 932 900
038 932 999
3,014,000,000 Baht
3,014,000,000 Baht
30,140,000 shares
Common Stock

Awards



1. Thailand Sustainability Investment (THSI) 2019

2. Outstanding Investor Relations Awards 2019

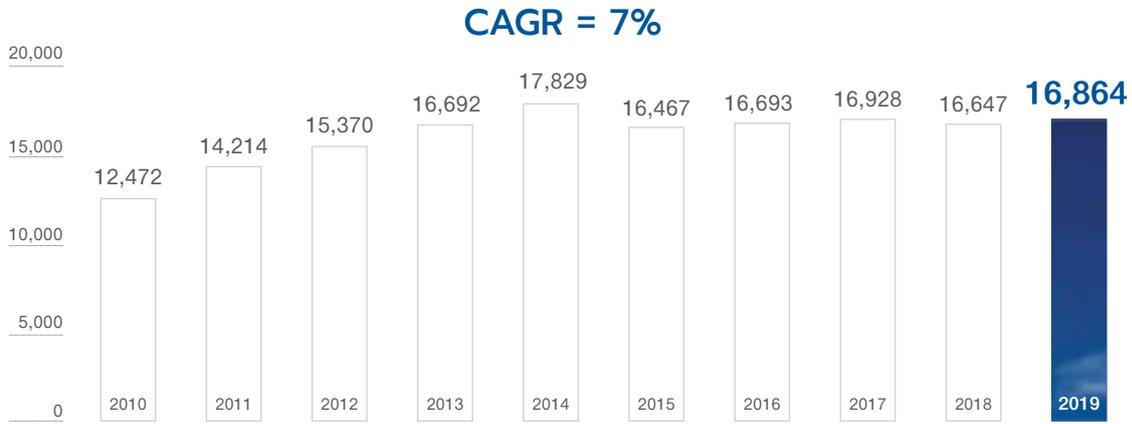


Financial Highlights

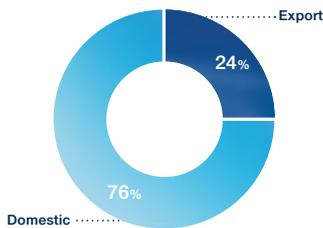
GRI 102-6, GRI 102-7, GRI 103-1, GRI 103-2, GRI 201-1

Consolidated Revenue

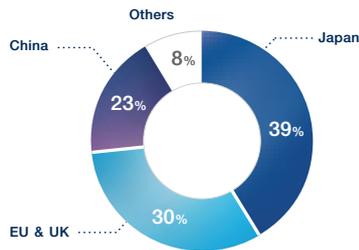
(Million Baht)



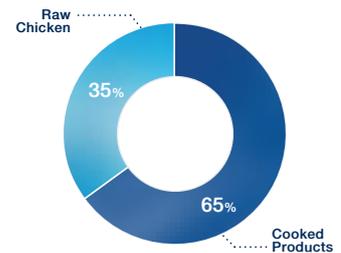
Revenue by Destination



Export by Country



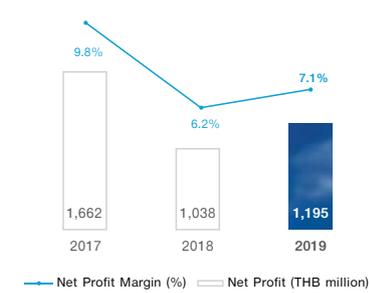
Export by Product Type



Gross Profit & GP Margin (%)

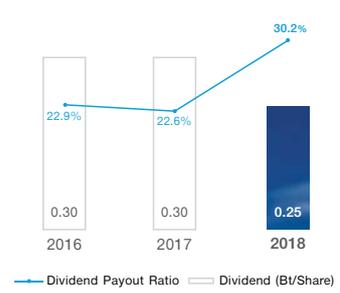


Net Profit & NP Margin* (%)

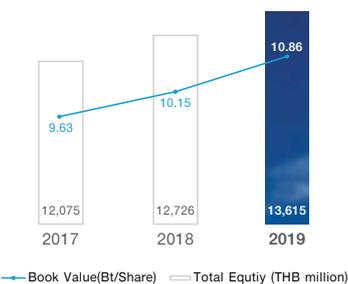


* Net Profit Margin = (Net Profit / Revenue from Sales) x 100

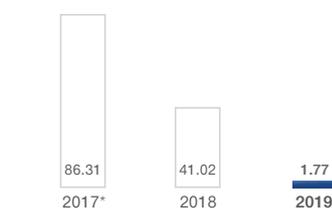
Dividend & Dividend Payout Ratio (%)



Book Value (Baht per Share)

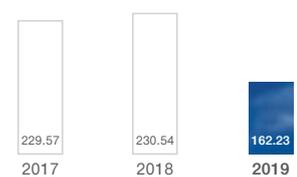


Tax Benefits from the Board of Investment (BOI) – Separate Financial Statements (million Baht)



* Updated year 2017 according to current database system

Corporate Income Tax (million Baht)



GFPT Public Company Limited and its Subsidiary Companies

	2017	2018	2019
Consolidated Income Statement			
Revenue from Sales <i>(Million Baht)</i>	16,928	16,647	16,864
Total Revenue <i>(Million Baht)</i>	17,247	16,944	17,134
Gross Profit <i>(Million Baht)</i>	2,778	2,383	2,420
Profit from Operation <i>(Million Baht)</i>	2,052	1,379	1,540
Net Profit <i>(Million Baht)</i>	1,662	1,038	1,195
Earnings per Share <i>(Baht per Share)</i>	1.33	0.83	0.95
Consolidated Financial Position			
Total Current Assets <i>(Million Baht)</i>	5,372	5,770	5,714
Total Assets <i>(Million Baht)</i>	17,279	18,130	18,820
Total Current Liabilities <i>(Million Baht)</i>	2,975	2,988	1,937
Total Liabilities <i>(Million Baht)</i>	5,205	5,403	5,205
Shareholders' Equity <i>(Million Baht)</i>	12,075	12,726	13,615
Financial Ratio			
Liquidity Ratio <i>(times)</i>	1.81	1.93	2.95
Gross Profit Margin Ratio <i>(%)</i>	16.41	14.32	14.35
Return on Asset Ratio <i>(%)</i>	9.94	5.86	6.47
Debt to Equity Ratio <i>(times)</i>	0.43	0.42	0.38



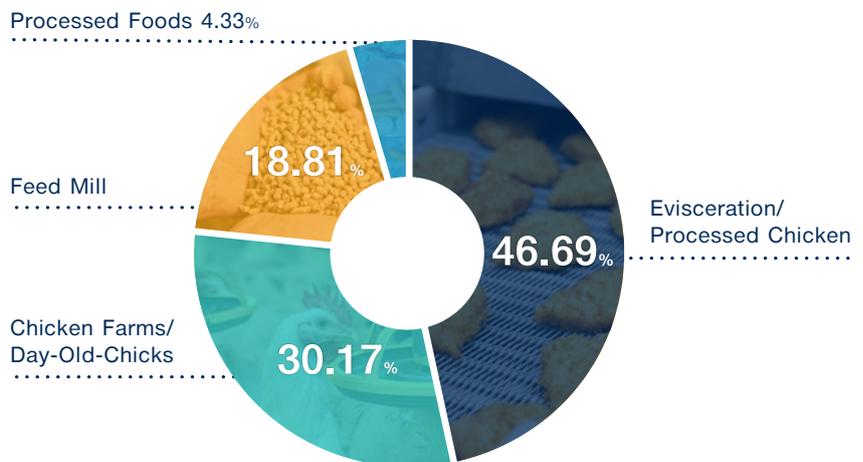
INCOME STRUCTURE

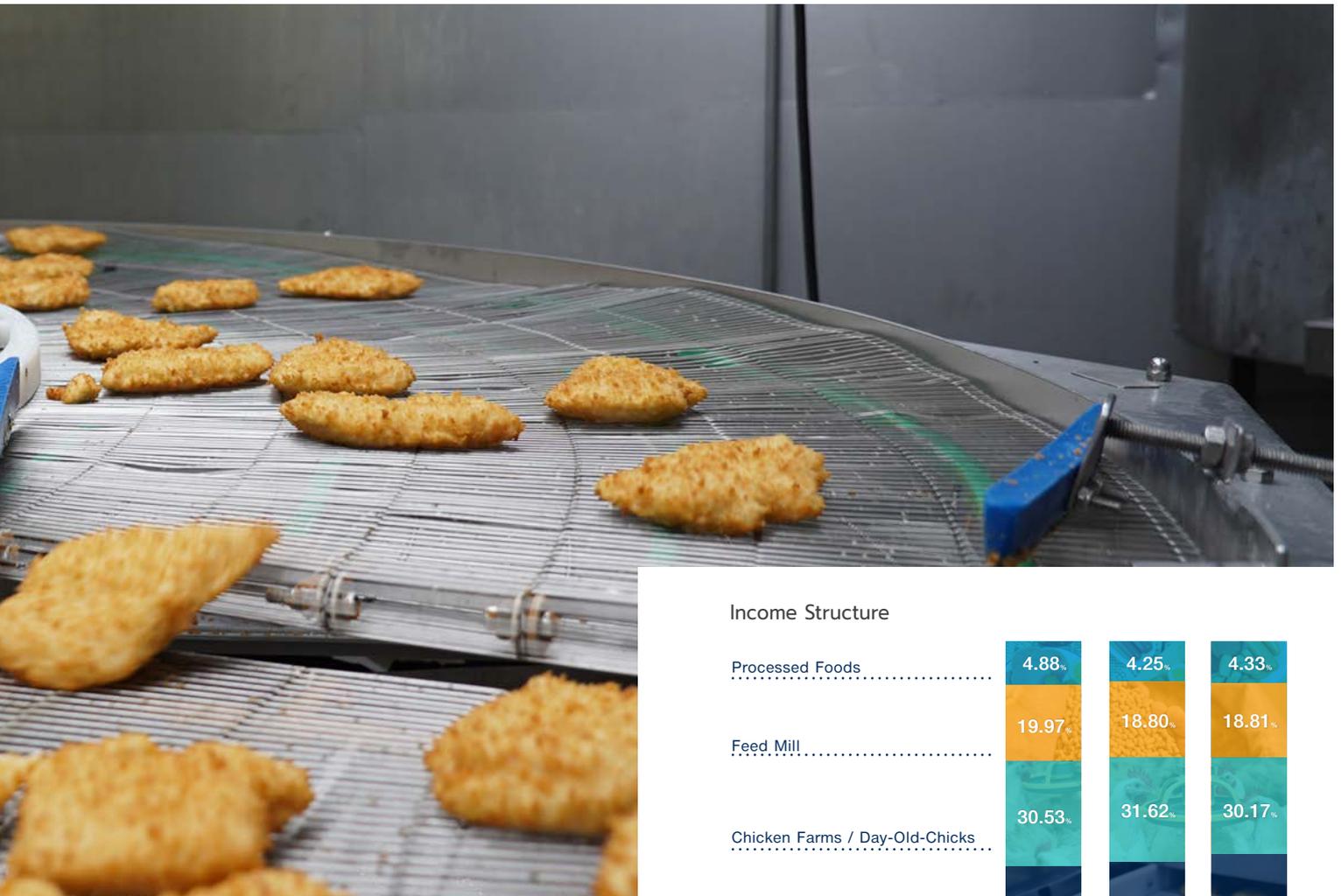
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Revenue Breakdown of GFPT and its Subsidiaries

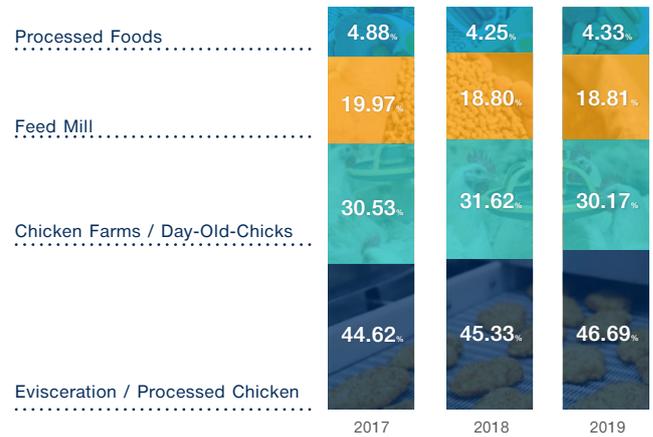
In 2019, the consolidated revenue was THB 16,863.74 million, which consisted of 46.69% from evisceration and processed chicken business, 18.81% from feed mill business, 30.17% from chicken farms and day-old-chicks distribution business and 4.33% from processed foods business. More detail is provided in the notes to financial statements no. 29 "Segment Information".

Revenue Breakdown of GFPT and its Subsidiaries in 2019





Income Structure



Revenue Breakdown of GFPT and its Subsidiaries

Type of Business	Operated by	% of Share holding	2017		2018		2019	
			Income (MB)	%	Income (MB)	%	Income (MB)	%
Evisceration/ Processed Chicken	GFPT		7,554.13	44.62	7,545.44	45.33	7,872.79	46.69
Feed Mill	KT	98.28	3,379.98	19.97	3,129.01	18.80	3,171.95	18.81
Chicken Farms/ Day-Old-Chicks	FKT, GP, MKS	99.99	5,167.70	30.53	5,264.13	31.62	5,088.53	30.17
	KT	98.28						
Processed Foods	GFF	99.99	826.66	4.88	708.44	4.25	730.47	4.33
Total			16,928.47	100.00	16,647.02	100.00	16,863.74	100.00



MANAGEMENT DISCUSSION & ANALYSIS



Management Discussion and Analysis

This MD&A report has been prepared based on the consolidated of GFPT Public Company Limited (“GFPT” or “the Company”) and its subsidiaries (collectively, “GFPT Group”) for the year ended December 31, 2019 as well as included any significant transactions occurred during the year 2019.

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

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

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

Overall Financial Performance and Profitability

Revenue from Sales

The consolidated revenue from sales for 2019 were THB 16,863.74 million, increased by THB 216.72 million or 1.30% up from 2018. Revenue from chicken processing segment increased by THB 327.35 million or 4.34% up from 2018. In addition, revenue from feed segment increased by THB 42.94 million or 1.37 up from 2018 and revenue from processed food segment increased by THB 22.03 million or 3.11 up from 2018. However, revenue from farm segment decreased by THB 175.60 million or 3.34 down from 2018.

The consolidated revenue from sales consisted of chicken processing segment represented 46.69%, feed segment represented 18.81%, farm segment represented 30.17%, and processed food segment represented 4.33%.

Chicken Processing Segment

Revenue from chicken processing segment in 2019 consisted of revenue from direct export cooked chicken products and fresh frozen chicken meat, indirect export of chicken meat, and domestic sales of chicken parts, represented 46.69% of consolidated revenue from sales amounting THB 7,872.79 million, increased by THB 327.35 million or 4.34% up from 2018 due to higher sales volume of indirect export of chicken meat and higher selling price of chicken parts for domestic market.

Additionally, the Company's total export of chicken products was 34,400 metric tons, a growth of 1,700 metric tons or 5.20% up from 2018 mostly from increasing in export volume of fresh frozen chicken products to China.

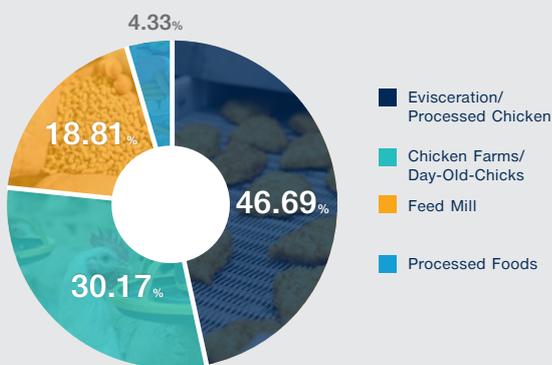
Feed Segment

Revenue from feed segment in 2019 consisted of revenue from animal feed, fish feed, and shrimp feed, represented 18.81% of consolidated revenue, amounting THB 3,171.95 million, increased by THB 42.94 million or 1.37% up from 2018.

The consolidated revenue from sales for 2019

16,864 MB

Revenue from Sales in 2019



Overall Financial Performance and Profitability

Revenue

(THB Million)



The revenue from feed business increased mostly from revenue from fish feed which increased by 17.20% comparing to 2018 from higher sales volume of fish feed. Furthermore, revenue from shrimp feed increased by 9.06% comparing to 2018 from higher selling price of shrimp feed. However, revenue from animal feed dropped by 4.95% from 2018 mainly from lower sales volume of animal feed.

Farm Segment

Revenue from farm segment in 2019 consisted of revenue from live broilers sales to GFN (our joint venture) and selling day-old-chicks to both international and domestic market, represented 30.17% of consolidated revenue, amounting THB 5,088.53 million, decreased by THB 175.60 million or 3.34% down from 2018.

Revenue from selling live broilers to GFN in 2019 declined by 9.34% comparing to 2018 mostly from lower sales volume and selling price of live broilers.

Processed Foods Segment

Revenue from processed foods segment in 2019 consisted of chicken sausage, and other processed chicken products for domestic market, represented 4.33% of consolidated revenue. In 2019, the revenue from processed foods was THB 730.47 million, increased by THB 22.03 million, or 3.11% up from 2018.

Revenue from processed foods segment in 2019 increased from higher selling price of processed foods for domestic market which improved by 9.90% comparing to 2018.

Cost of Sales and Gross Profit

Cost of sales for 2019 was THB 14,443.47 million, increased by THB 179.91 million or 1.26% up from 2018 while gross profit in 2019 was THB 2,420.27 million, rose by THB 36.81 million or 1.54% up from 2018 primarily from higher revenue from sales.

Consequently, cost of sales for 2019 contributed of 85.65% of total sales, slightly decreased from 85.68% in 2018 while gross profit margin contributed of 14.35% in 2019, slightly increased from 14.32% in 2018.

Gross Profit & GP Margin



Other Income

The consolidated other income in 2019 was THB 270.64 million, decreased by THB 26.21 million or 8.83% down from 2018, predominantly from decreasing of duty import tax return under section 19 bis. The consolidated other incomes in 2019 was 1.60% of total sales, slightly decreased from 1.78% in 2018.



Selling General and Administrative Expense

The consolidated SG&A expenses in 2019 equaled to THB 1,406.57 million, increased by THB 34.55 million or 2.52% up from 2018. The consolidated SG&A expenses mostly increased from loss from fire accident comparing to 2018. The consolidated SG&A expenses in 2019 were 8.34% of total sales, slightly increased from 8.24% in 2018.

Share of Profit from Associated Company

The consolidated share of profit from associated companies based on the equity method in 2019 was THB 255.90 million, increased by THB 184.77 million, or 259.78% up from 2018 mainly from McKey's profit contribution was THB 253.39 million, rose by THB 111.29 million or 78.31% up from 2018 due to higher production capacity of cooked chicken products from new further processing factory.

Furthermore, GFN's profit contribution was THB 2.51 million, increased by THB 73.49 million or 103.54% up comparing to 2018 due to higher selling price of chicken parts for domestic market.

Financial Cost

Financial costs of the Group include the interest paid to financial institutions and related persons. The Company's financial costs in 2019 were THB 79.39 million, slightly increased by THB 0.65 million or 0.82% up from 2018. Costs of funds were 2.32% as at December 31, 2019 slightly increased from December 31, 2018 at 2.29%. The consolidated financial costs of the Group in 2019 were 0.47% of total sales, remained the same as 2018.

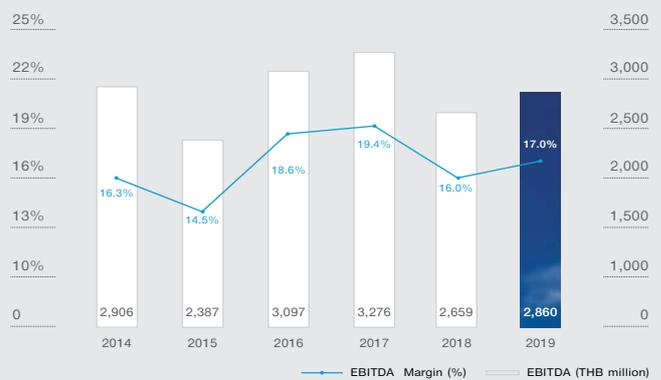
Income Tax Expense

Income tax expense of the Group in 2019 was THB 257.80 million, increased by THB 5.56 million or 2.20% up comparing to income tax expense of THB 252.24 million in 2018. An increase in income tax expense in 2019 was impacted by higher deferred tax expense comparing to 2018.



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

The consolidated EBITDA in 2019 was THB 2,859.82 million, increased by THB 201.07 million or 7.56% up from 2018. The increasing in consolidated EBITDA resulted from higher revenue from sales and higher share of profit from associated companies. EBITDA margin in 2019 was 16.96%, increased from 15.97% in 2018.



Net Profit

The consolidated net profit in 2019 was THB 1,195.45 million, increased in amount of THB 157.48 million or 15.17% up from THB 1,037.97 million in 2018. The EPS of 2019 was THB 0.95 per share. The increase in consolidated net profit was primarily driven from higher revenue from sales and higher share of profit from associated companies comparing to 2018. The consolidated net profit margin in 2019 was 7.09% of net sales, increased from 6.24% in 2018.

Net Profit & NP Margin *

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



Return on Equity

In 2019, return on equity of the Company and its subsidiaries was 9.08%, slightly increased from 8.37% in 2018; resulting from higher efficiency in profit generation; whilst, slightly lower asset utilization and slightly lower risk from 2018 as follow:

DuPont Analysis	2017	2018	2019
Return on Equity or ROE ¹⁵ (%)	14.55	8.37	9.08
Operating Profit Margin ¹² (%)	12.12	8.29	9.13
Total Assets Turnover ¹⁸ (times)	1.03	0.96	0.93
Equity Multiplier (times)	1.46	1.43	1.40

Financial position

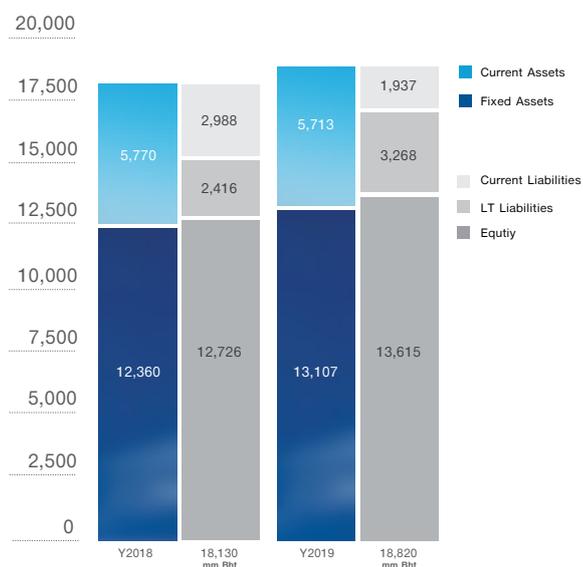
Asset

For the consolidated financial position as of December 31, 2019, total assets of GFPT Group equal to THB 18,820.10 million including THB 5,713.54 million (30.36% of total assets) in current assets, THB 9,038.06 million (48.02% of total assets) in property, plant and equipment (PP&E), THB 2,891.82 million (15.37% of total assets), in investments in associated companies, THB 538.29 million (2.86% of total assets) in grandparent chicken and parent chicken and THB 638.38 million (3.39% of total assets) in investment in property and other assets.

Total assets as at December 31, 2019 increased in amount of THB 690.43 million or 3.81% up from December 31, 2018 from an increase in PP&E of THB 590.91 million and increase in investments in associates of THB 204.30 million. In 2019, the consolidated return on asset was 6.47% times, higher than 2018 at 5.86%.

Financial Position

(MB)



Trade and other Receivable

In 2019, the Company and its subsidiaries recorded allowance for doubtful accounts in amount of THB 33.92 million, slightly decreased from THB 35.36 million in 2018. The allowance for doubtful accounts was at acceptable level of 3.95% of total trade receivables. The average collection period of the Company and its subsidiaries was 19 days in 2019, decreased from 21 days in 2018. The account receivable turnover was 18.54 times, increased from 17.11 times in 2018.

Inventory

In 2019, the consolidated inventories of THB 3,716.83 million, increased by THB 188.85 million or 5.35% up from 2018; primarily from increasing in raw materials and medical supplies. The inventory turnover period was 5 days, remained the same as 2018. The Company and its subsidiaries recorded allowance for non-movement inventories in amount of THB 2.88 million and allowance for decline in value of inventories in amount of THB 12.02 million which accounted only 0.40% of total inventories value. It showed that the Company managed inventory appropriately.

Shareholders' Equity

As at December 31, 2019, the consolidated shareholders' equity in amount of THB 13,615.04 million, increased by THB 888.85 million or 6.98% up from December 31, 2018; primarily from the increase in retained earnings in amount of THB 882.04 million. The consolidated book value as at December 31, 2019 was THB 10.86 per share, slightly increased from THB 10.15 per share in 2018.

Liability

As at December 31, 2019, total liabilities of the Company and its subsidiaries was THB 5,205.05 million comprising of current liabilities of THB 1,937.02 million (37.21% of total liabilities), long-term loans from related persons of THB 2,594.40 million (49.84% of total liabilities), provision for employees benefit of THB 551.45 million (10.59% of total liabilities), advance received for rental income of THB 106.76 million (2.05% of total liabilities), and other non-current liabilities of THB 15.43 million (0.30% of total liabilities).

The total liabilities as at December 31, 2019 decreased by THB 198.42 million or 3.67% down from December 31, 2018 primarily from short-term loans from financial institutions decreased in amount of THB 550.00 million. All short-term and long-term loans of the group are in THB currency only, thus; The Company has no exposure in foreign currency borrowings. The consolidated interest-bearing liabilities as at December 31, 2019 were THB 3,424.40 million (65.79% of total liabilities).

In 2019, trade and other payables of the Company and its subsidiaries was THB 982.01 million, decreased in amount of THB 161.40 million or 14.12% down from 2018. In 2019, account payable turnover was 17.94 times, slightly decreased from 2018 at 18.03 times. The consolidated average payment period in 2019 was 20 days, remained the same as 2018.

Interest Bearing Debts



Liquidity

Cash Flow Activity

In 2019, the Company and its subsidiaries generated cash flows from operating activities of approximately THB 2,013.25 million, decreased by THB 464.79 million from 2018. The cash cycle of the Company and its subsidiaries was 5 days in 2019, decreased from 7 days in 2018.

The Company and its subsidiaries used cash in its investing activities in amount of THB 1,757.92 million, increased by THB 382.82 million from 2018. The investing activities was made mostly in the investment in fixed assets in amount of THB 1,263.64 million and the grandparent and parent breeder stocks in amount of THB 609.78 million.

The Company and its subsidiaries used net cash from its financing activities in an amount of THB 408.17 million, decreased by THB 190.94 million from 2018, mainly from dividend payment of THB 313.41 million.

As at December 31, 2019, the Company and its subsidiaries' cash position in cash and cash equivalents was THB 1,087.26 million, decreased by THB 152.83 million from 2018.

Liquidity Ratio

In 2019, the liquidity of the Company and its subsidiaries was considerably appropriate for its operations and had strong financial position. As at December 31, 2019, the consolidated current ratio was 2.95 times, increased from 1.93 times in 2018. The quick ratio in 2019 was 0.99 times, increased from 2018 at 0.72 times. The cash ratio of the Company was 0.82 time, slightly decreased from 2018 of 0.83 time.

Short-Term Debt Maturity

As at December 31, 2019, the Company and its subsidiaries' current liabilities of THB 1,937.02 million comprise of short-term loans from financial institutions of THB 830.00 million, trade payables and other payables THB 982.01 million, and other current liabilities THB 125.01 million.

Due to its strong position in cash flow and liquidity, the Company and its subsidiaries can repay the debt obligations including trade payables and other payables, short term loans, the current portion of long-term loans from financial institutions, and interest expenses. The repayment can be made from cash flow from operation activities. In 2019, the consolidated current ratio was 2.95 times, the net debt to equity ratio was low at 0.25 time.

The Company and its subsidiaries still had available credit line of the revolving short-term borrowings with financial institutions including bank overdraft in amount of THB 242.00 million, short-term loans, letters of credit, trust receipts, packing credit in amount of THB 7,461.58 million, and forward foreign exchange contract in amount of THB 1,268.24 million.

Capital Structure

The Company and its subsidiaries had strong financial position. As at December 31, 2019, the consolidated debt to equity ratio was 0.38 time, slightly decreased from 0.42 time as at December 31, 2018.

As at December 31, 2019, the consolidated interest-bearing liabilities were THB 3,424.40 million, slightly decreased from THB 3,440.00 million as at December 31, 2018. The net debt to equity of the Company was considerably low at 0.25 time, slightly decreased from 0.27 time in 2018. In summary, the Company had appropriate capital structure.

Capital Expenditure and Capital Resource

In 2019, the Company made an investment of THB 1,757.92 million; mostly in purchasing of fixed assets in amount of THB 1,263.64 million and grandparent breeder and breeder stocks in amount of THB 609.78 million.

According to the investment plan in 2019, the Company has continued to expand its broiler farm capacity, the investment was paid from cash flow from operations, short-term loans, and long-term loans.

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

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

Investment (Million Baht)



Contractual Obligation

Unit: Million Baht

Contractual Obligations	Total	Term of payment			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-term debt obligations	2,594.40	-	1,594.40	1,000.00	-
Financing lease obligations	-	-	-	-	-
Operating lease obligations	55.70	29.10	21.53	2.47	2.60
Acquisition obligations	5.16	0.69	4.47	-	-
Other debt obligations	5.70	5.70	-	-	-
Total	2,660.96	35.49	1,620.40	1,002.47	2.60

Factors that may affect future operation or financial position

GFPT Group categorized the risks that may affect the business directly into 7 areas: strategic risk, operational risk, financial risk, compliance risk, reputational risk, other risk, and emerging risk as shown in Risk Factor section (GFPT Integrated Annual Report 2019 page 60). Nevertheless, GFPT Group has mitigated these risks to be in an acceptable level as shown in Risk Management section (GFPT Integrated Annual Report 2019 page 120).



Summary of Consolidated Statements of

Financial Position of GFPT Public Company Limited and its Subsidiaries As at 31 December 2017, 2018, and 2019

	2017		2018		2019	
	MB	%	MB	%	MB	%
Cash and Cash Equivalent	736.26	4.26	1,240.09	6.84	1,087.26	5.78
Trade and other receivables	1,013.27	5.87	974.80	5.38	889.86	4.73
Inventories	3,608.19	20.88	3,527.98	19.46	3,716.83	19.75
Other Current Assets	14.10	0.08	27.15	0.15	19.60	0.10
Total Current Assets	5,371.82	31.09	5,770.02	31.83	5,713.54	30.36
Investment in Associates	2,671.77	15.46	2,687.52	14.82	2,891.82	15.37
Grandparent Chickens	110.82	0.64	104.49	0.58	99.90	0.53
Parent Chickens	366.22	2.12	396.12	2.18	438.39	2.33
Investment Property	354.07	2.05	349.77	1.93	346.91	1.84
Property, Plant and Equipment	8,017.76	46.40	8,447.16	46.59	9,038.06	48.02
Deferred Tax Assets	297.63	1.72	275.85	1.52	180.28	0.96
Other Non - Current Assets	89.31	0.52	98.73	0.55	111.20	0.59
Total Non-Current Assets	11,907.58	68.91	12,359.64	68.17	13,106.56	69.64
Total Assets	17,279.40	100.00	18,129.66	100.00	18,820.10	100.00
Short - Term Loans from Financial Institutions	1,650.00	9.55	1,380.00	7.61	830.00	4.41
Short - Term Loans from Related Persons	160.00	0.92	-	-	-	-
Trade and other payables	924.02	5.35	1,143.42	6.31	982.01	5.22
Current Portion of Advance Received for Rental Income from Associate	9.17	0.05	9.17	0.05	9.17	0.05
Current Portion of Long - Term Loans	66.70	0.39	300.00	1.66	-	-
Other Current Liabilities	165.39	0.96	155.59	0.85	115.83	0.62
Total Current Liabilities	2,975.28	17.22	2,988.18	16.48	1,937.02	10.29
Long - Term Loans from Related Persons	1,700.00	9.84	1,760.00	9.71	2,594.40	13.79
Employee benefit obligations	384.97	2.23	520.12	2.87	551.45	2.93
Advance Received for Rental Income	125.10	0.72	115.93	0.64	106.76	0.57
Other Non - Current Liabilities	19.23	0.11	19.24	0.10	15.43	0.08
Total Non - Current Liabilities	2,229.30	12.90	2,415.29	13.32	3,268.03	17.36
Total Liabilities	5,204.58	30.12	5,403.47	29.80	5,205.05	27.66
Total Shareholders' Equity	12,074.82	69.88	12,726.19	70.20	13,615.04	72.34
Total Liabilities and Shareholders' Equity	17,279.40	100.00	18,129.66	100.00	18,820.10	100.00

Comprehensive Income Statements of GFPT Public Company Limited and its Subsidiaries
For the year ended 31 December 2017, 2018, and 2019

	2017		2018		2019	
	MB	%	MB	%	MB	%
Revenue from Sales	16,928.47	98.15	16,647.02	98.25	16,863.74	98.42
Other Income	318.24	1.85	296.85	1.75	270.64	1.58
Total Revenue	17,246.71	100.00	16,943.87	100.00	17,134.38	100.00
Cost of Sales	(14,150.92)	(82.05)	(14,263.56)	(84.18)	(14,443.47)	(84.30)
Selling and Administrative Expenses	(1,316.20)	(7.63)	(1,372.02)	(8.10)	(1,406.57)	(8.21)
Total Expenses	(15,467.12)	(89.68)	(15,635.58)	(92.28)	(15,850.04)	(92.50)
Participating Profit in Associated Companies	272.02	1.58	71.13	0.42	255.90	1.49
Profit before Financial Costs and Income Taxes	2,051.61	11.90	1,379.42	8.14	1,540.24	8.99
Financial Costs	(74.36)	(0.43)	(78.74)	(0.46)	(79.39)	(0.46)
Income Tax Expenses	(305.49)	(1.77)	(252.24)	(1.49)	(257.80)	(1.50)
Profit for The Year	1,671.76	9.70	1,048.44	6.19	1,203.05	7.02
Non - Controlling Interests	(9.57)	(0.06)	(10.47)	(0.06)	(7.60)	(0.04)
Net Profit	1,662.19	9.64	1,037.97	6.13	1,195.45	6.98

Consolidated Cash Flows Statements of GFPT Public Company Limited and its Subsidiaries
For the year ended 31 December 2017, 2018, and 2019

	2017	2018	2019
	MB	MB	MB
Net Cash Received from Operating Activities	2,455.45	2,478.04	2,013.25
Net Cash Used in Investing Activities	(1,349.86)	(1,375.10)	(1,757.92)
Net Cash Used in Financing Activities	(680.20)	(599.11)	(408.17)
Net Increase (Decrease) in Cash and Cash Equivalents	425.39	503.83	(152.84)
Cash and Cash Equivalents at the Beginning Balance	310.87	736.26	1,240.10
Cash and Cash Equivalent at the Ending Balance	736.26	1,240.09	1,087.26

Financial Ratios of GFPT Public Company Limited and its Subsidiaries
For the year ended 31 December 2017, 2018, and 2019

	2017	2018	2019
Liquidity Ratio			
Current Ratio ¹ (times)	1.81	1.93	2.95
Quick Ratio ² (times)	0.57	0.72	0.99
Cash Ratio ³ (times)	0.80	0.83	0.82
Account Receivable Turnover ⁴ (times)	17.78	17.11	18.54
Average Collection Period ⁵ (days)	20	21	19
Inventory Turnover ⁶ (times)	70.75	66.25	69.01
Average Inventory Turnover Period ⁷ (days)	5	5	5
Account payable Turnover ⁸ (times)	20.43	18.03	17.94
Average Payment Period ⁹ (days)	18	20	20
Cash Cycle ¹⁰ (days)	8	7	5
Profitability Ratio			
Gross Profit Margin ¹¹ (%)	16.41	14.32	14.35
Operating Profit Margin ¹² (%)	12.12	8.29	9.13
Cash Profit Margin ¹³ (%)	119.70	179.64	130.71
Net Profit Margin ¹⁴ (%)	9.64	6.13	6.98
Return on Equity or ROE ¹⁵ (%)	14.55	8.37	9.08
Efficiency Ratio			
Return on Assets or ROA ¹⁶ (%)	9.94	5.86	6.47
Return on Fixed Assets ¹⁷ (%)	24.86	18.97	19.62
Total Assets Turnover ¹⁸ (times)	1.03	0.96	0.93
Leverage Ratio			
Debt/Equity Ratio ¹⁹ (times)	0.43	0.42	0.38
Net Debt to Equity Ratio ²⁰ (times)	0.30	0.27	0.25
Interest Coverage Ratio ²¹ (times)	22.22	23.09	19.27
Debt Service Coverage Ratio ²² (times)	0.19	0.24	0.25
Dividend Payout Ratio ²³ (%)	117.46	81.13	N/A *

Remark :

-
- 1) Current Ratio = Current Assets/ Current Liabilities
 - 2) Quick Assets = (Cash + Short-term Investments + Accounts Receivable) / Current Liabilities
 - 3) Cash Ratio = Cash Flow from Operating / Average Current Liabilities
 - 4) Account Receivable Turnover = Net Credit Sales / Average Accounts Receivable
 - 5) Average Collection Period = 360 / Account Receivable Turnover
 - 6) Inventory Turnover = Cost of Goods Sold / Average Inventory
 - 7) Average Inventory Turnover Period = 360 / Inventory Turnover
 - 8) Account payable Turnover = Cost of Goods Sold / Average Account payable
 - 9) Average Payment Period = 360 / Account payable Turnover
 - 10) Cash Cycle = Average Collection Period + Average Inventory Turnover Period
- Average Payment Period
 - 11) Gross Profit Margin = (Gross Profit / Sales) * 100
 - 12) Operating Profit Margin = (Operating Profit / Sales) * 100
 - 13) Cash Profit Margin = (EBIT / Net Income) * 100
 - 14) Net Profit Margin = (Net Profit / Total Sales) * 100
 - 15) Return on Equity or ROE = (Net Profit / Average Equity) * 100
 - 16) Return on Assets or ROA = (Net Profit / Average Total Assets) * 100
 - 17) Return on Fixed Assets = ((Net Profit + Depreciation) / Average Total Fixed Assets) * 100
 - 18) Total Assets Turnover = Total Revenue / Average Total Assets
 - 19) Debt/Equity Ratio = Total Debt / Equity
 - 20) Net Debt to Equity Ratio = Net Debt / Equity
 - 21) Interest Coverage = (Cash Flow from Operations + Interest Expenses + Tax)
/ Interest Expenses
 - 22) Debt Service Coverage = EBITDA / (Debt payment + Capital Expenditure
+ Investment in Fixed Assets + Dividend Payment)
 - 23) Dividend Payout = (Dividends / Net Income) * 100
* The dividend payout ratio in 2019 is subject to the resolutions of the AGM 2020

Business Outlook

The Overview of Broiler Business in 2019 and Prospect for 2020

Situation in 2019

Production

In 2019, most top broiler producing countries managed to increase their productions as a result of the rising demand for chicken meat. One of the reasons for this demand growth is that the chicken meat is a relatively cheap low cholesterol protein food so that it is a good substitute for other expensive types of meat product. Demand for chicken meat also increased in China to replace pork that supply was substantially decline due to the outbreak in that country. Furthermore, the growing demand for chicken meat in India and the European Union also help raised both the broiler production and chicken meat import in those countries.

In 2019, total world broiler production was approximately 99.57¹ million tons, an increase of 4.19% from 2018. The United States was still the world's largest broiler raiser follow by China, Brazil, and the European Union respectively.

The United States produced approximately 19.82¹ million tons of chicken meat in 2019, an increase of 2.39% from 2018. China, the next major producer, produced 13.80¹ million tons of chicken meat which increased 17.95% from the previous year. Brazil, the world's third largest producer, produced 13.64¹ million tons of chicken meat that increased from 2018 by 2.10%. Lastly, the EU which was the world fourth largest producer increased its production by approximately 1.63% to reach 12.46¹ million tons in 2019.

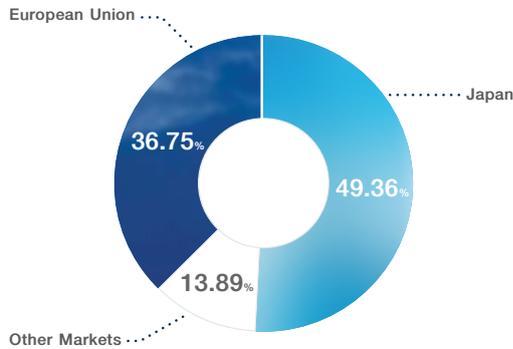
As for Thailand, approximately 1,684.26² million broilers were raised in 2019 which accounted for about 2.49² million tons of chicken meat. The production was higher than that of 2018 by 5.63 %. The increase was caused by the rising of both domestic and export demand especially demand from China as a result of the shortage of pork following the outbreak in that country. Moreover, since Thailand is Avian Flu-free zone, the export of chicken meat products increased favorably and hence the broiler production.



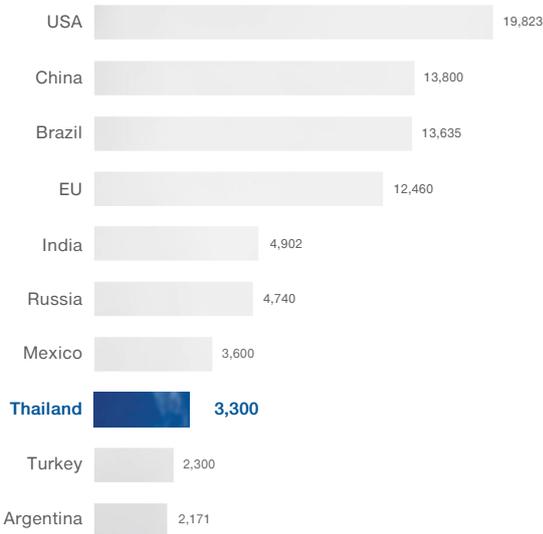
¹ USDA Publications; Livestock and Poultry: World Markets and Trade October 10, 2019

² Commodity price prospect 2020 report, Office of Agricultural Economics; <http://www.oae.go.th/assets/portals/1/files/trend2563-Final-Download.pdf>

Thai Chicken Meat Export in 2019



Global Chickens Production in 2019



Source : USDA Publications; Livestock and Poultry: World Markets and Trade October 10, 2019

Thai Broiler Productions in 2019

2,490,000 tons

Thailand broilers were raised in 2019

1,684 million birds

Value of Thai chicken product export in 2019

111,540 MB

Volume of Thai Chicken Meat Export in 2019

+5.63%

Production and Domestic Consumption

Year	Production (million birds)	Production (metric tons)	Change (%)	Consumption (metric tons)	Change (%)
2015	1,361.91	1,884,010	5.48	1,262,236	1.75
2016	1,460.67	1,990,162	5.63	1,300,053	3.00
2017	1,433.09	2,027,529	1.88	1,269,159	(2.38)
2018	1,594.47	2,356,121	16.21	1,516,693	19.50
2019 (E)	1,684.26	2,488,795	5.63	1,588,795	4.75
2020 (F)	1,801.80	2,696,468	8.34	1,696,468	6.78

Source : Commodity price prospect 2020 report, Office of Agricultural Economics
 Remark : 2019 Estimated , 2020 Forecasted

Volume of Thai Chicken Meat Export increased

More than **3** Times



Thai Chicken Meat Export in 2019

954,010 tons



Market Situation

Domestic Market

Thai economy in 2019 grew minimally as a result of decreasing prices of agricultural products which were sources of income for most of Thai population. Despite the negative factors, domestic consumption of chicken meat product in 2019 was approximately 1.59² million tons which increased by 4.75% from the previous year.

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



No. 4
Thai Chicken Exporter in 2019

² Commodity price prospect 2020 report, Office of Agricultural; <http://www.oae.go.th/assets/portals/1/files/trend2563-Final-Download.pdf>



Export market

Volume of chicken meat export in 2019 was about 954,010³ tons, a slightly increase of tons, a slightly increase of 6.93% from the previous year and worth 111,540³ million Baht. The growth was minimal when compared with the 11.33% increased in 2018 due to the declining chicken meat export to the EU as well as slightly dropped of export to Japan. Another reason is the appreciation of Baht that make Thai products less competitive when compare with its competitors such as Brazil. The export outlook in the EU market was also vulnerable from the coming impact of BREXIT on the EU chicken meat for exporting countries, including Thailand.

As for the export market, Japan was the most important destination of Thai chicken meat products. In 2019, export of chicken meat products to Japan was approximately 437,819³ tons, slightly decreased by 0.58 from previous year. As for the EU which was the second largest market of Thai chicken meat products, the export declined 2.26%

from the previous year to 320,466³ tons in 2019. The export decrease was due to the inability to reach the agreement with the EU concerning the quota of cooked chicken meat export as well as the growing competition from the Eastern European countries.

Besides these two major markets, export of Thai chicken meat products to other countries such as China, South Korea, Hong Kong, Malaysia, and Canada was approximately 195,725³ tons in 2019, an increase of 57.94% from the previous year. The increase was due to the confidence of these nations in hygienic standard and Avian Flu-free products of Thailand. Moreover, the increase of chicken meat export to China as a result of the shortage of pork caused by the outbreak in that country also helped boost the export to countries other than Japan and the EU.

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

Prospects for 2020

Production

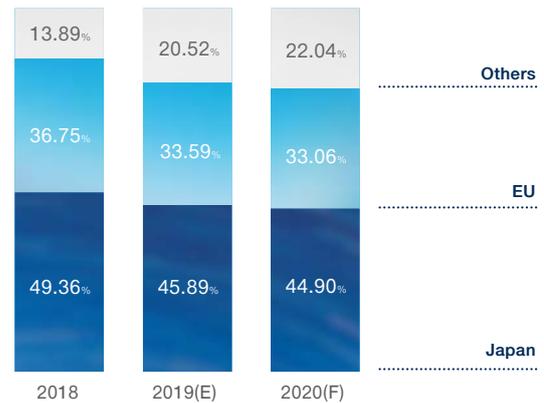
The broiler production in Thailand is likely to expand continually in 2020. The estimated production is 1,801.80² million broilers or 2.70² million tons of chicken meat, an increase of approximately 6.98% over the year 2019. The cause of this increase in production is the expected brighter domestic and world economic situation that should help boost domestic consumption and export. Furthermore, the competitiveness and export potentiality of Thai products also help enhance export. However, there are many obstacles and risks that may adversely affect the production and push it lower than expectation. Such obstacles include more intense competition and trade barriers in the international market. Other risks are the vulnerable of Thai economy and the appreciation of Baht that will make Thai products less competitive.

Market Situation

The slightly higher economic growth expected in 2020 will sufficiently support the rise of domestic demand for chicken meat because it is usually a better choice for consumer who wants food with rich nutrient content at reasonable price. Furthermore, growth of international tourist due to the continually promotion will also help stimulate demand for various types of processed chicken meat products. It is expected that demand for chicken meat will increase 8.34% from the previous year to reach approximately 1.70² million tons in 2020.

As for the export market of Thai chicken meat in 2020, there is a chance that market will continually grow. It is expected that export volume will increase by 2.72% from 954,010³ tons in 2019 to approximately 980,000³ tons in 2020. Main supporting factor for the growth of chicken meat export is the stability of world economy. Moreover, the confidences of the importers and consumers in foreign markets on hygienic standard of Thai products also help make frozen chicken meat from Thailand highly acceptable.

Export of Thai Chicken Meat Products to Important Markets (2018-2020)



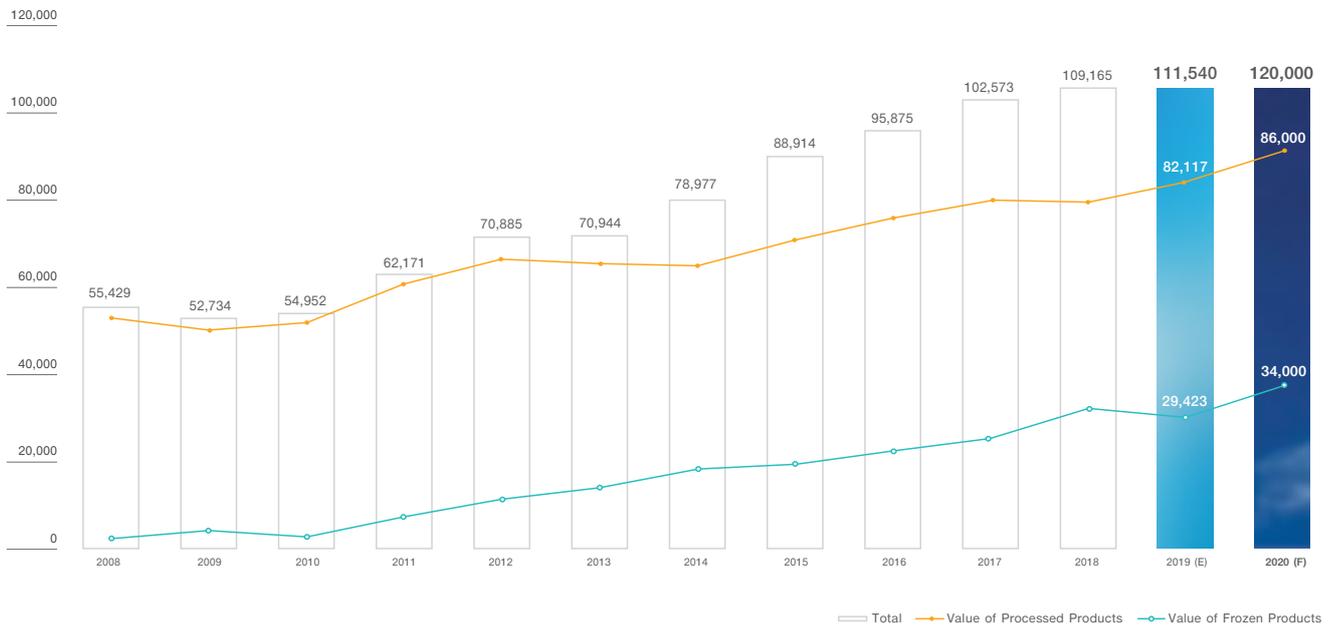
Source : Thai Broiler Processing Exporters Association



² Commodity price prospect 2020 report, Office of Agricultural; <http://www.oae.go.th/assets/portals/1/files/trend2563-Final-Download.pdf>
³ Thai Broiler Processing Exporters Association; <http://www.thaipoultry.org/welcome.php?p=exportStatic>

Value of Thai Chicken Meat Export

Value : million Baht



Volume and Value of Thai Chicken Meat Export

Volume: metric tons Value: million Baht

Year	Frozen Chicken		Processed Chicken		Total	
	Volume	Value	Volume	Value	Volume	Value
2004	26,137	1,725	191,739	22,408	217,876	24,133
2005	96	6	265,023	30,478	265,119	30,484
2006	2,662	97	294,295	35,742	296,957	35,839
2007	11,052	522	322,471	36,791	333,523	37,313
2008	14,367	862	387,127	54,567	401,494	55,429
2009	18,260	1,242	378,809	51,492	397,069	52,734
2010	17,054	1,147	418,005	53,805	435,059	54,952
2011	27,258	1,881	435,267	60,290	462,525	62,171
2012	89,411	6,491	462,951	64,394	552,362	70,885
2013	89,092	7,776	436,590	63,168	525,682	70,944
2014	154,759	15,653	424,707	63,324	579,466	78,977
2015	215,045	19,655	466,028	69,259	681,073	88,914
2016	240,123	21,341	502,846	74,534	742,969	95,875
2017	252,666	24,084	548,705	78,489	801,371	102,573
2018	325,312	30,768	566,842	78,397	892,154	109,165
2019 (E)	353,328	29,423	600,682	82,117	954,010	111,540
2020 (F)	360,000	34,000	620,000	86,000	980,000	120,000

Source: Thai broiler processing exporters association and forecasting.

Remark : 2019 Estimated , 2020 Forecasted

Factors to expansion of chicken meat products market

Although the export of Thai chicken meat products is forecasted to increase in 2020, the real growth of export market depends on various positive and negative factors as follows:

Positive Factors	Negative Factors
<ul style="list-style-type: none"> ➤ The restrained growth of broiler raising in China has led to more import of Thai chicken meat products to that country in 2019. The situation will not only brighten up export opportunity of Thai chicken meat but also lessens the export competition from China. ➤ The exiting of England from the EU (Brexit) may lead to the quota-free export of Thai chicken meat products to that country. Besides, more Thai chicken meat should be able to export to the EU under the current quota. ➤ The clear and consistent government policy on import of animal feed raw materials help Thai producers, especially the integrated conglomerate companies, efficiently forecast and control their production cost plan. ➤ The efficacy of both the government and Thai private sectors to deal with the Avian Flu outbreak as well as the high standard of Thai production system and the ability of Thai exporter to develop processed chicken meat products to meet consumer demand are well recognized in the principal and high purchasing power markets such as Japan and the EU. Furthermore, the high standard also raises competitive potential of Thai chicken meat products in many other countries. 	<ul style="list-style-type: none"> ➤ The continued appreciation of Baht in 2020 at higher rate than the currencies of major competitors in chicken meat export as well as the raising of minimum wage across the board will relatively reduce the competitiveness of Thai products. ➤ Brexit may pose a negative effect on the growth of the European economy which is the major market of Thai chicken meat products. Furthermore, the inability to reach the agreement with the EU concerning the quota of cooked chicken meat export may cause a serious limitation to the export of Thai chicken meat products. ➤ Competitions from the countries with highly competitive potentials especially Brazil, Vietnam, and Poland could be the important barriers for the expanding of Thai chicken meat export. ➤ Although the Avian Flu outbreak has been efficiently brought under control in Thailand, the occasionally reoccurring of the outbreaks in other countries pose a serious threat to Thai chicken meat export. Therefore, it is the risk that both government and its business counterpart have to strictly monitor. ➤ Global warming may lead to severe draught in many parts of the world especially the countries in which animal feed raw materials are largely produced. Lower production of animal feed raw materials will cause their prices to rise so that cost of animal feed as well as cost of broiler raising will inevitably increase.



Risk Factors

GFPT recognizes importance of risk management that may affect the business for both internal and external factors which may be obstacles for operation and impact on organizational goals by supporting development and implementation of effective risk management system at all levels, so that all departments can operate successfully as planned.

Risk Management Structure

The Company's risk management framework is in accordance with the international standards of COSO ERM (The Committee of Sponsoring Organizations of the Treadway Commission) for all executives and employees. Risk management framework includes risk identifying, risk assessment, risk management, and risk monitoring. It is properly communicated to reduce negative possibility and impact. Additionally, risk monitoring is regularly implemented to ensure achievement of the Company's objective with acceptable level of risk.

The Company sets up a risk management structure consisted of 2 levels which are organizational level and department level. Organizational risk management was operated by the Risk Management Committee (RMC) which appointed by the Board of Directors. RMC is responsible for setting policy, operating framework, and providing opinions and suggestions regarding risk management. In addition, the risk management team, consists of executives and managers from various departments, closely monitors risk management operations on monthly basis in accordance with the policy and framework from RMC.

Risk Management Processes

The Company applies Risk and Control Self-Assessment (RCSA), Risk Map, Mitigation Plan, and identifies Key Risk Indicator (KRI) for significant risks. GFPT Group processes risk management with a two-way approach; level 1 is risk assessment workshop is performed once a year by high-level executives to assess corporate risks or any significant change of business risk that are monitored and reported to executives, Risk Management Committee, and BOD on quarterly basis. Level 2 is risk assessment at functional level, where risk owner is responsible for identifying operational risks, specify risk management plan, and report risk status and risk mitigation plan to executives and Risk Management Committee. These implementations will promote risk management culture at all level in the organization.

In addition, the Company has followed up change of important external factors including emerging risk through the Early Warning System (EWS). Therefore, the Company can proactively prepare risk management measures before affecting the Company's business operations.

The Company has set risk appetite to acceptable level. Therefore, any risk with high to very high level has to be mitigated and managed to acceptable level. Every risk factor is measured by Key Risk Indicator (KRI) to identify degree and deviation of risk, which will also be closely monitored.





Risk Management Culture

The Company has focused on promoting a risk management culture throughout our organization to bring about stable and sustainable growth in accordance with policy and guideline of organizational risk management. The Company realizes that effective risk management must be part of its business operations by promoting risk management culture at all levels; implementing risk management guideline for operations; and monitoring of progress continuously for both organizational level and department level. There is also communication and strengthen knowledge and understanding of risk management at all levels including the Executive Committee, the Risk Management Committee, risk management team at department level and staff level through various channels such as E-learning and training, etc.

In addition, in 2019, risk management department hired additional personnel with objective of promoting of communication and awareness about risk management for employees at all levels thoroughly which will lead to continuously practice until becoming our corporate risk culture.

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

Significant risks and risk management strategies

1. Strategic Risk

1.1 Risk from competition in processed chicken meat industry

Since the Company is a chicken meat processor in which chicken meat has many substitute goods. Therefore, high competition in chicken meat production focuses on satisfying consumers in terms of taste, texture, food uniqueness and price. Nowadays, there is an intense competition in global chicken meat market, caused by many countries to increase chicken production and develop chicken meat products for export such as Brazil, USA, Netherlands. This factor may suppress profit margin of chicken industry. In order to gain higher market shares in the intense competitive situation, the Company has set up various strategies to increase sales and profit.

Risk Management

In 2019, overall of Thai chicken industry is decent from chicken export, especially the Chinese market. The shortage of pigs from the African Swine Fever (ASF) epidemic caused higher demand for chicken consumption as a substitute goods. The Company believes that China will be a high growth potential market of Thai chicken export in long term. GFPT's factory has certified in March, 2018. Currently, GFN's factory which the Company holds 49.00%, is also certified. According to intense competition in chicken meat processing industry, the Company has adjusted strategy to be flexible and accommodate with rapidly changing industry as follows;

1. Monitor and forecast prices on a weekly basis as well as analysis of market demand and supply for considering of method adjusting of selling products and minimize short term impact in case of selling price decline.

2. Monitoring situation of domestic and foreign market sales volume including current customer analysis in case of sales are not as planned to ensure that the Company can maintain main customers as well as using Customer Relationship Management (CRM) to maintain current customer satisfaction.
3. Expand market to diversify the risk. Expanding sales into potential market such as Middle East Countries and North America which may be developed into a main market in the future to replace markets in which the Company may soon our competitive edge.

These strategies will help in boosting the Company's profit and sales growth to achieve set target.

1.2 Marketing Risk

Maintaining revenue growth is important to the Company's performance especially in situation of market fluctuations from imbalances in demand and supply such as trade war and geopolitics, etc. The Company considers that marketing is key factor for running business successfully; therefore, the Company is committed to build a brand that is acceptable by consumers.

Risk Management

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

1.3 Changes in Consumers' Behavior Risk

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

Risk Management

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

1.4 World Economy Fluctuation Risk

In 2019, Thai economy and world economy are obviously in a downtrend. The slow growth rate of economic from last year mainly came from fluctuation of global economy from trade war between the United States and China which reflected through significant declining number of Gross Domestic Product (GDP) of many countries. Additionally, world economy has to face many uncertainties such as Brexit, which will cause economy of the Euro Zone and the United Kingdom to face volatility; Chinese economy may grow slowly; the Chinese's currency depreciation; and geopolitical conflicts in various countries, etc.

Risk Management

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

1.5 Water Shortage Risk

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

Risk Management

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

2. Operational Risk

2.1 Human Resources Risk

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

Risk Management

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

2.2 The Confidence of Consumer in Food Safety Risk

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

Risk Management

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



2.3 Disease Outbreaks Risk

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

Risk Management

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

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

2.4 Fluctuations in the Prices of Feed Materials Risk

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

Risk Management

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

2.5 Price Volatility of Livestock and Meat Products Risk

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

Risk Management

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

2.6 Price Volatility on Fuel Risk

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

Risk Management

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

2.7 Corruption Risk

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

Risk Management

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

3. Financial Risk

3.1 Financial Liquidity Risk

Financial liquidity risk is a significant risk that can affect all businesses. If business encounters problems with insufficient funds for business needs or cost of financing are higher than normal situation. The Company's business requires high investment. If unexpected event occurs, it may cause liquidity problems which may result in lack of continuity in business operations. Therefore, managing financial liquidity risk with appropriate system is very important to the Company.

Risk Management

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

3.2 The Volatility on Foreign Exchange Rate Risk

According to a volatile global economy in 2019, Thai Baht appreciated around 7-8% compared to USD due to uncontrollable external factors such as changing in direction of FED's monetary policy and trade war that has strong impact especially for investment. In addition, there are domestic factors: firstly, Thailand is relatively large current account surplus, resulting in Thai Baht appreciation; and secondly, there are more foreign currencies flow into Thailand. Risk from exchange rate tend to increase in the future because key factor that determines value of Thai Baht are mostly from international factors such as USA or Brexit in EU.

The Company is aware of the foreign exchange risk and keep the policy of not speculating on exchange rate. The Company has foreign currencies transactions for both export and import. Therefore, the Company may be affected by the volatility of the foreign currencies exchange rates. In terms of exports, if Thai Baht appreciated, it would lower the revenue after converting to Thai Baht. For the import of raw materials that used to produce feed mill, if Thai Baht depreciated, it would increase the cost of raw materials as well. The Company also imports machinery, supply materials, and some equipment from overseas.

Risk Management

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



3.3 Volatility on Interest Rates Risk

Interest rate risk is unavoidable because the Company needs funds from financial institutions for business expansion plan which could alter the Company's financial costs to help the Company manage cost of interest effectively and develop financial plans. The Company therefore has a variety of interest rates risk management tools.

Risk Management

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

4. Compliance Risk

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

Risk Management

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

5. Reputational Risk

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

Risk Management

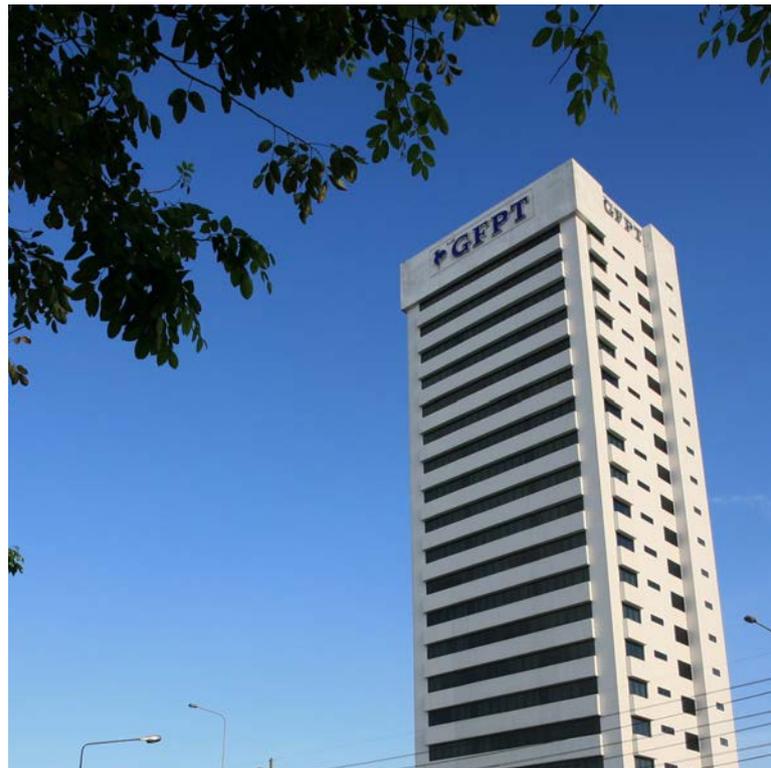
To mitigate and manage brand image and reputation risk, the Company focuses on good corporate governance and transparent exposure under ethics, roles, duties, rights, and freedom where stakeholders must be treated fairly and equally. The Company has specified the practice in business code of conduct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

6. Other Risk

As of December 30, 2019, the major shareholder, the Sirimongkolkasem family holds 666,104,940 shares or 53.13% of total shares of the Company which allows the Sirimongkolkasem family to control the votes in the shareholders' meeting such as the appointment of the Company's directors or other matters that requires majority votes except the matters that need to be approved by 3/4 of the shareholders who attends the Meeting. Thus, the minority shareholders do not have the power to check and balance the vote of the majority shareholders.

Risk Management

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



7. Emerging Risk

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

7.1 Cyberattack Risk

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

Risk management

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

7.2 Digital Transformation Risk

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

Risk management

The Company has monitored and analyzed changes in digital technology to improve and expand new business to increase competitiveness. For example, using of big data for market needs and consumer behavior analysis to understand customers' needs and increase work efficiency by using digital technology and focusing on value creation and customer service to achieve highest satisfaction. In addition, developing work potential, and understanding and adjusting working style of employees ensure that technology will be used with maximum benefits and sustainable in order to maintain or increase the Company's competitiveness.



7.3 Climate Changing Risk

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

Risk Management

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



Connected Transactions

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

Procedure for Approval of Inter-Transactions

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

Reason for Inter-Transactions

According to the approval process of the inter-transactions, the Company shall execute the inter-transactions similarly to other normal business transaction which allows the authorized persons to approve within credit limit. Moreover, the Audit Committee is responsible for reviewing the inter-transactions of the Company, its subsidiaries, related companies, and related persons quarterly to eliminate conflicts of interest for the best interest of the Company. For the inter-transactions occurred in 2019, 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, 2019 and 2018, the Company, its subsidiaries, and related companies had the inter-transactions which were disclosed in the notes to audited financial statements by the Company's auditor. The Audit Committee reviewed and had opinion that all inter-transactions were carried out as normal business transaction with normal terms and conditions.

Inter-Transactions in the Future

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



Inter-transactions in the Current Year and the Past Year

For the year 2019 and 2018, the Company, its subsidiaries, and related companies had inter-transactions disclosed in notes to audited financial statements, note 5: Inter-transactions with related companies, details are as follows:

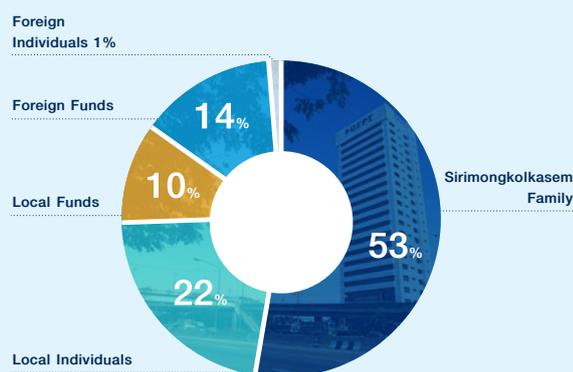
Related Companies / Relationship among the Companies	Type of transactions	Value of Inter Transactions for the year ended Dec. 31, 2019 (MB)		Value of Inter Transactions for the year ended Dec. 31, 2018 (MB)		Reasons and Necessity of the Transactions / Pricing Condition
		Separate FS.	Consolidated FS.	Separate FS.	Consolidated FS.	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1. Sales	-	478.73	-	537.98	- Providing rental office building / Pricing by Independent Appraiser based on Market Price - Selling broiler / Pricing by Contract Price based on Market Price
	2. Purchases	-	771.72	-	673.10	
	3. Rental Income	-	0.60	-	0.60	
	4. Other Income	0.66	26.25	0.93	23.89	
	5. Rental Expenses	7.92	22.02	7.92	17.82	
	6. Expenses	2.19	22.65	2.16	41.71	
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Expenses	1.15	2.65	1.12	2.62	Providing rental farms / Pricing by Contract Price
3. P. Charoen Phan G.P.Farm Co., Ltd. / Common Management	1. Rental Expenses	-	0.48	-	0.48	Providing land lease for broiler farms / Pricing by Contract Price
4. Krungthai Aqua-Culture Co., Ltd. / Common Management	1. Sales	-	27.49	-	20.46	Expertise in corn supply for feed production / Pricing by Market Price
	2. Purchases	-	1,918.34	-	2,237.37	
	3. Other Income	-	15.14	-	6.47	
5. M.K.S.Condotown Co., Ltd. / Common Management	1. Other Income	2.40	2.40	1.47	1.47	Providing rental accommodations / Pricing by Market Price
	2. Rental Expenses	0.36	0.36	0.36	0.36	
	3. Expenses	0.07	0.07	0.07	0.07	
6. Nichirei Foods Inc. / Major Shareholder of joint venture	1. Sales	790.93	790.93	1,133.11	1,133.11	Purchasing Chicken Processing Products / Pricing by Agreement Price based on Market Price
	2. Other Income	-	-	0.21	0.21	
7. Keystone Foods (AP) LTD. / Shareholding by Keystone Foods Inc.	1. Sales	915.00	915.00	888.71	888.71	Purchasing Chicken Processing Products / Pricing by Agreement Price based on Market Price
8. Surapon Foods Public Co., Ltd. / Related to the Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.	1. Sales	2.31	2.31	1.73	1.73	Purchasing Chicken Meat Products / Pricing by Agreement Price based on Market Price
	2. Other Income	0.30	0.30	-	-	
9. MCKEY FOODS (CHINA)	1. Sales	54.88	54.88	7.50	7.50	Purchasing Chicken Processing Products / Pricing by Agreement Price based on Market Price
10. MCKEY KOREA LLC	1. Sales	4.16	4.16	-	-	Purchasing Chicken Processing Products / Pricing by Agreement Price based on Market Price
11. Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1. Interest Expenses	54.64	96.10	44.74	91.24	Loans from related persons are loans in form of promissory note for working capital which will be gradually matured within 2021, 2022 and 2024, carried interest rate at 3.25%-5.50% per annum.

Shareholding Structure

GRI 102-5

Shareholding Structure

December 30, 2019



Common Stock

December 30, 2019

Industry / Sector	: Agro & Food Industry
Authorized Capital	: 1,400,000,000 Baht
Paid-up Capital	: 1,253,821,000 Baht
Share Outstanding	: 1,253,821,000 shares (1.00 Baht : 1 share)
Market Cap.	: 15.05 Billion Baht
%Foreign Holding	: 14.64% ($\leq 49.00\%$)

Major Shareholders

At the closing date of registrar book dated on December 30, 2019, the top ten major shareholders are as follows:

No.	Name of shareholders	No. of shares (shares)	%
1.	Sirimongkolkasem Family ⁽¹⁾	666,104,940	53.13%
2.	THAI NVDR CO., LTD.	85,599,199	6.83%
3.	NICHIREI FOODS INC.	56,716,050	4.52%
4.	Ms. Wonggarm Kittanamongkolchai	40,000,000	3.19%
5.	STATE STREET EUROPE LIMITED	23,708,037	1.89%
6.	Mr. Anucha Kittanamongkolchai	20,400,000	1.63%
7.	Mrs. Piangjai Chayawiwatkul	20,000,000	1.60%
8.	Mr. Kongphob Limsong	20,000,000	1.60%
9.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	15,910,200	1.27%
10.	NORTRUST NOMINEES LTD-CL AC	10,013,480	0.80%
Top 10 Major Shareholders		958,451,906	76.44%

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

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

As of December 30, 2019, the major shareholders who have significant influences on the Company's management policy or operation are:

No.	Name of shareholders		No. of shares (shares)	%
1.	Mr. Prasit	Sirimongkolkasem	33,800,000	2.70%
2.	Mr. Virach	Sirimongkolkasem	30,349,500	2.42%
3.	Dr. Anan	Sirimongkolkasem	4,134,080	0.33%
	Total		68,283,580	5.45%

List of Sirimongkolkasem Family are as follow:

No.	Name of shareholders		No. of shares (shares)	%
1.	Mr. Prasit	Sirimongkolkasem	33,800,000	2.70%
2.	Mr. Virach	Sirimongkolkasem	30,349,500	2.42%
3.	Dr. Anan	Sirimongkolkasem	4,134,080	0.33%
4.	Mrs. Somsiri	Ingpochai	2,550,400	0.20%
5.	Ms. Wannee	Sirimongkolkasem	10,100,000	0.81%
6.	Mr. Sujin	Sirimongkolkasem	59,901,080	4.78%
7.	Mrs. Pranee	Parksook	1,193,930	0.10%
8.	Ms. Nisa	Sirimongkolkasem	38,707,200	3.09%
9.	Mr. Kajorn	Sirimongkolkasem	37,400,000	2.98%
10.	Ms. Wipawadee	Sirimongkolkasem	37,400,000	2.98%
11.	Mr. Jedsada	Sirimongkolkasem	37,583,000	3.00%
12.	Mr. Kittichai	Sirimongkolkasem	37,400,000	2.98%
13.	Ms. Wiwanya	Sirimongkolkasem	35,939,000	2.87%
14.	Ms. Papinya	Sirimongkolkasem	35,350,000	2.82%
15.	Ms. Warisara	Sirimongkolkasem	36,375,300	2.90%
16.	Mr. Wongsakorn	Sirimongkolkasem	60,000,000	4.79%
17.	Mrs. Chonlada	Sirimongkolkasem	53,000,000	4.23%
18.	Mr. Pisanu	Sirimongkolkasem	60,000,000	4.79%
19.	Mr. Jarongkij	Sirimongkolkasem	12,230,410	0.98%
20.	Mr. Jarongkorn	Sirimongkolkasem	12,335,910	0.98%
21.	Ms. Aleena	Sirimongkolkasem	5,000,000	0.40%
22.	Mr. Achira	Sirimongkolkasem	5,000,000	0.40%
23.	Ms. Jutamas	Ingpochai	5,000,000	0.40%
24.	Mr. Pongsathorn	Ingpochai	5,149,930	0.41%
25.	Mr. Win	Parksook	5,105,000	0.41%
26.	Mr. Worapath	Parksook	5,100,000	0.41%
27.	P. Chareonphan Produces*		200	0.00%
	Sirimongkolkasem Family		666,104,940	53.13%

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



Dividend Payment Policy

Dividend Payment Policy of GFPT Public Company Limited

The dividend policy of GFPT Public Company Limited is “to pay dividend at the rate of not more than 50% of net profit of the Company’s separated 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

	2014	2015	2016	2017	2018
Earnings per Share – separated financial statement (THB/share)	0.61	(0.17)	0.41	0.26	0.31
Dividend per Share (THB/share)	0.40	0.25	0.30	0.30	0.25
Dividend Payout Ratio – separated financial statement (%)	65.63	N/A ⁽¹⁾	73.38	117.48	81.14

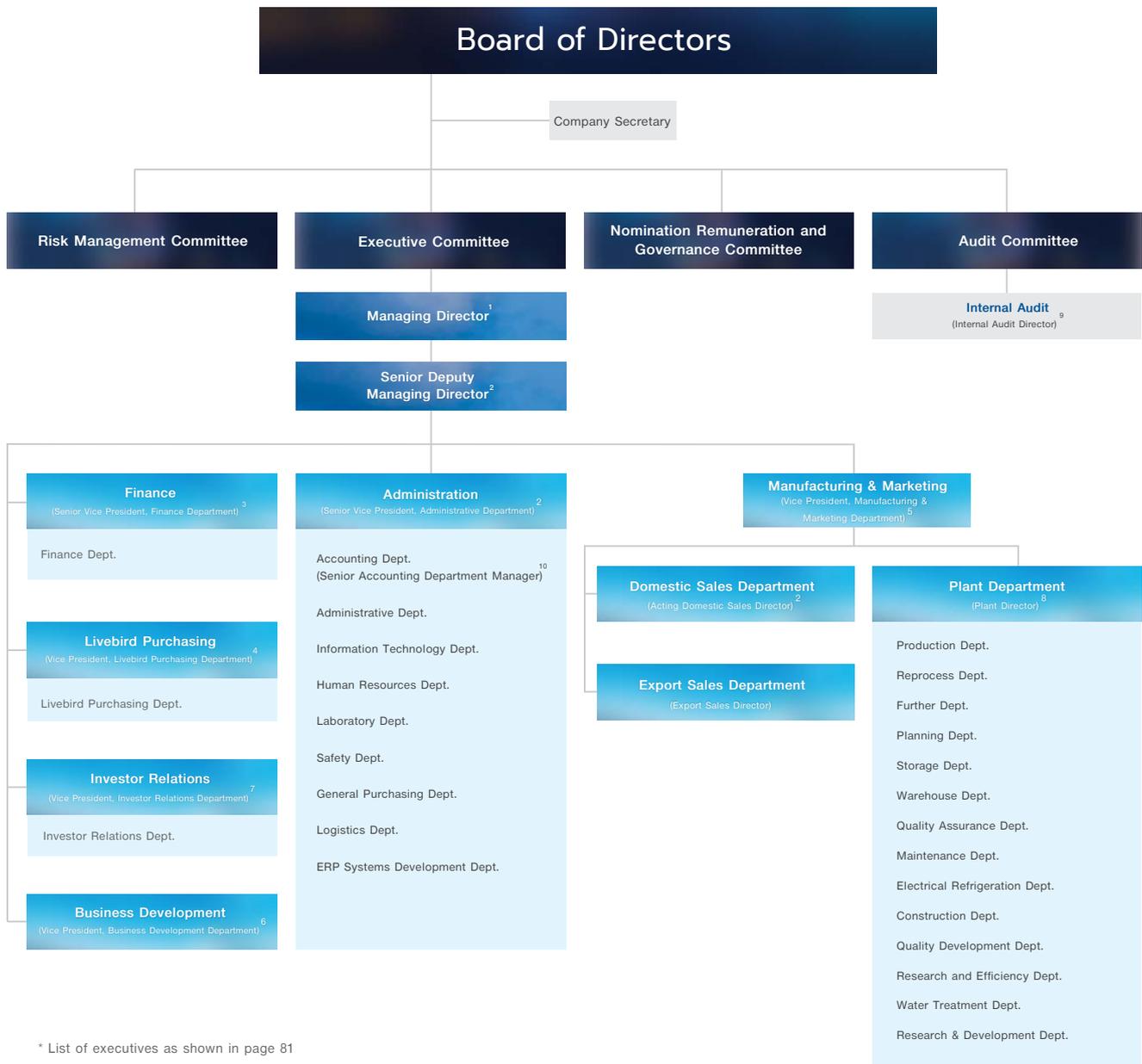
Note: ⁽¹⁾ The Company paid dividend in 2015 in amount of 0.25 Baht per share, however, the separate financial statements in 2015 showed net loss; then, dividend payout ratio in 2015 cannot be calculated.

Dividend Payment Policy of Subsidiaries and Joint Ventures

The dividend policy of subsidiaries and joint ventures is to pay from net profit after deduct legal reserves requirement, and subject to the Company’s cash flow, liquidity, and future investment plans of each company, without designated dividend payout ratio policy. In 2019, the Company received dividend from a joint-venture company in amount of THB 49.00 million.

Organization Chart

Organization Chart as at 31 December 2019



* List of executives as shown in page 81

Management

In 2019, the management structure of GFPT Public Company Limited composes of

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

1. Board of Directors

As of 31 December 2019, the Board of Directors of GFPT Public Company Limited comprised of 9 directors as follows;

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

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

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

2. Sub-Committees

Audit Committee (AC)

As of 31 December 2019, the Audit Committee of GFPT Public Company Limited comprised of 3 directors as follows;

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

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

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

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

Nomination Remuneration and Governance Committee (NRGC)

As of 31 December 2019, the Nomination Remuneration and Governance Committee of GFPT Public Company Limited comprised of 5 directors as follows;

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

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

Risk Management Committee (RMC)

As of 31 December 2019, the Risk Management Committee of GFPT Public Company Limited comprised of 8 directors as follows;

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

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

Executive Committee (EC)

As of 31 December 2019, the Executive Committee of GFPT Public Company Limited comprised of 7 directors as follows;

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

3. The Executives*

In 2019, GFPT Public Company Limited has 10 executives* as follows:

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

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

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

Securities Holding Report of Directors and Executives
as of 30 December 2019

Name – Surname		Amount (Shares)					
		As of 28 December 2018		As of 30 December 2019		Increase / Decrease	% Shareholding
		Direct	Indirect	Direct	Indirect		
1. Mr. Prasit	Sirimongkolkasem	33,000,000	-	33,800,000	-	+800,000	2.70%
2. Mr. Virach	Sirimongkolkasem	30,349,500	-	30,349,500	-	-	2.42%
3. Dr. Anan	Sirimongkolkasem	4,134,080	-	4,134,080	-	-	0.33%
4. Dr. Sathit	Karanes	-	-	-	-	-	-
5. Mr. Paramet	Hetrakul	50,000	-	50,000	-	-	0.00%
6. Mr. Thanathip	Pichedvanichok	-	-	-	-	-	-
7. Mrs. Somsiri	Ingpochai	2,500,000	-	2,550,400	-	+50,400	0.20%
8. Ms. Wannee	Sirimongkolkasem	10,100,000	-	10,100,000	-	-	0.81%
9. Mr. Sujin	Sirimongkolkasem	59,801,080	-	59,901,080	-	+100,000	4.78%
10. Mrs. Pranee	Parksook	1,193,930	-	1,193,930	-	-	0.10%
11. Mr. Kittichai	Sirimongkolkasem	37,400,000	-	37,400,000	-	-	2.98%
12. Ms. Wipawadee	Sirimongkolkasem	37,400,000	-	37,400,000	-	-	2.98%
13. Ms. Jutamas	Ingpochai	5,000,000	-	5,000,000	-	-	0.40%
14. Mr. Thiti	Wanachate	-	-	-	-	-	-
15. Mr. Theerasak	Piamsuphakphong	1,000	-	1,000	-	-	0.00%
16. Ms. Ratchaneegorn	Pavitrpok	-	-	-	-	-	-
Total		220,929,590	-	221,879,990	-	+950,400	17.70%



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... are served as a first...
... portion sizes for a first...
... light lunches, such as salads or large...
... by hand or food processor and served hot or...
... cold. Pasta sauces vary in taste, color and...
... texture. When choosing which type of pasta...
... and sauce to serve together, there is a...
... general rule regarding compatibility...
... Simple sauces like pesto are id...
... and thin strands of pasta...
... sauce combine...

... spiritual...
... with no...
... century...
... brought coffee across the Red Sea into...
... Arabia (modern-day Yemen), where...
... Muslim dervishes began cultivating the...
... shrub in their gardens. At first, the Arabians...
... made wine from the pulp of the fermented...
... coffee berries. This beverage was known as...
... qishr (fisher in modern...)

... strawberry...
... In Greece...
... with...
... protection must be...
... against slugs and snails which...
... provided against slugs and snails which...
... especially if growing...
... Morevoer, protection must be...
... during fruit forma...
... will act as a weed barrier...
... Strawberries are tough and with...
... many conditions, but during fruit forma...
... in containers. Moreover, protection must be...
... provided against slugs and snails which...
... against the rive...

Board of Directors

1. Mr. Prasit Sirimongkolkasem

Age: 79 years

BOD*



- Chairman (The authorized director)

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

1. Chairman of Krungthai Food PCL.

Other Juristic

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

Number of Shareholding

33,800,000 shares (2.70%) (As of 30 December 2019)

Family Relations

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

Year of Nomination

27 January 1992 – Present (28 years)

Training / Seminar in 2019

- none -

Note:

*	Chairman of Committees
BOD	The Board of Directors
AC	The Audit Committee
NRGC	The Nomination Remuneration and Governance Committee
RMC	The Risk Management Committee
EC	The Executive Committee

2. Mr. Virach Sirimongkolkasem

Age: 70 years



BOD EC

- Vice Chairman (The authorized director)
- Managing Director

Education / Director Certificate

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

Experience / Other Positions**Listed Company and Public Company Limited**

1. Vice Chairman and M.D. of Krungthai Food PCL.

Other Juristic

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

Number of Shareholding

30,349,500 shares (2.42%) (As of 30 December 2019)

Family Relations

Brother of Mr. Prasit Sirimongkolkasem

Year of Nomination

27 January 1992 – Present (28 years)

Training / Seminar in 2019

- none -

3. Dr. Anan Sirimongkolkasem

Age: 68 years



BOD NRCG EC *

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

Education / Director Certificate

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

Experience / Other Positions**Listed Company and Public Company Limited**

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

Other Juristic

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

Number of Shareholding

4,134,080 shares shares (0.33%) (As of 30 December 2019)

Family Relations

Brother of Mr. Prasit Sirimongkolkasem

Year of Nomination

27 January 1992 – Present (28 years)

Training / Seminar in 2019

TLCA CFO Professional Development Program (TLCA CFO CPD) 2019

4. Dr. Sathit Karanes

Age: 67 years



AC * NRGC *

- Independent Director
- Chairman of Audit Committee

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

- none -

Other Juristic

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

Number of Shareholding

- none -

Family Relations

- none -

Year of Nomination

25 June 1998 – Present (22 years)

Training / Seminar in 2019

- none -

5. Mr. Paramet Hetrakul

Age: 56 years



AC NRGC

- Independent Director
- Member of Audit Committee

Education / Director Certificate

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

Experience / Other Positions

Listed Company and Public Company Limited

- none -

Other Juristic

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

Number of Shareholding

50,000 shares (0.00%) (As of 30 December 2019)

Family Relations

- none -

Year of Nomination

1 July 2005 – Present (15 years)

Training / Seminar in 2019

- none -

6. Mr. Thanathip Pichedvanichok

Age: 55 years



AC NRG

- Independent Director
- Member of Audit Committee

Education / Director Certificate

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

Experience / Other Positions**Listed Company and Public Company Limited**

- none -

Other Juristic

1. Director of Thanathip and Partners Legal Counsellors Limited

Number of Shareholding

- none -

Family Relations

- none -

Year of Nomination

1 July 2008 – Present (12 years)

Training / Seminar in 2019

- none -

7 Mrs. Somsiri Ingpochai

Age: 72 years



BOD EC

- Director

Education / Director Certificate

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

Experience / Other Positions**Listed Company and Public Company Limited**

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

Other Juristic

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

Number of Shareholding

2,550,400 shares (0.20%) (As of 30 December 2019)

Family Relations

Sister of Mr. Prasit Sirimongkolkasem

Year of Nomination

27 January 1992 – Present (28 years)

Training / Seminar in 2019

- none -

8. Ms. Wannee Sirimongkolkasem

Age: 62 years



BOD

- Director

Education / Director Certificate

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

Experience / Other Positions**Listed Company and Public Company Limited**

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

Other Juristic

1. Director of Minimax Venture Co., Ltd.

Number of Shareholding

10,100,000 shares (0.81%) (As of 30 December 2019)

Family Relations

Sister of Mr. Prasit Sirimongkolkasem

Year of Nomination

18 April 2003 – Present (17 years)

Training / Seminar in 2019

- none -

9. Mr. Sujin Sirimongkolkasem

Age: 49 years



BOD NRGC RMC EC

- Director
- Vice President, Live-Chicken Purchasing Department

Education / Director Certificate

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

Experience / Other Positions**Listed Company and Public Company Limited**

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

Other Juristic

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

Number of Shareholding

59,901,080 shares (4.78%) (As of 30 December 2019)

Family Relations

Nephew of Mr. Prasit Sirimongkolkasem

Year of Nomination

18 April 2003 – Present (17 years)

Training / Seminar in 2019

- none -



Good Corporate Governance GRI 102-18

Good Corporate Governance Policy

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

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



Therefore, the Board of Directors considered and reviewed the CG Code to create sustain value for the Company. NRGC Committee assessed its CG practice and performance according to the CG Code, to ensure appropriateness and suitability for our business. In 2019, CG practice was modified in accordance with the good corporate governance policy as follows:

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

- The Board of Directors has performed duties and responsibilities according to its CG policy to meet the Company's goals. We conduct business with duty of loyalty, duty of care, accountability, and ethic to protect the Company's best interests based on the Principle of Good Corporate Governance; and manage interest of shareholders equally; as well as respecting the rights and responsibilities of stakeholders.

Principle 2 Define Objectives that Promote Sustainable Value Creation

- The Board of Directors has set out goals and the Company's policies in accordance with the Company's vision, mission, and strategy. The Board of Directors has assigned the management to control and monitor the operations to meet objectives and the Company's goals by analyzing both internal and external environment, assessing risk factors that may affect the Company and stakeholders. In addition, our CG implementation is transparent and traceable. Respecting equality of shareholders and having responsibility to stakeholders are key factors to add value and maximum return to shareholders of the Company in the long term.

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

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

³ Corporate Governance Code for listed companies 2017

Principle 3 Strengthen the Board Effectiveness

- The Company has established guidelines for Board of Directors' responsibilities that cover various aspects. Reviewing guidelines annually help Board of Directors realized their roles and responsibilities. The Nomination Remuneration and Governance Committee set up evaluation process for Board's performance. Evaluation results and recommendations are considered to enhance the effectiveness of the Board of Directors.

Principle 4 Ensure Effective CEO and People Management

- The Board of Directors assigned the management to be responsible for people development and succession plan in order to ensure continual business operations. The Board of Directors evaluated annual performance of CEO at least once a year based on the assessment guideline from the Stock Exchange of Thailand.

Principle 5 Nurture Innovation and Responsible Business

- The Company is committed to operating the business with responsibilities of all stakeholders. Food traceability system is set up to link product information in every stages of production as well as its origin of raw materials in order to meet expectation of our customers and consumers to ensure that our products are safe for consumption and meet quality standard.

Principle 6 Strengthen Effective Risk Management and Internal Control

- The Board of Directors assigned the Risk Management Committee to oversee appropriateness and effectiveness of risk management the Company and its subsidiaries. The Risk Management policy and implementation plan are set out as a guideline for risk assessment, risk monitoring, and risk evaluation in order to achieve the risk management objectives effectively.
- The Board of Directors realized the importance of internal control system by setting measurable goals and action plans as a guideline for its operations. The Board of Directors assigned the Audit Committee to oversee

appropriateness of internal control system; to regularly review internal audit plan and the auditor to monitor the operations of the Company and its subsidiaries to avoid conflicts of interests; and to assess operational efficiency and adequacy of internal control system.

Principle 7 Ensure Disclosure and Financial Integrity

- The Board of Directors prepared financial reports and disclosed important information correctly, completely, timely, and transparently through the SET's website and the Company's website for shareholders, investors, and general public to access fairly.

Principle 8 Ensure Engagement and Communication with Shareholders

- The Board of Directors realized importance of equitable treatment of all shareholders both major and minor shareholders. No shareholder shall have any special privileges over other shareholders. The Company has Pre-Proceeding of the Meeting, Proceeding of the Meeting, and Post-Proceeding of the Meeting in accordance with the principles of good corporate governance along with the best practices of AGM Checklist.

The Board of Directors regularly monitors its CG compliance according to good corporate governance policy and the CG Code. The Company's corporate governance policy is announced to all employees through the Company's intranet system and also to public through the Company's website (www.gfpt.co.th) under the "Corporate Governance" section.

With strong dedication and determination of all personnel to comply with the Company's CG policy, the Company received Corporate Governance Report (CGR) of "Excellent" in year 2019 along with 5-star in CG Score. The rewards were given by the Thai Institute of Directors Association (IOD) accompany with the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). In addition, the Company maintained CGR of "Excellent" for 4 consecutive years.

Compliance with the Good Corporate Governance Policies in the year 2019

Chapter 1 Rights of Shareholders

1.1 Shareholders' Rights Protection Policy

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

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

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

1.2 Shareholders' Meeting

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

The Board of Directors have a policy to support and encourage all types of shareholders, including institutional shareholders to attend the shareholders' meeting by

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

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

1.2.1 Pre-proceeding of the Meeting

- 1) The Company gives an opportunity to shareholders to propose agenda of the meeting, nominate qualified persons for appointment as a director, and send questions related to the agenda, prior to the Annual General Meeting of Shareholders under the criteria set by the Board of Directors and disclosed to shareholders thorough SET's website and the Company's website.
- 2) The Company discloses the resolution of the Board of Directors on the meeting date through SET's website. The resolution includes the date of the Annual General Meeting of Shareholders, the record date, the closing date of the share registration book and dividends payment.
- 3) The Company prepares the Notice of the Annual General Meeting of shareholders and related documents in both Thai and English languages (for the convenience of foreign shareholders) with complete details, including information about the date, time, and location of the meeting, meeting agenda with a statement indicating reasons and opinion of the board of directors, issues to take into consideration, proxy forms as set by the Ministry of Commerce; and rules and procedures in attendance and voting on each agenda.

- 4) The Company discloses the Notice of Annual General Meeting of Shareholders to shareholders and enclosures through the SET's website and Company's website at least 30 days before the meeting. The Company shall send the Notice and enclosures to the shareholders by registered post at least 14 days before the meeting, which is over the time period set by law. The Notice of Annual General Meeting of Shareholders will be advertised in the daily newspapers in the English version and Thai version for 3 consecutive days and 8 days before the meeting.

1.2.2 Proceeding of the Meeting

- 1) The Company sets date, time, and place of the meeting of shareholders with consideration to the convenience of the shareholders. The place of the meeting is conveniently accessible by various public transportations.
- 2) The Company allows shareholders to register for the meeting 2 hours before the meeting starts and organizes easy document checking system.
- 3) The Company provides proxy form to shareholders who are unable to attend the meeting to appoint a person or an independent director to attend the meeting and cast votes on their behalf. Shareholders can use the Proxy Form A., B., or C. (for Custodian) as specified by Department of Business Development or the Proxy Forms provided in the Company's website. The Company encourages shareholders to use Proxy Form B, which send together with the Notice of the AGM, the required documents/evidence, and the proxy instruction to shareholders.
- 4) The Company uses information technology (computer systems and barcode) and the ballot (every agenda) at the shareholders' meeting for the registration of shareholders, vote counting, and vote result for fast, accurate, and reliable information.
- 5) Chairman, directors, managing director, Chairman of various committees, chief financial officer, and auditors are required to attend the shareholders' meeting to provide answers to any questions related to their scope of work.
- 6) Volunteers from the meeting of shareholders (independent parties) act on behalf of the meeting to count or check the votes at the Annual General Meeting or the Extraordinary General Meeting of shareholders.
- 7) Voting is applied for each matter separately. For example, for the election of directors, shareholders can vote for each director individually.
- 8) The Company notifies guideline and procedure of the shareholders' meetings, including procedure of casting vote and the right to vote (with shareholders having 1 vote for 1 share), to shareholders when the meeting start.
- 9) The Chairman of the meeting allocates sufficient time and provides opportunities for shareholders to independently comment and ask questions on matters related to the agenda or to the Company in the shareholders meeting.
- 10) The Company holds clear and transparent vote counting and discloses voting results for each agenda at the meeting of shareholders.
- 11) Agenda other than those specified in the Notice of meeting must not be raised and no significant changes may be made to the agendas specified without prior notice to the shareholders.

1.2.3 Post-proceeding of the Meeting

- 1) The Company publishes the resolutions of the shareholders' meeting and voting results of each agenda item through the SET's website and the Company's website on the date of the Annual General Meeting of Shareholders.
- 2) The Company prepares minutes of shareholders' meeting that are accurate and complete for submission to the Stock Exchange of Thailand and publish on the Company's website within 14 days from the date of the meeting.
- 3) The Company publishes VDO record of each agenda in the website to ensure transparency and accountability.

Annual General Meeting of Shareholders 2019

The General Meeting of Shareholders for the year 2019, the Company provided an opportunity for shareholders to propose agenda items, nominate candidates for director appointment, and send questions in advance for 3 months before the end of the year during 27 September to 28 December 2018. At the end of such period, there were no shareholders proposing agenda, candidate, or submit question in advance of the meeting.

On 21 February 2019, the Company published the resolution of the Board of Directors regarding the General Meeting of Shareholders via SET's website and the Company's website and scheduled the 2019 Annual General Meeting of Shareholders on 4 April 2019 at 9.30 AM. The Company set the Record Date, on which shareholders have the rights to attend and to cast vote in the 2019 AGM and have the right to receive dividend, on 7 March 2019. The dividend payment is made on 24 April 2019.

The Company published the Notice of the 2019 Annual General Meeting together with the meeting's supporting documents in both Thai and English languages via SET's website and the Company's website on 1 March 2019 or 34 days before the meeting. Thailand Securities Depository

Company Limited (TSD) was appointed to be registrar to send the Notice of the Annual General Meeting to shareholders through registered post since 20 March 2019, or 14 days before the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2019 on Thursday, 4 April 2019 at 9.30 AM at GFPT Building, No. 312, Rama 2 Road, Bangmod, Jomthong, Bangkok 10150. There were 293 shareholders attending the Meeting in person and by proxy, accounted for 896,804,405 shares representing 71.53% of the shares sold. The Company published the resolution of the meeting and the voting results of each agenda. The minutes of AGM 2019 and the video recording are disclosed through SET's website and the Company's website on 17 April 2019.

For the Annual General Meeting of Shareholders for the year 2019, the Company was assessed the quality of the Annual General Meeting of Shareholders (AGM Assessment) by Thai Investors Association and received 99 score categorized in the "Good".



Chapter 2 Equitable Treatment of Shareholders

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

2.1 Measures to Prevent The Use Of Inside Information

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

The Use of Inside Information Policy

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

- Directors, executives and employees at all levels must keep important business information confidential as well as confidential information about the Company and the stakeholders of the Company. The information will not be disclosed to those who are not involved, both inside or outside the Company, or must not be used to seek benefits for themselves and others.

This also applies in cases of retirement, resignation or termination of work from the Company, unless the information is already required by law to be disclose to third parties involved.

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

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

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

For the year 2019, the Company has no events that directors, executives, employees, and related persons violated rules of the use of inside information or traded securities by using inside information.

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

2.2 Governance on the Conflict of Interest

The Company may have a conflict of interest with its directors, executives, and staff members at all levels which the conflict of interest may appear in various forms. For the best interest of the Company, the following guidelines regarding the conflict of interests are stipulated as follows:

2.2.1 Receiving Money or Other Remuneration

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

2.2.2 Giving Gifts, Incentives, and Gratuities

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

2.2.3 Outside Directorships

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

⁵ Report of Conflict of Interest of Directors

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

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

2.2.5 Engaging in Business with Companies within the Group

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

2.2.6 Related Party Transactions amongst Companies within the Group

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

In 2019, there is no directors, executives, or related persons violate connected transaction regulations.

2.3 Conflict of Interest of Directors

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



Chapter 3 Roles of Stakeholders

3.1 Policy on Practice to the Stakeholders

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

Shareholders The Company is committed to create sustainable growth and provide reasonable economic over the long term returns to shareholders by taking into account of current and future risks, shareholders, provide accurate information, and treat shareholders equally.

Employees The Company is committed to treat employees and workers fairly, respectfully with respect to human rights so that its employees will have reasonable and fair salary and benefits according to labor laws, personal career development, good quality of life, training, and safeguard at work.

Customers The Company is committed to gain highest customer satisfaction through continued improvements of product and service quality and to ensuring that our customers receive good quality products and services at reasonable prices, as well as to develop and maintain a sustainable relationship. Customer satisfaction survey is conducted regularly to improve products and services qualities. It also provides a system for monitoring the implementation of work that is provided to the customers and treats customers honestly and fairly.

Business partners The Company is committed to treat suppliers and partners fairly and equally to establish mutual trust, fair agreement and procedures and to provide monitoring systems that will prohibit the disclosure of the business partners' information or any use of its information by illegal means. The Company also has a transparent and fair selection process of suppliers by considering partner's business strategy that comply with the Company's business strategy. The Company also informs business partners to respect human rights, treat their workers fairly and be responsible for society and environment.

Creditors The Company intends to strictly comply with the terms of contracts it enters into and any financial obligations including debt repayment, loans, interests that may have especially regarding guarantees and event of default payments.

Competitors The Company is committed to operating business with openness and transparency, do not unfairly take advantage over competitors and comply with international trade rules and promote fair competition. The Company shall not perform any illegal or unethical transaction nor shall it allege any defamation towards its competitors without real information.

Communities, Social and Environment The Company is committed to conduct business that benefits the economy, society and consciously preserve and protect the environment together with sustainable development of the Company by preventing, reducing, managing, and ensuring that the Company shall not create or affect the environment in negative ways. The Company promotes a spirit of social responsibility of its employees at all levels by supporting its employees to join social activities. The Company welcomes feedback and suggestions from all parts of society to achieve a common approach in the implementation of sustainable business alongside the development of community society and environment.

Referring to the practices of the Company to its stakeholders, the study of relationship between the Company and the various groups of its stakeholders in 2019 is shown in the Company's Integrated Annual Report on the Company's website (www.gfpt.co.th) under "Corporate Governance" section.

3.2 Whistle-Blowing Service

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

Contact Independent Directors

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

Contact Board of Directors

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

Contact Nomination Remuneration and Governance Committee

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

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

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

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

In 2019, the Company had no complaint in relation to fraud or ethical misconduct or any incident that may cause negative reputation to the Company as the result from the administration of the Board of Directors. Non-executive directors of the Company did not resign due to any CG misconduct. There is no legal dispute on labor issue, consumer right, or business trading activity.

Chapter 4 Disclosure and Transparency

4.1 Disclosure Policy

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

In the year 2019, the Company has complied with the principles of good corporate governance. There is no record of delayed report submission under section 56 for both form 56-1 and form 56-2, including quarterly and yearly financial statements.

4.2 Channel Disclosure

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

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

4.3 Information Disclosure Policy or Interview with the Press or Public

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

4.4 Investor Relations Department

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

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

In 2019, the Company had investor relations activities to disclose the Company’s information to investors continuously throughout the year. The Company evaluated the effectiveness of the information disclosure, which has been assessed by analysts attended the Company’s analyst meetings. The results of the information disclosure from the Company’s analyst meeting were satisfactory. In addition, investor relations activities of the Company in 2019 are summarized as follows:

Investor relations activities in 2019	No. of time
Analyst Meeting	4
Plant / Company Visit	1
International Roadshow	2
Local Roadshow	8
One on One Meeting	64

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

Chapter 5 Responsibilities of the Board of Directors

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

5.1 Structure of the Board of Directors

5.1.1 Component of the Board of Directors

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

As of 31 December 2019, GFPT Public Company Limited has a total of 9 directors consisted of:

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

5.1.2 The Qualifications of Director and The Criteria for Director Selection

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

5.1.3 The Qualification of the Chairman

The Chairman should have the following qualifications:

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

5.1.4 The Qualifications of Independent Directors

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

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

Connected Transaction. The transaction amount includes any amount incurred during 1 year prior to the date on which the business relationship with the person commences.

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

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

5.1.5 Term and Election of Director

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

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

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

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

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

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

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

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

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

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

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



5.2 Roles, Duties and Responsibilities of the Board of Directors

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

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

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

5.3 Sub-Committees

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

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

5.3.1 Audit Committee

Structure and Qualifications

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

Term of Office

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

The Audit Committee has the Following Duties and Responsibilities:

Financial Reporting, Disclosure and Auditing

- 1) Review the Company's financial reports to be accurate, complete, and reliable. The financial reporting and disclosures should be prepared in accordance with the accounting standards, laws and other relevant standards.
- 2) Consider the disclosure of the Company's information in case of connected transactions or the conflict of interest to be accurate, complete, and in accordance with the regulations of the Stock Exchange of Thailand (SET) to ensure that the aforementioned transaction is reasonable towards the Company's interests and correctly maintains accounting records to be accurate, complete, and transparent.

- 3) Prepare and publish an Audit Committee Report in the Company's Annual Report and provide comments on the following:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report.
 - An opinion on the adequacy of the Company's internal control system and risk management system.
 - An opinion on the suitability of a financial auditor.
 - An opinion about the Company's compliance with the law on securities, the SET's regulations or other laws relating to the Company's business.
 - An opinion on transactions which may have potential conflicts of interest and related party transactions.
 - A general opinion or observations of the AC while carrying out its duties.
 - Comment about other transactions that shareholders and investors should be aware within the scope of duties and responsibilities assigned by the Board of Directors.
- 4) Consider, select and nominate an independent person to serve as the financial auditor of the Company including any proposal for the auditor's dismissal.
- 5) Consider the remuneration of the financial auditors of the Company.
- 6) Promote independence and no restrictions on the operation of financial auditor.

Internal Audit

- 1) Review the Company's internal control system and internal audit to be adequate, appropriate and effective.
- 2) Regulate policy and anti-corruption measure and construct internal audit model to assure appropriateness and efficiency of the Company's operation.
- 3) Supervise the internal audit department in both policy and operational level by approving a charter, independence and the scope and audit plan of the internal audit.

- 4) Ensure that a review of the internal control system by an independent assessor outside of the Company's organization (Independent Quality Assessment Review) is conducted at least every 5 years.
- 5) Approve the annual internal audit plan and budget for the internal audit to ensure efficiency and effectiveness of conducted activities.
- 6) Select the appropriate person to work as the internal auditor including the consideration of a rotation or a dismissal of internal auditors.

Risk Management

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

Others

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

Meeting(s): at least 4 times a year

5.3.2 Nomination Remuneration and Governance Committee

Structure and Qualifications

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

Term of Office

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

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

Recruitment

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

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

Remuneration

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

Corporate Governance

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

Business Ethics

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

Meeting(s): at least 2 times a year

5.3.3 Risk Management Committee

Structure and Qualifications

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

Term of Office

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

Duties and Responsibilities:

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

Meeting(s): at least 4 times a year

5.3.4 Executive Committee

Structure and Qualifications

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

Term of Office

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

Duties and Responsibilities:

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

Meeting(s): at least 12 times a year

5.4 Board of Directors' Meeting

5.4.1 Attendance of the Meeting

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

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

5.4.2 Meeting Agenda

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

5.4.3 Meeting Documents

The Board of Directors assigns the Company Secretary to prepare and send the supporting documents for the meeting to the directors for their consideration at least 5 working days prior to the meeting for the directors to consider in advance and have sufficient time to study the information.

5.4.4 The Meeting

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

5.4.5 The Quorum

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

5.4.6 Invite Management to Attend the Meeting

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

5.4.7 Access to Information

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

5.4.8 Meeting with Non-Executive Directors

The Board of Directors encourages non-executive directors to independently meet and discuss interested matters among themselves without the management participation. The results of the meeting should be notified to the Managing Director (not less than 3 times per year). In 2019, non-executive directors had 4 meeting without the management participation.

For the year 2019, the directors attended the meetings as follow:

Name-Surname	Position	BOD	AC	NRGC	RMC	EC	AGM
		9 times	4 times	2 times	4 times	12 times	1 time
1. Mr. Prasit Sirimongkolkasem	Chairman	8/9	-	-	-	-	1/1
2. Mr. Virach Sirimongkolkasem	Vice Chairman Executive Committee	9/9	-	-	-	12/12	1/1
3. Dr. Anan Sirimongkolkasem	Director Chairman of Executive Committee Member of Nomination Remuneration and Governance Committee	9/9	-	2/2	-	12/12	1/1
4. Dr. Sathit Karanes	Independent Director Chairman of Audit Committee Chairman of Nomination Remuneration and Governance Committee	9/9	4/4	2/2	-	-	1/1
5. Mr. Paramet Hetrakul	Independent Director Member of Audit Committee Member of Nomination Remuneration and Governance Committee	8/9	4/4	2/2	-	-	1/1
6. Mr. Thanathip Pichedvanichok	Independent Director Member of Audit Committee Member of Nomination Remuneration and Governance Committee	7/9	3/4	2/2	-	-	1/1
7. Mrs. Somsiri Ingpochai	Director Executive Committee	9/9	-	-	-	12/12	1/1
8. Ms. Wannee Sirimongkolkasem	Director	9/9	-	-	-	-	1/1
9. Mr. Sujin Sirimongkolkasem	Director Member of Nomination Remuneration and Governance Committee Member of Risk Management Committee Executive Committee	9/9	-	2/2	3/4	12/12	1/1

5.5 Remuneration of the Board of Directors and Executives

5.5.1 Remuneration for Directors

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

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

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

In 2019, total remuneration for 9 directors was THB 5,395,000 being monthly remuneration and bonus in compliance with the approval of the shareholder's meeting. In addition, some directors received remuneration from subsidiaries of the Company in total amount of THB 650,000.

5.5.2 Remuneration for Executives

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

In 2019, the Company made a remuneration of THB 49,385,049 to 9 executives for their salary, bonus, and other remunerations (excluding senior accounting department manager).

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

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

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

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

5.6.1 Performance Evaluation of the Board of Directors

Criteria

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

Criteria in the performance evaluation of the Board of Directors (Group) are as follows:

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

Performance evaluation criteria for individual director (self-assessment) are as follows;

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

Procedures

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

In 2019, performance evaluation of the Board of Directors as a group and individual in topic of structure and qualifications of the Board of Directors, duties and responsibilities of the Board of Directors, the Meeting of the Board of Directors, duties of directors, relationship with the management, self-development of the Board of Directors and executives, evaluation result categorized in level "good".

5.6.2 Performance evaluation of the sub-committee

Criteria

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

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

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

Procedures

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

Performance evaluation of sub-committees consist of the Audit Committee, the Nomination Remuneration and Governance Committee, and the Risk Management Committee. In 2019, results of evaluation of all sub-committees categorized in level “good”.

5.6.3 Performance evaluation of the Chief Executive Officer (CEO)

Criteria

The Board of Directors shall evaluate the performance of the Chief Executive Officer (CEO) at least once a year on their leadership, set up and implementation of strategy, planning and financial performance, relationship with the Board of Directors, outsiders, and employees, operational management and relationship with other personnel, succession plan, knowledge on product and service, risk management and internal control, corporate governance and business ethics, personal characteristics based on the assessment guideline provided by the Stock Exchange of Thailand⁹.

Procedures

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

In 2019, the Company performed all of the above performance evaluation. The results of performance evaluation reflected the satisfaction in overall performance in the past year. The results were reviewed and discussed in the Board of Directors' meeting (No.1/2020) held on 23 January 2020 to improve the effectiveness of the Board's operation.

5.7 Development of Directors and Executives

5.7.1 Orientation

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

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

5.7.2 Succession Plan and Knowledge Development

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

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

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

5.8 Internal Audit Department

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

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

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

Note: Information of Internal Audit Director is shown in the Attachment 3 of Form 56-1 for the year 2019

5.9 Company Secretary

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

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

Note: Information of Company Secretary is shown in the Attachment 1 of Form 56-1 for the year 2019



Internal Control

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

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

Summary of the Company's internal control system:

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



Audit Committee

The key activities of the Audit Committee and the Risk Management Committee during the year 2019 under the duties and responsibilities assigned by the Board of Directors are summarized as follows:

1. Review quarterly and annual financial statements and audited financial statements for the accounting period which covers review of compliance of accounting standards, selection of accounting policies and disclosures in notes to financial statements.
2. Review transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2019.
3. Review independency of performance of internal audit department carried out during the year including adequacy and appropriateness of internal controls and risk management.
4. Review legal compliance with rules and regulations related to Securities and Exchange, regulations of the Stock Exchange and other laws related to the business of the Company.
5. Review appropriateness of transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2019. The transactions had to be justified and adhere to guidelines published by the Capital Market Supervisory Board.
6. Review policies and practices of the Company to ensure compliance with Good Corporate Governance of the Company as guideline given by the Stock Exchange of Thailand.
7. Review policies and anti-corruption policy including defined the practice of internal audit system to ensure the Company's operation is concise, appropriate, and effective.
8. Review independence, result and opinion of auditor. Also, propose an appointment of auditor of the Company and related audit fees to the Board of Directors to propose to the shareholders' meeting for consideration.
9. Meeting with auditor without any executives of the Company to enable auditor to report freely on events and information about the Company. This includes opinion on internal control system of the Company.
10. Review internal audit charter to be consistent with the practices and laws once a year.

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

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

1. Control Environment

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

2. Risk Assessment

The Company realizes the importance of potential risk management that may affect objectives and goals of the Company. The Company has established risk management policy, the Risk Management Committee is responsible for monitoring risk management process and risk assessment of the Company regularly by setting up the Risk Management Committee meeting at least 4 times per year and report risk assessment results to the Board of Directors to consider and acknowledge. The Company evaluates and analyzes both internal and external risks by preparing Key Risk Indicator (KRI) to be used as a tool for early warning for all significant enterprise risks and department risks including strategic risk, operational risk, financial risk, compliance risk, reputational risk, other risk, and emerging risk. The results will be reported to the Risk Management Committee regularly. In addition, risk factors that may affect the Company are reviewed on annual basis.

3. Control Activities

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

4. Information Technology (IT) and data communication

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

5. Tracking system and evaluation

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

From above internal control system areas, the Audit Committee proposed to the Board of Directors meeting No.1/2019 dated 24 January 2019 to consider the Company's internal control system. The Board of Directors has evaluated internal control system and a review of the management with same opinion as the Audit Committee that the internal control of the Company and its subsidiaries is sufficient and appropriate with the Company's operation. The Company has provided adequate personnel to implement the system effectively to minimize business risk and prevent Company's assets from misuse of executives by defining guidelines for Human Resource management in accordance with anticorruption policy, guidelines for internal control to prevent the corruption to government officials as well as any transactions with persons who may have conflicts of interest and related persons sufficiently. The sufficiency of internal control is evaluated annually and compliance with regulations of the Securities and Exchange Commission including fundamental law, section 123/5, anti-corruption policy B.E.2542 and B.E.2558 (revised No.3). In addition, internal control department reviews and monitors operations of each department within the Company to ensure compliance with internal control practices. In case that significant error is found, internal control department will report to the Executive Committee and the Audit Committee and Risk Management Committee for resolutions.

In addition, SAM NAK-NGAN A.M.C. Co., Ltd., the Company's auditor audited the quarterly and annual financial statements of the Company and its subsidiaries for year 2019 and had an opinion that no material deficiency found to be impact on results of the Company.

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

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



Risk Management

GRI 102-11, GRI 102-15, GRI 201-2, GRI 205-1

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

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

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

Risk Management Committee

Key activities of the Risk Management Committee during year 2019 under duties and responsibilities assigned by the Board of Directors are summarized as follows:

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

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

1. Strategic Risk

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

2. Operational Risk

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

3. Financial Risk

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

4. Compliance Risk

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

5. Reputational Risk

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

6. Other Risk

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

7. Emerging Risk

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

Sustainability Development

Business Policy

GFPT sets business policy to be a leading integrated production of livestock and agriculture. The Company undertakes to provide food safety products and food traceability. We are committed to operating the business with environmental friendliness and contributing to society.

Sustainable Development Policy

The Company has a policy to carry out its business by placing importance on all stakeholders under the framework of good corporate governance, business ethics, and compliance to the laws and relevant regulations. We provide communication channels to all stakeholders to gain better understand of their needs and expectations in order for the Company and its stakeholders to sustainably co-exist and to balance aspects of economic, social, and environmental factors.

Sustainability Development Planning

GRI 102-42, GRI 102-46



Sustainability development planning was established as a guideline for sustainable business development by considering business policy, based on good governance and risk management plans in order to create values in aspect of economy, society, and environment. The Nomination Remuneration and Governance Committee is responsible for monitoring performance of sustainability development and reporting to the Board of Directors.

Sustainability Development Planning



**GOOD
SUSTAINABILITY**

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



SDGs 2 Zero hunger

The Company focuses on quality and safety throughout food chain to provide consumers' confidence that the Company's products are safe for consumption and hygienic according to good nutrition principles as well as having a reasonable price to consumers. The Company also gives cooked chicken products to children and nearby communities annually.



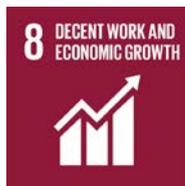
SDGs 4 Quality education

The Company promotes education and knowledge development for youth and encourages everyone to have good education equally. The Company provides scholarships and educational equipment to employees' children and youth in society.



SDGs 6 Clean water and sanitation

The Company have an appropriate water usage scheme and maximize efficiency of water usage by controlling wastewater treatment system to measure treated-water quality in order to meet standard criteria before releasing to outside. The Company has been certified for the ISO 14001 (environmental management system standard).



SDGs 8 Decent work and economic growth

The Company focuses on employment with equal compensation, not supporting forced labor, anti-child labor, protecting labor rights, and promote safe and secure working environment. In the past year, the Company has received Good Labor Practices (GLP) certification from the Ministry of Labor as a factory that meets Thai labor standards. Additionally, the Company is a member of SEDEX (organization supports safety at workplace), and also collaborated with the NGO Issara Institute.



SDGs 13 Climate action

The Company is aware of climate change. Therefore, a contingency plan and regular monitoring plan are outlined to deal with changes. The Risk Management Committee is responsible for reviewing a risk management plan annually to cope with climate change.



SDGs 16 Peace justice and strong institutions

The Company focuses on good corporate governance by setting up corporate governance policy in order to operate its business transparently and traceably as well as respecting for equal rights and having responsibility to stakeholders. In the past year, the Company received Corporate Governance Report (CGR) for the year 2019 at the level of "Excellent".

The relationship between organization and stakeholders

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-46, GRI 102-47

The Company is mindful of possible direct and indirect impacts towards people or the environment which may occur due to operation of the Company’s business. The Company places great importance on the relationship between the organization and its stakeholders to understand stakeholders’ expectation in order to reduce conflicts, to avoid causing problems to one another, to co-exist for better surrounding and growing together sustainably. Therefore, an ongoing process exists to study the relationship between the organization and its stakeholders annually so that the Company is able to have timely and relevant information for determining important issues in order to improve the organization’s sustainability.

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

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



Table: Relationship between the organization and the stakeholders

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

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

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

Stakeholder's Analysis GRI 102-44, GRI 102-46, GRI 102-47

Considering the needs and expectations of the various stakeholders, we can define "Materiality" and "Prioritization" for both the role of stakeholders and the role of the Company as follows:



Economic

- A1 : The Company's performance
- A2 : Business Resources
(labor, raw material, machine, business license)
- A3 : Reputation (image)

Environment

- B1 : Water pollution and wastes
- B2 : Air pollution
- B3 : Environmental complaint mechanism

Society

- C1 : Quality and safety of products
- C2 : Corporate Governance and Operate business with good governance
- C3 : Anti-corruption
- C4 : Occupational health and safety
- C5 : Diversity and opportunity of equality
- C6 : Security for the living
- C7 : Labor dispute
- C8 : Human rights complaints mechanism
- C9 : Local economic

Value Creation and Corporate Responsibility

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

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

GFPT aims for EXCELLENCE



Sustainable Management

1. Being a trusted supplier with customers' acceptance



Production

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





Responsibility towards Customers

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

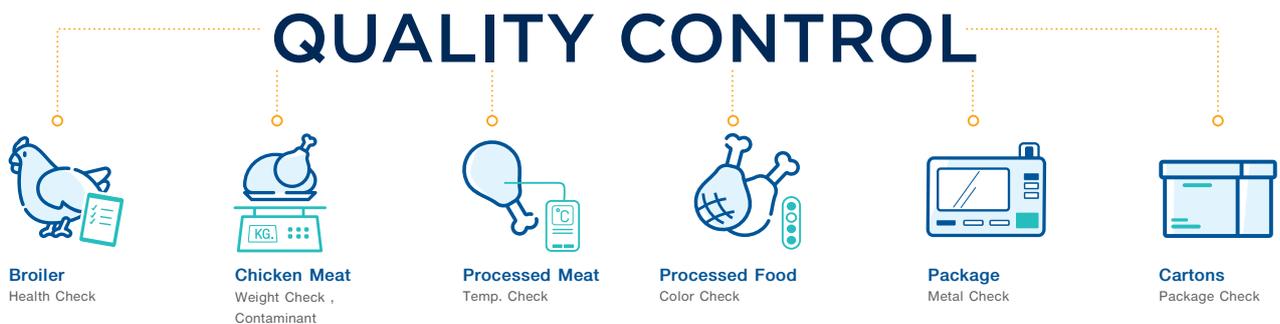


Quality testing for both physical and biological in each production process from selecting raw materials of feed, chicken farm, and production process.

Food Quality and Safety throughout our Food Chain

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

Quality and Safety





Feed Mill

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



Enhance quality of feed sustainably

- Our feed mill plants produce broiler feed and breeder feed for exclusively use in our chicken farms.
- Chicken feed formulation is designed by nutritionists in order to provide proper nutrition for our chickens.
- Our chicken grain-feed formula contains corn, soy, and wheat without having any animal by-products.
- We buy natural and high quality feed ingredients from responsible and sustainable sourced.
- Every process of our feed production are controlled by computerized system to ensure consistency and uniformity of feed quality.

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

GMP
HACCP
ISO 9001
ISO 17025
ISO 22000

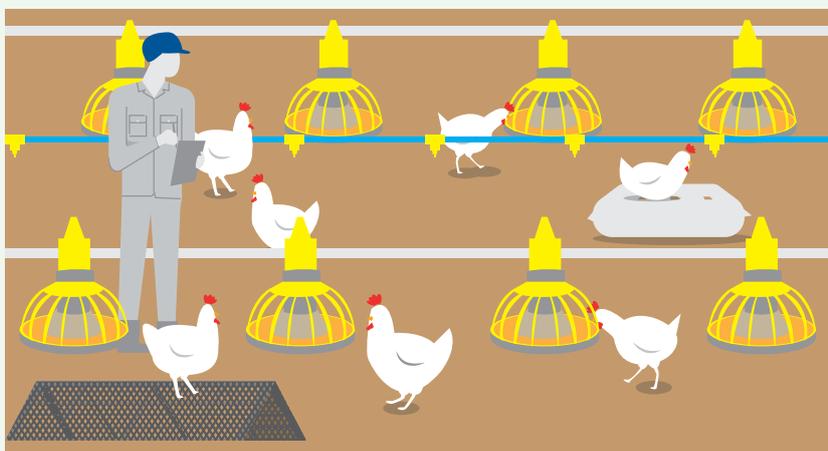
Broiler Farm

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



Environmental Enrichment

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

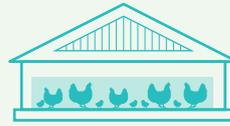


Animal Welfare

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

The Company has also been certified for the animal welfare practices in accordance to Genesis GAP, which is the European standard and importer’s standard of 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 disease preventive system and catching chicken with care), free to live naturally, free from fear and anxiety (the raising conditions do not cause any distress, for instance, chickens catching process).

GFPT focuses on animal welfare principles.



Bio-Security:

Raising chickens freely inclosed housing within highly strict bio-security sites.



Free of Growth Hormone:

Free of growth hormone.



Animal Care:

Adhere to animal welfare principles with close supervision of farm’s authorized veterinarian.



Animal Welfare:

We ensure adherence to our animal welfare standards in accordance with Genesis GAP, which is standard for chicken production for export.



Farm Enrichment:

Chicken house environment enhancing by various equipment for chickens to express their natural behavior.

Five Freedoms



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



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



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



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



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

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, transportation, farm hygiene, recorded information, and staffs’ and workers’ training. The Company is confidence and assurance that the Company’s products are high quality, hygienic, antibiotics residue free, no hormone growth, and safe for consumption in both domestic and international market.

Chicken Processing Plant

The chicken processing plant is very important as it is the last stage of the production before the products end up with customers and consumers. Therefore, food safety and the quality of the chicken meat are strictly controlled in all stages of production before delivering to customers and consumers. In addition to the international standards of food quality inspection systems such as GMP, HACCP, etc. The Company also set up laboratory facilities including a “Chemical Laboratory” to test for pesticide residues, nutrition, and various chemicals; and a “Microbiological Laboratory” to test microbes, pathogens, and residues of antibiotics in order to reassure the food quality and safety of its products. Our laboratories are accredited with ISO / IEC 17025: 2017, which is the international standard certifying the competence of testing and calibration laboratories. In continually expanding our operations, further accreditation was gained and recently, the Company’s laboratories were accredited for 78 tests of 20 sample types and calibration focusing on the testing method with fast results in order to reduce storage time. In addition, testing methods which uses fewer chemicals have been developed to minimize handling of chemicals and environmental damage but at the same time maintaining the quality of the test and its accuracy.



Moreover, the Company’s laboratories have been registered as competent facilities under the ISO / IEC 17025: 2017 issued by the National Bureau of Agricultural Commodity and Food Standards (ACFS). The laboratories have also been registered as approved laboratories for the analysis of livestock products for the Department of Livestock Development, Ministry of Agriculture and Cooperatives, which allows the Company to utilize analysis of the Company’s products conducted by its laboratories as approved supporting documents for the application for a Health Certificate from the Department of Livestock Development.



General requirements for the competence of testing and calibration laboratories.

ISO/IEC 17025

Standards for Quality Management

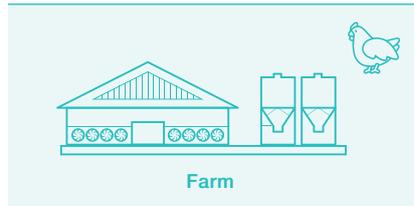
Each year, every stage of production of our chicken processing plant has been certified by internal audit, customer audit, and third-party audit to assure customers' confidence that the quality of our products including feed, live chicken, fresh chicken meat, and fully cooked chicken products meet international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

Certification of quality and safety standards



Feed Mill

- GMP (Good Manufacturing Practice)
- HACCP (Hazard Analysis Critical Control Point)
- ISO 9001: 2015 (Quality Management System)
- ISO/IEC 17025: 2017
- ISO 22000: 2018 (Food Safety Management System)
- ISO/TS 22002-6 (Prerequisite programs on food safety - Part 6: Feed production)



Farm

- Genesis GAP
- Poultry Compartmentalization
- 5 Freedoms
- Environmental Enrichment



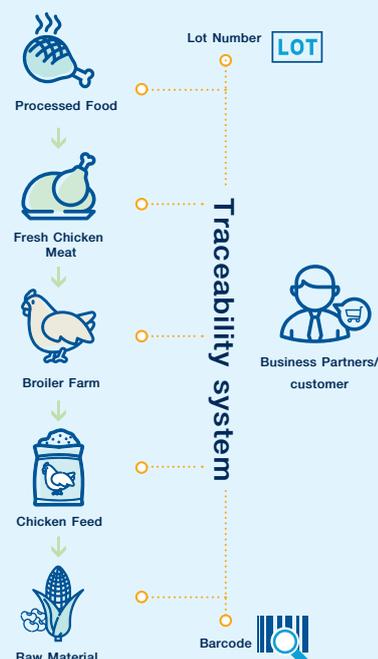
Further & Processed Food Plants

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

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 as well as being an international confirmation of ability to conduct business. Our products can be traced back to every stage of production with the linkage of production information from feed production, farm operation, and food processing. Thus, we can trace back our products to all stages of production as well as its origin of raw materials.

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





Bio-Security System

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

Chicken Feed

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

Chicken Farming

Our chicken farm houses are closed evaporative cooling system with ventilation system to prevent any disease carrier. All chicken houses are equipped with mechanical systems to deliver feed and water automatically. The CCTV systems have been set up in the chicken houses to closely monitor 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 farm house. All vehicles must be washed and disinfected to prevent dust, contamination, or any carrier from outside that may cause disease within the farm.

Poultry Compartmentalization

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

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

In 2019, the Company received positive feedback from both local and foreign customers with higher satisfaction of customers. In addition, the Company also handles customer complaints in order to deliver good quality products for customers.

Survey of Local and Foreign Customer's Satisfaction Rate



95%

Target ≥ 93%



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



Labor Relations Policy

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

Workforce Equality and Fairness

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



Human Rights Policy GRI 103-1, GRI 103-2, GRI 414-1

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

Social Accountability Policy

The Company accepts and trusts a group of partner companies to proceed on behalf of the Company in acting in compliance with international standards regarding “Ethics of business operators towards employees at the work place having a Social Accountability system” and therein set the Social Accountability Policy as

“Acting in principle of human rights pursuant to international standards, law, and ethics of business operators towards employees.”

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

In 2019, the Company’s chicken processing plant has been certified for having Good Labor Practices (GLP), Thai labor standard by the Ministry of Labor as affirmed by government officials, being a member of SEDEX (organization that facilitates and safety at workplace) and cooperating with NGO Issara Institute, third party agencies, to represented that the Company acted fairly and equally without any bias to its labor and all level of employees. The Company did not receive any complaints regarding a violation of human rights in the course of the business operations of the Company whether from inside or outside of the organization. The Company did not have any legal disputes regarding labor laws, forced labor or slavery, child labor, consumer rights, or the operation of the Company’s business.

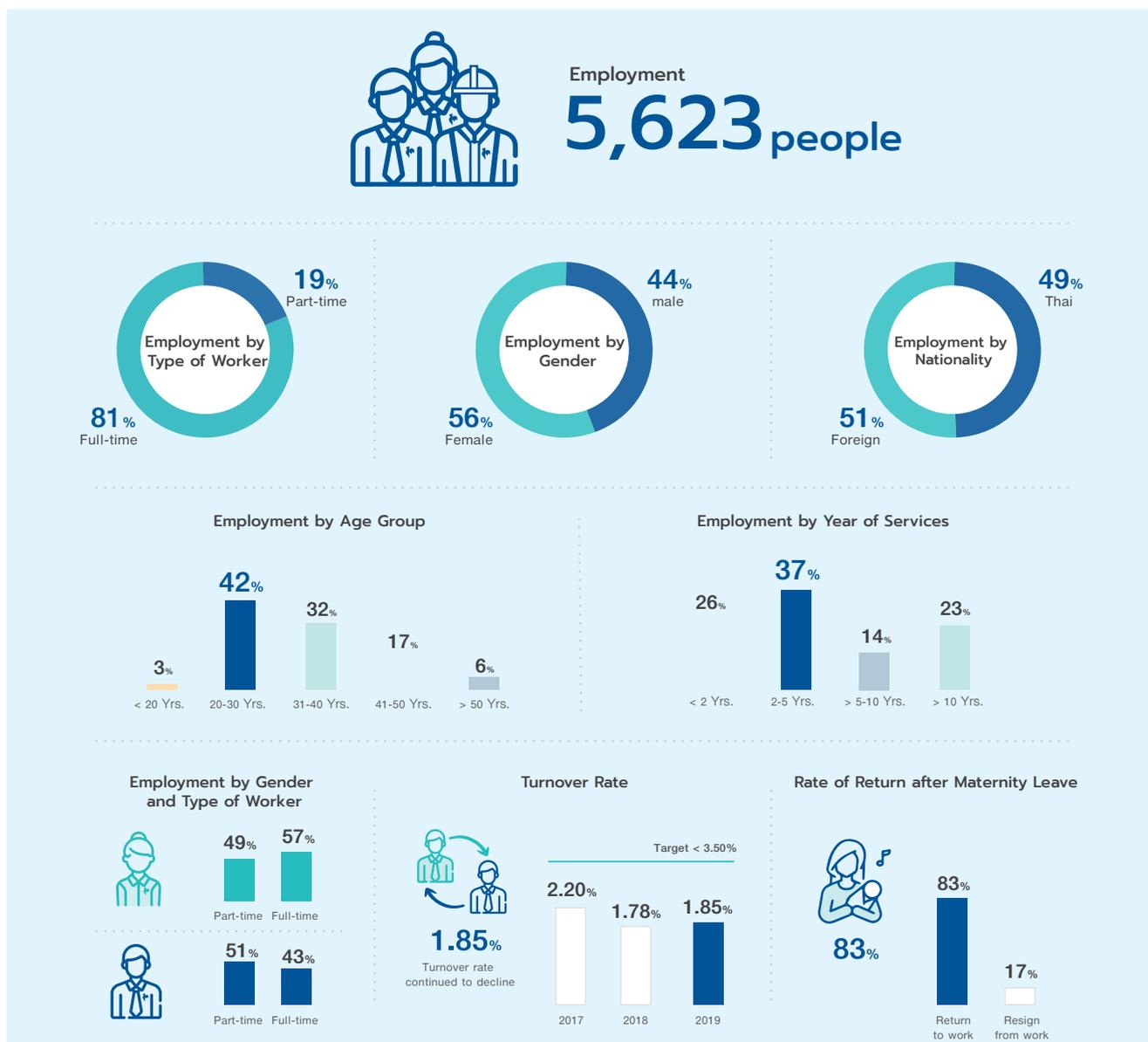
The Company treats workers and personnel at all levels equally and does not violate human rights.



Employment

GRI 102-7, GRI 102-8, GRI 102-41

The Company has a policy on equality and diversity employment without any discrimination on gender, race, religion and culture. In 2019, GFPT employed a total of 5,623 people with a diversity of age, gender, level of education, and work tasks.



Turnover Rate

GRI 103-1, GRI 103-2, GRI 401-1

Turnover rate was 1.85% in 2019, increased from 2018 at 0.07% which is considered better than target set at 3.50%.

Rate of Return after Maternity Leave

GRI 103-1, GRI 103-2, GRI 401-3

In 2019, a total number of 118 out of 3,139 female employees had taken maternity leave, of which 98 employees return to work after their maternity leave representing 83% of total female employees who took maternity leave.

Employment of Disabilities Policy

The Company recognizes to improve the quality of life of people with disabilities. Encourage disabilities to have the opportunity to show ability, 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 2019, the Company employed a total of 55 disabled workers as well as granted concessions, arranged places for products of persons with disabilities, employed sign language interpreters under sub-contracts with other agencies and caregivers in compliance with the Persons with Disabilities Empowerment Act B.E. 2550 section 33 and section 35, which requires a ratio of disabled to normal persons of 1 to 100 pursuant to the law.

The Empowerment of Persons with Disabilities (Persons)



55
persons



Safety and Working Environment Policy

GRI 103-1, GRI 103-2, GRI 403-1

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, training, 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 employees to get vaccination every year.



Safety Policy GRI 103-1, GRI 103-2, GRI 403-5

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

1) NEAR MISS Project

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

2) 5S Project

To encourage employee to participate in workplace maintenance and cleanliness.

3) Workplace Safety Week Project

To organize a safety week event every year to educate employees and encourage awareness about possible accidents in the workplace such as the 19th Workplace Safety Week event held on 24-25 September 2019.

4) Safety Training Project

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

5) Safety Journal Project

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



Radiation Operators Training for 2019, Safety for Workplace Training for Supervisor, Workplace Safety Week Project for 2019, The Annual Fire Drills and Emergency Evacuation Training for 2019, Fired Safety Training for 2019

The fire accident on October 17, 2019, caused by a compressor motor short circuit in refrigeration room, occurred near the further processing plant; which caused property in aforementioned area to be damaged. The Company has insurance coverage for fire damage. After such accident, the Company has assessed damage and take corrective actions by increasing safety measures at every step to prevent accident and promote safety for employees.

Absence Rate from Injury

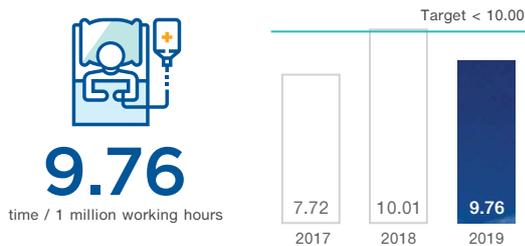
GRI 103-1, GRI 103-2, GRI 403-9

In 2019, absence rate from injury decreased from 2018 and there was no death from work. The Company has analyzed cause of accident and implemented a preventive action against workplace accident in order to lower the accident rate and absence rate from injury. In addition, we monitored safety and environment in workplace to future improvement.

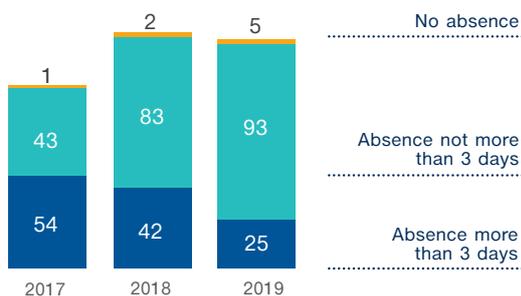
The Company has set a target of absence rate from injury at no more than 10 times per 1 million working hours as a criterion for determining target. In 2019, the Company has injury rate with 9.76 times per 1 million working hours which was considered better than target set.

Lost-Time Injury Frequency Rate (LTIFR)

(times / 1 million working hours)



Absence Rate from Injury (times / year)



Complaint Channel and Procedure

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

Complaint Channel

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

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

Action after Receive the Complaint

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

Protection and Confidentiality of the Complainant

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



Employees' Compensation and Benefit Policy

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

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



Human Resources Training and Development Policy

The Company has a policy of promoting human resources development by supports staff to develop in various areas including expertise, capabilities, positive attitude, moral values, business ethics and teamwork through training, seminars or study trips. The Company focuses to promote the employees from within the organization and assess their performance regularly. This is considered to be an important factor for strong and sustain 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, employees’ evaluation, and increasing work efficiency. The Company has provided various training programs such as company orientation to new employee, leadership, quality management system, etc.

Training GRI 103-1, GRI 103-2, GRI 403-5, GRI 404-1

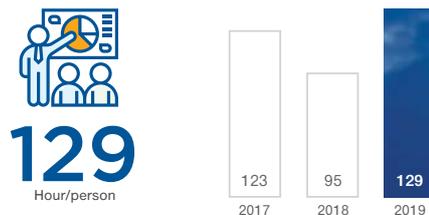
The Company has designed and updated its training courses to facilitate its short-term and long-term objective and direction. We focus on the development of employees’ skill, competences, experiences, technical know-how, managerial knowledge, and other relevant knowledge for new potential business opportunity. 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 2019, the Company’s total number of training hours was 695,600 hours which is an average of 129 hours per employee per year. The curriculum of training included a wide array of skills such as Anti-Corruption Policy, basic safety training, efficiency enhancement of energy, safety, and environment, management of labor law and regulations, risk management, healthy and working environment, and business and human rights, etc.

Number of training hours per year

695,600 hours

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



Number of training hours per year (Hours)

	2017	2018	2019
Number of training hours	840,882	612,002	695,600

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

GRI 102-16, GRI 102-17



Corporate Governance Policy

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

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

In 2019, the Company’s Corporate Governance was evaluated under the Corporate Governance Report of Thai Listed Companies (CGR) program and obtained “Excellence” ranking and received 5 stars from the National CG Committee with a score of 92% from the Thai Institution of Directors (IOD), the Stock Exchange of Thailand, and the Securities and Exchange Commission. It was also evaluated for the quality of the Annual General Meeting for the year 2019 by the Thai Investors Association, the Thai Listed Companies Association, and the SEC with a score of 99 points.



The Company achieved the CG scores of “Excellent” level in 2019

Compliance with Laws, Rules, and Regulation Policy

GRI 103-1, GRI 103-2, GRI 419-1

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

In 2019, the Company did not commit any offense or act which violated the provisions of the Public Company Limited Act or the regulations of governing bodies such as the SEC or the Stock Exchange of Thailand.

Business Ethics Policy

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

Safeguarding of Assets Policy

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

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

Intellectual Property or Copyright Policy

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

Anti-Corruption GRI 103-1, GRI 103-2, GRI 205-2

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



Certified to be a member of
Collective Action Coalition: CAC

Anti-Corruption Policy

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

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

In 2019, 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.

Responsible Ethics Policy for Business Partners

The Company sets a responsible ethics policy and practices for business partners to meet the requirements of international standard. Business partners have to sign to comply with guidelines of business partners covering respect of human rights, fair labor treatment, employment legally, managing work environment, and ethical business practices.

In addition, the Company evaluates risk that may be caused by suppliers by having a Supplier Self-Assessment in order to prioritize important business partners and their impacts to the Company's risk.

4. Being a socially responsible business for its community

Corporate Social Responsibility Policy

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

Whistle-Blowing Service

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

Contact Independent Directors

Email : independentdirectors@gfpt.co.th
 Facsimile : 0 2473 8398
 Mail : Independent Director
 GFPT Public Company Limited
 GFPT Tower, 18th Floor
 312 Rama 2 Road, Bangmod,
 Jomthong, Bangkok 10150

Contact Board of Directors

Email : bod@gfpt.co.th
 Facsimile : 0 2473 8398
 Mail : Director
 GFPT Public Company Limited
 GFPT Tower, 18th Floor
 312 Rama 2 Road, Bangmod,
 Jomthong, Bangkok 10150

Contact Nomination Remuneration and Governance Committee

Email : nrgc@gfpt.co.th
 Facsimile : 0 2473 8398
 Mail : Nomination Remuneration and Governance Committee
 GFPT Public Company Limited
 GFPT Tower, 18th Floor
 312 Rama 2 Road, Bangmod,
 Jomthong, Bangkok 10150

GRI-102-12, GRI 102-13



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

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

The Initiative Projects on Youth, Community, and Society

GRI 103-1, GRI 103-2, GRI 413-1



In 2019, the Company has implemented projects and activities for the community and society as follows:

1. Promoting youth for quality of society

The Company believes that “youth are the pillars of tomorrow’s society”. The Company recognizes the importance of children and youth by supporting its chicken eggs and cooked chicken products, the Company provides scholarships, educational tools and equipment to youth to improve quality of life of primary school students in local communities and the Scholarship program for GFPT group employee’s children to incentivizes and encourage its employees. Additionally, The Company also encourages social activities for local communities and remote communities by focusing on knowledge development of youth to be the quality person in the society as well as encouraging youth to express themselves creatively through various projects with a total of 77 activities such as the National Children’s Day at around 38 communities and schools and many activities to promote quality of life for youth including: the “GFPT: a bike to school activity at Lamoonrodsiri School” activity at Lamoonrodsiri School, cycling charity activity “Spinning and Sharing for Orphans” by Alkawthar foundation, supporting products to student lunch project at Lamoonrodsiri School, supporting educational tools, equipment, and lunch to Bansongkwae School, Muang District, Nan Province, and provided scholarships to the employees’ children of year 2019, etc.

2. Creating a good society

The Company has a policy of supporting the

disadvantaged in the rural and challenged areas and those affected by disasters. The Company also has a policy of improving the quality of life of the surrounding community and also those further away to have a good quality of life, protecting the environment, and therefore the Company has through its own activities, government agencies, charitable organizations, and non-profit organizations. The Company participates with community to understand and to inform the impact that they may affected from the Company’s operation. Moreover, there are several conservative activities that the Company does with community in which a total of 69 activities were done in 2019 such as organized a training project for prevention and mitigation disaster of Khlong Si Sok community which provided knowledge on fire prevention and extinguishing to community, purchased consumer goods to poor and disabled people in Bang Sao Thong Sub district Administrative Organization, donated money to organize activities to educate people about medicine and other aspects which organized by Office of Education Foundation, Faculty of Pharmacy Mahidol University, donated to purchase medical equipment for using in the Priest Hospital and donating money to quality of life of elder promotion and development project of Khlong Phlu Sub-District, Nong Yai District, Chonburi Province, etc.

3. Promote religion and Thai culture

Religion and culture are important institutions in the society which have strong influence in people’s beliefs, values and behaviors as a way of life of the individual in the society. The Company recognizes that Thai society is influenced by the religion, and therefore, places importance on the support and preservation of Buddhism as well as the continuous support for Thai arts and culture. The Company has organized activities related to promoting religion and Thai culture through government agencies, charitable organizations, and non-profit organization with a total number of 54 activities.



The Children Day activity, Supporting processed chicken products to schools and communities, Training activity on disaster prevention and mitigation for communities, Donation for the Tong Hua Medical Foundation, Annual blood donation activity, Rice donation for flood victims, Religious events and activities

5. Being an eco-friendly business



Environmental Policy

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

Resources Utilization Policy

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

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

The Company has been accredited for the environmental management standard ISO 14001 by the independent auditor. The Company communicates its activities on environmental management through various internal and external channels.

In 2019, the Company carried out activities and projects related to environmental management as follows:

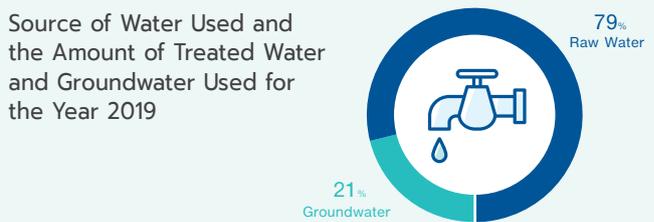
Resource and Environmental Management

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

Water Resource GRI 103-1, GRI 103-2, GRI 303-1, GRI 303-3

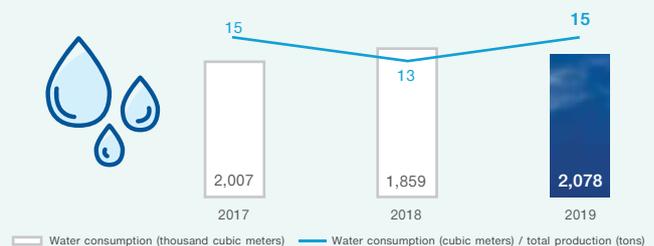
Water resource is an important component in our chicken production. We set appropriate plans and measures for water usage in every production process. We use information system to analyze and control water consumption. We also focus on production improvement, process development, and production technology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

Water used in the production and operation of the Company are both sourced from treated water and ground water. The Company has acquired an approval permit from the Bureau of Groundwater Control, Department of Groundwater Resources, to carry out its industrial operation in total of not more than 3,463 cubic meters. The following illustrates various source of water used and the amount of treated water and groundwater used .



In 2019, the water consumption was in amount of 2.078 million cubic meters which increased from 12.73% to 14.51% comparing with product quantity.

Water Consumption in 2019



Energy GRI 103-1, GRI 103-2, GRI 302-1, GRI 302-4

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

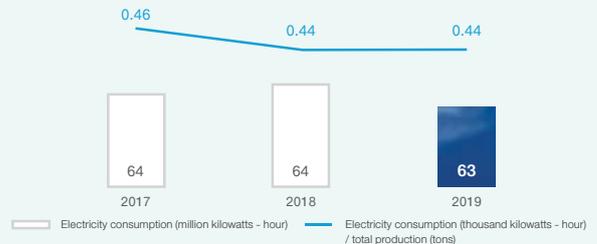
In addition, the Company promotes energy-saving activities such as replacing 250w metal-halide light bulb with 120w LED light bulb in storage room and production line, applying VDO Conference, and controlling limitation of electricity usage. By doing these, electric bill will be lower and the environment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

In 2019, the electricity utilization was in amount of 63.11 million kilowatts, decreased by 1.90% from last year, electric usage being 70% use in cooling system and 17% use in production process. The Company has a measure to improve cooling system in cold storage to save electricity usage.

Source of Electricity Consumption in 2019



Electricity Consumption



Electricity Consumption GRI 103-1, GRI 103-2, GRI 302-4

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

Pollution and Waste Management

Air Pollution GRI 103-1, GRI 103-2, GRI 305-7

The Company uses pollution elimination system before releasing the pollution outside the plants and monitors level of pollution in applicable to the laws. The pollution level is monitored and measured twice a year by the authorized person of the Department of Industrial. In 2019, the level of contaminants in the air such as dust, sulfur dioxide, and nitrogen oxide found is below the standard. The efficiency of air pollution control system has increased due to changes in air pollution removal systems.

Result of measurement of air contaminants



Water Pollution GRI 103-1, GRI 103-2, GRI 303-3, GRI 306-1

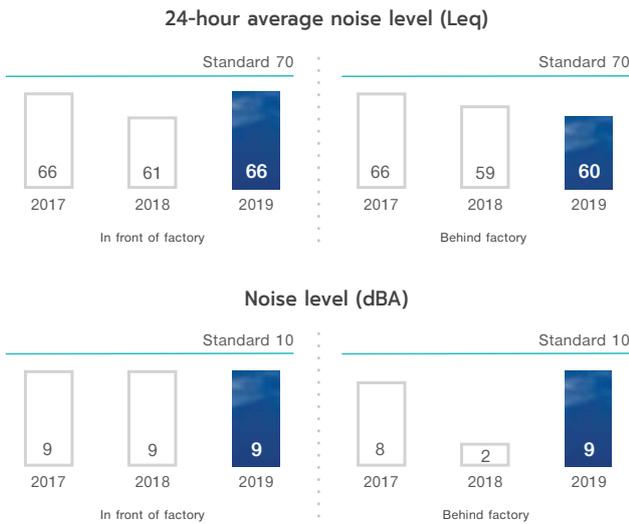
The wastewater treatment of the Company complies with the standard defined by law. The Company uses high technology of wastewater treatment technology and closely monitors the level of wastewater before releasing to outside. Upflow Anaerobic Sludge Blanket (UASB) and Activated Sludge (AS) were applied. The level of wastewater release to outside is comply with the law and does not affect the overall ecosystem. In addition, we focus on recycling treated wastewater within the plant. However, the use of treated water after recycling is limited due to the food safety laws and customer’s specification. The wastewater from daily production and normal consumption, is at an average of 5,000 cubic meters per day. The Company’s wastewater treatment plant can treat up to 7,000 cubic meters per day. The treated water which passes regulatory standard is released about 3,500 cubic meters per day. The treated water is reused about an average of 200-300 cubic meters per day.



Noise Pollution

The Company measured the voice quality in the atmosphere (Ambient noise measurement) to measure the 24 hours a weighted Equivalent Continuous Sound Level and Annoyance noise. The level of noise must be in accordance with the law and shall be assessed by the authorized person from the Department of Industry. In 2019, the result of the measurement found that the 24-hour average noise level at measurement points is below legal thresholds.

Result of measurement of 24-hour average noise level



A summary of total amount of waste, sewage waste for the year 2019 is as follows:



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

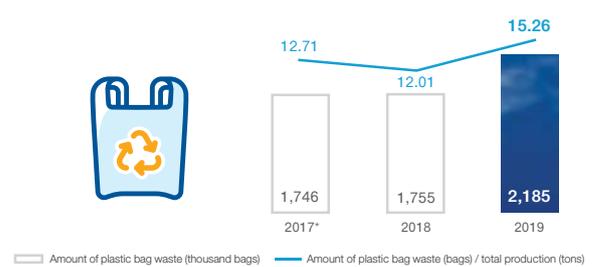
The Company has classified wastes in accordance with the law and set up the protection system of environmental contamination starting from wastes storage, wastes transportation, and wastes displacement, hazardous wastes management, and wastes segregation. The Company sets up the internal wastes management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

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

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

In 2019, the Company had no legal disputes in regard to emissions and waste or environmental impact from their operations, including not being fined for violating any environmental laws and regulations.

Amount of plastic bag waste / Amount of product (bag / ton)



*Updated year 2017 according to current database system



Report of the Nomination Remuneration and Governance Committee



The Nomination Remuneration and Governance Committee of the Company consists of 5 members which are 3 independent directors and 2 Board of Directors or executives who are fully qualified by legal and regulations. The Nomination Remuneration and Governance Committee has performed according to the scope of responsibility as assigned by the Board of Directors. In 2019, the Nomination Remuneration and Governance Committee held 2 meetings. The discussions related to roles and responsibilities of the Nomination Remuneration and Governance Committee which can be summarized as follows:

- Review, select and screen qualifications of suitable candidates to be the Board of Directors of the Company by considering appropriateness that will maximize benefit to the Company according to composition of the Board of Directors along with qualifications, knowledge, experience, and expertise. The Nomination Remuneration and Governance Committee will select those candidates who are complete all qualifications to propose to the Meeting of the Board of Directors for approval and present to the Annual General Meeting of Shareholders.
- Conduct an annual performance evaluation of the Board of Directors, Sub-Committees and the Chief Executive Officer at least once a year based on self-assessment guideline provided by the Stock Exchange of Thailand to adapt to fit the Board of Directors' structure, and also report the result to the Board of Directors. In 2019, performance evaluation of the Board of Directors, Sub-Committee, and the Chief Executive Officer are in "good" level that show satisfaction in performance during the past year.
- Review criteria of the remuneration for the directors, sub-committees, and the executives as compare to their duties and responsibilities by considering from comparison of remuneration of directors of other listed companies in the Stock Exchange of Thailand which are in the same or similar industry.
- Regularly review and update corporate governance policies, business ethics handbook, and sub-committees' charter to ensure its up-to-date, appropriateness for nature of business, keeping up with changes rules of regulatory agencies.
- Annually prepare a report on securities holding of directors and executives, results of activities for community, society, and environment as well as results of accepting business ethics complaints of the Company to the Board of Directors including providing an opinion on the Company's practice and to suggest actions to appropriately correct such matter.

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

Dr. Sathit Karanes

Chairman of Nomination
Remuneration and Governance
Committee

Report of the Audit Committee

Dear Shareholders

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

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

In 2019, the Audit Committee held 4 meetings. The Audit Committee discussed with the management, the Internal Audit teams, and the Company's auditor regarding the relevant matters as set out below:



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

In 2019, the Audit Committee reviewed the Quarterly and Year End financial statements of the Company, both the separate and consolidated basis, together with the auditors (internal and external auditors) and the management for integrity and propriety prior to proposing them to the Board of Directors for its approval. The review focused on material accounts, changes, adjustments, provisions, estimates as well as significant information disclosures to ensure that they were properly stated, clear, adequate, timely and meaningful for the shareholders and other users of the published financial statements. From the reviews conducted, the Audit Committee is of the opinion that the separate and consolidated financial statements reported to the SET and the public in the year 2019 were complete, accurate, and credible, and in compliance with generally accepted accounting principles of Thailand and that the Company properly disclosed its information in a timely manner to ensure that the financial statements were clear, adequate, and literally useful for the shareholders and other users.

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

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

3. A review of internal control of the Company

The Audit Committee, the external auditors, and the internal audit department of the Company have regularly

reviewed the Company's internal control system, which are found to be fair, adequate, and effective as well as having an improved quality of auditing for human resources and audit procedures which are consistently in accordance with professional standards based on the Internal Auditor's report for the year 2019. Moreover, the Audit Committee visited the Company's actual operations in order to understand the process of the Company and provided valuable suggestions to improve the internal control system. The Audit Committee will report significant deficiencies as well as recommended solutions to the Board of Directors. This approach will encourage the management of the Company to provide adequate and effective internal controls for the management to achieve results with efficient operation, better Company's property maintenance, and personnel management. Moreover, the Audit Committee evaluated the effectiveness of the internal control, accounting and financial management, compliance, regulatory and safety, anti-corruption, and Information Technology as set by the Securities and Exchange Commission. There is no significant weakness or deficiencies, which is in consistent with the evaluation of the auditor. The Audit Committee has the opinion that the Company and its subsidiaries have appropriate, adequate, and efficient internal control system.

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

The Company monitors, analyses, and reports changes in laws, rules, and regulations relevant to the Company, as well as ensures its compliance. The Audit Committee monitored and reviewed that the Company has complied with the relevant laws and regulations of the SEC and SET, as well as other laws related to the business of the Company. The Audit Committee has an opinion that the Company was in compliance with the relevant laws, rules, and regulations applicable to the Company and effective in 2019.

5. Overseeing Company internal audit function

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

6. Suitability of the external auditor

The Audit Committee considered the suitability of the external auditor by reference to its audit work quality, audit team competence and auditor independence in which independent feedback on the audit result and internal control environment was obtained. Moreover, the Audit Committee considered the scope and responsibilities of the external auditor including the appropriateness of the remuneration of the external auditors and compared it with other external auditors including the performance of the external auditors in previous accounting periods. In doing so, the Audit Committee proposed the external auditor from SAM NAK-NGAN A.M.C. Co., Ltd. to be the Company's auditor for the year 2020, as well as considered the appropriate auditor fee to the Board of Directors that will be proposed to the Annual General Shareholders' Meeting.

7. Self-assessment of the Audit Committee

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

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



Dr. Sathit Karanes

Chairman of Audit Committee



Mr. Paramet Hetrakul

Audit Committee



Mr. Thanathip Pichedvanichok

Audit Committee



Report of the Risk Management Committee

Dear Shareholders

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

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

In 2019, the Risk Management Committee held 4 meetings which all members attended the meeting. The Risk Management Committee discussed with the management, the Internal Audit teams, and the Company's auditor in related matters as follows:

1. The risk management of the Company

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

2. Duties and responsibilities

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

3. A review of risk management

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

4. Self-assessment of the Risk Management Committee

The Risk Management Committee performed a self-assessment based on the composition of the Risk Management Committee, meeting attendance, overall performance of the committee, and the relationship between the management and external auditors according to the good practice of the Stock Exchange of Thailand and the Charter of the Risk Management Committee. The Risk Management Committee found that the scope and duties are in accordance with the guidelines of both practices. It contributed to strengthen the good corporate governance. The Risk Management Committee has an opinion that the Risk Management Committee has performed its duties and responsibilities as assigned by using of knowledge, capability, caution, and independent. There is no withholding of obtained information, prohibition or obstacle in obtaining information from the management, employees, and related person. It had also provided useful comments and suggestions for the benefit of all stakeholders.

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



Mr. Jedsada Sirimongkolkasem

Chairman of Risk Management Committee

Report of the Board of Directors' Responsibilities for Financial Statements

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

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

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

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

The Board of Directors has an opinion that the internal control system of the Company is effective. It is confidence that the consolidated and separate financial statements of GFPT Public Company Limited and its subsidiaries for the year ended December 31, 2019 is reliable in accordance with generally accepted accounting principles, laws, and related regulations.



Dr. Anan Sirimongkolkasem

Chairman of Executive Committee



Mr. Virach Sirimongkolkasem

Managing Director



Audit Fee

Mr. Naris Saowalagsakul, the authorized auditor No. 5369 from SAM NAK-NGAN A.M.C. Co., Ltd. was the auditor of the Company and its subsidiaries for the accounting period of the year 2019.

The Company and its subsidiaries paid the audit fee to SAM NAK-NGAN A.M.C. Co., Ltd. for the accounting period of the year 2019. The detail is shown as follows:

1. Audit fee

The Company and its subsidiaries paid the audit fee for the accounting period of the year 2019 in amount of 3,630,000.00 Baht, as shown in the following detail:

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

2. Non-Audit fee

The Company and its subsidiaries did not have any non-audit fee in accounting period of the year 2019.

FINANCIAL STATEMENTS 2019

GFPT PUBLIC COMPANY LIMITED

Auditor's Report

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

Opinion

I have audited the accompanying consolidated and separate financial statements of GFPT PUBLIC COMPANY LIMITED and its subsidiary companies ("The Group") and also of GFPT PUBLIC COMPANY LIMITED only ("The Company"), respectively, which comprise the consolidated and separate statements of financial positions as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements and a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of GFPT PUBLIC COMPANY LIMITED and its subsidiary companies and also of GFPT PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2019, and of their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for opinion

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

Key audit matters

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

1. Allowance for doubtful accounts

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

How my audit addressed the key audit matter

I assessed the method and gaining an understanding of the basis applied in determining the allowance for doubtful debts and reviewing the consistency of the application of that basis. I reviewed the preparation of the accounts receivable aging report and examined the accuracy of the calculation of debt aging, examining subsequent collections especially receipt from long outstanding receivable, examining any disputed receivable and any receivable which has legal proceeding and examining the provisions set aside

for specific trade receivables as well as evaluating the adequacy of related disclosures in the financial statements in accordance with Thai Financial Reporting Standards.

2. Allowance for decline in value of inventories

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

How my audit addressed the key audit matter

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

Other information

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are

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

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

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

such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of

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

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

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



Mr. Naris Saowalaksakul

Certified Public Accountant Registration No. 5369

Bangkok,

February 21, 2020

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<u>Assets</u>					
Current assets					
Cash and cash equivalents	6	1,087,255,187.45	1,240,095,306.73	74,018,850.74	109,362,448.23
Trade and other receivables	5.1 and 7	889,859,240.56	974,803,144.06	438,463,132.23	475,975,655.25
Inventories	8	3,716,828,973.42	3,527,977,085.13	334,724,858.68	503,158,812.08
Other current assets		19,595,012.40	27,148,726.10	14,130,299.31	21,028,653.75
Total current assets		5,713,538,413.83	5,770,024,262.02	861,337,140.96	1,109,525,569.31
Non-current assets					
Investments in associates	9	2,891,820,118.08	2,687,516,130.00	1,525,859,700.00	1,525,859,700.00
Investments in subsidiaries	10	-	-	1,796,873,542.35	1,796,077,542.35
Non-current biological assets					
Grandparent chickens	11.1	99,896,881.05	104,491,065.32	-	-
Parent chickens	11.2	438,393,831.59	396,124,569.59	-	-
Investment property	12	346,906,515.83	349,771,745.12	229,096,803.71	236,843,034.46
Property, plant and equipment	13	9,038,063,822.40	8,447,155,222.34	1,345,939,305.78	1,232,209,880.58
Deferred tax assets	14	180,281,234.67	275,851,038.29	95,316,137.26	198,458,598.46
Intangible assets	15	41,385,925.37	57,440,897.32	4,000,366.60	7,403,885.43
Prepaid rental expense	5.1 and 16	17,499,999.60	-	-	-
Goodwill		1,294,911.36	1,294,911.36	-	-
Other non-current assets		51,014,276.80	39,994,740.74	22,481,283.73	16,768,805.12
Total non-current assets		13,106,557,516.75	12,359,640,320.08	5,019,567,139.43	5,013,621,446.40
Total assets		18,820,095,930.58	18,129,664,582.10	5,880,904,280.39	6,123,147,015.71

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	17 and 18	830,000,000.00	1,380,000,000.00	830,000,000.00	1,380,000,000.00
Short-term loans from subsidiary	5.1	-	-	30,000,000.00	15,000,000.00
Trade and other payables	5.1 and 19	982,014,749.69	1,143,416,850.11	435,400,699.10	646,406,022.76
Current portion of deferred rental income	5.1 and 22	9,173,147.54	9,173,147.54	7,850,000.00	7,850,000.00
Current portion of long-term loans from related persons	5.1	-	300,000,000.00	-	300,000,000.00
Income tax payable		82,645,947.02	122,463,546.81	-	-
Other current liabilities		33,186,408.22	33,129,197.01	13,103,371.57	12,742,673.45
Total current liabilities		1,937,020,252.47	2,988,182,741.47	1,316,354,070.67	2,361,998,696.21
Non-current liabilities					
Long-term loans from related persons	5.1	2,594,400,000.00	1,760,000,000.00	1,636,400,000.00	834,300,000.00
Employee benefit obligations	21	551,446,511.00	520,121,701.00	222,159,650.00	213,515,648.00
Deferred rental income	5.1 and 22	106,756,775.84	115,929,923.38	75,883,333.20	83,733,333.20
Other non-current liabilities		15,429,560.16	19,235,645.31	8,320,958.16	12,713,093.31
Total non-current liabilities		3,268,032,847.00	2,415,287,269.69	1,942,763,941.36	1,144,262,074.51
Total liabilities		5,205,053,099.47	5,403,470,011.16	3,259,118,012.03	3,506,260,770.72

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31,2019

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Shareholders' equity					
Share capital	23				
Authorized share capital					
1,400,000,000 ordinary shares @ Baht 1.00		1,400,000,000.00	1,400,000,000.00	1,400,000,000.00	1,400,000,000.00
Issued and paid-up share capital					
1,253,821,000 ordinary shares @ Baht 1.00		1,253,821,000.00	1,253,821,000.00	1,253,821,000.00	1,253,821,000.00
Premium on ordinary shares	24	525,000,000.00	525,000,000.00	525,000,000.00	525,000,000.00
Retained earnings					
Appropriated					
Legal reserve	24	140,000,000.00	140,000,000.00	140,000,000.00	140,000,000.00
Unappropriated		11,555,599,764.17	10,673,558,403.82	702,965,268.36	698,065,244.99
Other components of shareholders' equity		10,495,921.05	10,176,432.66	-	-
Total shareholders' equity of company		13,484,916,685.22	12,602,555,836.48	2,621,786,268.36	2,616,886,244.99
Non-controlling interests		130,126,145.89	123,638,734.46	-	-
Total shareholders' equity		13,615,042,831.11	12,726,194,570.94	2,621,786,268.36	2,616,886,244.99
Total liabilities and shareholder's equity		18,820,095,930.58	18,129,664,582.10	5,880,904,280.39	6,123,147,015.71

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenue from sales		16,863,738,759.20	16,647,017,577.68	8,447,092,873.39	7,932,828,775.11
Cost of sales	8	(14,443,470,289.22)	(14,263,558,557.34)	(7,667,012,819.46)	(7,597,518,732.43)
Gross profit		2,420,268,469.98	2,383,459,020.34	780,080,053.93	335,310,042.68
Dividend income from subsidiary	10	-	-	-	393,040,220.00
Dividend income from associate	9	-	-	48,999,900.00	48,999,900.00
Gain (loss) from exchange rate		(5,335,772.78)	4,121,991.36	31,619,119.09	12,162,727.48
Other income		275,979,998.46	292,732,867.85	144,367,045.86	141,906,166.39
Selling expenses		(540,067,343.70)	(526,448,270.83)	(142,768,793.03)	(127,690,019.79)
Administrative expenses		(866,505,264.66)	(845,572,762.42)	(369,577,689.39)	(311,466,985.50)
Share of profit from associates		255,901,417.38	71,127,743.00	-	-
Finance costs		(79,390,663.16)	(78,741,438.60)	(71,268,351.89)	(74,628,601.20)
Profit before income tax		1,460,850,841.52	1,300,679,150.70	421,451,284.57	417,633,450.06
Income tax expenses	27.1	(257,797,781.35)	(252,241,106.71)	(103,142,461.20)	(31,316,544.15)
Profit for the year		1,203,053,060.17	1,048,438,043.99	318,308,823.37	386,316,905.91
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial loss arising from defined benefit plan		-	(7,480,647.00)	-	(1,845,199.00)
Income tax relevance with other comprehensive income	27.2	-	(80,217.88)	-	334,423.87
Share of profit from other comprehensive income of associate		-	3,096,017.96	-	-
Other comprehensive income-net of tax		-	(4,464,846.92)	-	(1,510,775.13)
Total comprehensive income for the year		1,203,053,060.17	1,043,973,197.07	318,308,823.37	384,806,130.78
Profit attributable to :					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,195,450,160.35	1,037,972,570.23		
Non-controlling interests		7,602,899.82	10,465,473.76		
		1,203,053,060.17	1,048,438,043.99		
Total comprehensive income attributable to:					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,195,450,160.35	1,033,478,915.24		
Non-controlling interests		7,602,899.82	10,494,281.83		
		1,203,053,060.17	1,043,973,197.07		
Basic earnings per share	28				
GFPT PUBLIC COMPANY LIMITED (Unit : Baht)		0.95	0.83	0.25	0.31

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Consolidated financial statements

	Notes	Issued and paid-up share capital	Share premium account	Retained earnings		Other component of equity		Total	Non-controlling interests	Total
				Appropriated legal reserve	Unappropriated	Change in shareholding ratio in subsidiary companies under common control				
						Change in shareholding ratio in subsidiary companies under common control	Total			
Balance as at January 1, 2018		1,253,821,000.00	525,000,000.00	140,000,000.00	10,016,140,288.58	8,969,047.14		11,943,930,335.72	130,892,618.15	12,074,822,953.87
Profit for the year		-	-	-	1,037,972,570.23	-	-	1,037,972,570.23	10,465,473.76	1,048,438,043.99
Other comprehensive income for the year		-	-	-	(4,493,654.99)	-	-	(4,493,654.99)	28,808.07	(4,464,846.92)
Total comprehensive income for the year		-	-	-	1,033,478,915.24	-	-	1,033,478,915.24	10,494,281.83	1,043,973,197.07
Discount from purchasing the investment in subsidiary		-	-	-	-	1,207,385.52	-	1,207,385.52	-	1,207,385.52
Non-controlling interest of subsidiary decrease		-	-	-	-	-	-	-	(17,748,165.52)	(17,748,165.52)
Dividend payment	25.2	-	-	-	(376,060,800.00)	-	-	(376,060,800.00)	-	(376,060,800.00)
Balance as at December 31, 2018		1,253,821,000.00	525,000,000.00	140,000,000.00	10,673,558,403.82	10,176,432.66		12,602,555,836.48	123,638,734.46	12,726,194,570.94
Profit for the year		-	-	-	1,195,450,160.35	-	-	1,195,450,160.35	7,602,899.82	1,203,053,060.17
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	1,195,450,160.35	-	-	1,195,450,160.35	7,602,899.82	1,203,053,060.17
Discount from purchasing the investment in subsidiary		-	-	-	-	319,488.39	-	319,488.39	-	319,488.39
Non-controlling interest of subsidiary decrease		-	-	-	-	-	-	-	(1,115,488.39)	(1,115,488.39)
Dividend payment	25.1	-	-	-	(313,408,800.00)	-	-	(313,408,800.00)	-	(313,408,800.00)
Balance as at December 31, 2019		1,253,821,000.00	525,000,000.00	140,000,000.00	11,555,599,764.17	10,495,921.05		13,484,916,685.22	130,126,145.89	13,615,042,831.11

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Separate financial statements

(Unit : Baht)

	Notes	Issued and paid-up share capital	Share premium account	Retained earnings		Total
				Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2018		1,253,821,000.00	525,000,000.00	140,000,000.00	689,319,914.21	2,608,140,914.21
Profit for the year		-	-	-	386,316,905.91	386,316,905.91
Other comprehensive income for the year		-	-	-	(1,510,775.13)	(1,510,775.13)
Total comprehensive income for the year		-	-	-	384,806,130.78	384,806,130.78
Dividend payment	25.2	-	-	-	(376,060,800.00)	(376,060,800.00)
Balance as at December 31, 2018		1,253,821,000.00	525,000,000.00	140,000,000.00	698,065,244.99	2,616,886,244.99
Profit for the year		-	-	-	318,308,823.37	318,308,823.37
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	318,308,823.37	318,308,823.37
Dividend payment	25.1	-	-	-	(313,408,800.00)	(313,408,800.00)
Balance as at December 31, 2019		1,253,821,000.00	525,000,000.00	140,000,000.00	702,965,268.36	2,621,786,268.36

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax	1,460,850,841.52	1,300,679,150.70	421,451,284.57	417,633,450.06
Adjustment to profit (loss) before income tax for cash received (payment) from operation				
Depreciation-grandparent chickens	130,676,991.24	125,682,837.18	-	-
Depreciation-parent chickens	443,189,950.06	429,319,458.64	-	-
Depreciation-investment property	6,365,229.29	6,352,483.48	7,746,230.75	7,746,230.85
Depreciation	722,868,334.00	702,253,722.95	150,940,109.99	145,308,118.39
Amortization expenses	16,483,816.94	15,723,515.75	3,487,015.15	4,661,922.88
Loss from written off assets damaged and dilapidation	15,584,420.00	1,416,794.20	12,282,537.61	2.00
(Reversal) doubtful debts-trade and other receivables	(1,546,836.47)	1,153,951.40	-	-
(Gain) loss from sales of retired grandparent chickens	(636,454.06)	12,191,910.98	-	-
Loss from sales of retired parent chickens	4,983,155.63	25,888,782.85	-	-
Loss from disposal of chicks	1,613,579.99	4,989,647.55	-	-
(Reversal) loss from decline in value of inventories	(17,952,700.78)	19,960,426.52	(8,343,966.55)	9,643,249.63
Reversal loss from impaired on investment property	-	(56,309.10)	-	(600.00)
Reversal loss from impaired on property, plant and equipment	-	(600.00)	-	-
(Gain) loss from sales of property, plant and equipment	17,433,200.12	(4,950,562.18)	22,891,736.88	(1,400,487.34)
(Gain) loss from unrealized exchange rate	(367,836.58)	(381,701.32)	242,202.49	1,725,967.73
Dividend from subsidiary	-	-	-	(393,040,220.00)
Dividend from associate	-	-	(48,999,900.00)	(48,999,900.00)
Employee benefit obligations	48,901,966.00	148,077,785.84	17,884,472.00	64,817,066.00
Deferred rental income recognized as revenue	(9,173,147.54)	(9,173,147.54)	(7,850,000.00)	(7,850,000.00)
Prepaid rental expense recognized as expense	1,750,000.44	-	-	-
Reversal income tax payable	-	(63,025.72)	-	-
Interest income	(7,645,400.88)	(6,133,408.61)	(535,072.24)	(418,439.42)
Interest expenses	79,390,663.16	78,741,438.60	67,581,844.99	68,383,806.57
Share of profit from investment in associates	(255,901,417.38)	(71,127,743.00)	-	-
Unrealize gain in inventory of investment in associates	2,597,529.30	9,477,305.00	-	-
Profit from operating activities before changes in operating assets and liabilities	2,659,465,884.00	2,790,022,714.17	638,778,495.64	268,210,167.35

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities (continue)				
(Increase) decrease in operating assets				
Trade and other receivables	88,332,788.99	36,894,101.35	37,262,172.08	86,237,998.81
Inventories	(244,370,285.11)	(195,796,435.37)	178,227,993.09	(185,360,726.51)
Other current assets	7,270,712.36	(13,302,990.04)	6,898,354.44	(14,201,050.70)
Other non-current assets	(26,207,406.66)	(18,378,482.31)	(2,955,123.88)	(1,100,339.36)
Increase (decrease) in operating liabilities				
Trade and other payables	(251,489,393.72)	136,415,182.06	(224,425,273.13)	84,031,936.59
Other current liabilities	57,211.21	2,586,884.43	360,698.12	939,367.74
Employee benefit obligations	(18,233,601.00)	(20,794,002.00)	(9,240,470.00)	(10,592,562.00)
Other non-current liabilities	(3,806,085.15)	6,896.19	(4,392,135.15)	101,596.19
Cash received from operating activities	2,211,019,824.92	2,717,653,868.48	620,514,711.21	228,266,388.11
Cash received from interest income	7,645,400.88	6,133,408.61	535,072.24	418,439.42
Cash payment in income tax	(204,808,631.92)	(245,742,461.07)	(2,757,354.73)	(2,880,894.16)
Net cash received from operating activities	2,013,856,593.88	2,478,044,816.02	618,292,428.72	225,803,933.37
Cash flows from investing activities				
Cash received from dividend from investments in subsidiary	-	-	-	393,040,220.00
Cash received from dividend from investments in associate	48,999,900.00	48,999,900.00	48,999,900.00	48,999,900.00
Cash payment in investments in subsidiary	(796,000.00)	(9,581,000.00)	(796,000.00)	(9,581,000.00)
Cash received from sales of retired grandparent chickens	8,154,184.00	8,015,757.80	-	-
Cash payment in investments in grandparent chickens	(119,777,780.45)	(125,154,964.78)	-	-
Cash received from sales of retired parent chickens	106,272,074.50	73,618,928.00	-	-
Cash payment in investments in parent chickens	(490,004,087.39)	(456,311,500.30)	-	-
Cash payment in purchase of investment property	(3,500,000.00)	(2,000,000.00)	-	-
Cash received from sales of property, plant and equipment	13,767,946.66	7,959,199.92	5,358,348.61	2,761,831.65
Cash payment in purchase of property, plant and equipment	(1,264,245,056.97)	(881,634,240.13)	(287,761,963.42)	(203,655,756.41)
Cash payment in purchase of intangible assets	(439,126.87)	(464,917.76)	(83,496.32)	(174,145.26)
Cash payment in prepaid rental expense	(21,000,000.00)	-	-	-
Cash payment in interest expenses capitalize to assets	(35,957,791.26)	(38,551,317.80)	(5,690,657.87)	(2,505,986.35)
Net cash received from (used in) investing activities	(1,758,525,737.78)	(1,375,104,155.05)	(239,973,869.00)	228,885,063.63

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	3,550,000,000.00	6,840,000,000.00	3,550,000,000.00	6,840,000,000.00
Cash payment in short-term loans from financial institutions	(4,100,000,000.00)	(7,110,000,000.00)	(4,100,000,000.00)	(7,110,000,000.00)
Cash received from short-term loans from related persons	461,400,000.00	-	461,400,000.00	-
Cash payment in short-term loans from related persons	(461,400,000.00)	-	(461,400,000.00)	-
Cash received from short-term loans from subsidiary	-	-	15,000,000.00	15,000,000.00
Cash payment in long-term loans from financial institutions	-	(66,700,000.00)	-	(66,700,000.00)
Cash received from long-term loans from related persons	1,041,400,000.00	416,000,000.00	881,400,000.00	416,000,000.00
Cash payment in long-term loans from related persons	(507,000,000.00)	(216,000,000.00)	(379,300,000.00)	(88,300,000.00)
Cash payment in interest expenses	(79,162,175.38)	(79,388,302.99)	(67,353,357.21)	(69,030,670.96)
Cash payment for dividend	(313,408,800.00)	(376,060,800.00)	(313,408,800.00)	(376,060,800.00)
Non-controlling interests in dividend	-	(6,959,780.00)	-	-
Net cash used in financing activities	(408,170,975.38)	(599,108,882.99)	(413,662,157.21)	(439,091,470.96)
Net increase (decrease) in cash and cash equivalents	(152,840,119.28)	503,831,777.98	(35,343,597.49)	15,597,526.04
Cash and cash equivalents at the beginning of the year	1,240,095,306.73	736,263,528.75	109,362,448.23	93,764,922.19
Cash and cash equivalents at the ending of the year	1,087,255,187.45	1,240,095,306.73	74,018,850.74	109,362,448.23

Additional disclosure :

Items not affecting cash flow are as follows :-

- Purchases of parent chickens which had not yet been paid	64,544,951.65	71,253,841.54	-	-
- Sales of retired parent chickens which had not yet been received	-	1,354,833.00	-	-
- Depreciation transferred to cost of grandparent chickens	13,822,756.46	14,400,262.24	-	-
- Depreciation transferred to cost of parent chickens	42,162,996.95	32,510,546.98	-	-
- Transfer of inventories to property, plant and equipment	91,659,537.26	265,172,000.34	-	-
- Transfer of other current assets to property, plant and equipment	283,001.34	250,075.05	-	-
- Transfer of property, plant and equipment to trade and other receivables	342,400.00	-	-	-
- Transfer of property, plant and equipment to investment property	-	-	-	48,108,125.33
- Transfer of property, plant and equipment to intangible assets	-	5,083,337.42	-	-
- Transfer of property, plant and equipment to other non-current assets	-	512,400.00	-	-
- Transfer of property, plant and equipment to expenses	19,802,019.65	14,109,044.77	1,450,073.14	529,351.76
- Transfer of other non-current assets to property, plant and equipment	17,950,925.00	2,177,450.00	-	-
- Purchases of property, plant and equipment which had not yet been paid	25,929,635.19	14,516,925.26	13,199,610.14	4,026,799.74
- Recognize the amortization expenses to property, plant and equipment	10,281.88	-	-	-
- Transfer of short-term loans from related person to long-term loans from related persons	-	160,000,000.00	-	-
- Recognize the cost of employee benefits to property, plant and equipment	656,445.00	390,237.16	-	-

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**NOTES TO FINANCIAL STATEMENTS****For the year ended December 31, 2019**

1. General information

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

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

2. Basis of financial statement preparation

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

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

The presentation of financial statements is in accordance with the determination stated in the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act, B.E. 2543.

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

2.2 New financial reporting standards

2.2.1 New and revised financial reporting standards that became effective in the current year

During the year, the Group has adopted revised and new financial reporting standards and financial reporting interpretations (revised 2018) including guidance promulgated issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.2.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2019) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards and revised due to publish the new financial reporting standards. The management of the Company believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments and leased which involves changes to key principles. The new accounting standards, financial reporting standards and interpretations are as follows: -

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

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

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

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

Lease agreement

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

Allowance for doubtful debt

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

Reduction of inventories to become net realizable value

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

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

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

Grandparent chickens and parent chickens and depreciation

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

Investment properties, property, plant and equipment and depreciation

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

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

Deferred tax assets

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

Estimate on employee benefit obligations

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

Goodwill

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

Litigation

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

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

3. Basis of the consolidated financial statements preparation

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

<u>Name of subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Percentage of shareholdings</u>	
			<u>2019</u>	<u>2018</u>
M.K.S. FARM CO., LTD.	Thailand	Broiler farm	99.99	99.99
KRUNGTHAI FARM CO., LTD.	Thailand	Parent chickens farm and chicks distribution	99.99	99.99
KRUNGTHAI FOOD PUBLIC CO., LTD.	Thailand	Production and distribution of feed mill and chicks distribution	98.2761	98.2601
GF FOODS CO., LTD.	Thailand	Production and distribution of processed food	99.99	99.99
GP BREEDING CO., LTD.	Thailand	Grandparent chickens farm	99.99	99.99

- 3.2 Subsidiaries are entities controlled by the Company. The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct activities that affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- 3.3 The consolidated financial statements have been prepared using the same accounting policy for the same accounting items and other events in the similar situation.
- 3.4 The accounting periods of subsidiary companies ended the same date as that of GFPT PUBLIC COMPANY LIMITED.
- 3.5 The consolidated financial statements combine the accounts of the Company and subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

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

4.2 Trade and other receivables

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

4.3 Inventories

Inventories are valued at the lower of cost and net realizable value which the cost price calculates as follows:-

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

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

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

4.4 Investments

Investments in subsidiaries

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

Investments in associates

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

4.5 Biological assets

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

- Current biological assets consist of seed eggs, eggs in hatchery and rearing chicken that are presented under the caption "Inventory" recorded with cost price at FIFO method or net realizable value whichever is lower because of these biological assets are rearing short cycle.

- Non-current biological assets consist of grandparent chickens and parent chickens, grandparent chickens during rearing and parent chickens during rearing are measured at cost less accumulated depreciation and the allowance for impairment loss (if any) because of these biological assets are rearing short cycle. In particular, the market prices or fair values at present condition of the biological assets which are breeders are unavailable; and valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, disease etc.

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

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

4.6 Investment property

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

Investment properties of the Group are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

The depreciation of the investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful life as follows :-

- | | |
|---------------------|----------|
| - Condominium units | 20 Years |
| - Factory buildings | 20 Years |

The depreciation of the investment properties is included in the calculation for the operating result. No depreciation is calculated for investment properties in case of land and construction in progress.

The Group recognize the difference between the assets' net realizable value and book value in the profit or loss for the period the investment properties are derecognized from the account.

Transfers investment property to property and plant is stated at carrying amount of the investment property transferred at the date of the change in use and measured in accordance with accounting policy of property and plant.

4.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs, the cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

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

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

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

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

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

4.10 Cost of borrowing

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

4.11 Goodwill

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

4.12 Impairment

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

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

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

Calculation of recoverable amount

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

Reversals of impairment loss

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

4.13 Trade and other payables

Trade and other payables are stated at cost.

4.14 Employee benefit

Short-term employee benefits

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

Post-employment benefits (Defined benefit plans)

- The Group has obligations in respect of the severance payments then must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.
- The Group calculated its obligations from post employment benefits by using projected unit credit method. The independent expert has actuarially estimated such obligations, where the principle of such estimation requires various assumptions, including future salary increase rate, turnover rate, death rate, and inflation rate.

- Actuarial gains or losses arising from post-employment benefits are recognized in other comprehensive income in the period in which they arise.
- Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment.

4.15 Provision of liabilities

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

4.16 Recognition of revenues

- Revenue from sales and services are recognized at the point in time when control of the goods and services are transferred to the customer, generally on delivery of the goods and services. Revenue from sales and services are measured at the amount of consideration received or expect to be received for delivered goods or services after deduction of discounts, excluding value added tax.
- Rental income from operating lease contracts is recognized in profit or loss on a straight line basis over the term of the lease.
- Interest income is recognized on an accrual basis based on the effective interest rate.
- Revenue from tax return is recorded to other income when tax returns are received.
- Dividend Income are recognized when the right to receive the dividends is established.

4.17 Recognition of expenses

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

4.18 Income tax

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

Current income tax

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

Deferred tax

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

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

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

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

4.19 Basic earnings (loss) per share

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

4.20 The related persons and related companies

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

4.21 Foreign currencies

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the year-end date are translated into Baht at the rates ruling on that date. Exchange gains or losses are included as incomes or expenses in profit or loss.

4.22 Segment reporting

The sectoral business operation is disclosed under the separate business sectors of the Group, by the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

4.23 Financial instruments

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

4.24 Foreign currency forward contracts

Foreign currency forward contracts are meant to prevent risk from volatile movements in exchange rates by establishing a future rate at which a foreign currency asset and liability will be received or paid. Gain or loss from the foreign currency forward contracts will be recorded in profit or loss when the contracts are settled or terms are expired.

4.25 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:-

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Inter-transaction with related companies

The Company has business transactions with subsidiary and related entities, which have the same group of shareholders or mutual directors. Such transaction which have been concluded on commercial terms and based agreed up on between the company and related parties and are in ordinary course of business which can be summarized as follow:-

5.1 Inter-assets and liabilities

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	983,835.00	1,444,720.00
GF FOODS CO., LTD.	-	-	14,229,506.98	11,677,587.19
KRUNGTHAI FARM CO., LTD.	-	-	8,239.86	5,800.00
M.K.S. FARM CO., LTD.	-	-	8,399.84	6,250.00
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	132,084,492.00	85,976,135.50	132,084,492.00	85,976,135.50
GFPT NICHIREI (THAILAND) CO., LTD.	226,621,399.03	275,901,178.83	9,120,000.00	-
Related companies				
NICHIREI FOODS INC.	22,526,313.37	118,385,877.01	22,526,313.37	118,385,877.01
KEYSTONE FOODS (AP) LIMITED	90,295,861.43	67,876,301.82	90,295,861.43	67,876,301.82
SURAPON FOODS PUBLIC CO., LTD.	286,380.00	249,324.00	286,380.00	249,324.00
P.CHAROEN PHAN FEEDMILL CO., LTD.	-	20,810,064.00	-	-
KRUNGTHAI AQUA-CULTURE CO., LTD.	4,018,471.48	5,858,349.71	-	-
Total	475,832,917.31	575,057,230.87	269,543,028.48	285,621,995.52
Other receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	230,220.69	53,211.10
M.K.S. FARM CO., LTD.	-	-	403,550.50	420,349.50
KRUNGTHAI FARM CO., LTD.	-	-	397,079.84	337,779.26
GP BREEDING CO., LTD.	-	-	125,682.20	97,862.20
GF FOODS CO., LTD.	-	-	283,195.83	247,177.28
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	11,172,254.07	10,434,724.88	9,074,004.87	8,715,315.73
GFPT NICHIREI (THAILAND) CO., LTD.	4,743,237.50	4,334,864.50	423,380.00	426,315.00

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2019	2018	2019	2018
Related companies				
M.K.S. CONDOTOWN CO., LTD.	841,379.21	103,037.22	840,309.21	101,967.22
P.CHAROEN PHAN FEEDMILL CO., LTD.	646,938.42	1,785,810.78	33,009.50	10,764.20
SURAPON FOODS PUBLIC CO., LTD.	21,828.00	-	21,828.00	-
Total	17,425,637.20	16,658,437.38	11,832,260.64	10,410,741.49
Advance payment				
Subsidiary				
GF FOODS CO., LTD.	-	-	1,747,245.67	1,558,830.99
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	-	2,000.00	-	-
Related Companies				
P.CHAROEN PHAN FEEDMILL CO., LTD.	296,246.05	633.51	-	-
P.CHAROEN PHAN PRODUCE CO., LTD.	3,846.74	-	-	-
M.K.S. CONDOTOWN CO., LTD.	3,846.74	-	-	-
KRUNGTHAI AQUA-CULTURE CO., LTD.	1,923.37	-	-	-
Total	305,862.90	2,633.51	1,747,245.67	1,558,830.99
Prepaid expenses				
Related Company				
P.CHAROEN PHAN PRODUCE CO., LTD.	687,277.50	654,550.19	687,277.50	654,550.19
Deposit payment				
Related Companies				
P.CHAROEN PHAN FEEDMILL CO., LTD.	2,084,400.00	2,084,400.00	891,000.00	891,000.00
P.CHAROEN PHAN PRODUCE CO., LTD.	125,000.00	125,000.00	-	-
M.K.S. CONDOTOWN CO., LTD.	114,000.00	114,000.00	114,000.00	114,000.00
Total	2,323,400.00	2,323,400.00	1,005,000.00	1,005,000.00
Prepaid rental expense				
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.				
Prepaid rental expense	19,249,999.56	-	-	-
<u>Less</u> current portion of prepaid rental expense	(1,749,999.96)	-	-	-
Net	17,499,999.60	-	-	-
Trade and notes payables				
Subsidiaries				
M.K.S. FARM CO., LTD.	-	-	138,526,226.12	318,150,307.86
GF FOODS CO., LTD.	-	-	247,277.00	1,899,262.00

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	618,984.55	21,095,226.97	-	18,980,874.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	26,537,728.29	52,977.50	-	-
Total	27,156,712.84	21,148,204.47	138,773,503.12	339,030,443.86
Accrued expenses				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	326,455.66	592,397.27
M.K.S. FARM CO., LTD.	-	-	1,128,070.28	1,581,960.75
KRUNGTHAI FARM CO., LTD.	-	-	61,792.10	39,689.10
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	-	1,155,548.33	-	-
GFPT NICHIREI (THAILAND) CO., LTD.	-	3,241,485.53	-	-
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	597,839.66	3,259,285.90	160,403.09	156,209.66
Total	597,839.66	7,656,319.76	1,676,721.13	2,370,256.78
Other payables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	410,632.29	146,747.33
KRUNGTHAI FARM CO., LTD.	-	-	105,844.40	64,576.23
M.K.S. FARM CO., LTD.	-	-	305,381.73	123,622.49
GF FOODS CO., LTD.	-	-	600.00	2,430.00
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	-	66,340.00	-	66,340.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	4,155.99	-	4,155.99	-
Total	4,155.99	66,340.00	826,614.41	403,716.05
Deposit income				
Subsidiaries				
KRUNGTHAI FARM CO., LTD.	-	-	25,000.00	25,000.00
M.K.S. FARM CO., LTD.	-	-	140,000.00	140,000.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	50,000.00	50,000.00	-	-
Total	50,000.00	50,000.00	165,000.00	165,000.00

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Advance received				
Subsidiary				
M.K.S. FARM CO., LTD.	-	-	25,000.00	25,000.00
Deferred rental income				
Associate				
MCKEY FOOD SERVICES (THAILAND) LTD.				
Balance as at beginning	83,733,333.20	91,583,333.20	83,733,333.20	91,583,333.20
Beginning of current portion	7,850,000.00	7,850,000.00	7,850,000.00	7,850,000.00
<u>Less</u> recognized as revenue for the year	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
<u>Less</u> Current portion of deferred rental income	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Balance as at ending	75,883,333.20	83,733,333.20	75,883,333.20	83,733,333.20
Short-term loans				
Subsidiary				
Balance as at beginning	-	-	15,000,000.00	-
Increase	-	-	15,000,000.00	15,000,000.00
Decrease	-	-	-	-
Balance as at ending	-	-	30,000,000.00	15,000,000.00
Directors in parent company				
Balance as at beginning	-	-	-	-
Increase	461,400,000.00	-	461,400,000.00	-
Decrease	(461,400,000.00)	-	(461,400,000.00)	-
Balance as at ending	-	-	-	-
Directors in subsidiary				
Balance as at beginning	-	103,000,000.00	-	-
Increase	-	-	-	-
Decrease	-	(103,000,000.00)	-	-
Balance as at ending	-	-	-	-
Related persons in subsidiary				
Balance as at beginning	-	57,000,000.00	-	-
Increase	-	-	-	-
Decrease	-	(57,000,000.00)	-	-
Balance as at ending	-	-	-	-
Total	-	-	-	-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Long-term loans				
Directors in parent company				
Balance as at beginning	1,134,300,000.00	806,600,000.00	1,134,300,000.00	806,600,000.00
Increase	881,400,000.00	416,000,000.00	881,400,000.00	416,000,000.00
Decrease	(379,300,000.00)	(88,300,000.00)	(379,300,000.00)	(88,300,000.00)
Total	1,636,400,000.00	1,134,300,000.00	1,636,400,000.00	1,134,300,000.00
<u>Less</u> Current portion of long-term loans	-	(300,000,000.00)	-	(300,000,000.00)
Balance as at ending	1,636,400,000.00	834,300,000.00	1,636,400,000.00	834,300,000.00
Directors in subsidiaries				
Balance as at beginning	227,900,000.00	136,900,000.00	-	-
Increase	50,000,000.00	103,000,000.00	-	-
Decrease	(28,400,000.00)	(12,000,000.00)	-	-
Balance as at ending	249,500,000.00	227,900,000.00	-	-
Related persons in subsidiaries				
Balance as at beginning	697,800,000.00	756,500,000.00	-	-
Increase	110,000,000.00	57,000,000.00	-	-
Decrease	(99,300,000.00)	(115,700,000.00)	-	-
Balance as at ending	708,500,000.00	697,800,000.00	-	-
Total Current portion of long-term loans	-	300,000,000.00	-	300,000,000.00
Total Long-term loans	2,594,400,000.00	1,760,000,000.00	1,636,400,000.00	834,300,000.00

As at December 31, 2019 and 2018, the whole amount of short-term loans from subsidiary company is in form of promissory note in the type of call, carried interest rate at 1.58%-1.95% and 1.68% per annum respectively.

As at December 31, 2019, the whole amount of long-term loans from related persons are loans in form of promissory note which will be gradually matured within 2021, 2022 and 2024 and as at December 31, 2018, the whole amount of long-term loans from related persons are loans in form of promissory note which will be gradually matured within 2019, 2021 and 2024 carried interest rate at 3.25%-5.50% per annum for the both years.

5.2 Inter-revenues and expenses

		(Unit : Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>For the year ended December 31,</u>			
<u>Pricing policy</u>		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Inter-transaction with subsidiaries					
(Eliminated from consolidated financial statements)					
Sales	Agreement price, reference to market price	-	-	385,364,104.43	387,389,820.83
Purchase	Agreement price, reference to market price	-	-	4,024,118,423.64	4,406,622,739.69
Rental income	Contract price	-	-	5,935,098.00	5,935,098.00
Other income	Cost price and agreement price	-	-	26,135,108.60	26,309,478.20
Dividend received	Approved by board of director's meeting	-	-	-	393,040,220.00
Other expenses	Cost price	-	-	6,131,583.47	7,428,271.69
Interest expense recognized in profit or loss	Annual interest rate at 1.58-1.95%	-	-	468,534.26	109,775.35
Inter-transaction with associates					
Sales	Agreement price, reference to market price	6,773,898,828.63	6,782,330,900.85	2,152,568,482.29	1,685,086,759.40
Purchase	Agreement price, reference to market price	436,612,052.82	208,454,745.90	386,186,904.50	163,023,926.00
Rental income	Contract price	20,396,491.90	19,986,877.04	17,369,401.85	16,959,786.99
Other income	Cost price and market price	179,426,279.89	174,775,906.42	128,632,269.89	125,923,516.42
Dividend received	Approved of shareholder's meeting	48,999,900.00	48,999,900.00	48,999,900.00	48,999,900.00
Other expenses	Cost price	965,880.00	916,380.00	916,380.00	916,380.00
Inter-transaction with related companies					
Sales	Agreement price, reference to market price	2,273,502,722.62	2,589,483,150.89	1,767,280,627.73	2,031,048,044.52
Purchase	Agreement price, reference to market price	2,690,064,657.40	2,888,640,178.50	-	-
Rental income	Contract price	600,000.00	600,000.00	-	-
Other income	Cost price and market price	43,825,128.65	32,044,995.11	3,090,300.05	2,601,459.41
Rental expenses	Contract price	25,509,062.69	21,285,686.00	9,429,062.69	9,405,686.00
Other expenses	Cost price and market price	22,714,208.72	63,613,002.38	2,263,020.16	2,225,097.94
Inter-transaction with related persons					
Interest expense recognized in profit or loss	Annual interest rate at 1.93-5.50%	62,290,248.43	53,970,005.25	51,099,906.02	43,515,730.71
Interest expenses capitalized to cost of assets	Annual interest rate at 1.93-5.50%	33,809,482.86	37,265,694.55	3,542,349.47	1,220,363.10

5.3 Management's remuneration

		(Unit : Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>For the year ended December 31,</u>			
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits		125,900,646.00	127,209,162.00	52,908,853.00	54,389,386.00
Post-employment benefits		3,354,667.00	14,297,719.00	1,871,196.00	7,257,093.00
Total		129,255,313.00	141,506,881.00	54,780,049.00	61,646,479.00

Management's remuneration represent the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange Act.

5.4 Relationship among the companies

Consisted of :-

<u>Company's Name</u>	<u>Relationship</u>
Krungthai Farm Co., Ltd.	Subsidiary company by shareholding and common management
M.K.S. Farm Co., Ltd.	Subsidiary company by shareholding and common management
GF Foods Co., Ltd.	Subsidiary company by shareholding and common management
Krungthai Food Public Co., Ltd.	Subsidiary company by shareholding and common management
GP Breeding Co., Ltd.	Subsidiary company by shareholding and common management
McKey Food Services (Thailand) Ltd.	Associated company by shareholding
GFPT Nichirei (Thailand) Co., Ltd.	Associated company by shareholding
M.K.S. Condotown Co., Ltd.	Related company by common management
P. Charoen Phan Feedmill Co., Ltd.	Related company by common management
P. Charoen Phan Produce Co., Ltd.	Related company by common management
Krungthai Aqua-Culture Co., Ltd.	Related company by common management
Nichirei Foods Inc.	Related company by shareholding of associated company
Keystone Foods (AP) Ltd.	Related company with associated company by common parent company with associated company
Surapon Nichirei Foods Co., Ltd.	Related company with associated company by common parent company with associated company
Surapon Foods Public Co., Ltd.	Related company with associated company by shareholding of Surapon Nichirei Foods Co., Ltd.
Related Persons	Directors and shareholders and related persons with directors and shareholders

6. Cash and cash equivalents

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash on hand	520,000.00	1,354,106.03	55,000.00	889,106.03
Saving deposit	676,695,940.29	568,364,972.07	44,335,409.35	81,881,202.35
Current deposit	405,982,334.44	661,029,683.13	29,628,441.39	26,592,139.85
Cheques on hand	4,056,912.72	9,346,545.50	-	-
Total	1,087,255,187.45	1,240,095,306.73	74,018,850.74	109,362,448.23

7. Trade and other receivables

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables-related parties	475,832,917.31	575,057,230.87	269,543,028.48	285,621,995.52
Trade receivables-other parties	330,968,605.99	335,933,820.36	134,403,723.11	168,169,878.53
Notes receivables-other parties	51,590,027.50	49,472,580.05	-	-
Total trade and notes receivables	858,391,550.80	960,463,631.28	403,946,751.59	453,791,874.05
<u>Less</u> Allowance for doubtful accounts	(33,918,874.20)	(35,357,662.67)	-	-
Total trade and notes receivables-net	824,472,676.60	925,105,968.61	403,946,751.59	453,791,874.05
Other receivables-related parties	17,425,637.20	16,658,437.38	11,832,260.64	10,410,741.49
Other receivables-other parties	16,422,538.90	1,850,628.93	12,763,889.05	61,687.15
Advance payment-related parties	305,862.90	2,633.51	1,747,245.67	1,558,830.99
Advance payment-other parties	1,500,105.84	1,659,416.32	40,000.00	91,700.00
Current portion of prepaid rental-related party	1,749,999.96	-	-	-
Prepaid expenses-related party	687,277.50	654,550.19	687,277.50	654,550.19
Prepaid expenses-other parties	23,948,759.71	26,130,344.76	6,306,098.78	8,030,414.19
Accrued income-other parties	3,346,381.95	2,911,164.36	1,139,609.00	1,375,857.19
Total other receivables	65,386,563.96	49,867,175.45	34,516,380.64	22,183,781.20
<u>Less</u> Allowance for doubtful accounts	-	(170,000.00)	-	-
Total other receivables-net	65,386,563.96	49,697,175.45	34,516,380.64	22,183,781.20
Total trade and other receivables-net	889,859,240.56	974,803,144.06	438,463,132.23	475,975,655.25

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

7.1 Trade receivables-related parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade and notes receivables within due period	408,416,003.87	491,164,751.49	258,124,743.42	267,167,990.43
Trade and notes receivables over due period				
- Not more than 3 months	67,416,913.44	83,892,479.38	11,418,285.06	18,454,005.09
Total	475,832,917.31	575,057,230.87	269,543,028.48	285,621,995.52

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

7.2 Trade receivables-other parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade and notes receivables within due period	261,648,739.94	273,972,150.06	91,180,130.54	131,340,734.03
Trade and notes receivables over due period				
- Not more than 3 months	86,299,809.35	74,091,411.20	42,853,937.57	35,803,489.50
- More than 3 months	34,610,084.20	37,342,839.15	369,655.00	1,025,655.00
Total	382,558,633.49	385,406,400.41	134,403,723.11	168,169,878.53
<u>Less</u> Allowance for doubtful accounts	(33,918,874.20)	(35,357,662.67)	-	-
Net	348,639,759.29	350,048,737.74	134,403,723.11	168,169,878.53

The normal credit term granted to customers of the Group is 1-60 days.

The movement of allowance for doubtful debts-trade accounts and other receivable-other parties for the year ended December 31, 2019 and 2018, were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Beginning balance	(35,527,662.67)	(34,576,662.27)	-	-
Additions during the year	(480,195.00)	(3,078,621.00)	-	-
Collect during the year	2,027,031.47	1,940,819.60	-	-
Written off during the year	61,952.00	186,801.00	-	-
Ending balance	(33,918,874.20)	(35,527,662.67)	-	-

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

8. Inventories

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods-processed chicken products	137,390,535.85	170,088,020.28	132,085,172.01	164,590,243.75
Finished goods-feed mill	57,062,001.69	53,679,089.47	-	-
Finished goods-egg	379,051.69	-	-	-
Raw materials and medical supplies	2,199,994,187.25	1,772,690,737.23	21,139,801.55	23,862,483.50
Raw materials in transit	210,661,349.75	336,150,388.50	-	-
Goods in transit	1,098,187.78	-	-	-
Work in process	56,784,404.86	214,939,034.04	56,476,446.68	211,950,030.39
Current biological assets				
Seed eggs and eggs in hatchery	109,596,068.39	100,594,078.71	-	-
Rearing chicken	422,412,858.69	360,803,948.85	-	-
Chicks	-	37,202.04	-	-
Spare parts, factory supplies, supplies and others	536,350,003.04	551,846,962.36	137,832,266.43	123,908,848.98
Total	3,731,728,648.99	3,560,829,461.48	347,533,686.67	524,311,606.62
<u>Less</u> Allowance for decline in value of				
non-movement inventories	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)
Allowance for decline in value of				
inventories	(12,020,802.72)	(29,973,503.50)	(9,929,955.14)	(18,273,921.69)
Net	3,716,828,973.42	3,527,977,085.13	334,724,858.68	503,158,812.08

An analysis of the estimates of physical quantities biological assets as at 31 December 2019 and 2018 were as follows:

	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Seed eggs and eggs in hatchery (Unit : Egg)	9,807,893	9,023,475
Rearing chicken (Unit : Head)	9,423,404	8,324,699
Chicks (Unit : Head)	-	3,262

For the year ended December 31, 2019 and 2018, no movement of allowance for non-movement inventories.

For the year ended December 31, 2019 and 2018, the movement of allowance for decline in value of inventories were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Allowance for decline in value of inventories-beginning	(29,973,503.50)	(10,013,076.98)	(18,273,921.69)	(8,630,672.06)
Increased during the year	(522,814.75)	(20,091,670.72)	-	(9,643,249.63)
Reversed/sold during the year	18,475,515.53	131,244.20	8,343,966.55	-
Allowance for decline in value of inventories-ending	<u>(12,020,802.72)</u>	<u>(29,973,503.50)</u>	<u>(9,929,955.14)</u>	<u>(18,273,921.69)</u>

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost of inventories recognized as an expense and is included in cost of goods sold account				
- Cost of goods sold	14,461,422,990.00	14,243,598,130.82	7,675,356,786.01	7,587,875,482.80
- The reduction in net worth that is expected to receive (Reversed)	(17,952,700.78)	19,960,426.52	(8,343,966.55)	9,643,249.63
Net	<u>14,443,470,289.22</u>	<u>14,263,558,557.34</u>	<u>7,667,012,819.46</u>	<u>7,597,518,732.43</u>

9. Investments in associates

As at December 31, 2019 and 2018, the Company's investments in associates were as follows :-

(Unit: Baht)

<u>Name of company</u>	<u>Paid-up</u>		<u>% Share</u>		<u>Equity method</u>		<u>Cost method</u>	
	<u>share capital</u>		<u>-holding</u>		<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Investments in associates								
- MCKEY FOOD SERVICES (THAILAND) LTD.	100,000,000.00	100,000,000.00	49.00	49.00	1,246,124,096.91	1,041,747,853.30	49,000,000.00	49,000,000.00
- GFPT NICHIREI (THAILAND) CO., LTD.	3,014,000,000.00	3,014,000,000.00	49.00	49.00	1,645,696,021.17	1,645,768,276.70	1,476,859,700.00	1,476,859,700.00
Total					<u>2,891,820,118.08</u>	<u>2,687,516,130.00</u>	<u>1,525,859,700.00</u>	<u>1,525,859,700.00</u>

The financial information of associates

The financial information as presented in the financial statements of associates were as follows :-

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Current assets	1,910,427,662.86	1,299,437,232.18
Non-current assets	1,678,497,249.65	1,833,188,489.98
Current liabilities	(738,091,077.68)	(577,969,379.75)
Non-current liabilities	(306,941,776.12)	(427,889,964.34)
Total assets-net	<u>2,543,892,058.71</u>	<u>2,126,766,378.07</u>

GFPT NICHIREI (THAILAND) CO., LTD.

Current assets	1,947,687,643.08	1,955,684,690.97
Non-current assets	1,982,862,215.91	1,962,643,088.44
Current liabilities	(500,065,645.61)	(503,627,166.27)
Non-current liabilities	(47,780,451.06)	(36,818,436.70)
Total assets-net	<u>3,382,703,762.32</u>	<u>3,377,882,176.44</u>

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Revenue	7,164,261,686.37	6,050,227,856.02
Profit from continuing operations	517,125,680.64	289,776,519.97
Profit (loss) before income tax from discontinued operations	-	-
Profit for the year	<u>517,125,680.64</u>	<u>289,776,519.97</u>
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>517,125,680.64</u>	<u>289,776,519.97</u>
Dividend received from associate for the year	48,999,900.00	48,999,900.00

GFPT NICHIREI (THAILAND) CO., LTD.

Revenue	8,215,526,696.33	8,106,813,968.90
Profit (loss) from continuing operations	4,821,585.88	(160,706,527.08)
Profit (loss) before income tax from discontinued operations	-	-
Profit (loss) for the year	<u>4,821,585.88</u>	<u>(160,706,527.08)</u>
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>4,821,585.88</u>	<u>(160,706,527.08)</u>
Dividend received from associate for the year	-	-

Reconciliation of financial data above, the carrying amount of the equity of associates is recognized in the consolidated financial statements.

(Unit : Baht)		
<u>As at December 31,</u>		
	<u>2019</u>	<u>2018</u>
MCKEY FOOD SERVICES (THAILAND) LTD.		
Net assets of the associates	2,543,892,058.71	2,126,766,378.07
Shareholding of the Company (%)	49.00	49.00
	1,246,507,108.77	1,042,115,525.25
Other adjustments	(383,011.86)	(367,671.95)
Book value of the Company in associates	1,246,124,096.91	1,041,747,853.30
GFPT NICHIREI (THAILAND) CO., LTD.		
Net assets of the associates	3,382,703,762.32	3,377,882,176.44
Shareholding of the Company (%)	49.00	49.00
	1,657,524,843.54	1,655,162,266.46
Other adjustments	(11,828,822.37)	(9,393,989.76)
Book value of the Company in associates	1,645,696,021.17	1,645,768,276.70
Total book value of the Company in associates	2,891,820,118.08	2,687,516,130.00

10. Investments in subsidiaries

As at December 31, 2019 and 2018, the Company had investments in subsidiaries were as follows :-

Name of company	(Unit: Baht)							
	<u>Separate financial statements</u>							
	<u>Paid-up</u>		<u>% Share-</u>		<u>Cost method</u>		<u>Dividend</u>	
	<u>share Capital</u>		<u>holding</u>		<u>As at December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Investments in Subsidiaries</u>								
- M.K.S. FARM CO., LTD.	550,000,000.00	550,000,000.00	99.99	99.99	549,999,910.00	549,999,910.00	-	-
- KRUNGTHAI FARM CO., LTD.	350,000,000.00	350,000,000.00	99.99	99.99	349,999,910.00	349,999,910.00	-	-
- KRUNGTHAI FOOD PUBLIC CO., LTD.	400,000,000.00	400,000,000.00	98.2761	98.2601	536,374,727.35	535,578,727.35	-	393,040,220.00
- GF FOODS CO., LTD.	160,000,000.00	160,000,000.00	99.99	99.99	159,999,100.00	159,999,100.00	-	-
- GP BREEDING CO., LTD.	200,000,000.00	200,000,000.00	99.99	99.99	200,499,895.00	200,499,895.00	-	-
Total					1,796,873,542.35	1,796,077,542.35	-	393,040,220.00

For the year ended December 31, 2019, the Company has invested more in KRUNGTHAI FOOD PUBLIC CO., LTD., a subsidiary for 6,400 shares in the amount of Baht 0.80 million. The proportion of shareholding increased from 98.2601 % to 98.2761 %. The purchase in lower price than the book value results in the discount from purchasing the investment amount of Baht 319,488.39 representing in the shareholder's equity as it is considered as the change of shareholders after the control in such subsidiary.

According to the Company's board of directors Meeting No.9/2018 of Krungthai Food Public Co., Ltd held on November 12, 2018, has resolution to approve the interim dividend from the company's performance in 2008-2009 at Baht 10.00 per share, the number of shares was 40,000,000 and amounting to Baht 400.00 million, which was approved by the shareholders' meeting of the subsidiary company for the year 2018 on April 4, 2019.

11. Non-current biological assets

11.1 Grandparent chickens

Consisted of :-

	(Unit : Baht)		
	Consolidated financial statements		
	Grandparent chickens	Grandparent chickens during rearing	Total
Cost :-			
As at January 1, 2018	135,761,580.88	39,337,204.49	175,098,785.37
Purchase	-	125,154,964.78	125,154,964.78
Transfer in	138,820,646.59	-	138,820,646.59
Depreciation transferred to costs of rearing	-	14,400,262.24	14,400,262.24
Sale	(158,418,607.35)	-	(158,418,607.35)
Transfer out	-	(138,820,646.59)	(138,820,646.59)
As at December 31, 2018	116,163,620.12	40,071,784.92	156,235,405.04
Purchase	-	119,777,780.45	119,777,780.45
Transfer in	136,761,719.51	-	136,761,719.51
Depreciation transferred to costs of rearing	-	13,822,756.46	13,822,756.46
Sale	(116,163,620.12)	-	(116,163,620.12)
Transfer out	-	(136,761,719.51)	(136,761,719.51)
As at December 31, 2019	136,761,719.51	36,910,602.32	173,672,321.83

(Unit : Baht)

	Consolidated financial statements		
	Grandparent	Grandparent	Total
	chickens	chickens during rearing	
Accumulated depreciation :-			
As at January 1, 2018	(64,272,441.11)	-	(64,272,441.11)
Depreciation for the year	(125,682,837.18)	-	(125,682,837.18)
Depreciation for sale /retirement	138,210,938.57	-	138,210,938.57
As at December 31, 2018	(51,744,339.72)	-	(51,744,339.72)
Depreciation for the year	(130,676,991.24)	-	(130,676,991.24)
Depreciation for sale /retirement	108,645,890.18	-	108,645,890.18
As at December 31, 2019	(73,775,440.78)	-	(73,775,440.78)
Book value net :-			
As at December 31, 2018	64,419,280.40	40,071,784.92	104,491,065.32
As at December 31, 2019	62,986,278.73	36,910,602.32	99,896,881.05
Depreciation was shown in profit or loss for the year			
Ended December 31, 2018			125,682,837.18
Ended December 31, 2019			130,676,991.24

11.2 Parent chickens

Consisted of :-

(Unit : Baht)

	Consolidated financial statements		
	Parent chickens	Parent chickens	Total
		during rearing	
Cost :-			
As at January 1, 2018	347,950,465.15	163,159,707.03	511,110,172.18
Purchase	-	527,573,937.85	527,573,937.85
Transfer in	544,075,709.06	-	544,075,709.06
Depreciation transferred to costs of rearing	-	32,510,546.98	32,510,546.98
Sale	(529,239,903.73)	-	(529,239,903.73)
Transfer out	-	(544,075,709.06)	(544,075,709.06)
As at December 31, 2018	362,786,270.48	179,168,482.80	541,954,753.28
Purchase	-	554,551,445.24	554,551,445.24
Transfer in	568,754,655.11	-	568,754,655.11
Depreciation transferred to costs of rearing	-	42,162,996.95	42,162,996.95
Sale	(512,494,171.04)	-	(512,494,171.04)
Transfer out	-	(568,754,655.11)	(568,754,655.11)
As at December 31, 2019	419,046,754.55	207,128,269.88	626,175,024.43

(Unit : Baht)

	Consolidated financial statements		
	Parent chickens	Parent chickens during rearing	Total
Accumulated depreciation :-			
As at January 1, 2018	(144,888,084.93)	-	(144,888,084.93)
Depreciation for the year	(429,319,458.64)	-	(429,319,458.64)
Depreciation for sale /retirement	428,377,359.88	-	428,377,359.88
As at December 31, 2018	(145,830,183.69)	-	(145,830,183.69)
Depreciation for the year	(443,189,950.06)	-	(443,189,950.06)
Depreciation for sale /retirement	401,238,940.91	-	401,238,940.91
As at December 31, 2019	(187,781,192.84)	-	(187,781,192.84)
Book value net :-			
As at December 31, 2018	216,956,086.79	179,168,482.80	396,124,569.59
As at December 31, 2019	231,265,561.71	207,128,269.88	438,393,831.59

Depreciation was shown in profit or loss for the year

Ended December 31, 2018	429,319,458.64
Ended December 31, 2019	443,189,950.06

An analysis of the estimates of physical quantities biological assets as at December 31, 2019 and 2018 were as follows:

(Unit : Head)

	Consolidated financial statements	
	As at December 31,	
	2019	2018
Grandparent and parent chickens	713,556	626,207
Grandparent and parent chickens during rearing	582,756	549,065
Total	1,296,312	1,175,272

12. Investment property

Consisted of :-

(Unit : Baht)

	Consolidated financial statements		
	Land and Land improvements	Building	Total
Cost :-			
As at January 1, 2018	265,247,814.80	130,310,492.98	395,558,307.78
Purchase	2,000,000.00	-	2,000,000.00
As at December 31, 2018	267,247,814.80	130,310,492.98	397,558,307.78
Purchase	2,961,800.00	538,200.00	3,500,000.00
As at December 31, 2019	270,209,614.80	130,848,692.98	401,058,307.78
Depreciation :-			
As at January 1, 2018	(285,945.20)	(40,330,487.98)	(40,616,433.18)
Depreciation for the year	(48,497.55)	(6,303,985.93)	(6,352,483.48)
As at December 31, 2018	(334,442.75)	(46,634,473.91)	(46,968,916.66)
Depreciation for the year	(48,497.55)	(6,316,731.74)	(6,365,229.29)
As at December 31, 2019	(382,940.30)	(52,951,205.65)	(53,334,145.95)
Allowance for impairment of assets :-			
As at January 1, 2018	(850,146.00)	(23,809.10)	(873,955.10)
Reversal of allowance for impairment	32,500.00	23,809.10	56,309.10
As at December 31, 2018	(817,646.00)	-	(817,646.00)
As at December 31, 2019	(817,646.00)	-	(817,646.00)
Net book value :-			
As at December 31, 2018	266,095,726.05	83,676,019.07	349,771,745.12
As at December 31, 2019	269,009,028.50	77,897,487.33	346,906,515.83

Depreciation was shown in profit or loss for the year

Ended December 31, 2018	6,352,483.48
Ended December 31, 2019	6,365,229.29

(Unit : Baht)

	Separate financial statements		
	Land and Land improvements	Building	Total
Cost :-			
As at January 1, 2018	125,553,808.57	275,258,202.97	400,812,011.54
Transfer in	-	48,108,125.33	48,108,125.33
As at December 31, 2018	125,553,808.57	323,366,328.30	448,920,136.87
As at December 31, 2019	125,553,808.57	323,366,328.30	448,920,136.87
Depreciation :-			
As at January 1, 2018	(285,945.20)	(204,003,126.36)	(204,289,071.56)
Depreciation for the year	(48,497.55)	(7,697,733.30)	(7,746,230.85)
As at December 31, 2018	(334,442.75)	(211,700,859.66)	(212,035,302.41)
Depreciation for the year	(48,497.55)	(7,697,733.20)	(7,746,230.75)
As at December 31, 2019	(382,940.30)	(219,398,592.86)	(219,781,533.16)
Allowance for impairment of assets :-			
As at January 1, 2018	(42,400.00)	-	(42,400.00)
Reversal of allowance for impairment	600.00	-	600.00
As at December 31, 2018	(41,800.00)	-	(41,800.00)
As at December 31, 2019	(41,800.00)	-	(41,800.00)
Net book value :-			
As at December 31, 2018	125,177,565.82	111,665,468.64	236,843,034.46
As at December 31, 2019	125,129,068.27	103,967,735.44	229,096,803.71

Depreciation was shown in profit or loss for the year

Ended December 31, 2018	7,746,230.85
Ended December 31, 2019	7,746,230.75

- Consolidated financial statements

As at December 31, 2019 and 2018, the Group pledged investment property at cost value of Baht 103.04 million and the book value of Baht 63.71 million and the cost value of Baht 103.04 million and the book value of Baht 68.61 million respectively, to guarantee credit of the Group with commercial banks and financial institutions, (Note 17).

As at December 31, 2019 and 2018, the fair value of investment property is in accordance to the valuation report dated on January and July to September 2018 was Baht 1,306.47 million and Baht 1,302.98 million respectively. (The fair value includes assets acquired after the valuation report dated amount of Baht 5.48 million and Baht 1.99 million respectively. The Group believes that the book value of the acquired assets does not materially differ from the fair value.) The fair value of investment property is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach and Income Approach for the land valuation and Cost Approach for buildings valuation. The fair value of investment property is hierarchical level 3.

For the year ended December 31, 2019 and 2018, investment property contributed rental income which recognized in profit and loss of Baht 25.59 million and Baht 25.06 million respectively.

- Separate financial statements

As at December 31, 2019 and 2018, the Company pledged investment property at cost value of Baht 313.61 million and the book value of Baht 105.46 million and the cost value of Baht 313.61 million and the book value of Baht 111.84 million respectively, to guarantee credit of the Group with commercial banks and financial institutions, (Note 17).

As at December 31, 2019 and 2018, the fair value of investment property is in accordance to the valuation report dated on July to September 2018 was Baht 1,273.40 million for both years. The fair value of investment property is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach and Income Approach for the land valuation and Cost Approach for buildings valuation. The fair value of investment property is hierarchical level 3.

For the year ended December 31, 2019 and 2018, investment property contributed rental income which recognized in profit and loss of Baht 23.58 million and Baht 23.17 million respectively.

(Unit : Baht)

Separate financial statements

	Land and land improvement	Building and building improvement	Machines and equipment	Tools	Office equipment	Vehicles	Others fixed assets	Construction in progress	Total
Cost :-									
As at January 1, 2018	178,807,722.65	1,154,483,486.49	1,393,526,831.24	171,327,390.42	204,090,596.05	155,701,640.10	55,281,554.35	6,782.46	3,313,226,003.76
Purchase	263,126.80	853,360.12	8,916,023.06	5,926,172.18	7,562,206.91	15,922,094.95	157,315,793.58	10,923,778.55	207,682,556.15
Transfer in	6,989,659.28	15,174,708.72	26,639,572.69	2,567,940.46	1,300,576.75	839,272.74	17,356,546.36	25,863.49	70,894,140.49
Sales/written-off	-	(4,882,671.47)	(12,356,770.51)	(1,854,745.67)	(1,581,734.59)	(10,147,968.15)	(1,357,878.32)	-	(32,181,768.71)
Transfer out	-	(48,108,125.33)	-	-	-	-	(57,961,081.40)	(10,956,424.50)	(117,025,631.23)
As at December 31, 2018	186,060,508.73	1,117,520,758.53	1,416,725,656.48	177,966,757.39	211,371,645.12	162,315,039.64	170,634,934.57	-	3,442,595,300.46
Purchase	-	3,167,892.85	14,917,381.77	5,859,681.45	11,449,517.03	25,797,482.66	226,779,536.37	12,990,081.43	300,961,573.56
Transfer in	3,319,492.21	44,793,519.67	46,079,951.31	4,349,868.76	617,336.84	13,059,242.30	5,619,822.14	70,835.73	117,910,068.96
Sales/written-off	-	(22,144,368.40)	(281,923,337.55)	(2,140,810.50)	(1,695,721.41)	(9,300,281.37)	-	-	(317,204,519.23)
Transfer out	-	-	-	-	-	-	(100,610,241.93)	(13,059,242.30)	(113,669,484.23)
As at December 31, 2019	189,380,000.94	1,143,337,802.65	1,195,799,652.01	186,035,497.10	221,742,777.58	191,871,483.23	302,424,051.15	1,674.86	3,430,592,939.52

Accumulated depreciation:-

As at January 1, 2018	(32,812,057.86)	(559,676,957.45)	(1,028,626,855.66)	(157,953,943.70)	(184,076,014.18)	(132,751,895.04)	-	-	(2,095,897,723.89)
Depreciation for the year	(2,709,187.06)	(38,373,297.76)	(79,192,187.55)	(6,239,322.26)	(7,716,684.95)	(11,077,438.81)	-	-	(145,308,118.39)
Depreciation for sale/written-off assets	-	4,882,670.47	12,356,750.51	1,851,395.68	1,581,642.59	10,147,963.15	-	-	30,820,422.40
As at December 31, 2018	(35,521,244.92)	(593,167,584.74)	(1,095,462,292.70)	(162,341,870.28)	(190,211,056.54)	(133,681,370.70)	-	-	(2,210,385,419.88)
Depreciation for the year	(2,887,433.20)	(40,260,416.59)	(81,377,450.82)	(6,252,595.11)	(7,502,005.51)	(12,660,208.76)	-	-	(150,940,109.99)
Depreciation for sale/written-off assets	-	9,861,831.79	253,770,318.85	2,140,497.33	1,598,973.79	9,300,274.37	-	-	276,671,896.13
As at December 31, 2019	(38,408,678.12)	(623,566,169.54)	(923,069,424.67)	(166,453,968.06)	(196,114,088.26)	(137,041,305.09)	-	-	(2,084,653,633.74)

Book value net :-

As at December 31, 2018	150,539,263.81	524,353,173.79	321,263,363.78	15,624,887.11	21,160,588.58	28,633,668.94	170,634,934.57	-	1,232,209,880.58
As at December 31, 2019	150,971,322.82	519,771,633.11	272,730,227.34	19,581,529.04	25,628,689.32	54,830,178.14	302,424,051.15	1,674.86	1,345,939,305.78

Depreciation was shown in profit or loss for the year

Ended December 31, 2018	145,308,118.39
Ended December 31, 2019	150,940,109.99

- Consolidated financial statements

For the year ended December 31, 2019 and 2018, the Group had capitalize borrowing cost to cost of construction in progress amount of Baht 35.96 million and Baht 38.55 million respectively. The cost of borrowings derived from the loans for general objectives and the capitalization rate was weighted average interest rate in each month of loans for general objectives which was 1.54%-5.50% and 1.68%-5.50% per annum respectively.

As at December 31, 2019 and 2018, the Group had land, land improvement and machines in the cost price was Baht 2,675.56 million and the book value of Baht 1,238.33 million and the cost price was Baht 2,745.74 million and the book value of Baht 1,283.00 million respectively, and to be acquired in the future pledged for collateral against credit line to commercial banks and financial institutions, (Note 17).

As at December 31, 2019 and 2018, the Group had the assets which fully depreciation but still in used. The cost price was Baht 4,970.50 million and the book value was Baht 378,374.00 and the cost price was Baht 4,810.43 million and the book value was Baht 378,022.00 respectively.

- Separate financial statements

For the year ended December 31, 2019 and 2018, the Company had capitalize borrowing cost to cost of construction in progress amount of Baht 5.69 million and Baht 2.51 million respectively. The cost of borrowings derived from the loans for general objectives and the capitalization rate was weighted average interest rate in each month of loans for general objectives which was 1.54% -5.50% and 1.68%-5.50% per annum respectively.

As at December 31, 2019 and 2018, the Company had land with buildings and improvement in the cost price was Baht 872.84 million and Baht 844.80 million respectively, and the book value of Baht 405.97 million and Baht 401.48 million respectively, and to be acquired in the future pledged for collateral against credit line to commercial banks and financial institutions, (Note 17).

As at December 31, 2019 and 2018, the Company had the assets which fully depreciation but still in used. The cost price was Baht 1,536.22 million and the book value was Baht 16,628.00 and the cost price was Baht 1,558.25 million and the book value was Baht 15,490.00 respectively.

14. Deferred tax assets

Deferred tax assets and liabilities as at December 31, 2019 and 2018 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets	180,392,114.67	275,951,838.29	95,316,137.26	198,458,598.46
Deferred tax liabilities	(110,880.00)	(100,800.00)	-	-
Net	180,281,234.67	275,851,038.29	95,316,137.26	198,458,598.46

Movements in total deferred tax assets and liabilities for the year ended December 31, 2019 and 2018 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>		
	<u>As at</u>	<u>(Charged)/</u>	<u>As at</u>	<u>As at</u>	<u>(Charged)/</u>	<u>As at</u>
	<u>January 1,</u>	<u>credited to</u>	<u>December 31,</u>	<u>January 1,</u>	<u>credited to</u>	<u>December 31,</u>
	<u>2019</u>	<u>profit or loss</u>	<u>2019</u>	<u>2019</u>	<u>profit or loss</u>	<u>2019</u>
		<u>(Note 27.1)</u>			<u>(Note 27.1)</u>	
Deferred tax assets						
Trade accounts receivable	6,232,340.66	(416,577.67)	5,815,762.99	-	-	-
Inventories	5,149,992.52	(2,171,777.85)	2,978,214.67	3,784,561.43	(1,222,795.84)	2,561,765.59
Investments in subsidiaries	16,785,536.90	(16,785,536.90)	-	16,785,536.90	(16,785,536.90)	-
Grandparent chickens	2,024,664.05	2,888,635.81	4,913,299.86	-	-	-
Parent chickens	16,670,709.46	2,759,623.79	19,430,333.25	-	-	-
Property, plant and equipment	45,483.84	(22,739.50)	22,744.34	-	-	-
Employee benefit obligations	84,312,818.00	4,811,120.86	89,123,938.86	33,158,207.27	1,488,343.70	34,646,550.97
Tax losses carried forward for not more than five years	144,730,292.86	(86,622,472.16)	58,107,820.70	144,730,292.86	(86,622,472.16)	58,107,820.70
Total	275,951,838.29	(95,559,723.62)	180,392,114.67	198,458,598.46	(103,142,461.20)	95,316,137.26
Deferred tax liabilities						
Trade and other payables	(100,800.00)	(10,080.00)	(110,880.00)	-	-	-
Total	(100,800.00)	(10,080.00)	(110,880.00)	-	-	-
Net	275,851,038.29	(95,569,803.62)	180,281,234.67	198,458,598.46	(103,142,461.20)	95,316,137.26

(Unit : Baht)

	Consolidated financial statements				Separate financial statements			
	As at January 1, 2018	(Charged)/ credited to profit or loss (Note 27.1)	(Charged)/ credited to other comprehensive income (Note 27.2)	As at December 31, 2018	As at January 1, 2018	(Charged)/ credited to profit or loss (Note 27.1)	(Charged)/ credited to other comprehensive income (Note 27.2)	As at December 31, 2018
Deferred tax assets								
Trade accounts receivable	6,226,875.27	5,465.39	-	6,232,340.66	-	-	-	-
Inventories	1,793,577.49	3,356,415.03	-	5,149,992.52	1,524,629.02	2,259,932.41	-	3,784,561.43
Investments in subsidiaries	16,785,536.90	-	-	16,785,536.90	16,785,536.90	-	-	16,785,536.90
Grandparent chickens	4,270,612.51	(2,245,948.46)	-	2,024,664.05	-	-	-	-
Parent chickens	15,954,550.45	716,159.01	-	16,670,709.46	-	-	-	-
Property, plant and equipment	68,223.34	(22,739.50)	-	45,483.84	-	-	-	-
Employee benefit obligations	66,990,857.30	17,402,178.58	(80,217.88)	84,312,818.00	25,489,035.59	7,334,747.81	334,423.87	33,158,207.27
Tax losses carried forward for not more than five years	185,641,517.23	(40,911,224.37)	-	144,730,292.86	185,641,517.23	(40,911,224.37)	-	144,730,292.86
Total	297,731,750.49	(21,699,694.32)	(80,217.88)	275,951,838.29	229,440,718.74	(31,316,544.15)	334,423.87	198,458,598.46
Deferred tax liabilities								
Trade and other payables	(100,800.00)	-	-	(100,800.00)	-	-	-	-
Total	(100,800.00)	-	-	(100,800.00)	-	-	-	-
Net	297,630,950.49	(21,699,694.32)	(80,217.88)	275,851,038.29	229,440,718.74	(31,316,544.15)	334,423.87	198,458,598.46

15. Intangible assets

Consisted of :-

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
	Software licenses	Software licenses
Cost: -		
As at January 1, 2018	57,004,668.54	44,054,088.13
Purchase	464,917.76	174,145.26
Transfer in	51,588,963.58	-
As at December 31, 2018	109,058,549.88	44,228,233.39
Purchase	439,126.87	83,496.32
As at December 31, 2019	109,497,676.75	44,311,729.71
Accumulated amortization: -		
As at January 1, 2018	(35,894,136.81)	(32,162,425.08)
Amortization expenses	(15,723,515.75)	(4,661,922.88)
As at December 31, 2018	(51,617,652.56)	(36,824,347.96)
Amortization expenses	(16,494,098.82)	(3,487,015.15)
As at December 31, 2019	(68,111,751.38)	(40,311,363.11)
Book value net: -		
As at December 31, 2018	57,440,897.32	7,403,885.43
As at December 31, 2019	41,385,925.37	4,000,366.60
For the year ended December 31, 2018		
Amortization was shown in profit or loss	15,723,515.75	4,661,922.88
For the year ended December 31, 2019		
Amortization was shown in profit or loss	16,483,816.94	3,487,015.15
Amortization transferred to construction in progress	10,281.88	-

16. Prepaid rental expense

Consisted of :-

	(Unit: Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Prepaid rental expense	19,249,999.56	-
<u>Less</u> current portion of prepaid rental expense	(1,749,999.96)	-
Net	17,499,999.60	-

The movement of prepaid rental expense for the year ended December 31, 2019 were as follows :-

	(Unit: Baht)
	<u>Consolidated financial statements</u>
Prepaid rental expense	21,000,000.00
<u>Less</u> rental expense recognized as expense in the year	(1,750,000.44)
Prepaid rental expense ending	19,249,999.56

Prepaid rental expense is leasehold rights under the land and building lease agreement which a subsidiary company has entered into the lease agreement with a related company. The term of agreement is for 12 years with expired in 2030. A subsidiary company amortized the prepaid rental expense on a the straight-line basis over the lease period.

17. Credits and guarantees from financial institutions

Bank overdrafts, short-term loans and long-term loans from financial institutions, packing credits payables and trust receipt payables of the Group (Note 31. 1) are collateralized by land with building, condominium for rent, machines and equipment both existing and to be acquired in the future of the Group, and beneficiary from insurance in assets of the Group to the financial institutions.

As at December 31, 2019 and 2018, the Group received the credit in form of long-term borrowings from related persons with a joint credit line of their related companies in the amount of Baht 2,000.00 million. Annual interest rate is not more than 5.50% with maturity within 10 years from February 1, 2014 to January 31, 2024, and has no collateral according to The Extraordinary General Meeting of Shareholder No. 1/2013 dated December 12, 2013.

As at December 31, 2019 and 2018, the Company received the credit in form of long-term borrowings from related persons in the amount of Baht 400.00 million. Annual interest rate is not more than 3.25% with maturity within 3 years from March 2, 2018 to March 1, 2021, and has no collateral according to The Company's Board of Directors Meeting No. 2/2018 dated February 28, 2018.

As at December 31, 2019, the Company received the credit in form of long-term borrowings from related persons in the amount of Baht 400.00 million. Annual interest rate is not more than 3.60% with maturity within 3 years from March 4, 2019 to March 3, 2022, and has no collateral according to The Company's Board of Directors Meeting No. 2/2019 dated February 21, 2019.

As at December 31, 2019, the Company and a subsidiary company received the credit in form of long-term borrowings from related persons in the amount of Baht 960.00 million. Annual interest rate is not more than 3.25% with maturity within 3 years, from December 20, 2019 to December 19, 2022, and has no collateral according to The Company's Board of Directors Meeting No. 9/2019 dated December 19, 2019.

As at December 31, 2018, the Company received the credit in form of long-term borrowings from related persons in the amount of Baht 300.00 million. Annual interest rate is not more than 3.25% with maturity within 3 years from March 1, 2017 to February 28, 2019, and has no collateral according to The Company's Board of Directors Meeting No. 2/2017 dated February 22, 2017.

As at December 31, 2018, a subsidiary company received the credit in form of short-term borrowings from related persons in the amount of Baht 160.00 million. Annual interest rate is not more than 1.75% with maturity within 1 year, from August 25, 2017 to August 24, 2018, and has no collateral. On maturity dated short-term loans have been extended to long-term loans. As at December 31, 2019 and 2018, a subsidiary company received the credit in amount of Baht 160.00 million. Annual interest rate is not more than 3.50% with maturity within 3 years, from August 25, 2018 to August 24, 2021, and has no collateral.

18. Short-term loans from financial institutions

As at December 31, 2019 and 2018, short-term loans from financial institutions, were loan in the form of promissory notes from several commercial banks maturity dated within 1 month and the type of call for repayment, at the annual interest rates of 1.54%-1.58% and 1.68%-1.95% respectively.

19. Trade and other payables

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables-related parties	27,156,712.84	21,148,204.47	138,773,503.12	339,030,443.86
Trade payables-other parties	699,946,152.64	861,746,913.86	166,803,832.16	177,464,177.67
Total trade payables	727,102,865.48	882,895,118.33	305,577,335.28	516,494,621.53
Other payables-related parties	4,155.99	66,340.00	826,614.41	403,716.05
Other payables-other parties	58,450,638.04	49,108,286.50	24,585,055.20	14,732,421.42
Payable for asset purchased	25,950,837.01	14,916,872.83	13,620,679.56	4,447,869.16
Accrued expenses-related parties	597,839.66	7,656,319.76	1,676,721.13	2,370,256.78
Accrued expenses-other parties	152,321,654.60	152,949,817.86	74,210,509.24	80,242,393.21
Advance received-related parties	-	-	25,000.00	25,000.00
Advance received-other parties	17,586,758.91	35,824,094.83	14,878,784.28	27,689,744.61
Total other payables	254,911,884.21	260,521,731.78	129,823,363.82	129,911,401.23
Total trade and other payables	982,014,749.69	1,143,416,850.11	435,400,699.10	646,406,022.76

20. Long-term loans from financial institutions

Consisted of :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Long-term loans from financial institutions	-	-
<u>Less</u> current portion of long-term loans	-	-
Net	-	-

The movement of long-term loans for the year ended December 31, 2019 and 2018 were as follows :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Beginning balance	-	66,700,000.00
Repayment for the year	-	(66,700,000.00)
Ending balance	-	-

Long-term loan from financial institutions of the Company, which has been repaid every 3 months, totally 12 installments with Baht 33.33 million per installment repayment. The final settlement will be equal to the principal and interest outstanding under the agreement. The first installment repayment will be in July 2015, the interest rate was 3.25% per annum, which the Company has fully paid in 2018.

21. Employee benefit obligation

Employee benefit obligations were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Beginning present value of the obligation	520,121,701.00	384,967,033.00	213,515,648.00	157,445,945.00
Current service cost	37,975,353.00	30,787,575.00	13,042,369.00	13,628,860.00
Past service cost	-	110,619,060.00	-	47,858,610.00
Interest expenses	11,583,058.00	7,061,388.00	4,842,103.00	3,329,596.00
Actuarial loss arising from defined benefit plan	-	7,480,647.00	-	1,845,199.00
<u>Less</u> repayment for the year	(18,233,601.00)	(20,794,002.00)	(9,240,470.00)	(10,592,562.00)
Ending present value of the obligation	551,446,511.00	520,121,701.00	222,159,650.00	213,515,648.00

Changes in the actuarial (profit) loss arising from defined benefit plan recognized in other comprehensive income which is included in the retained earnings were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Beginning book value	1,604,481.69	(5,876,165.31)	3,829,815.24	1,984,616.24
Recognized during the year	-	7,480,647.00	-	1,845,199.00
Ending book value	1,604,481.69	1,604,481.69	3,829,815.24	3,829,815.24

Expenses recognized in statements of comprehensive income are shown collectively for the year ended December 31, 2019 and 2018 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Recognized as cost of assets</u>				
Property, plant and equipment	656,445.00	390,237.16	-	-
<u>Recognized in profit or loss</u>				
Cost of sales	35,601,902.96	71,442,340.81	13,534,202.00	47,499,458.00
Administrative expenses	13,300,063.04	76,635,445.03	4,350,270.00	17,317,608.00
Total	48,901,966.00	148,077,785.84	17,884,472.00	64,817,066.00
<u>Recognized in other comprehensive income</u>				
Actuarial (profit) loss arising from defined benefit plan				
Financial assumptions changes	-	(1,425,345.00)	-	(550,482.00)
Demographic assumptions changes	-	2,249,652.00	-	891,595.00
Experience adjustments	-	6,656,340.00	-	1,504,086.00
Total	-	7,480,647.00	-	1,845,199.00

The principal assumptions used for the purposes of the actuarial valuation As at December 31, 2019 and 2018 were as follows :-

Discount rate	2.6581%
Average salary increase rate	5.00%
Employee turnover rate	Age band
Retirement age	55 years old

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts for the year ended December 31, 2019 and 2018 were as follows:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount increase rate (1% movement)	(27,147,298.00)	(22,494,332.00)	(11,793,846.00)	(9,724,200.00)
Discount decrease rate (1% movement)	30,537,347.00	25,224,323.00	13,213,881.00	10,889,264.00
Future salary growth increase (1% movement)	33,572,863.00	24,386,233.00	14,575,841.00	10,526,929.00
Future salary growth decrease (1% movement)	(30,319,626.00)	(22,211,895.00)	(13,213,546.00)	(9,601,755.00)
Employee turnover increase rate (20% movement)	(27,793,346.00)	(18,675,546.00)	(11,642,948.00)	(7,932,781.00)
Employee turnover decrease rate (20% movement)	34,205,674.00	22,731,038.00	14,092,036.00	9,524,944.00

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act. Labor Protection Act has announcement in the Royal Gazette which effective on May 5, 2019, Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of 20 years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment which the Group have additional liabilities for employee benefits obligation. The Group have recorded the effect of the change by recognizing past service costs as expenses in the financial statement year 2018.

22. Deferred rental income

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred rental income				
Related companies	83,733,333.20	91,583,333.20	83,733,333.20	91,583,333.20
Other companies	32,196,590.18	33,519,737.72	-	-
Total advance received for rental income	115,929,923.38	125,103,070.92	83,733,333.20	91,583,333.20
<u>Less</u> current portion of deferred rental income				
Related companies	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Other companies	(1,323,147.54)	(1,323,147.54)	-	-
Total current portion of deferred rental income	(9,173,147.54)	(9,173,147.54)	(7,850,000.00)	(7,850,000.00)
Net	106,756,775.84	115,929,923.38	75,883,333.20	83,733,333.20

The movement of deferred rental income for the year ended December 31, 2019 and 2018 were as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred rental income beginning	125,103,070.92	134,276,218.46	91,583,333.20	99,433,333.20
<u>Less</u> deferred rental income recognized as revenue in the year	(9,173,147.54)	(9,173,147.54)	(7,850,000.00)	(7,850,000.00)
Deferred rental income ending	115,929,923.38	125,103,070.92	83,733,333.20	91,583,333.20

Deferred rental income-related company is deferred revenue from the land lease and building agreement including related services which the Company has entered into the lease agreement with a related company. The term of agreement is 20 years with expired in 2030, under the condition of the agreement, the Company will be received rental and service fees in advance at rate as stipulated in the agreement. The Company recognises this rental income on a straight-line basis over the lease period.

Deferred rental income-other company is deferred revenue from land lease agreement which a subsidiary company has registered the leasehold right to a company. The term of leasehold is 30 years commencing on the maturity date of 6 months after the date of registration of leasehold rights and expired in 2043. Under the condition of the leasehold agreement, a subsidiary company will be received rental fees in advance to compensate the registration of leasehold and receive monthly rental fee at rate as stipulated in the agreement. A subsidiary company recognizes this rental income on a straight-line basis over the leasehold period.

23. Share capital

The movement of share capital for the year ended December 31, 2019 were as follows :-

	Number of share (Unit : share)	Amount (Unit : Baht)
Registered share capital (Baht 1 per share)		
As at January 1, 2019	1,400,000,000	1,400,000,000.00
Increment of capital	-	-
As at December 31, 2019	1,400,000,000	1,400,000,000.00
Issued and paid-up share capital (Baht 1 per share)		
As at January 1, 2019	1,253,821,000	1,253,821,000.00
Increment of capital	-	-
As at December 31, 2019	1,253,821,000	1,253,821,000.00

Capital management

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

As at December 31, 2019 and 2018, in the consolidated financial statements, the debt to equity ratio is 0.38 : 1 and 0.42 : 1 respectively, and separate financial statements debt to equity ratio is 1.24 : 1 and 1.34 : 1 respectively.

24. Share premium and legal reserve

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution. Thus, the Company has already allocated legal reserve equal to 10% of registered capital of the Company in compliance with the requirement of the law.

25. Dividend payment

25.1 The minutes of annual general shareholders' meeting in 2019 dated on April 4, 2019 was unanimously approved the dividend payment from dividend from the Company's performance in 2018 at Baht 0.25 per share, the number of shares was 1,253,821,000 and amounting to Baht 313.46 million (paid in amount of Baht 313.41 million), whereby the Company has already paid dividend.

25.2 The minutes of annual general shareholders' meeting in 2018 dated on April 5, 2018 was unanimously approved the dividend payment from dividend from retained earnings unappropriated which receive corporate income tax exemption at Baht 0.30 per share, the number of shares was 1,253,821,000 and amounting to Baht 376.15 million (paid in amount of Baht 376.06 million), whereby the Company has already paid dividend.

26. Expenses by nature

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Changes in inventories of finished goods and work in process	116,516,452.22	(32,312,706.84)	187,978,655.45	(157,701,105.09)
Raw materials and consumables used	10,312,365,477.43	10,329,644,437.18	5,889,832,536.15	6,173,427,673.16
(Reversal) loss from decline in value of inventories	(17,952,700.78)	19,960,426.52	(8,343,966.55)	9,643,249.63
Employee benefit expenses	2,632,469,999.12	2,608,821,756.23	1,393,555,626.44	1,369,914,046.46
Management's remuneration	129,255,313.00	141,506,881.00	54,780,049.00	61,646,479.00
Depreciation	729,233,563.29	708,606,206.43	158,686,340.74	153,054,349.24
Depreciation of chickens	573,866,941.30	555,002,295.82	-	-
Amortization expenses	16,483,816.94	15,723,515.75	3,487,015.15	4,661,922.88
Transportation expenses	311,549,669.56	302,419,684.76	104,246,555.11	95,829,724.36
Operating lease expenses	30,204,191.82	26,329,854.60	9,429,062.69	9,405,686.00
Utility expenses	669,626,728.80	665,263,008.06	245,063,740.67	244,804,938.98
Fee expenses	8,180,442.80	8,061,886.25	3,854,044.82	4,107,434.73
Travelling expenses	62,290,254.61	56,129,135.82	12,466,090.08	11,229,190.69
Sale promotion expenses	12,613,241.70	12,480,574.16	1,194,471.79	802,379.53
Loss from sales of grandparent chickens retirement	-	12,191,910.98	-	-
Loss from sales of parent chickens retirement	4,983,155.63	25,888,782.85	-	-
Loss on fired	55,121,287.47	-	55,121,287.47	-
Other expenses	208,570,835.45	179,861,941.02	68,007,792.87	55,849,768.15
Total	<u>15,855,378,670.36</u>	<u>15,635,579,590.59</u>	<u>8,179,359,301.88</u>	<u>8,036,675,737.72</u>

On 17 October 2019, a fire broke out at the company's production plant. Resulting from the said incident, the Company recorded the expenses in the amount of Baht 55.12 million in the statement of comprehensive income for the year ended 31 December 2019. At present, the management of the Company and the insurance company are in the process of evaluating the claims.

27. Income tax expenses

27.1 Income tax is recognized in profit or loss

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current tax expenses	162,227,977.73	230,541,412.39	-	-
Deferred tax expenses (Note 14)				
Movements in temporary differences	95,569,803.62	21,699,694.32	103,142,461.20	31,316,544.15
Income tax expenses	<u>257,797,781.35</u>	<u>252,241,106.71</u>	<u>103,142,461.20</u>	<u>31,316,544.15</u>

27.2 Income tax is recognized in other comprehensive income

	(Unit : Baht)			
	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31, 2018</u>			
Actuarial (profit) loss arising from defined benefit plan	7,881,736.40	(401,089.40)	173,079.67	1,672,119.33
Applicable tax rate	0 %	20 %	0 %	20 %
Income tax relevance with other comprehensive income	-	(80,217.88)	-	334,423.87

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2019 and 2018 as follows: -

(Unit : Baht)

	<u>Separate financial statements</u>			
	<u>2019</u>		<u>2018</u>	
Accounting profit (loss) before tax	(43,018,051.84)	464,469,336.41	82,634,851.42	334,998,598.64
Applicable tax rate	0 %	20 %	0 %	20 %
Accounting profit before tax multiplied by applicable tax rate	-	92,893,867.28	-	66,999,719.73
Tax effect of income and expenses that are not considered				
As income tax expense as follows:-				
Depreciation of cars worth more than 1 million Baht	-	1,487,120.90	-	837,556.59
Loss on devaluation of inventories	-	(1,222,795.84)	-	2,259,932.41
Employee benefit obligations	-	1,488,343.70	-	7,334,747.81
Loss on fired	-	11,024,257.49	-	-
Dividends income	-	(9,799,980.00)	-	(88,408,024.00)
Tax losses	-	(95,452,721.92)	-	-
Tax losses unrecognized as deferred tax assets	-	-	-	11,432,467.10
Other	-	(418,091.61)	-	(456,399.64)
Total	-	-	-	-
Changes in temporary differences	-	(103,142,461.20)	-	(31,316,544.15)
Income tax expense reported in comprehensive income statement	-	(103,142,461.20)	-	(31,316,544.15)

28. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid-up ordinary shares during the year.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit for the year (Unit : Baht)	1,195,450,160.35	1,037,972,570.23	318,308,823.37	386,316,905.91
The number of issued and paid-up ordinary shares (Unit : Shares)	1,253,821,000	1,253,821,000	1,253,821,000	1,253,821,000
Earnings per share (Baht/share)	0.95	0.83	0.25	0.31

29. Segment information

The Group are engaged of evisceration chicken, broiler farm, feed mill, parent chickens, chicks distribution, processed food production and distribution and grandparent chickens profit (loss) on each type of business arises from total sales less cost of sales and selling and administrative expenses of each business.

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

(Unit : Million Baht)

Consolidated financial statements									
For the year ended December 31, 2019									
	Evisceration	Broiler	Feed	Parent	Chicks	Processed food production	Grandparent	Eliminate	Total
	chicken	farm	mill	chickens	distribution	and distribution	chickens		
Sales-general customers	7,872.79	4,647.61	3,171.95	103.81	199.29	730.47	137.82	-	16,863.74
- Transfer between sectors	574.30	4,015.80	5,496.11	1,415.57	-	8.33	168.71	(11,678.82)	-
	<u>8,447.09</u>	<u>8,663.41</u>	<u>8,668.06</u>	<u>1,519.38</u>	<u>199.29</u>	<u>738.80</u>	<u>306.53</u>	<u>(11,678.82)</u>	<u>16,863.74</u>
Profit (loss) from operation	441.25	40.45	550.42	203.53	(5.59)	4.30	49.98		1,284.34
Share of profit from associates									255.90
Finance cost									(79.39)
Income tax expenses									(257.80)
Profit for the year									<u>1,203.05</u>
Comprehensive income of non-controlling interests									(7.60)
Comprehensive income of GFPT PUBLIC COMPANY LIMITED									<u>1,195.45</u>
Assets by business sector									
- Fixed assets	1,176.92	3,896.21	1,662.88	1,429.81	-	184.52	437.06		8,787.40
- Center fixed assets	169.01	-	70.03	-	-	-	11.62		250.66
- Other assets	946.72	987.96	2,730.88	687.05	12.24	76.09	354.40		5,795.34
Common assets									<u>3,986.69</u>
Total assets									<u>18,820.09</u>

For the year ended December 31, 2019, the Group's major customers are worth higher than 10% of the revenues from sale of one individual, which a related company amount of total sales of Baht 4,620.18 million.

(Unit : Million Baht)

Consolidated financial statements									
For the year ended December 31, 2018									
	Evisceration	Broiler	Feed	Parent	Chicks	Processed food production	Grandparent	Eliminate	Total
	chicken	farm	mill	chickens	distribution	and distribution	chickens		
Sales-general customers	7,545.44	4,871.09	3,129.01	127.79	105.12	708.44	160.13	-	16,647.02
- Transfer between sectors	387.39	4,662.39	5,940.58	1,429.54	-	6.06	199.87	(12,625.83)	-
	<u>7,932.83</u>	<u>9,533.48</u>	<u>9,069.59</u>	<u>1,557.33</u>	<u>105.12</u>	<u>714.50</u>	<u>360.00</u>	<u>(12,625.83)</u>	<u>16,647.02</u>
Profit (loss) from operation	50.23	278.69	721.14	217.11	(30.32)	(3.85)	75.29		1,308.29
Share of profit from associates									71.13
Finance cost									(78.74)
Income tax expenses									(252.24)
Profit for the year									<u>1,048.44</u>
Other comprehensive income									(4.46)
Comprehensive income of non-controlling interests									(10.50)
Comprehensive income of GFPT PUBLIC COMPANY LIMITED									<u>1,033.48</u>
Assets by business sector									
- Fixed assets	1,054.56	3,726.69	1,596.51	1,164.77	-	197.56	456.57		8,196.66
- Center fixed assets	177.65	-	63.79	-	-	-	-		241.44
- Other assets	1,291.71	1,077.28	2,438.92	624.30	4.60	66.10	288.58		5,791.49
Common assets									<u>3,900.07</u>
Total assets									<u>18,129.66</u>

For the year ended December 31, 2018, the Group's major customers are worth higher than 10% of the revenues from sale of one individual, which a related company amount of total sales of Baht 5,096.02 million.

Basis in the determination of transferred prices between sectors of the Company and its subsidiaries and associates (see note to financial statements Note. 5.2).

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

<u>Description</u>	<u>Pricing policy</u>
Sales	Agreement price, reference to market price
Purchase	Agreement price, reference to market price
Other income	Cost price and market price and agreement price by contract

For the year ended December 31, 2019 and 2018, the Group had domestic sales and export sales as follows:-

	(Unit : % of net total sales)	
	<u>Consolidated financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Domestic sales-net	75.80	74.84
Export sales-net	24.20	25.16

30. Financial instruments

30.1 Policy on financial risk management

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

30.2 Risks on interest rates

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

(Unit : Baht)

Consolidated financial statements

As at December 31, 2019

	Fixed interest rate					Total	Interest rate (% per annum)
	Within		More than 5 years	Floating interest rate	No interest bearing		
	1 year	2 years to 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	803,960,711.65	283,294,475.80	1,087,255,187.45	0.00-0.50
Trade and other receivables	-	-	-	-	889,859,240.56	889,859,240.56	-
	-	-	-	803,960,711.65	1,173,153,716.36	1,977,114,428.01	
Financial liabilities							
Short-term loans from financial institutions	830,000,000.00	-	-	-	-	830,000,000.00	1.54-1.58
Trade and other payables	-	-	-	-	982,014,749.69	982,014,749.69	-
Long-term loans from related persons	-	2,594,400,000.00	-	-	-	2,594,400,000.00	3.25-5.50
	830,000,000.00	2,594,400,000.00	-	-	982,014,749.69	4,406,414,749.69	

(Unit : Baht)

Consolidated financial statements

As at December 31, 2018

	Fixed interest rate					Total	Interest rate (% per annum)
	Within		More than 5 years	Floating interest rate	No interest bearing		
	1 year	2 years to 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	707,615,980.26	532,479,326.47	1,240,095,306.73	0.10-0.50
Trade and other receivables	-	-	-	-	974,803,144.06	974,803,144.06	-
	-	-	-	707,615,980.26	1,507,282,470.53	2,214,898,450.79	
Financial liabilities							
Short-term loans from financial institutions	1,380,000,000.00	-	-	-	-	1,380,000,000.00	1.68-1.95
Trade and other payables	-	-	-	-	1,143,416,850.11	1,143,416,850.11	-
Long-term loans from related persons	300,000,000.00	560,000,000.00	1,200,000,000.00	-	-	2,060,000,000.00	3.25-5.50
Other current provision	1,541,684.25	-	-	-	-	1,541,684.25	7.50
	1,681,541,684.25	560,000,000.00	1,200,000,000.00	-	1,143,416,850.11	4,584,958,534.36	

(Unit : Baht)

Separate financial statements

As at December 31, 2019

	Fixed interest rate					Total	Interest rate (% per annum)
	Within		More than 5 years	Floating interest rate	No interest bearing		
	1 year	2 years to 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	73,963,850.74	55,000.00	74,018,850.74	0.375
Trade and other receivables	-	-	-	-	438,463,132.23	438,463,132.23	-
	-	-	-	73,963,850.74	438,518,132.23	512,481,982.97	
Financial liabilities							
Short-term loans from financial institutions	830,000,000.00	-	-	-	-	830,000,000.00	1.54-1.58
Short-term loans from subsidiary company	30,000,000.00	-	-	-	-	30,000,000.00	1.58
Trade and other payables	-	-	-	-	435,400,699.10	435,400,699.10	-
Long-term loans from related persons	-	1,636,400,000.00	-	-	-	1,636,400,000.00	3.25-5.50
	860,000,000.00	1,636,400,000.00	-	-	435,400,699.10	2,931,800,699.10	

(Unit : Baht)

	Separate financial statements						Interest rate
	As at December 31, 2018						
	Fixed interest rate			Floating interest rate	No interest bearing	Total	
Within 1 year	2 years to 5 years	More than 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	108,473,342.20	889,106.03	109,362,448.23	0.362
Trade and other receivables	-	-	-	-	475,975,655.25	475,975,655.25	-
	-	-	-	108,473,342.20	476,864,761.28	585,338,103.48	
Financial liabilities							
Short-term loans from financial institutions	1,380,000,000.00	-	-	-	-	1,380,000,000.00	1.68-1.95
Short-term loans from subsidiary company	15,000,000.00	-	-	-	-	15,000,000.00	1.68
Trade and other payables	-	-	-	-	646,406,022.76	646,406,022.76	-
Long-term loans from related persons	300,000,000.00	400,000,000.00	434,300,000.00	-	-	1,134,300,000.00	3.25-5.50
	1,695,000,000.00	400,000,000.00	434,300,000.00	-	646,406,022.76	3,175,706,022.76	

30.3 Risks on exchange rate

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

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2019	2018	2019	2018
Assets				
Value of Foreign Exchange Forward Contract				
(Million USD)	-	16.13	-	16.13
(Million EURO)	0.40	-	0.40	-
Value of Foreign Exchange Contract (Million Baht)	13.64	522.71	13.64	522.71
Fair Value of Foreign Exchange Contract (Million Baht)	13.69	519.20	13.69	519.20
Liabilities				
Value of Foreign Exchange Forward Contract				
(Million USD)	21.52	42.87	0.84	0.28
Value of Foreign Exchange Contract (Million Baht)	648.54	1,381.54	25.43	9.02
Fair Value of Foreign Exchange Contract (Million Baht)	645.35	1,375.42	25.27	8.95

The fair value of foreign exchange forward contract computed by using rates determined by those counter contract party banks as of the date in the statements of financial position which is hierarchy level 2.

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets that were not hedged by derivative financial instruments				
(Million USD)	3.98	-	3.98	-
(Million EURO)	-	0.33	-	0.33
(Million YEN)	9.64	-	9.64	-
Liabilities that were not hedged by derivative financial instruments				
(Million USD)	0.20	0.10	-	-
(Million EURO)	0.08	0.29	-	-

30.4 Risks on credit term

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

30.5 Fair value

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

31. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2019 and 2018, the Group held other obligations as follows:-

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

		<u>Consolidated financial statements</u>					
		<u>As at December 31,</u>					
		<u>2019</u>			<u>2018</u>		
<u>Currencies</u>		<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
<u>(Unit : Million)</u>							
<u>The Company's credit line</u>							
Letters of guarantee	Baht	374.00	60.17	313.83	374.00	60.05	313.95
Bank overdraft	Baht	242.00	-	242.00	242.00	-	242.00
Short-term loans, letters of credit, trust receipts, packing credit and forward foreign exchange contract	Baht	9,924.58	1,194.76	8,729.82	10,036.89	2,806.49	7,230.40
Short-term loans, letters of credit, trust receipts, and forward foreign exchange contract	USD	118.50	3.90	114.60	118.50	17.16	101.34
Fleet card	Baht	27.70	0.11	27.59	28.70	0.06	28.64
Prepaid cheque	Baht	30.00	-	30.00	30.00	-	30.00
<u>The Group's credit line</u>							
Letters of guarantee	(1) Baht	120.00	51.69	68.31	120.00	51.69	68.31
Short-term loans, letters of credit, trust receipts, packing credit, shipping guarantee and forward foreign exchange contract	(2) Baht	1,200.00	302.87	897.13	1,200.00	673.53	526.47
Bank overdraft, short-term loans, letters of guarantee, letters of credit, trust receipts, and forward foreign exchange contract	(3) USD	6.50	-	6.50	6.50	-	6.50
Short-term loans	(4) Baht	200.00	-	200.00	200.00	-	200.00
Letters of credit and forward foreign exchange contract	(5) Baht	77.38	29.33	48.05	62.88	1.48	61.40
Forward foreign exchange contract	(6) Baht	900.00	135.15	764.85	900.00	348.07	551.93
Fleet card	(7) Baht	50.00	-	50.00	50.00	-	50.00

		<u>Separate financial statements</u>					
		<u>As at December 31,</u>					
		<u>2019</u>			<u>2018</u>		
		<u>Currencies</u>					
		<u>(Unit : Million)</u>					
		<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
<u>The Company's credit line</u>							
Bank overdraft	Baht	96.00	-	96.00	96.00	-	96.00
Short-term loans, letters of credit, trust receipts, packing credit and forward foreign exchange contract	Baht	3,494.93	622.37	2,872.56	3,494.93	1,347.05	2,147.88
Letters of credit, trust receipts, and forward foreign exchange contract	USD	68.00	-	68.00	68.00	10.88	57.12
Fleet card	Baht	0.50	0.04	0.46	0.50	0.02	0.48
<u>The Group's credit line</u>							
Letters of guarantee	(1) Baht	120.00	51.59	68.41	120.00	51.59	68.41
Short-term loans, letters of credit, trust receipts, packing credit, shipping guarantee and forward foreign exchange contract	(2) Baht	1,200.00	250.00	950.00	1,200.00	212.77	987.23
Bank overdraft, short-term loans, letters of guarantee, letters of credit, trust receipts, and forward foreign exchange contract	(3) USD	6.50	-	6.50	6.50	-	6.50
Fleet card	(7) Baht	50.00	-	50.00	50.00	-	50.00

- (1) As at December 31, 2019 and 2018, the Company received the credit with a subsidiary in the form of a bank guarantee in amount of Baht 120.00 million for both years.
- (2) As at December 31, 2019 and 2018, the Company received the credit with three subsidiaries in the form of short-term loans, letters of credit, trust receipts, packing credit, shipping guarantee and forward foreign exchange contracts in amount of Baht 1,200.00 million for both years.
- (3) As at December 31, 2019 and 2018, the Company received the credit facilities with three subsidiaries in the total credit facilities amount of USD 6.50 million for both years. The credit facilities divided into subordinate credit line for overdrafts in amount of Baht 30.00 million, short-term loans in amount of Baht 200.00 million, bank guarantee in amount of Baht 80.00 million and the remaining credit facilities are available for letters of credit, trust receipts and forward foreign exchange contracts.
- (4) As at December 31, 2019 and 2018, two subsidiaries received credit facilities in the form of short-term loans in amount of Baht 200.00 million for both years.

- (5) As at December 31, 2019 and 2018, two subsidiaries received the credit facilities in the form of letters of credit in amount of Baht 24.5 0 million and 10.00 million respectively and forward foreign exchange contract in amount of Baht 52.88 million for both years.
- (6) As at December 31, 2019 and 2018, five subsidiaries received the credit facilities in the form of forward foreign exchange contract in amount of Baht 900.00 million for both years.
- (7) As at December 31, 2019 and 2018, the Company received the credit facilities with four subsidiaries in the form of a credit guarantees with a fleet card in amount of Baht 50.00 million for both years.

31.2 The Group has obligations as a lessee with related companies, persons and other companies regarding service agreement, agreement to lease building and land, the term of agreements generally are 3 to 20 years. Future minimum lease payments required under these service contracts and leases contracts were as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Obligations with related companies				
Land / building lease agreement				
- Payable within 1 year	29.10	25.21	9.46	9.22
- Payable over 1 year and up to 5 years	24.00	41.86	9.64	17.54
- Payable over 5 years	2.60	3.84	2.60	3.84
Total	55.70	70.91	21.70	30.60
Obligations with other companies				
High speed signal service agreement				
- Payable within 1 year	0.69	3.47	-	-
- Payable over 1 year and up to 5 years	0.21	0.59	-	-
Total	0.90	4.06	-	-

31.3 The Group has entered into agreement to land as a lessor with other company which the term of agreements are 3 to 30 years. The lease agreements have rental received in advance as mentioned in note to financial statements no 22. Future minimum lease receives required under these operating leases contracts were as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Within 1 year	2.14	1.83	-	-
Over 1 year and up to 5 years	8.26	6.66	-	-
Over 5 years	40.62	42.46	-	-
Total	51.02	50.95	-	-

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

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Obligation of capital expenditure	4.25	15.77	-	9.00

32. Fair value hierarchy

As at December 31, 2019 and 2018, the Group had the assets and liabilities that were measured at fair value or fair value disclosures using different levels of inputs to be used in fair value measurement as follows:-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>							
	<u>As at December 31, 2019</u>				<u>As at December 31, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets disclosed at fair value</u>								
Investment properties (Note 12)	-	-	1,306.47	1,306.47	-	-	1,302.98	1,302.98
Foreign Exchange Forward Contract (Note 30.3)	-	13.69	-	13.69	-	519.20	-	519.20
<u>Liabilities disclosed at fair value</u>								
Foreign Exchange Forward Contract (Note 30.3)	-	645.35	-	645.35	-	1,375.42	-	1,375.42

(Unit : Million Baht)

Separate financial statements

	<u>As at December 31, 2019</u>				<u>As at December 31, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets disclosed at fair value</u>								
Investment properties (Note 12)	-	-	1,273.40	1,273.40	-	-	1,273.40	1,273.40
Foreign Exchange Forward Contract (Note 30.3)	-	13.69	-	13.69	-	519.20	-	519.20
<u>Liabilities disclosed at fair value</u>								
Foreign Exchange Forward Contract (Note 30.3)	-	25.27	-	25.27	-	8.95	-	8.95

33. Promotional privileges

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

The Company

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

The subsidiary companies

<u>No.</u>	<u>Certificate No.</u>	<u>Date</u>	<u>Type of promotional activities</u>	<u>The first date</u>	<u>The expiry date</u>
1.	1470(2)/2552	June 5, 2009	Broiler Farm	June 5, 2011	June 4, 2019
2.	1341(2)/2552	April 28, 2009	Broiler Farm	June 9, 2011	June 8, 2019
3.	1897(2)/2553	August 24, 2010	Broiler Farm	October 25, 2011	October 24, 2019
4.	2108(2)/2553	October 19, 2010	Broiler Farm	August 28, 2014	August 27, 2022
5.	1898(2)/2553	August 24, 2010	Broiler Farm	August 30, 2014	August 29, 2022
6.	1674(2)/2554	June 9, 2011	Broiler Farm	December 23, 2014	December 22, 2022
7.	2084(2)/2557	September 3, 2014	Broiler Farm	July 25, 2015	July 24, 2023

<u>No.</u>	<u>Certificate No.</u>	<u>Date</u>	<u>Type of promotional activities</u>	<u>The first date</u>	<u>The expiry date</u>
8.	1022(2)/2555	January 12, 2012	Broiler Farm	February 21, 2016	February 20, 2024
9.	2106(2)/2553	October 19, 2010	Broiler Farm	February 23, 2016	February 22, 2024
10.	2107(2)/2553	October 19, 2010	Broiler Farm	April 7, 2017	April 6, 2025
11.	2085(2)/2557	September 3, 2014	Broiler Farm	April 10, 2017	April 9, 2025
12.	2083(2)/2557	September 3, 2014	Broiler Farm	July 30, 2018	July 29, 2026
13.	2086(2)/2557	September 3, 2014	Broiler Farm	None Income Yet	-
14.	2576(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-
15.	2577(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-
16.	2578(2)/2557	December 26, 2014	Broiler Farm	None Income Yet	-
17.	1591(2)/2553	June 8, 2010	Chicken Farm	August 22, 2013	August 21, 2021
18.	1187(2)/2553	February 24, 2010	Chicken Farm	August 20, 2019	August 19, 2027
19.	62-0375-1-00-1-0	April 17, 2019	Chicken Farm	None Income Yet	-
20.	1233(2)/2557	February 25, 2014	Parent chicken farm	December 1, 2014	November 30, 2022
21.	61-0732-1-00-1-0	June 22, 2018	Parent chicken farm and day-old-chicks	None Income Yet	-
22.	60-1254-0-00-1-2	November 9, 2017	Preserve food products or food additives	January 3, 2018	January 2, 2026

(Unit : Baht)

Separate financial statementsFor the year ended December 31, 2019

	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	518,494,674.39	7,928,598,199.00	8,447,092,873.39
Cost of sales	(536,331,482.34)	(7,130,681,337.12)	(7,667,012,819.46)
Gross profit (loss)	(17,836,807.95)	797,916,861.88	780,080,053.93
Gain on exchange rate	294,815.25	31,324,303.84	31,619,119.09
Other revenues	606,649.02	192,760,296.84	193,366,945.86
Selling expenses	(5,035,822.42)	(137,732,970.61)	(142,768,793.03)
Administrative expenses	(16,592,175.79)	(352,985,513.60)	(369,577,689.39)
Finance cost	(4,531,384.39)	(66,736,967.50)	(71,268,351.89)
Profit (loss) before income tax	(43,094,726.28)	464,546,010.85	421,451,284.57
Income tax expenses	-	(103,142,461.20)	(103,142,461.20)
Profit (loss) for the year	(43,094,726.28)	361,403,549.65	318,308,823.37
Other comprehensive income	-	-	-
Total comprehensive income for the year	(43,094,726.28)	361,403,549.65	318,308,823.37

(Unit : Baht)

Separate financial statements

For the year ended December 31, 2018

	<u>Activities with</u> <u>Investment</u> <u>Promotional benefits</u>	<u>Activities without</u> <u>Investment</u> <u>Promotional benefits</u>	<u>Total</u>
Revenue from sales	3,420,874,109.96	4,511,954,665.15	7,932,828,775.11
Cost of sales	(3,137,970,295.30)	(4,459,548,437.13)	(7,597,518,732.43)
Gross profit	282,903,814.66	52,406,228.02	335,310,042.68
Gain on exchange rate	12,156,667.30	6,060.18	12,162,727.48
Other revenues	9,744,541.58	574,201,744.81	583,946,286.39
Selling expenses	(75,401,028.62)	(52,288,991.17)	(127,690,019.79)
Administrative expenses	(114,609,777.39)	(196,857,208.11)	(311,466,985.50)
Finance cost	(32,159,366.11)	(42,469,235.09)	(74,628,601.20)
Profit before income tax	82,634,851.42	334,998,598.64	417,633,450.06
Income tax expenses	-	(31,316,544.15)	(31,316,544.15)
Profit for the year	82,634,851.42	303,682,054.49	386,316,905.91
Actuarial loss arising from defined benefit plan	(173,079.67)	(1,672,119.33)	(1,845,199.00)
Income tax relevance with other comprehensive income	-	334,423.87	334,423.87
Total comprehensive income for the year	82,461,771.75	302,344,359.03	384,806,130.78

34. Litigation

On December 18, 2015, two subsidiary companies were sued and claiming for damaged from the compromise agreement by a third party. On December 7, 2016, Court of First Instance ordered to repeal the enforcement dated December 21, 2015 later on February 7, 2017, the plaintiff appealed and the Appeal Court instance have to compensate the damage in amount of Baht 1.88 million together with the interest 7.50% per annum from November 28, 2015 onwards.

On September 27, 2017, two subsidiary companies filed a petition to the court. However, a subsidiary was the recipient of damages and recorded of probable contingent liabilities in amount of Baht 1.54 million (included interest) with balance after the first payment from the compromise agreement.

On October 22, 2018, The Supreme Court judged to execution of two subsidiaries proceeds under the compromise agreement under the Appeals Court's judgement. On March 11, 2019, a subsidiary company paid the amount under the compromise agreement to the third party in the amount of Baht 1.71 million. The case is ended.

35. Approval of financial statements

These financial statements have been approved for issuance by GFPT PUBLIC COMPANY LIMITED authorized directors on February 21, 2020.



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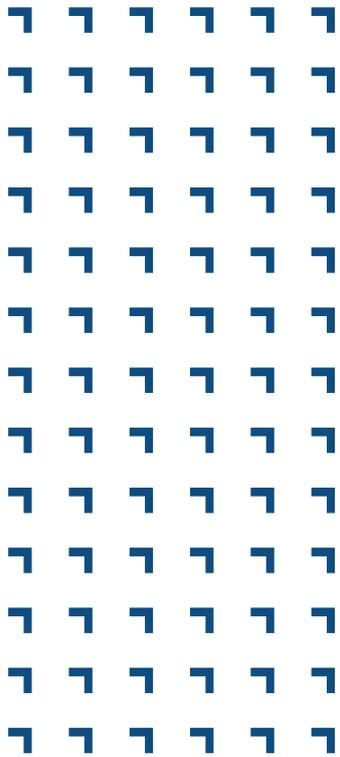
Definition

Unless otherwise specified in this document, following words have following meaning:

Words	Meaning
GFPT The Company	GFPT Public Company Limited
KT	Krungthai Food Public Company Limited
GP	GP Breeding Company Limited
FKT	Krungthai Farm Company Limited
MKS	M.K.S. Farm Company Limited
GFF	GF Foods Company Limited
McKey	McKey Food Services (Thailand) Limited
GFN	GFPT Nichirei (Thailand) Company Limited
Subsidiary Companies Subsidiaries	<ol style="list-style-type: none"> 1. Krungthai Food Public Company Limited (KT) 2. GP Breeding Company Limited (GP) 3. Krungthai Farm Company Limited (FKT) 4. M.K.S. Farm Company Limited (MKS) 5. GF Foods Company Limited (GFF)
Associated Companies Joint Ventures (JV)	<ol style="list-style-type: none"> 1. McKey Food Services (Thailand) Limited (McKey) 2. GFPT Nichirei (Thailand) Company Limited (GFN)
GFPT Group The Group We	GFPT Public Company Limited and subsidiary companies
BOD	The Board of Directors
AC	The Audit Committee
NRGC	The Nomination Remuneration and Governance Committee
RMC	The Risk Management Committee
EC	The Executive Committee
Related Persons	Directors, shareholders, and related persons with directors and shareholders



For more information, please see the Company's Annual Registration Statement (Form 56-1) on www.set.or.th or www.gfpt.co.th



GFPT Public Company Limited
Registration No. 0107537001471



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