

ANNUAL REPORT 2010



S&P SYNDICATE PUBLIC COMPANY LIMITED
457-457/6 SUKHUMVIT 55, KLONGTONNUA, VADDHANA,
BANGKOK 10110 TEL 0-2185-1313 DELIVERY 1344

A top-down photograph of a white ceramic plate resting on a light-colored wooden surface. The words "LEARNING TO EXCEL" are spelled out using golden-brown, rectangular biscuits. The biscuits are arranged in three rows: "LEARNING" on the top row, "TO" in the middle, and "EXCEL" on the bottom row. The plate is dusted with a fine white powder, likely powdered sugar, which is also sprinkled on the biscuits. A small portion of a glass is visible in the upper left corner, and a striped cloth is visible on the right side.

LEARNING
TO
EXCEL



**TO BE COMMUNITIES' MOST FAVORITE FOOD & BAKERY
PROVIDER/COMPANY**

TO BE THE MOST FAVORITE, WE ARE COMMITTED TO BE PART OF YOUR LIFE
BY PROVIDING DELICIOUS CHOICES OF FOOD & BAKERY AND SUPERIOR
SERVICES WHICH ARE INNOVATIVE, CONVENIENT, AND CONTEMPORARY FOR
YOUR DAILY EXPERIENCE



- 1 : TO ACCELERATE REVENUES GROWTH IN EXISTING SEGMENTS AND MARKETS
- 2 : LEVERAGE OUR CORE COMPETENCY TO CREATE NEW PRODUCTS AND SERVICES TO ADDRESS LATENT NEEDS OF OUR CUSTOMERS
- 3 : TO BRING THAI TASTE AND EXPERIENCE TO WORLDWIDE COMMUNITIES
- 4 : TO PRACTICE CONTINUOUS IMPROVEMENT IN VERY BUSINESS PROCESS TO INCREASE LEVEL OF COMPETITIVENESS
- 5 : TO ACHIEVE SUSTAINABLE COMPETITIVE ADVANTAGE THROUGH A HIGH-PERFORMANCE ORGANIZATION DEVELOPMENT & PEOPLE ENGAGEMENT
- 6 : RESPONSIBLE FOR COMMUNITIES' HEALTH & EDUCATION ENHANCEMENT



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BOARD OF DIRECTORS

01 MRS. PATARA SILA-ON

นางภัทรา ศิลาอ่อน

02 LT. VARAKORN RAIVA

ร้อยโท วรากร ไรวา

03 MR. PRAVESVUDHI RAIVA

นายประเวศวุฒิ ไรวา

04 MS. CATTLEYA SAENGSASTRA

นางสาวคัทลียา แสงศาสดรา

05 MR. DUSIT NONTANAKORN

นายดุสิต นนทะนาคร

06 MS. SOPHADEE UTTAMOBOL

นางสาวโสภาวดี อุตตโมบล



07



08



09



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11



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07 MR. AVIRUTH WONGBUDDHAPITAK
นายอวิรุทธ์ วงศ์พุทธพิทักษ์

08 MRS. PRATANA MONGKOLKUL
นางปรารธนา มงคลกุล

09 MRS. PATAMAVALAI RATANAPOL
นางปัทมวัลย์ รัตนพล

10 MR. KACHORNDEJ RAIVA
นายขจรเดช ไรวา

11 MRS. KESSUDA RAIVA
นางเกษสุดา ไรวา

12 MR. VITON SILA-ON
นายวิฑูร ศิลาอ่อน

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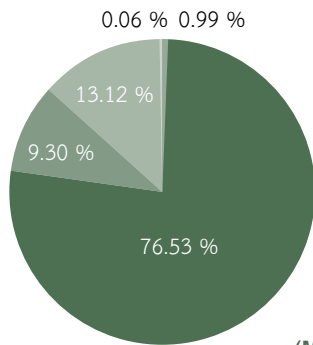
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Financial Highlight

	2010	2009	2008
Income Statement (Unit: Million Baht)			
Revenues from Sales and Services	5,282	4,700	4,378
Total Revenues	5,335	4,764	4,437
Gross Profit	2,374	2,059	1,861
Profit Before Finance costs and Income tax expenses	555	413	322
Net Profit	382	293	225
Balance Sheet (Unit: Million Baht)			
Total Assets	2,746	2,754	2,522
Total Liabilities	932	710	556
Shareholders' Equity	1,814	2,044	1,966
Paid-up Capital	523	523	523
Financial Ratio			
Liquidity (Times)	1.63	2.12	2.19
Gross Profit Margin (%)	44.94	43.80	42.50
Net profit margin (%)	7.16	6.15	5.07
Return on Major Shareholders' Equity (%)	20.68	15.26	11.98
Return on Assets (%)	13.89	11.11	8.94
Debt to Equity Ratio (Times) (%)	0.51	0.35	0.30
Per Share Data (Unit: Baht per Share)			
Book Value per Share	18.01	19.53	18.78
Earnings per Share	3.79	2.80	2.15
Dividend per Share	3.25	2.50	2.15
Dividend Payout Ratio (%)	83.47	89.31	100.00

Revenue 2010

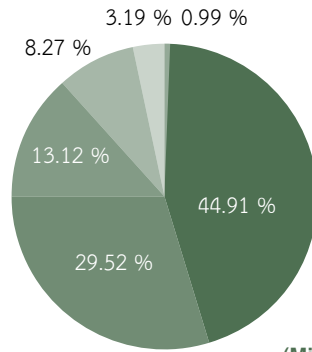
Revenue breakdown by Distribution Channel



(Million Baht)

Domestic Restaurant & Bakery Shop	4,083
Oversea Restaurant	700
Packaged Food & Bakery Trading	496
Other Channels	3
Other Revenues	53
Total	5,335

Revenue breakdown by Product

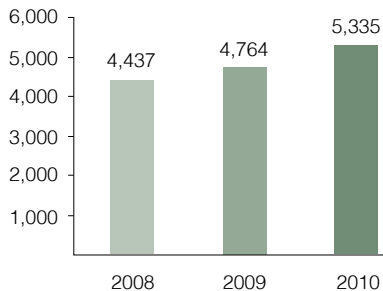


(Million Baht)

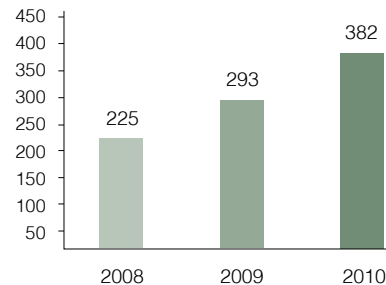
Bakery	2,396
Domestic Food & Beverage	1,575
Oversea Restaurant	700
Packaged Food	441
Other Products	170
Other Revenues	53
Total	5,335

Performance 2010

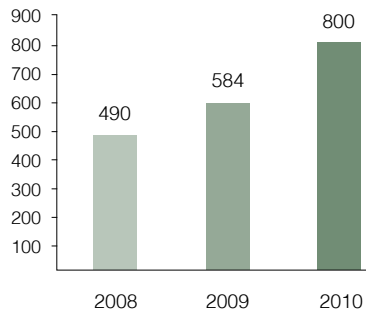
Total Revenue (Million Baht)



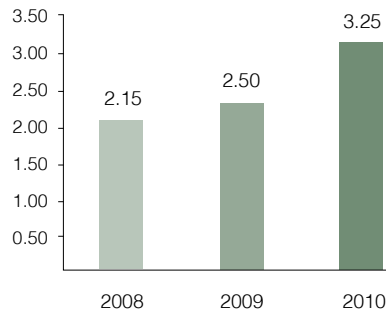
Net Profit (Million Baht)



Operating Cashflows (Million Baht)



Dividend per Share (Baht per Share)



Message from the Chairperson of the Board of Directors



Dear shareholders,

2010 marks the 37th year that S&P Syndicate Public Company Limited has been in operation. It was a year of many notable incidents in Thailand, including political unrest; natural disaster; as well as the slowing down of the economy both domestically and globally. However, we have always maintained our principle of fairness to our customers, giving back to society through corporate social responsibility (CSR), the development of our employees so that they could maximize their potential, and continued improvement in our operation and quality control systems. Hence, during the past year we were able to achieve an annual growth of 11.99% which includes total revenue of 5,335 million Thai Baht.

On behalf of the Board, I would like to express my sincere thanks to all shareholders and customers of S&P who have always positively supported the company. I would also like to thank the company's management team and all our employees for their efforts in helping to move the company into the future towards a shared goal in a stable and sustainable manner. It is my sincere hope that we will be able to continue to build on the efforts which we have implemented in various areas of the company's operations in order to best support our business expansion domestically and abroad in the best possible manner.

Yours Sincerely,

Patara Sila-On

Chairperson

Messages from the CEO



Dear shareholders,

As S&P Syndicate Public Company Limited enters its 37 year, we have been through many economic crises, such the Tom Yum Goong Crisis in 1997 and the Hamburger Crisis in 2008. But we have always been able to maintain stability in our business. In the intervening years we have made several improvements to allow for further business expansion, which has led to steadily increasing sales, especially in 2010 in which we generated record revenues, despite forecast of economic slowdown. However, we continue to push on with our business expansion and to make improvements in the various aspects and systems of our operation, with 37 additional restaurants and bakeries and two more international restaurant outlets, namely in Vienna and Singapore.

The company adheres to working principles which will lead us to achieve our mission to be the leader in the food and bakery business. It is our goal to expand our business across the country and the world, to achieve a strong retail business network both domestically and internationally, to build competitive advantage through institutional development both with respect to financial

strength, innovation of our products and services, continued human resource development, as well as social responsibility.

Improvement in operation system

To reduce unnecessary procedures and cost through efficiency, the company has implemented cost control measures through centralized purchasing and improvement in procurement system; as well as raw material usage control in our restaurants. Furthermore, we have implemented a new dimension in organizational management through our clear policy, planning, monitoring, as well as our focus on project-based teams.

Continued development of personnel We are focused on personnel development to allow them to maximize their potential and through the ethos of "learning to excel" or through new training methods, such as the organizing of the intramural "Super Chef" competition and the support of our baristas to compete in national and international competitions, as well as encouraging employees to achieve higher levels of education and instilling a sense of belonging to the S&P Family for our students at the learning center. In 2011, we will continue to expand our course curriculum and accept more underprivileged students into our vocational level certificate course in retail trade and food and nutrition at S&P Learning Center. We will also cooperate with the Department of Vocational Studies to accept more students under the bilateral cooperation system so that they can have a chance to study and work at the same time.

Development of new products We are determined to satisfy the needs of our customers through new seasonal menus, promotion of products new and existing through various methods, be it through restaurant promotions, special events, or television advertising, so that we can achieve maximum brand awareness

for our customers. This has been partly responsible for our annual sales growth of 6.7%.

Social and environmental aspects

The Company has actively engaged in corporate social responsibility activities (CSR) through the aforementioned support for underprivileged students or the Kitchen for Kids project to build proper cooking facilities for communities leading to greater community awareness in the importance of developing the quality of life. Moreover, the company offers an opportunity for the general public to practice Buddhist meditation through its meditation retreat program. As for the environment, our factories have continually improved their standards in various aspects to be in step with modern international production standards with the satisfaction of our customers as our objective.

Looking ahead, although competition is increasingly intense, in addition to the uncertain domestic and global economy, I can reiterate that our determination to expand domestic and international operations still remains. We will adhere to do business in an ethical manner through good corporate governance. We are proud to be able to provide credibility and confidence in our shareholders, employees, partners, customers, and society in a continued manner. We believe that our commitment and strategy will enable us to continue our expansion no matter what external environments may become. We are confident in sustainably maintaining our position as the market leader in the food and bakery business.

Pravesvudhi Raiva
President and CEO

Nature of Business

History and important developments

Restaurant and Bakery business group was founded in 1973. From food, ice cream and desserts restaurants in Soi Prasarnmit Sukhumvit 23, the Company introduced its bakery line and become the leader in custom-made cake decoration and cartoon - character cake in Thailand. S&P food and bakery are well-accepted by customers which support store expansions in major areas in Bangkok and upcountry.

In 1989, S&P Syndicate Public Company Limited was listed in the Stock Exchange of Thailand. The Company has invested in both restaurant and bakery businesses under the brand "S&P". There were S&P restaurants and S&P bakery shops to respond to customers' requirement. The Company has built the "S&P" brand to be broadly well-known. Moreover, the company has been very successful in introducing new brands such as Patara, Patio, BlueCup, Vanilla; and moon cake brands S&P and Golden Dragon.

For the overseas business, the Company opened its first Thai restaurant under the name Patara Fine Thai Cuisine in London, England, 1990. The restaurant was well-accepted and improved popularity of Thai food in overseas market. The Company opened more Thai restaurants later. As of 31 December 2010, the Company has 20 overseas restaurants under the brands Patara, Patio, THAI, Siam Kitchen and Bangkok Jam.

For ready-meal business, the Company has introduced frozen ready-to-eat food under the brand "Quick Meal" and sausage products to accommodate changing consumer's preference and lifestyle. The Company has continued to invest in ready-meal research and development to respond to customer's demand by focusing on food quality, taste and menu variety. Moreover, S&P Group is the leader in catering business under the brand Caterman, and food delivery service (Delivery: 1344). In addition to being the leader in the food and bakery business the company is thus able to establish itself as one of the leaders in related services to domestic and international retail channels

With continued expansion in the food and bakery business, the issue of production quality control became an important factor. For supporting this business S&P constructed its bakery factory at Sukhumvit 62 in 1984 and in 2004 to expand the production capacity, the Company invested one more bakery plant on Bangna-Trad Road, Km 23. As well as, in the provincial area in Chiang Mai and Phuket. The Company also constructed frozen-food and sausage factory in Lad Krabang Industrial Estate.

Presently, the Company is the leading restaurant and bakery operators. The policies that the Company has maintained over the last 37 years are to offer good service and quality products, good value products of international standards, as well as continuously develop and innovate new products to best respond to customer's needs.

Business overview of the Company and subsidiaries

S&P Syndicate Public Company Limited and its subsidiaries operate business related to restaurants, coffee and beverages, bakery, and ready to eat food, and produces food products under the name S&P. Details of operation, product/service types, and structures of the Company are as follows.

1. Business operations by S&P Syndicate Public Company Limited

1.1 Domestic restaurant and bakery business

As of 31 December 2010, the Company operates 352 restaurants and bakery stores under S&P brand, contributing most to the Company's revenue. The Company positions each store-type differently to better serve different groups of customers. S&P restaurants and bakeries store will focus on mass market, while other specialty restaurant brands will target more specific target customers. Details of domestic restaurant and bakery business of the Company are as follows.

Restaurant and Bakery shop	Number of outlets		
	Bangkok & Suburb	Upcountry	Total
S&P Bakery Shop	109	140	249
S&P Restaurant	55	38	93
Vanilla Restaurant	5	-	5
Patio Restaurant	3	-	3
Patara Restaurant	1	-	1
Grand Seaside Restaurant	-	1	1
Total	173	179	352

Remark : The Company operates 192 BlueCup coffee shops in S&P restaurants and bakery shops.

(1) S&P Bakery Shop & Corner

The Bakery shops offer all kinds of bakery products, sandwich, coffee and ready-to-eat meal to customers in general community areas, such as supermarkets, department stores and offices to offer customers access to the company's drinks, coffee, cake, cookie, sandwich, bread and ready-to-eat meal. The branches are mainly located in Bangkok and major cities in Thailand.

(2) S&P Restaurant & Bakery

S&P restaurant offers a variety of Thai food and international food, beverage and dessert, such as, BlueCup drink, Bakery product, ice-cream as well as various ready-meal products. The Company pays attention to details, quality, freshness, hygiene, safety, together with selecting the best raw materials and creating menu by professional chef with targeting middle-class family, teenagers and working people. The restaurant provides eat in, take away and delivery services. The customer can buy tasty frozen ready-to-eat meal, cookies, and Thai sweets. It is a family restaurant for everyone, everything and everywhere.

(3).Vanilla Group

Vanilla Group is a brand targeting the stylish, confident teenagers and the young professional customers. The restaurants under Vanilla Group offer high-quality food in a unique ambiance.

(3.1) Vanilla Industry: Tea Cake / D.I.Y. bakery / Cooking Workshop

Trendy restaurants for teens located in the heart of trendy Siam Square. This restaurant's design combines modern and classic styles. It serves spaghetti, soup, salad, pastry and cake. The restaurant also offers a wide variety of culinary courses for their own cooking and party at home.

(3.2) Vanilla Restaurant: Breakfast / Lunch / Afternoon Tea / Dinner

Gathering place in English pub environment located in the center of upscale Soi Thonglor (Sukhumvit 55), the restaurant is decorated in modern-vintage style. The restaurant serves all day meal and a variety of classic European food. The restaurant is distinctive in menu setting and presenting the freshness of the bakery corner.

(3.3) Vanilla Brasserie: Café / Patisserie Salon de the Creperie / Chocolatier / Confiserie

Inspired by French Café, the restaurant is designed to fit modern lifestyle customers who come to shop at luxurious department store Paragon Shopping Mall. The restaurant offer creative menu, such as crepe, salad, sandwich, chocolate, French sweets, and souvenir.

(3.4) Vanilla Café: Japanese Style Café

Italian-Japanese restaurant designed in Japanese Retro style emphasizing on simplicity. The restaurant offers privacy and a variety of Japanese dishes. The restaurant is attracted by the variety of Japanese sweets same as the party at your friend place. This considers as a favorable choice of the high-end customer.

(3.5) Royal Vanilla: Tea Room-Dimsum

Contemporary Chinese restaurant decorated with homely furniture in traditional Chinese inn atmosphere, serving simple and familiar Dimsum and Chinese dishes in Vanilla style.

(3.6) Sauce: Art literature cookbook

A lofty-style contemporary book store selling books about arts, literature, and cookbooks and S&P and related products.

(3.7) Teppan Ice: Japanese-style Teppan ice-cream

The Japanese-style Teppan ice-cream on the ice-cold pan, making in front of you low fat ice-cream in different flavors, including soy milk, fruit yogurt, dango, and wasabi the latest taste from Japan.

(4) Patio: Delicatessen

The international restaurant serves the specific group of customers who prefer the international Home Style Cooking in the simply and relax atmosphere.

(5) Patara: Fine Thai Cuisine

The restaurant offers stylish Thai cuisine for business gatherings and special occasions. The décor evokes feelings of traditional yet comfortable Thai hospitality. The restaurant has received Thailand Best Restaurant award for three consecutive years.

(6) Grand Seaside: Seafood

Offers seafood and Thai fusion food at Laem Farn, Sriracha.

(7) BlueCup Coffee

S&P blue chip coffee brand, currently operates 192 counters in S&P outlet. The brand twice won the "Thailand Best Barista" in 2007 and 2008, and "Thailand Best Latte Art" in 2008, 2009 and 2010. BlueCup is proud to develop good coffee brewers over the last ten years and will continue to grow and become the leading quality coffee brand of Thailand, bringing the pleasure of drinking coffee to all coffee enthusiasts.

2. Business operations of subsidiary companies

2.1. S&P Global Co. Ltd.

Paid up capital of 50 million Baht, of which the company holding 80%. Operates restaurants abroad, as follows:

2.1.1 Overseas Restaurant Business

The company proudly represents Thai culture on cuisine aspect in the foreign countries. As of 31 December 2010, the Company operates 20 restaurants in seven countries.

	England	Taiwan	Singapore	Switzerland	China	Austria	Philippines	Total
Patara	4		1	1	1	1		8
THAĬ				1				1
Patio		2						2
Siam Kitchen			7					7
Bangkok Jam			1					1
Thai-Patio *							1	1
Total	4	2	9	2	1	1	1	20

* Licensed brands

(1) Patara: Fine Thai Cuisine

Authentic Thai cuisines in modern and elegant environment with the western concept , Patara restaurant chain has four restaurants in England, one in each country of Switzerland, Singapore, China and Austria.

(2) THAĬ Restaurent: Contemporary Cuisine

THAĬ Contemporary Cuisine restaurant serves Thai food and drinks. The interior combines Western and Eastern designs to deliver the best dining experience. The currently operate one in Geneva, Switzerland.

(3) THAĬ Take Away: Convenient Thai Food Outlet

Thai cuisine services in convenient style and quick serve targeting the rush-hour customer in the reasonable pricing.

(4) Patio Thai: Joy of eating

Thai restaurants with fashionable design integrated with original Thai flavour to suit the local Taiwanese market under the slogan: "Patio Thai Contemporary". There are 2 Patio Restaurants in Taipei, Taiwan.

(5) Siam Kitchen: Authentic Thai Restaurant

Siam Kitchen chain is well-accepted in Singapore. The Halal certified chain and is the only brand accessible for Muslim consumers. It is now operating 7 outlets.

(6) Bangkok Jam: Thai and Pan-Asian cuisine

Bangkok Jam offers new Thai cuisine targeting young and active life style professional group in Singapore. It is currently operating 1 outlet.

2.2 S&P Asset Co., Ltd.

Paid up capital of 1 million Baht, of which the company holding 99.93%. Engages in real estate development.

2.3 S&P Food Solutions Co., Ltd.

Formerly S&PizZanotti (Thailand), Limited with paid up capital of 20 million Baht, of which the company holding 99.99%. Operates pizza and Italian food delivery. On 1 August 2010 the company ceased its operation and transferred its assets to S&P Syndicate PCL.

3. Business operations by Associate companies

3.1. HD Distributors (Thailand) Co., Ltd.

Paid up capital of 100 million Baht, of which the company holding 47.99%. Engages in importing of Häagen Dazs ice-cream. With the finest ingredients from around the world, Häagen Dazs ice-cream is crafted to be the best, rich ice-cream. The customers can feel the special moment at 26 Häagen Dazs Cafés and also available in hotels, restaurants, hypermarket and leading supermarkets throughout Thailand.

3.2. Foodhouse Catering Services Co., Ltd.

Paid up capital of 10 million Baht, of which the company holding 49.97%. Engages in various food businesses related such as operation of canteens, food production, contracts, food preparation for institutions such as hospitals, factories, and school. This is a joint venture with Property Care Services (Thailand) Co., Ltd., a subsidiary of OCS (U.K.) Co., Ltd. under the brand "Food house".

Products and Services

1. Bakery Products

Being the leader in cake and bakery products for more than 37 years, the company continues to introduce new products and packaging designs to satisfy customers of all ages, professions, and demographics in a competitive manner. Improvements of new products encompass quality raw materials, freshness, and taste to stay true to our slogan "S&P Simply Delicious".

Fresh Cake

From our long experience in making cakes to satisfy our loyal customers, we have always been meticulous about selection of raw materials and ingredients so that we produce the best and most delicious cakes for our customers. Developing new styles, being creative in cake decoration, the company's goal is to have our products represent dedication and commitment to producing the best products for our customers.

Cupcake

Given the success of our pound cake and cake slices, we are determined to develop new ideas and the cupcake was born with new designs emphasizing different flavors. Convenient for all occasions, our cupcakes come in cute, chic, and even DIY styles. Our cupcakes maintain freshness and taste in each and everyone of them

Frozen cake

Given the popularity of our bakery products, we have expanded into frozen cakes to respond to changing lifestyle of customers, with many flavours, using top quality ingredients and ensuring high standards in all production processes.

Puff and Pastry

Our patisserie products emphasize freshness and taste. Our pies and puffs are unique as our process allows us to achieve 144 layers of dough and butter leading to crispness and lightness. We offer two types of croissant/Danish: fresh butter and French style. Our pizza products are ready to eat with no need to add extra seasoning as we have prepared them with intense flavors, as preferred by local tastes.

Fresh Bread

Bread is divided into bread with filling, both savory and sweet; and sandwich bread, which comes in several flavors. Moreover, we give importance to healthy products and have introduced new healthy choices such as GABBA rice, high calcium bread, pumpkin bread, and carrot bread.

Cookies

We use real butter making our cookies fragrant, crisp, and delicious. We offer many types including classic cookie, premium cookie, shortbread which is a European style cookie using additional fresh butter, Danish cookie and crispy light biscuit.

In order to cover more group of customer, the Company introduced brand “Delio Cookies” for an assorted cookies distributing at S&P outlets, hypermarkets, supermarkets, and convenience store such as 7 Eleven, Family Mart including several minimarts around Thailand. Furthermore, this year the Company has rebranded the product to look more modern to match the customer behavior.

Moon Cake

S&P has long been a leader in the Moon Cake market. S&P and Golden Dragon Moon Cakes not only are delicious and charming, but also possess cultural and artistic designs. Our Moon Cakes are offered in various flavors and delicate packages, suitable as gifts for mid-autumn festival. In 2010 we introduced 3 new flavors into the market: Chinese sausage, low sugar lotus seed, and low sugar cranberry apple, which maybe low in sugar but high in taste in order to respond to the demands of health-conscious customers. Furthermore the packaging design this year is in the form of a peacock which is a symbol of elegance, grandeur, love, happiness, luck, and wealth.

Thai sweet delicacies

A variety of both traditional and contemporary Thai sweets in irresistible packages. Thai sweet offers some indigenous and rarely found Thai desserts as well as a refined blend of Thai and western flavors.

2. Food Products

Frozen Food (Quick Meal)

A pioneer in the frozen-prepared food industry, S&P has consistently sought to invest in R&D and innovation for new products to better meet customers' demands. S&P frozen food offer not only impressive varieties, but also carefully cooked to ensure tastiness and healthiness. Let Quick Meal make your meals great dishes. Our products also include Salad dressing and frozen soup, pasta, pies, and other food products under Patio brand which have been well-received by our target customers.

Sausage

Various types of sausage, ham, and bacon to meet diverse demands of middle-to-upper group customers. S&P Sausages are distributed through modern trade channels nationwide. With our exclusive formula, we select the finest quality of meat and delicately produce it under high standards to ensure excellent quality products.

Caragenan Jelly: Jelio Jelly

Seeking to innovate a new product line, we offer caragenan jelly in the forms of both ready-to-eat fruit jelly in cups and ready-to-drink fruit juice in bottles high of vitamin C. The product has been distributed to the Modern Trade since late of year 2010.

Dry Mix: Royallee

Dry Mix products awarded with the Certified International Quality Standards. Our products include food coloring, custard powder, etc.

Delicatessen

S&P produced the international food under brand “Patio” such as, dressing, soup etc., distributing in S&P outlets and leading supermarkets.

3. Other Services

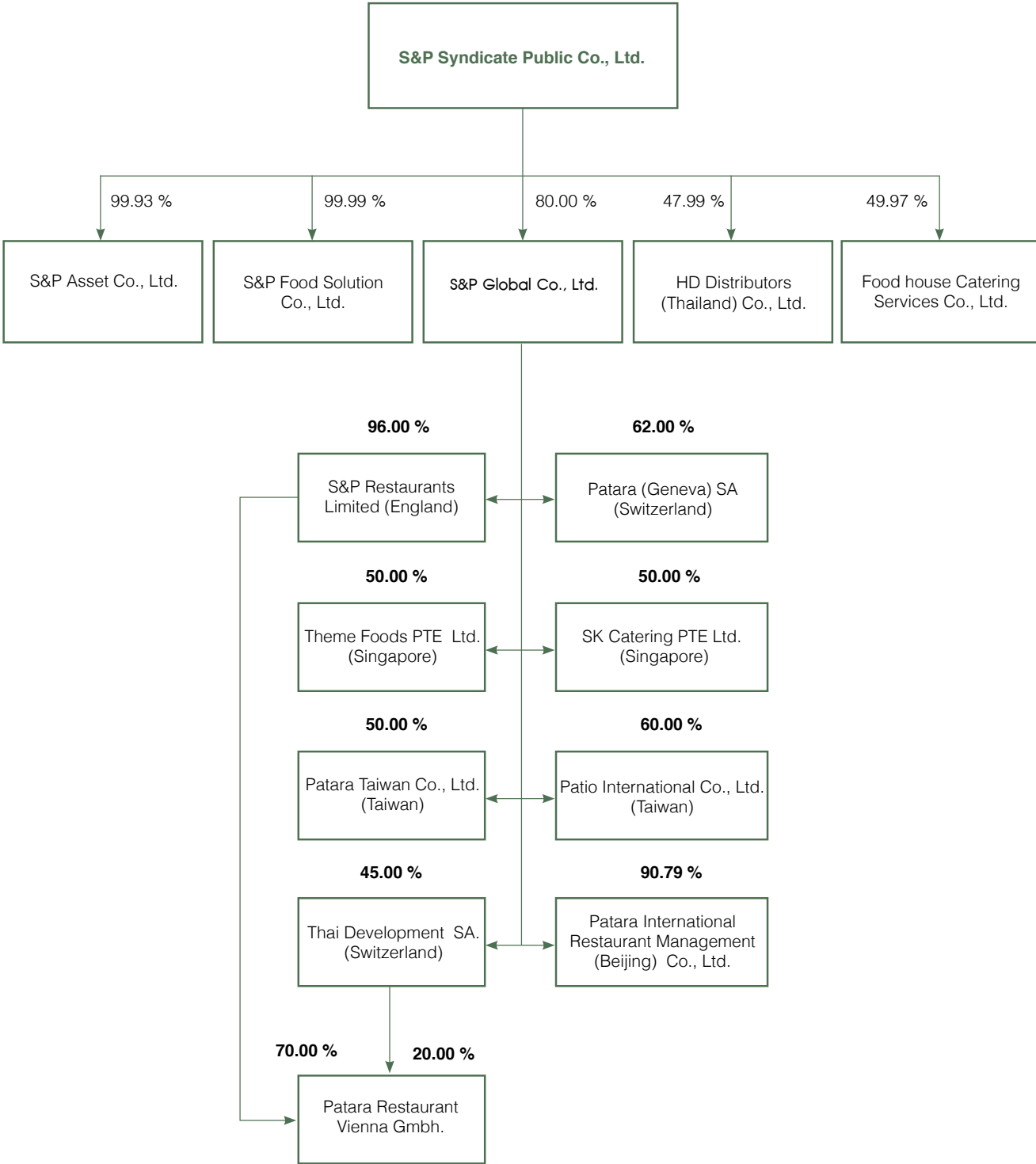
Delivery 1344

S&P Group provides home and office delivery services for its products through 1344 “hotline” to meet every customer’s need and lifestyle with fresh food and fast delivery. We deliver not only food and services but also value and convenience.

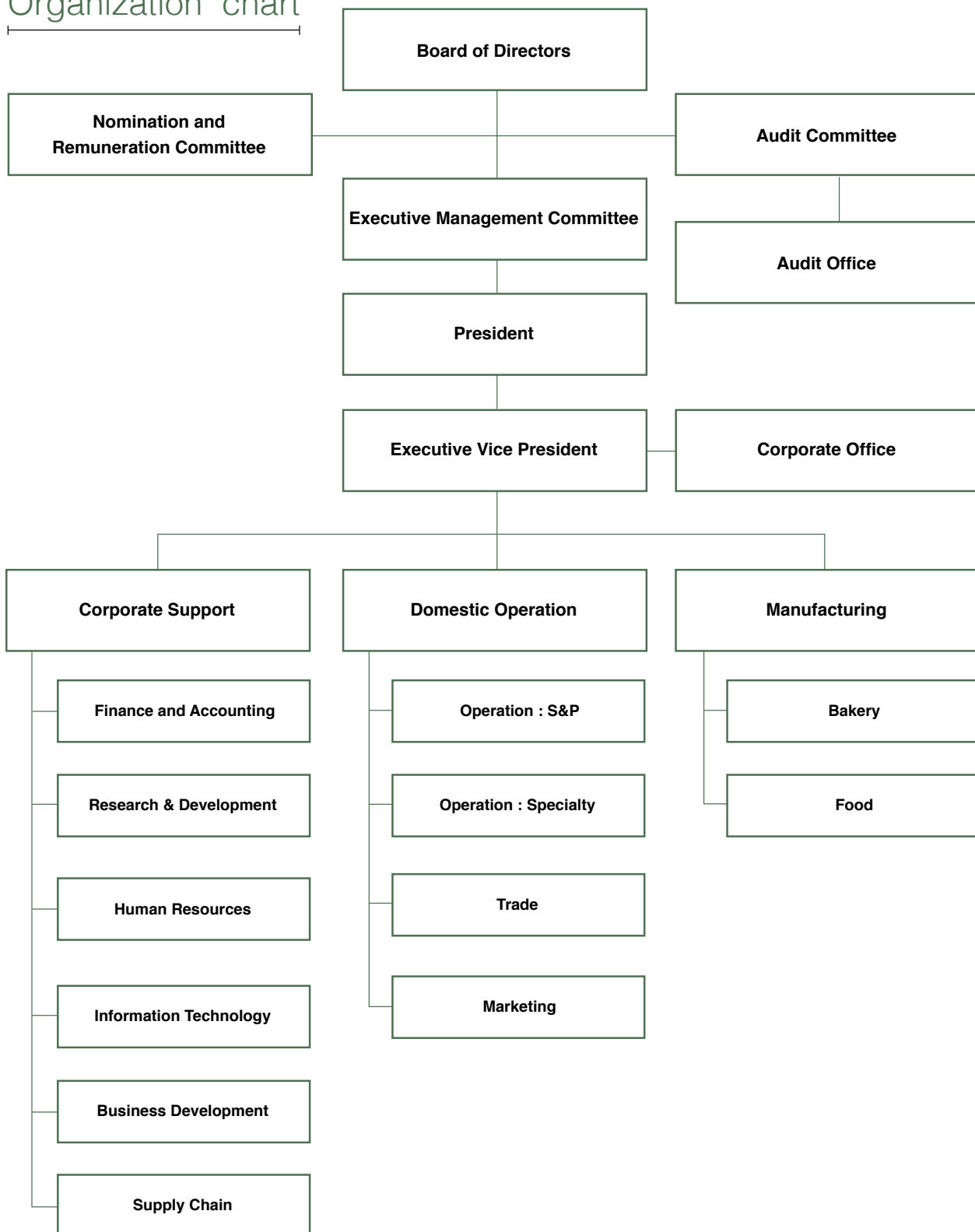
Caterman

Ideal catering service for any functions or special events. Our arrangements are professional and overseen by a team of specialists. The catering menu, including Thai and international cuisine, is constantly revised with new selections to offer clients more varieties.

S&P Group Structure



Organization chart



The managerial structure of the Company comprises 4 boards or committees, that is, the Board of Directors, the Audit Committee, Nomination and Remuneration Committee , Executive Management Committee and Management Team. Details of these directors are as follows:

Board of Directors

The Board of Directors comprises 12 members .

1.	Mrs. Patara	Sila-On	Chairperson of the Board of Directors
2.	Lt. Varakorn	Raiva	Vice Chairperson of the Board of Directors
3.	Mr. Pravesvudhi	Raiva	President
4.	Mrs. Kessuda	Raiva	Executive Vice President
5.	Mr. Vitoon	Sila-On	Director and Company Secretary
6.	Ms. Cattleya	Saengsastra	Independent Director and Chairman of the Audit Committee
7.	Mr. Dusit	Nontanakorn	Independent Director and Audit Committee
8.	Ms. Sophavadee	Uttamobol	Independent Director and Audit Committee
9.	Mr. Aviruth	Wongbuddhapitak	Independent Director
10.	Mrs. Pratana	Mongkolkul	Director
11.	Mrs. Patamavalai	Ratanapol	Director
12.	Mr. Kachorndej	Raiva	Director

Audit Committee

The Audit Committee comprises 3 members .

1.	Ms. Cattleya	Saengsastra	Chairman of the Audit Committee
2.	Mr. Dusit	Nontanakorn	Audit Committee
3.	Ms. Sophavadee	Uttamobol	Audit Committee

Nomination and Remuneration Committee

The Nomination and Remuneration committee comprises 3 members.

1.	Mr. Aviruth	Wongbuddhapitak	Chairman of the Nomination and Remuneration Committee
2.	Mr. Dusit	Nontanakorn	Nomination and Remuneration Committee member
3.	Mrs. Pratana	Mongkolkul	Nomination and Remuneration Committee member

Executive Committee

The Executive Committee comprises 6 members.

1.	Lt. Varakorn	Raiva	Chairman of the Executive Committee
2.	Mr. Kachorndej	Raiva	Executive Committee Director
3.	Mr. Pravesvudhi	Raiva	Executive Committee Director
4.	Mrs. Kessuda	Raiva	Executive Committee Director
5.	Mr. Vitoon	Sila-On	Executive Committee Director
6.	Mr. John Scott	Heinecke	Executive Committee Director

Management Team

Management members comprises 8 members.

- | | | | |
|----|-----------------|--------------|---|
| 1. | Mr. Pravesvudhi | Raiva | President |
| 2. | Mrs. Kessuda | Raiva | Executive Vice President and
President for S&P Global Co., Ltd. |
| 3. | Mr. Vitoon | Sila-On | Director / Company Secretary and
Senior Vice President – Domestic Operations |
| 4. | Mrs. Pacharee | Wisuthiwan | Vice President for Operations Department |
| 5. | Mr. Somjit | Kititeerakul | Vice President for Bakery |
| 6. | Mr. Chongchana | Chantamas | Vice President for Food Operations |
| 7. | Mr. Pakorn | Tiewcharoen | Vice President-Trade |
| 8. | Mrs. Chandnibha | Suriyong | Senior Vice President Operations S&P Global Co., Ltd. |

(Details of all Directors and Executives are shown in the Appendix)

Economic Climate and Business Competition

In 2010, despite the political unrest and impact from the major flood in Thailand, as well as the fluctuation of global economy, those circumstances have in short-term impacted the domestic economic and affected to the limited area. As a result, Thailand's economic trend to grow continuously with Thailand GDP growth rate at 7.8% and the consumer's consumption expanding at 4.8%. This has led to continuing growth in the food and restaurant industry. Despite new entrants, the company was able to maintain its market share. In this connection, the company had in-depth analysis and business strategy, as well as clear product placement decisions leading to our ability to maintain or increase our market share for our products and services satisfactorily. An important factor leading to this success was our clear marketing strategy to better promote understanding of S&P as a brand, better appreciation of our products and services, to enhance the confidence in the quality and value of our products and services for our target customer base. Furthermore, the company has continued to invest in research and development to improve quality of our products, as well as our production methods, which includes the focus on selection of quality raw materials, in order to better respond to the demands of our customers.

In addition, the company has improved our services to achieve a management system and service to our customers that is second-to-none. In our operations, we give great importance to instilling the right work ethics in our employees, including ensuring that they feel a sense of belonging as a part of the S&P culture. Therefore, S&P does not emphasize only on profit figures but also recognizes the importance of creating benefit and fairness to all stakeholders. This philosophy has allowed the company to retain our customer base in addition to continued expansion into new customer bases, as well as building a healthy sense of trust in our customers, shareholders, debtors, partners, employees, competitors, and society in general.

Notable Events

In 2010, despite some unfortunate political events and natural disasters, the company was able to come through unscathed. Moreover, the company engaged in many charitable activities, donating money to charitable organizations, and organizing important public relations events as follows:

Equity Re-structuring

- At the resolutions of the Board of Directors' Meeting No.1/2010 held on February 24, 2010, the company resolved to approve the share repurchase program for financial management purpose, period has arranged during March 11, 2010 to September 10, 2010. By the end the period, the company has repurchased its ordinary shares through the Stock Exchange of Thailand for 6,604,600 shares; equal to 6.31% of the total number of the paid-up share capital for the total amount of Baht 250,951,475.

Business expansion and Product development

- In June, the Company opened a Patara restaurant in Vienna, Austria. And November opened Siam Kitchen in Singapore.
- Our Bakery factories engaged in quality system programs and environmental protection programs as follows:
 - Sukhumvit Bakery extended the Hazard Analysis and Critical Control Point (HACCP) to its bread production from NSF-CMi, which is a system to prevent food contamination.
 - Participating in the Department of Industrial Work's program to enter into the ISO/IEC 17025 international standard to protect the environment ensuring that waste water does not affect local communities.
 - Receiving the special commendation for river conservation from the Department of Industrial Works, and at the end of the year expanded its mooncake production capacity to satisfy increased demand.
 - Launching the Cupcake which is well accepted.
- Our Lad Krabang factory received its Halal certification from the Office of the Central Islamic Committee of Thailand to produce and distribute certified products, and received permission to use the Halal certification mark for our Uang Luang salad dressing, Patio salad dressing, and Jelio jelly.
- Sales & Marketing events
 - Organized an event to introduce Caterman which is a fully integrated catering service business. Organized S&P Ice-Cream. Organized Quick Meal introduction event, the proceeds of which were donated to the Ramathibodi foundation.
 - Organized a concert event in Hua Hin "Heaven in Hua Hin" for our top customers.
 - Organized an event to introduce this year's mooncake, in conjunction with AIS, including a Mooncake Roadshow.

Corporate Social Responsibility

Education

- Education projects in conjunction with education institutions and provincial schools, such as
 - Jointed with VEC (Office of Vocational Education Commission) in accepting the vocational students from provincial areas being practiced in several functions of our Company.
 - S&P Learning Center accepted underprivileged students from welfare schools (Rajaprajanugroh and Suksasonggroh school) around Thailand to study in Vocational Education for Business retails and Food Nutrition.
 - Jointed with VEC (Office of Vocational Education Commission) arranged the training course to develop cake decoration skills to teachers and students from vocational school.
 - Jointed with the activities for education development including donation of money and educational equipments to many schools, such as set up S&P kitchen for kids project to renovate the hygiene kitchen and toilet facilities for many school in rural areas.
 - Activating the 10th year continuing program for Cake decoration skill to 35 primary schools,
 - Organizing summer camp for children under the "Happy Dhamma. Happy Heart" project.
 - Organizing PATARA Charity Cook Off in donation for building Food & Nutrition class room for Chitlada Vocational School.

Social and Environment

- Donating money to victims of natural disasters such as the Haiti earthquake, flooding in Thailand and the public health organization such as, Anandamahidol Foundation, Siriraj Hospital and Ramathibodi Hospital.
- Project to aid underprivileged people and youth activities:
 - The Cake a Wish Make a Wish project, donating cakes to children, handicapped people, old people, and underprivileged people from 20 charities
 - The 4th "Bring back the smile" project, donating lunch to underprivileged children of the Rangsit foster home.
 - Cooking demonstration activity for female inmates at the Lad Yao Penitentiary
- Joined the Bangkok Metropolitan Administration in organizing the merit making ceremony after the political unrest in May.
- Organized a cake show and sold cookies the proceeds of which was donated to the Women's Association of Thailand on the occasion on Thai Women's Day Furthermore, the Company has supported Meal and products to the activities of various organizations and institutions both governmental and public.

Report on the Board of Directors' Responsibility for the Preparation of Financial Statements

The financial statements of S&P Syndicate Public Company Limited and its subsidiaries, which have been combined into a consolidated financial statement, have been prepared in conformity with generally accepted accounting principles under the Accounting Act B.E. 2543 (A.D. 2000), which include accounting standards issued under the Accounting Profession Act B.E. 2547 (A.D. 2004) and under the stipulations of the Securities and Exchange Commission governing the preparation and presentation of financial reports subject to the Securities and Exchange Act B.E. 2535 (A.D. 1992), as well as with the Notification of the Department of Business Development re "prescription of brief entries that must be contained in financial statements" B.E. 2552 (A.D. 2009) dated January 30, 2009.

The Board of Directors is responsible for the financial reports prepared of S&P Syndicate Public Company Limited and its subsidiaries so that it is reasonably assured that the reports have reflected the financial standing, income and expenses and cash flows that are real and reasonable. To this, correct, complete and sufficient accounting information has been recorded for the purpose of maintaining material assets and transactions, and in the preparation of the financial reports appropriate accounting policies which are constantly applied and conform to generally accepted accounting standards have been considered and selected for use and significant information has also been sufficiently disclosed in the notes to the financial statements of S&P Syndicate Public Company Limited and its subsidiaries, on which the auditor has expressed opinions in the Auditor's Report.

Patara Sila-On
Chairperson

Pravesvudhi Raiva
President

Audit Committee's Report

S&P Public Co. Ltd.'s audit committee was appointed by the company's board of directors comprising 3 Independent Directors, with Ms. Cattleya Saengsastra as Chairman of the audit committee, and Mr. Dusit Nontanakorn and Ms. Sophavadee Uttamobol as members of the audit committee

The audit committee has the responsibility of ensuring transparency of the company's financial account before it is submitted before the board of directors, shareholders, and other stakeholders. The committee is also responsible for ensuring examination of information relating to financial reports, internal audits and audits performed by certified public accountants, risk management, and good governance in compliance with laws, with no conflicts of interest. It is also responsible for the selection of external auditors including proposing their remunerations to the board of directors, before submitting to shareholders for consideration. It also performs other duties assigned to it by the board of directors.

In 2010, the Audit Committee held 4 meetings with the company's external auditor, the Internal Audit Department, the Deputy Vice President for Accounting and Corporate Plan, the relevant members of the Management team. Its duties performed are in summary as follows:

1. Examination of information relating to financial reports of the company and subsidiaries for the year 2010, whereby meetings were held with internal audits and audits performed by certified public accountants, and the Management concerned, to ensure that the Company's financial reports and statements had been prepared in conformity with accounting standards accepted and that information had been correctly and sufficiently disclosed, in addition to implementation of observations and suggestions of auditors. With regards to the company's and its subsidiaries' quarterly and annual audit reports, the audit committee found no substantive issues different from the financial reports prepared by the company. The audit committee endorses the auditor's report and the company's and its subsidiaries' financial reports and forwarded it to the board of directors to consider for quarterly financial reports. As for annual financial reports, the audit committee forwarded it to the board of directors to consider before putting it before shareholders to endorse at the annual 2010 shareholders meeting.

2. Assessment of risk management. The audit committee has considered information regarding risk management from relevant units, and found that it was consistent with results proposed by the internal audit. This includes adequate risk management, important risks such as strategic risk, production cost risk, operational risk, ICT risk, which were all included in the annual report. Furthermore, the audit committee made recommendations regarding continuation of improvement in risk assessment and risk management systems.

3. Examination of Internal Control Assessment – The Audit Committee met with the Internal Audit Department to consider and endorse the annual internal control report, to be updated about implementation of the internal control plan, and listen to reports of internal control results of various activities of the company. It concludes that the company has an internal control system sufficient and appropriate for the conduct of its business in current conditions.

4. Examination of Interrelated Transactions and Compliance with the Law - The Audit Committee met with the Internal Audit Department, the Deputy Vice President for Accounting and Corporate Plan, the Law Office Manager, to be informed of changes in related laws, regulations during the year which have impacted the company's business; any guidelines to which the board of directors, the management team, and the company's employees must adhere in compliance with the law. Furthermore the audit committee considered and was informed of the change in accounting standards which will be in effect from 2011 onwards, for which preparations have already been made.

5. Reviewing intra-company transactions regarding conflicts of interest. The audit committee met with the Internal Audit Department, the management team for Accounting and finance, the Law Office Manager, and the management team to be informed of and to consider the adequacy of information disclosure for intra-company transactions made. In addition, it considered linkages which could ensue due to conflicts of interest. To this end, it concluded that in 2010 the company and its subsidiaries engaged in normal business transactions and that adequate information were properly disclosed.

6. Proposal for the Auditor Appointment – The Audit Committee, having taken into consideration the independence, performance and services of the auditor including the appropriateness of its remuneration, deemed that the auditor had satisfactorily given opinions and recommendations beneficial to the preparation of the financial reports and the internal control. It was deemed expedient to propose via the Board of Directors that the meeting of shareholders appoint Deloitte Touche Tohmatsu Jaiyos Co., Ltd. be reappointed as the auditor for 2011.

Furthermore, to maintain the independence of the internal audit department and of the company's auditors, the audit committee had an open-door policy for the internal audit department and the company's auditors to meet and report or consult on related matters, in accordance with the remit of their responsibilities.

Cattleya Saengsastra

Chairman, Audit Committee

February 23, 2011

Analysis of the Operating Performance and Financial Status

Balance Sheets As at December 31,

(Unit: Thousand Baht)
CONSOLIDATED

	2010	%	2009	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	742,201	27.03	475,113	17.25
Temporary investments	220,226	8.02	539,258	19.58
Trade accounts receivable - net	182,565	6.65	163,728	5.95
Short-term loans to related parties	341	0.01	244	0.01
Inventories	203,253	7.40	206,551	7.50
Other current assets	34,451	1.25	76,949	2.79
Total Current Assets	1,383,037	50.36	1,461,843	53.08
NON-CURRENT ASSETS				
Deposits used as collateral	20,584	0.75	5,476	0.20
Investments in associates	45,174	1.65	43,586	1.58
Property, plant and equipment - net	1,065,214	38.79	997,218	36.21
Intangible assets - net	3,000	0.11	3,126	0.11
Leasehold right - net	95,371	3.47	97,248	3.53
Long-term deposits	131,937	4.80	126,315	4.59
Other non-current assets	2,045	0.07	19,237	0.70
Total Non-current Assets	1,363,325	49.64	1,292,206	46.92
TOTAL ASSETS	2,746,362	100.00	2,754,049	100.00

Balance Sheets (Continued)
As at December 31,

(Unit: Thousand Baht)

CONSOLIDATED

	2010	%	2009	%
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term loans from a financial institution	3,747	0.14	3,538	0.13
Trade accounts payable	351,283	12.79	362,842	13.17
Short-term loans from related parties	352	0.01	113	0.00
Accrued income tax	109,248	3.98	78,867	2.86
Accrued expenses	274,972	10.01	185,917	6.75
Value-added-tax payable	34,090	1.24	24,605	0.89
Current portion of long-term loans from financial institutions	19,173	0.70	3,212	0.12
Current portion of financial lease liabilities	2,940	0.11	2,695	0.10
Other current liabilities	54,931	2.00	29,239	1.07
Total Current Liabilities	850,736	30.98	691,028	25.09
NON-CURRENT LIABILITIES				
Long-term loan from financial institutions	60,711	2.21	7,228	0.26
Financial lease liabilities	3,570	0.13	4,603	0.17
Other non-current liabilities	17,555	0.64	7,173	0.26
Total Non-current Liabilities	81,836	2.98	19,004	0.69
TOTAL LIABILITIES	932,572	33.96	710,032	25.78
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
104,686,273 ordinary shares of Baht 5 each	523,431		523,431	
Issued and paid-up share capital				
104,686,273 ordinary shares of Baht 5 each fully paid	523,431	19.06	523,431	19.01
PREMIUM ON ORDINARY SHARES	689,981	25.12	689,981	25.05
DIFFERENCES ON TRANSLATION OF THE FINANCIAL STATEMENTS	(37,045)	(1.35)	(20,394)	(0.74)
UNREALIZED GAIN ON REVALUATION OF AVAILABLE- FOR- SALE SECURITIES				
	155	0.01	126	0.00
RETAINED EARNINGS				
Appropriated				
Legal reserve	52,343	1.91	52,343	1.90
Treasury shares reserve	250,951	9.14	-	-
Unappropriated	508,832	18.52	709,880	25.78
TOTAL MAJOR SHAREHOLDERS' EQUITY	1,988,648	72.41	1,955,367	71.00
TREASURY SHARES	(250,951)	(9.14)	-	-
MINORITY INTEREST	76,093	2.77	88,650	3.22
TOTAL SHAREHOLDERS' EQUITY	1,813,790	66.04	2,044,017	74.22
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,746,362	100.00	2,754,049	100.00

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,

(Unit: Thousand Baht)
CONSOLIDATED

	2010	%	2009	%
Revenues from sales and services	5,281,672	100.00	4,700,144	100.00
Cost of sales and services	(2,907,838)	(55.06)	(2,641,363)	(56.20)
Gross profit	2,373,834	44.94	2,058,781	43.80
Other incomes				
Gain on exchange rate	-	-	3,245	0.07
Dividend income	675	0.01	1,620	0.03
Others	52,903	1.00	58,692	1.25
Profit before expenses	2,427,412	45.95	2,122,338	45.15
Selling expenses	(198,163)	(3.75)	(177,309)	(3.77)
Administrative expenses	(1,619,368)	(30.66)	(1,493,782)	(31.78)
Management benefit expenses	(47,320)	(0.90)	(35,532)	(0.76)
Loss on exchange rate	(11,733)	(0.22)	-	-
Total expenses	(1,876,584)	(35.53)	(1,706,623)	(36.31)
Profit before finance costs and income tax expenses	550,828	10.42	415,715	8.84
Finance costs	(3,310)	(0.06)	(705)	(0.01)
Share of profits (losses) on investments in associates	4,507	0.09	(2,973)	(0.06)
Profit before income tax expenses	552,025	10.45	412,037	8.77
Income tax expenses	(169,204)	(3.20)	(113,789)	(2.42)
NET PROFIT	382,821	7.25	298,248	6.35
PROFIT ATTRIBUTABLE TO:				
Equity holders of the parent company	381,878		293,040	
Minority interest	943		5,208	
	382,821		298,248	

Summary of 2010 Operating results

In 2010, business operation had experienced obstacles and challenges caused by domestic and international economic factors, such as the political unrest, flooding, and global economic slowdown which led to reduced spending and consumption. However the company recognized these changing factors and has prepared itself with in-depth analysis and business strategy appropriated to the changed environment, as well as having policies to track and monitor operation results on a continuous basis. This has led to excellent operating results for 2010, as witnessed by the group of companies' sales revenues of Baht 5,282 million, an increase of Baht 582 million from the previous year, with a growth rate of 12.38%, including Baht 382 million net profit, an increase of Baht 89 million from the previous year, representing an increase of 30.32%.

Revenue from Sales and Services

The revenue from sales and services increased from Baht 4,700 million in 2009 to Baht 5,282 million, with the growth rate of 12.38%, which can be categorized into the following sales channels:

Revenue breakdown by distribution channels

(Unit: Million Baht)

Distribution Channels	2010		2009		Increase (Decrease) %
	Amount	%	Amount	%	
Domestic restaurant and bakery shop	4,083	77.30	3,610	76.81	13.10
Packaged food and bakery trading business	496	9.39	425	9.04	16.71
Overseas restaurant	700	13.25	661	14.06	5.90
Others*	3	0.06	4	0.09	(25.00)
Total	5,282	100.00	4,700	100.00	12.38

* Rental revenue

Domestic restaurant and bakery shop business

In 2010, the revenue from the Domestic restaurant and bakery shop business contributed to 77.30% of the revenue from sales and services. It increased by 13.10%, or by Baht 473 million due to the growth of the sales volume of the existing and new restaurant and bakery outlets. In 2010, the Company opened 37 new outlets, consisting of 5 restaurants and 32 bakery shops. The company's total of 352 outlets as of year ended 2010 comprised 102 restaurants and 250 bakery shops. The Company's focus on opening more new outlets in provincial areas has carried on to this year due to the company's recognition of the good trend in consumer purchasing power condition and potential in various provinces of Thailand, as well as the lower rental and labor cost when compared with Bangkok. In addition, the Company has continued to implement marketing activities through advertising on television, radio, and other types of media, by focusing on strengthening the sense of trust and goodwill towards the "S&P" brand.

Packaged food and bakery trading business

In 2010, sales from this business had a share of 9.39% of the revenue from sales and services, an increase 16.71% from the previous year amounting to Baht 71 million. This impressive growth is due to our strategy to expand customer base in line with the proliferation of modern trade businesses, and also due to our alliance with new retail concepts.

Overseas restaurant

Revenue from this business account for 13.25% of the revenue from sales and services, an increase of Baht 39 million from the previous year, with a growth rate of 5.90%. This is due to the increased popularity of to the food and service in our global branches. During the year, the company opened one branch in Vienna, Austria in June 2010 and one branch in Singapore in November 2010.

Revenue breakdown by product type

(Unit: Million Baht)

Product	2010		2009		Increase (Decrease) %
	Amount	%	Amount	%	
Bakery	2,396	45.36	2,091	44.49	14.59
Domestic food and beverage	1,575	29.82	1,420	30.21	10.92
Overseas restaurant	700	13.25	661	14.06	5.90
Food products**	441	8.35	396	8.43	11.36
Other products***	170	3.22	132	2.81	28.79
Total	5,282	100.00	4,700	100.00	12.38

** Food products produced by the company consisting of Quick Meal, sausages, Jelly and dry mix

*** Consisting of outsourcing, consignment, other miscellaneous products, and rental revenue

In 2010, Bakery products had the highest proportion of 45.36% when compared with the revenue from the sales and services while the proportion for the domestic food and beverage was at 29.82%. In terms of the sales growth volume, Bakery products had a growth rate of 14.59% due to new branch expansions as well as increased sales in existing branches, the development of product diversification in line with consumer tastes, and the increase of sales promotion activities. Food and beverage had a growth rate of 10.92%, in which the Company had introduced the healthy choice menu, seasonal/festive menus which have been well-received by existing and new target customers.

Cost of sales and services

In 2010, the Company was able to decrease the cost of sales and services from 56.20% in 2009 to 55.06%. It was achieved through the efficiency of raw material cost management, inventory management, research and development of products, development of production processes, improved measures to reduce production waste both at factory and at retail levels.

Expenses

In 2010, the sales expense when compared with the sales and services revenue decreased from 36.31% in 2009 to 35.53% due to the efficiency of expense management in all areas. The proportion of sales expense to sales from sales and services decreased from 3.77% in 2009 to 3.75%, and operation expenses decreased from 31.88% in 2009 to 30.88% this year.

Net Profit

The growth of revenue from sales and services in 2010, together with the efficient management of cost of sales and sales and operation expense, helped to increase net profit from a rise of 6.23% in 2009 to 7.25% in 2010. Net profit in 2010 increased from Baht 293 million in 2009 to Baht 382 million in 2010, an increase of Baht 89 million, or an increase of 30.32%, and the ROE increased from 15.26% in 2009 to 20.68% in 2010.

Operating Efficiency

The group of Companies had substantial returns on assets from 11.11% in 2009 to 13.89% in 2010 due to the increase of the Company's net profit.

Overview of financial status and cash flow statement of 2010

The group of companies had total assets at year end 2010 of Baht 2,746 million. The current assets and the non-current assets accounted for 50.36% and 49.64%, respectively, whereas the current liabilities accounted for only 30.98% of total assets. Thus, the liquidity is as 1.63 times, due to the group of companies' rapid assets turnover from cash sales.

The net cash from operation was at Baht 800 million, as a result of Bath 939 million profit before tax and the tax payment of Baht 139 million.

The change of cash used in investing and financing activities comprised cash received from sales of temporary cash investment of Baht 322 million, investment in fixed assets of Baht 310 million, resulting from investment in production machinery, construction, and furnishing due to restaurant and bakery expansions. In addition, cash was used to pay out dividend of Baht 332 million and to buy back shares for purposes of financial management of Baht 251 million. Coupled with net cash flow from the operation and other sub items, the group of Companies had a net increase of the cash totaling Baht 267 million. With the large amount of existing cash at Baht 475 million as of the beginning of 2010, the cash and cash equivalent for the business as of the end of the year was at Baht 742 million.

Dividend payment policy

The company will declare dividends every year at the rate of approximately 60 percent of the net profit after tax according to the consolidated financial statements provided that the amount to be declared shall not exceed the retained earnings in the Company's financial statements. In the event that the Company's financial statements have retained loss, no dividend will be declared. For this purpose, the Company will take such action as prescribed by the Public Limited Companies Law and take into consideration whereby the Company will be able to pay dividends without causing significant effects on its business. The dividend payment policy of the Company's subsidiaries likewise takes into consideration the economic outlook and business operating performance.

The Board of Directors' Meeting no.1/2011 held on February 23, 2011 had passed resolution to propose the Annual General Meeting of Shareholders 2011 on April 28, 2011, to adopt the interim dividend payment of Baht 1.25 per share paid on September 10, 2010, and to approve the dividend payment for 2010's operating result of Baht 3.25 per share, or the remaining dividend payment of Baht 2.00 per share. In case of the Meeting of Shareholders approves the dividend payment as proposed, the dividend payout ratio of the Company shall be 83.47%.

Details of dividend payment for operating year 2010 compared with previous years.

Dividend Details	2010	2009
1. Net Profit (Million Baht)	381.88	293.04
2. Number of shares	98,081,673	104,686,273
3. Dividend paid per share		
3.1 Interim Dividend (Baht/shares)	1.25	0.50
3.2 Additional Dividend (Baht/shares)	2.00	2.00
4. Total Dividend Paid		
4.1 Interim Dividend (Million Baht)	122.60	52.34
4.2 Additional Dividend (Million Baht)	196.16	209.37
5. Dividend Payout Ratio (%)	83.47	89.31

S&P's subsidiaries and affiliates

Names / Location	Type of business	No. of common shares		% Holding
		Total Shares	No. of shares held by S&P group	
S&P Syndicate Public Company Limited 457-457/ 6 Sukhumvit 55, Klongtannua, Vadhana, Bangkok Tel : +66 (0) 2185-1313 Fax : +66 (0) 2185-1274	Operate restaurant branches and bakery outlets, produce cake, bread, bakery products, Thai desserts, frozen foods and bakery, provide delivery and catering services, Invest and manage the restaurant in overseas			
S&P Asset Company Limited 1/2 Soi Attakravi1, Sukhumvit 26 Rd, Klongtan Klongtoei, Bangkok Tel : +66 (0) 2185-1313 Fax : +66 (0) 2185-1290	Conduct real estate development business by renting spaces to restaurants	10,000	9,993	99.93%
S&P Food Solution Company Limited (Formerly S&P Pizzanotti (Thailand), Limited) 457-457/6 Sukhumvit 55, Klongtannua, Vadhana, Bangkok Tel : +66 (0) 2185-1313 Fax : +66 (0) 2185-1274	Operate pizza delivery and Italian food restaurant	200,000	199,997	99.99%
S&P Global Company Limited 457 Sukhumvit 55, Klongtannua, Vadhana, Bangkok Tel : +66 (0) 2185-1313 Fax : +66 (0) 2185-1274	Operate Thai restaurants in overseas, currently with 9 subsidiaries as follows	500,000	400,000	80.00%
S&P Restaurant Company Limited* Suite 4.16 130 Shaftesbury Ave, London, W1D 5EU, UK Tel : (44) 020 7031 1168, 020 7031 1169 Fax : (44) 020 7031 1167	Operate Thai restaurants under "Patara" brand in England, currently with 4 branches	100,000	96,000	96.00%

Names / Location	Type of business	No. of common shares		% Holding
		Total Shares	No. of shares held by S&P group	
Patara (Geneva) SA* No.94, Rue des Eaux-Vives CH-1207, Geneva Switzerland Tel : (4122) 735-0517 Fax : (4122) 735-0538	Operate Thai restaurants under "Patara" brand in Geneva, currently with 1 branch	200	124	62.00%
Theme Foods Pte Ltd.* 211 Henderson Road # 05-03 Singapore 159552 Tel : (65) 6411-4990 Fax : (65) 6411-4991	Operate Thai restaurants under "Patara" brand in Singapore, currently with 1 branch	600,000	300,000	50.00%
SK Catering Pte Ltd.* 211 Henderson Road #05-03 Singapore 159552 Tel : (65) 6411-4990 Fax : (65) 6411-4991	Operate Thai restaurants in Singapore under Siam Kitchen brand, currently with 7 branches, and under "Bangkok Jam" brand, currently with 1 branch	300,000	150,000	50.00%
Patara Taiwan Company Limited* 12 Alley 247, Sec.1 Tua Hua S. Road, Taipei, Taiwan	Operate Thai restaurants under "Patara" brand in Taiwan, cease its operation since October 2007	1,500,000	750,000	50.00%
Patio International Company Limited* 7F-3 No.28 Jen-Ai Road, Sec.3, Taipei Taiwan Tel : (8862) 2721-5998 Fax : (8862) 2721-6008	Operate Thai restaurants under "Patio" brand in Taiwan, currently with 2 branches	12,000,000	7,200,000	60.00%
Thai Development SA.* No.94, Rue des Eaux-Vives CH-1207, Geneva Switzerland Tel : (4122) 735-0517 Fax : (4122) 735-0538	Operate Thai restaurants under "THAI" brand in Geneva, currently with 1 branch	200	90	45.00%

Names / Location	Type of business	No. of common shares		% Holding
		Total Shares	No. of shares held by S&P group	
Patara International Restaurant Management (Beijing) Co., Ltd.* 6 th Floor, Jinbao Place, 88 Jinbao Street, Dongcheng District, Beijing, China Tel : (8610) 852-21678 Fax : (8610) 852-21369	Operate Thai restaurants under "Patara" brand in China, currently with 1 branch	3,800,000	3,450,000	90.79%
Patara Restaurant, Vienna GmbH** Petersplatz 1 / Goldschmiedgasse 9 / Graben ,Vienna , Austria 27 – 28 / Top.Nr.7 1010 Wien Tel : - Fax : -	Operate Thai restaurants under "Patara" brand in Austria, currently with 1 branch	300,000	228,600	76.20%
HD Distributors (Thailand) Company Limited 20 th floor, 539/2, Gypsum Mertropolitan Tower, Sri-Ayudhya Road, Tanon Phayathai Sup-district, Rajdhavee, Bangkok Tel : +66 (0) 2696-1000 Fax : +66 (0) 2696-1001	Sole importer and distributor of Häagen-Dazs ice cream	200,000	95,996	47.99%
Foodhouse Catering Services Company Limited 234 Soi Sukhuvit 101 (Punnavithi), Sukhumvit Rd., Bangchak, Prakanong, Bangkok Tel : +66 (0) 2741-8800 Fax : +66 (0) 2741-8260	Operate business canteens and provides flexible sets of dishes to meet diverse needs of Hospitals school pupils, office Staff and working classes throughout Thailand	10,000	4,997	49.97%

Note * indicates a company in which shares are owned by S&P Global Co., Ltd.

** indicates a company in which S&P Global Co., Ltd. Owns 201,600 shares through S&P Restaurant Co., Ltd. in the UK and owns 27,000 shares through Thai Development Ltd. (calculated by percentage)

Connected Transactions

1. Revenue and Expense between the Company , Subsidiaries and Related parties

Account name / Company's name	Relationship	Type of Transaction	Amount (Million Baht)	
			2010	2009
S&P Global Co., Ltd.	Subsidiary	Revenues from sales	0.57	1.12
		Rental income from buildings and equipment	0.36	0.36
		Purchases of goods/services	0.06	-
S&P Food Solution Co., Ltd.	Subsidiary	Revenues from sales	0.22	0.34
		Rental income from buildings and equipment	0.49	0.94
		Other income	0.29	0.86
		Purchases of goods	2.07	0.22
S&P Asset Co., Ltd.	Subsidiary	Rental of premises and services	3.64	3.30
HD Distributors (Thailand) Co., Ltd.	Associate	Revenues from sales	0.50	0.65
		Rental income from buildings and equipment	1.10	1.11
		Other income	0.44	0.91
		Dividend income	2.92	0.19
		Purchases of goods/services	12.16	12.12
Foodhouse Catering Services Co., Ltd.	Associate	Revenues from sales	5.68	20.74
The Minor Food Group Public Co., Ltd.	Related company (Minor International Public Company Limited 's subsidiaries)	Revenues from sales	28.38	34.38

Account name / Company's name	Relationship	Type of Transaction	Amount (Million Baht)	
			2010	2009
Minor DQ Limited	Related company (The Minor Food Group Public Co., Ltd's subsidiaries)	Revenues from sales	4.20	4.61
Minor Dairy Limited		Revenues from sales	0.76	0.20
Swensen's (Thai) Limited		Revenues from sales	6.77	4.26
SLRT Limited		Revenues from sales	4.15	0.60
The coffee Club (Thailand) Limited		Revenues from sales	0.03	0.02
S.R. Estate Co., Ltd.	Related company	Rental of premises	0.43	0.43
Directors	Directors	Rental of offices and storage	2.28	2.28

2. Assets and Liabilities between the Company , Subsidiaries and Related parties

Account name / Company's name	Relationship	Type of Transaction	Amount (Million Baht)	
			2010	2009
S&P Global Co., Ltd.	Subsidiary	Trade accounts receivable	0.06	0.69
S&P Food Solution Co., Ltd	Subsidiary	Trade accounts receivable	1.79	1.28
S&P Asset Co., Ltd.	Subsidiary	Trade accounts payable	0.12	0.11
HD Distributors (Thailand) Co., Ltd.	Associate	Trade accounts receivable	0.12	0.20
		Trade accounts payable	2.07	1.31
Foodhouse Catering Services Co., Ltd.	Associate	Trade accounts receivable	6.06	7.00
The Minor Food Group Public Co., Ltd.	Related company (Minor International Public Company Limited 's subsidiaries)	Trade accounts receivable	5.73	6.17
Minor DQ Limited	Related company (The Minor Food Group Public Co., Ltd's subsidiaries)	Trade accounts receivable	0.79	0.65
Minor Dairy Limited		Trade accounts receivable	0.21	0.01
SLRT Limited		Trade accounts receivable	2.05	0.33
The coffee Club (Thailand) Limited		Trade accounts receivable	0.01	0.01

Risk Factors

In doing business, each company has different goals and objectives according to their respective environments. Many different factors can affect each company's operation and hence its goals, such as risk factors. Therefore, each company must develop its own system of risk management in order to allow the company to achieve its goals. In the case of S&P Syndicate PCL, the board of directors recognized and gave priority to risk management and has ensured that the organization can adapt itself as and when necessary. Each business unit is assigned its appropriate responsibility in compliance with the broad operation policy. Nevertheless, the company still faces many risks and managing these risks with the following measures:

Strategic risk

Strategy is an important tool in determining the company's direction towards its stated goals and objectives. Inappropriate strategies can have adverse impact on business therefore the company has put in place strategic and budgetary plans through which factors affecting business operation are analyzed, such as internal factors, industrial environment, and competition. Nevertheless, the company has allowed for adequate organizational change in line with the set strategy, having in place a monitoring system to ensure implementation according to set work plans.

Production cost risk

The company's main business is in food production and retail, for which production cost is key. Volatility of raw material price used in production impacts the cost of products accordingly. At the same time, the prices of our products cannot increase in the same manner as it would affect sales. Therefore, the company uses the concept of raw material cost management in building alliances with our business partners, building a systematic network with our raw material providers, planning for cost in distribution, leveraging raw material costs, appropriate production and sales planning. Furthermore, the company has in place a research and development unit to improve the quality of our products and processes in order to achieve greater efficiency and effectiveness in production.

Operational risk

Within the organization, each unit's operation is an important step in moving the company towards its goals and objectives. The company has increased the number of branches and points of sales, has taken in more employees to accommodate expansion. Therefore if the employees cannot fulfill their functions satisfactorily then this will affect the pace and efficiency of our progress. The board of directors and the management recognize this factor and have arranged for training to build appropriate competency for each level of employees. Training and operation manuals have been issued and for important functions, there is clear separation of duties to serve as checks and balances for each other, in addition to having systematic reporting. Furthermore, the company has in place an internal audit division in order to check and monitor including proposing ways to improve systems to adequately serve the organization.

Information and communication technology risk

As the company continues to expand its branches and points of sales, ICT plays an important role in supporting the efficient operation of each business unit. Linkage with respective subsidiary work systems, data security and access to information, and data transmission to support various types of reports for unit heads and management all help towards efficient management of information. The company has in place an ICT division responsible for managing systems and ensuring the organization's readiness to support new innovations and technology. An ICT master plan has been drafted to respond to the company's business plan, which includes an ICT security plan, onward business plan, contingency plan, contributing towards enhancing work in the ICT field. There is regular reporting and monitoring of implementation of the said work plans to the management team. Nevertheless, there are other risk factors which could affect management of the organization. To this end, the board of directors and the management team have put in place a system to maintain risks at a manageable level, hence risk management continues to be improved systematically, allowing the company to better achieve its set objectives.

Shareholder and Management Structure

Shareholder Structure

Share capital

The Company's securities comprise ordinary shares. As of December 31, 2010, the Company's registered capital is 523,431,365 Baht, divided into 104,686,273 ordinary shares of par value of 5 Baht each. The called-up capital amounts to 523,431,365 Baht, divided into 104,686,273 ordinary shares of par value of 5 Baht each.

Share repurchase program for financial management

At the resolutions of the Board of Directors' Meeting No.1/2010 held on February 24, 2010, the company resolved to approve the share repurchase program for financial management purpose and due to the company's excess cash liquidity. The number of ordinary shares to be repurchased not exceeding 10,468,627 shares; equal 10% of the total number of the paid-up share capital of the Company and in the amount not exceeding Baht 350 million. Period of the share repurchase has arranged during March 11, 2010 to September 10, 2010. By the end the period, the company has repurchased its ordinary shares through the Stock Exchange of Thailand for 6,604,600 shares; equal to 6.31% of the total number of the paid-up share capital for the total amount of Baht 250,951,475.

Shareholders

The first 10 majority shareholders whose names appeared in the register of shareholders as of February 7, 2011 are as follows:

	Group of Shareholders	Number of Shares	Percent
1	The Sila-On and Raiva Groups	41,770,820	39.90
2	Minor International Public Company Limited	25,778,900	24.62
3.	S&P Syndicate Public Company Limited	6,604,600	6.31
4.	Credit Suisse Securities (Europe) Limited	4,117,300	3.93
5.	Mrs. Supapan Pichaironarongsongkram	3,619,000	3.46
6.	Mr. Aryuth Charnsethikul	1,474,400	1.41
7	Mr. Thanathip Phichetvanichchok	1,225,200	1.17
8	Mrs. Parinya Khancharoensuk	1,042,462	1.00
9	Mr. Niti Osathanukrua	960,100	0.92
10	Mr. Phithak Phisethsith	830,000	0.79

Management Structure

(1) Board of Directors

As of December 31, 2010, the Board of Directors comprises 12 members.

Names / Position	Total Attendances / Meeting (BOD/AGM)	Directors	Total Attendances / Meeting	Audit Committee	Total (Baht)
1. Mrs. Patara Sila-On / Chairperson of the Board of Directors	5/6	290,000	-	-	290,000
2. Lt. Varakorn Raiva / Vice Chairperson of the Board of Directors	6/6	300,000	-	-	300,000
3. Mr. Pravesvudhi Raiva / President	6/6	300,000	-	-	300,000
4. Ms. Cattleya Saengsastra / Independent Director and Chairman of the Audit Committee	6/6	350,000	4/4	80,000	430,000
5. Mr. Dusit Nontanakorn / Independent Director and Audit Committee	6/6	350,000	4/4	80,000	430,000
6. Ms. Sophavadee Uttamobol / Independent Director and Audit Committee	5/6	340,000	4/4	80,000	420,000
7. Mr. Aviruth Wongbuddhapitak / Independent Director (Appointed on April 21 st 2010)	4/4	80,000	-	-	80,000
8. Mrs. Pratana Mongkolkul / Director	6/6	300,000	-	-	300,000
9. Mrs. Patamavalai Ratanapol / Director (Appointed on August 11 st 2010)	1/1	20,000	-	-	20,000
10. Mr. Kachorndej Raiva / Director	6/6	300,000	-	-	300,000
11. Mrs. Kessuda Raiva / Executive Vice Director	6/6	300,000	-	-	300,000
12. Mr. Vitoon Sila-On / Director and Company Secretary (Resigned from the board on April 21 st 2010, and reappointed on August 11 st 2010)	2/2	230,000	-	-	230,000

Names / Position	Total Attendances / Meeting (BOD/AGM)	Directors	Total Attendances / Meeting	Audit Committee	Total (Baht)
Former Board members who resigned during 2010					
1. Mr. Pote Videtyontrakich / Director (Resigned from the board on August 11 th , 2010)	3/4	240,000	-	-	240,000
2. Mr. William Ellwood Heinecke / Director (Resigned from the board on August 11 th , 2010)	1/4	210,000	-	-	210,000
Total (Baht)		3,610,000		240,000	3,850,000

Scope of Powers and Duties of the Board of Directors

1. To manage the Company in accordance with the law, objectives, Articles of Association and resolutions of meetings of shareholders;
2. To formulate policies and trends for operation, financial management and action plans of the Company; and to monitor compliance with the policies specified;
3. To determine courses for the management of business risks, financial reports and audit; and to see to it that efficient and effective systems of internal control and internal audit are made available;
4. To control and supervise the Management for the efficient and effective implementation of the policies specified; and to assign and appoint some directors as executive directors to take one or more actions;
5. To designate 2 directors, who are not independent directors and Audit Committee members, as directors authorized to sign their names to bind the Company;
6. To hold a Board meeting at least once in every 3 months.

The Company has defined the independence of an “independent director” in accordance with the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

Definition of “Independent Director”

An independent director means a fully qualified and independent individual as specified by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, that is:

- Holding shares representing 1 percent max of the paid-up capital of the Company, its affiliated, associated or related companies;
- Being a director who does not participate in the management; not being a servant, employee or advisor receiving a regular salary or a professional service provider who has received a service fee of more than two million Baht a year from the Company, an affiliated, associated or related company, or a legal entity that may have conflicts over the past period of at least 2 years;
- Being a director without either direct or indirect benefits or interests in terms of both finance and management in the Company, its affiliated, associated or related companies, or legal entities that may have conflicts;
- Being a director who is not related to or is not a close relative of an executive or majority shareholder;
- Being a director who is not appointed as agent to protect interests of directors of the Company, majority shareholders, or shareholders related to the majority shareholders

In addition, the independent director must be able to comment or report freely in accordance with the mission entrusted, without taking into consideration any interests concerning her/his property or duty or position, and must not be influenced by any person or group of persons nor compelled by any situation that would render her/him unable to express an opinion as she/he should do.

(2) Audit Committee

The Audit Committee's scope of authority and duties

The Board of Directors have agreed to redefine the Audit Committee's scope of authority and duties during the Board of Directors Meeting, No. 1/2011, held on February 23, 2011, in accordance to the rules and regulations issued by the Board of the Stock Exchange of Thailand.

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, and also to implement the Control Self Assessment System for the company's operations.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
5. To promote practical and effective management.
6. To supervise, control, and manage the company's business risks.
7. To approve the appointment, transfer, dismissal of the Chief of an internal audit unit, including overseeing the Chief's evaluation and training.
8. To approve the manpower budget, investment budget, administration budget, and the administration of auditing budget.
9. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
10. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman.
11. To notify and advice the Board of Directors regarding matters of business importance, including suggestions on whether to hire external specialized consultants on the company's expenses to help advice the Board on such matters.
12. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

The Audit committee meets regularly at least once every three months, and each meeting summary is directly reported to the Executive Committee. In 2010, there were a total of four Audit Committee meetings. Please see the Executive Committee section below for the details of the number of Audit Committee Meetings, as well as the meeting attendance by Audit Committee members.

(3) Nomination and Remuneration Committee

The Board of Directors approved the decision to commence the Nomination and Remuneration Committee at the Board of Directors Meeting No. 1/2011 on February 23, 2011 in order to determine the regulation structure for remuneration for members of the Board of Directors. At least 3 members of the Board who are Independent Directors and Non-Executive Directors will be appointed as members of the Nomination Remuneration Committee, and 1 member of the Board will be appointed the chairman of the Nomination and Remuneration committee. The Nomination and Remuneration Committee shall hold office for a term of 2 years from the date of appointment. Once the term is over, the same members may be reappointed for another term.

Nomination and Remuneration Committee's scope of work

To consider the principal and procedure of seeking qualified person to be appointed as a director, and to determine the remuneration for the Board of Directors of the company in order to propose to the Board of Directors, including may invite the management to attend the meeting for discussion in accordance with the Securities and Exchange Commission and the company's regulation as follows;

Nomination

1. Consider and propose the Board of Directors the nomination of a qualified person as a director, and if necessary, to the General shareholders meeting for approval.
2. Consider the number, proportion, and experience of Board of Directors to be suitable to the Company's situation, and giving recommendation in searching for a qualified person to be appointed as a director

Remuneration

Consider and propose the Board of Directors the necessary and appropriate yearly compensation for members of the Board of Director, various subcommittees and the executives from the president upward, and if necessary, to the General shareholders meeting for approval.

(4) Executive Committee

The Executive Board's scope of authority and duties

1. The Executive Board is designated with the authority to operate in accordance with the Board of Directors' policies, which in turn defer to Laws, the conditions, rules and regulations of the Company, with the exception of issues which the Law specifies as requiring the authorization of Shareholder Meetings.
2. The Executive Board has the right to formulate, propose and determine business directive policies and strategies to the Board of Directors.
3. The Board may prepare business plans; specify management powers; authorize budgets for the annual business activities, including annual expenditure budgets; and generally conduct activities in line with the business plans and strategies to complement the policies and directives presented to the Board of Directors.
4. Approval of transactions which may result in obligations to the Company require the authorization of the Executive Board, together with the signatures of authorized Director signatories as stated in the Company Articles.
5. Conduct business relating to the general management of the Company, with the exception of related transactions and the acquisition/divestiture of significant public listed company assets, which are to be conducted in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. The Executive Board may be assigned other duties on an individual basis by the Board of Directors.

The provision of the aforementioned authorities to the Executive Board precludes any Executive Board members, including other parties who may have a potential benefit or conflict of interest in the Company and its subsidiaries, from exercising their voting rights in such issues. Moreover, the Executive Board Meetings do not allow the President to conduct related transactions, but limit's the scope of authority to normal business activities.

Additional information relating to the directors and executives is as follows:

The Company's directors and executives has never had any record of offenses committed against the law during the past 10 years concerning:

1. Adjudication by the Court whereby they have committed offenses, except offenses relating to traffic discipline or petty offenses;
2. Adjudication by the Court whereby they shall become bankrupt or be placed in receivership;

3. Their management or control of companies or partnerships that have become bankrupt or be placed in receivership by the Court's order

Recruitment of Directors and Executives

A person to be appointed to the office of director and executive of the Company must be fully qualified according to the public limited companies law and the law governing securities and the Stock Exchange.

Appointment and Removal of Board Members

The selection of persons to the office of director of the Company goes through the Nomination and Remuneration Committee that was appointed by the resolution of the Board of Directors' Meeting No. 1/2011, held on February 23, 2011. The Nomination and Remuneration Committee will consider and select individuals having qualifications, knowledge, ability and experience regarding relevant works in the interests of efficient operation of the Company and having such qualifications as required by the pertinent law and notifications of the Securities and Exchange Commission.

1. Directors of the Company are elected by a meeting of shareholders and there will be at least 5 directors and at least 3 Independent directors. Not less than one third of the number of directors must be independent directors. Not less than one half of the directors must be residents of Thailand.
2. Members of the Board of Directors will be elected by a meeting of shareholders in accordance with the following criteria and procedures:
 - (1) A shareholder has one vote per share;
 - (2) Each shareholder must exercise her/his whole votes to elect one candidate or more as director(s) but her/his votes may not be distributed howsoever to elect the candidate (s);
 - (3) The candidates receiving the highest votes in respective sequence equal to the number of directors which should be elected at such time will be elected directors. In the event the next elected candidates receive equal votes and their number exceeds the number of directors which should be elected at such time, the chairman will have a casting vote.
3. At every annual ordinary meeting, one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third must retire from office. The directors who have been longest in office must retire. A director retired by rotation is eligible for re-election.
4. A director to resign from office before her/his retirement by rotation must tender a letter of resignation to the Company, and her/his resignation will be effective from the date on which the letter of resignation is delivered to the Company.
5. If the office of a director is vacated otherwise than by rotation, the Board of Directors will elect a new director to replace the director whose office is vacated, and the replacement will retain the office of director only for the remaining tenure of her/his predecessor.
6. A director will be retired from office before the time of her/his retirement by rotation only by resolution of a meeting of shareholders, and not less than three-fourths of the votes of the shareholders present and entitled to vote and having shares in aggregate not less than one half of the number of shares held by the shareholders present and entitled to vote will be required.

Appointment of Audit Committee Members

The Board of Directors will consider and select individuals having qualifications, knowledge, ability and experience regarding relevant works that would be helpful to the systems of corporate governance and internal control in order that they would meet the standards and follow the correct course. The candidates selected must have such qualifications as required by the pertinent law and notifications of the Securities and Exchange Commission.

1. At least 3 Audit Committee members must be appointed from the Board members whose qualifications conform to the requirements of the Office of the Securities and Exchange Commission. At least 1 member of the Audit Committee must have financial and accounting knowledge and experience sufficient for the performance of her/his duty to verify the reliability of financial statements.
2. The term of office of the Audit Committee lasts for 2 years each, counting from the date of its appointment, the Audit Committee members whose term of office has expired are eligible for reappointment.
3. The number of the Audit Committee members must be maintained at not lower than 3. If they are reduced to lower than this number, (an) additional member (s) must be appointed to complete the number specified within 3 months from the date of the reduction. The new member (s) of the Audit Committee will retain the office only for the remaining tenure of her / his / their predecessor (s).
4. The Board of Directors must elect 1 member of the Audit Committee to perform her/his duty as the Chairman of the Audit Committee and must elect a person with such qualifications as approved by the Audit Committee to perform her/his duty as the Secretary to the Audit Committee.
5. A person to be appointed to the office of Audit Committee member must have the following qualifications:
 - (1) Holding shares representing 1 percent max of the paid-up capital of the Company, its affiliated, associated or related companies, provided shares held by related parties are included;
 - (2) Being a director who does not participate in the management of the Company, its affiliated, associated or related companies, or majority shareholders of the Company; and not being a servant, employee or advisor receiving a regular salary from the Company, an affiliated, associated or related company, or a majority shareholder of the Company;
 - (3) Being a director without either direct or indirect benefits or interests in terms of both finance and management in the Company, its affiliated or associated companies, or majority shareholders of the Company; and not having had or interests of that nature during a period of 1 year before being appointed as member of the Audit Committee unless the Board of Directors is, after careful consideration, those previous benefits or interests will not affect the performance of the duty and the giving of free opinions by the Audit Committee member;
 - (4) Being a director who is not related to or is not a close relative of an executive or majority shareholder of the Company;
 - (5) Being a director who is not appointed as agent to protect interests of directors of the Company, majority shareholders, or shareholders related to the majority of the Company;
 - (6) Being a director who is able to perform her/his duty and comment or report freely on the result of the performance of her/his duty as entrusted by the Board of Directors, without being under the control of a majority shareholder of the Company, including related parties or close relatives of that person;
 - (7) Being a director with appropriate knowledge, ability and skills

Company Secretary

The Board of Directors appointed a Company Secretary clearly at the Board of Directors Meeting, No. 2/2010, at which Mr. Vitoon Sila-On, who has knowledge and ability to perform her duty and comment or report on results to the Board of Directors for the purpose of compliance with principles of good corporate governance including the public limited companies law, the law governing securities and the Stock Exchange and other pertinent laws, was assigned to continue to serve as the Company Secretary with the duty to take the following actions:

- (1) To prepare and file documentation, that is, registers of directors, notices for Board meetings, minutes of Board meetings and annual reports of the Company, including quarterly and yearly financial statements;
- (2) To keep a record of interests reported by directors and executives;

- (3) To make advice on laws and rules of which the Board of Directors must be aware for the purpose of discharging its duties and responsibilities;
- (4) To oversee activities of the Board of Directors

Remuneration for Directors and Executives

The Company has formulated a policy on fair and reasonable remuneration for the directors, taking into consideration its suitability for and consistency with the directors' responsibilities, the Company's financial standing and a comparison with other companies in the same group of business at the same level. The remuneration is fixed as gratuities and meeting allowances. In addition, directors assigned to serve as members of the Audit Committee will receive more remuneration and meeting allowances according to their responsibilities that have increased. The Company seeks approval for the directors' remuneration from the meeting of shareholders every year.

(1) Remuneration for Board Members

The 2010 Ordinary Meeting of Shareholders, held on April 26, 2010, resolved to approve the directors' remuneration divided into the following:

1. 2010 Compensation for Board members. The compensation for Board members in 2010 has risen from the rate in 2009, as a result of the company performance and improved profit margin. The compensation will be paid to the 9 members of the Board at the rate of 200,000 Baht per member, and 3 members of the Audit Committee at the rate of 250,000 Baht per member. The total compensation packet for 12 members is 2,550,000 Baht and will be paid to members throughout the year.
2. Board meeting fee. The Board meeting fee has risen from last year from 10,000 per member per attendance to 20,000 Baht per member per attendance, while the Meeting fee for Audit Committee members is the same rate from last year at 20,000 Baht per member per attendance. (This rate is effective since The 2010 Ordinary Meeting of Shareholders, held on April 26, 2010)

In 2010, the Company paid remuneration as gratuities and meeting allowances to 12 directors of totally Baht 3.85 million

Please refer to the heading "Board of Directors" for the remuneration received by the directors in their capacity as directors of the Company, that is, gratuities and meeting allowances, which are separated and indicated for each individual director.

(2) Remuneration for Executive Committee and Executives

The Company has fixed the Executive Committee and executives' remuneration in accordance with the policy and criteria whereby suitability for and consistency with the financial standing and the Company's operation results and net profit are taken into consideration. To this, the President and other executives will jointly fix indicators and indices and make a yearly evaluation of performance so as to fix remuneration that reflects the actual performance and builds an incentive for more efficient and effective performance continuously.

In 2010, the Company paid remuneration as salaries, bonuses, special rewards and travel expenses to 12 executive committee and executives of totally Baht 29.31 million

(3) Other Remuneration

In addition, beside the salaries and bonuses, the Company has fixed the remuneration and welfare in both monetary and non-monetary with fairness and reasonable by consideration of the Company's ability and comparison with other organizations. Other remuneration and welfare are such as company cars, provident fund, life insurance, accident insurance, annual health examination, medical fee and allowance for the death of family member.

Corporate Governance

The Board of Directors has complied with good practices for directors of a listed company by adopting the principles of good corporate governance and rules of practice of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as guidelines and has appointed an Audit Committee to assist in supervising its internal control system and to ensure that the principles of good corporate governance have been observed, with such details as set out as follows:

(1) Rights of Shareholders

The Board of Directors has formulated a corporate governance policy for a long-term benefit of its shareholders within the frame of stipulations of law and business ethics and attached importance to the rights of shareholders. The Company is determined and intends to grant to all of its shareholders equal rights as follows:

1. Such basic rights as the shareholders should be entitled to in terms of voting, receipt of dividends, transactions or transfers of shares, presence at shareholders' meetings, and equal receipt of sufficient information in a form befitting consideration and at an appropriate time;
2. The right to elect and remove a director or an auditor during the election process, where the information regarding the candidates including names, professional work experiences, whether he or she is a board member of another company, and other relevant information would be included in the shareholders' meeting invitation.
3. The right to be entitled to a dividend allotment;
4. The right to be aware of the Board's resolutions concerning details of a meeting and the agenda of a meeting of shareholders in advance of the date of the meeting through information disclosed on the Company's website;
5. The right to receive an invitation to a meeting of shareholders and information on the place, time and agenda of the meeting, the criteria and procedure for attendance, and the points for consideration with facts, reasons and the Board's opinion clearly presented in each item on the agenda; to this, the Company will announce such invitation on the Company's website at least 21 days in advance before the meeting, and will publish the invitation in at least one daily newspaper for 3 consecutive days before the date of the meeting, and the Company will arrange for the time and place that are most convenient for the shareholders to be present at the meeting;
6. The Company accords an opportunity for its shareholders to propose a meeting agenda in advance and to send questions in advance for the meeting of shareholders through the Company's website at least 4 months in advance before the meeting of shareholders;
7. The Company encourages all of its directors to attend meetings of shareholders continuously and regularly every year. In particular, the Chairman of the Board of Directors, the Chairman of the Audit Committee and the President are present at every meeting of shareholders.

(2) Equal Treatment towards Shareholders

The Company has been aware of and attached importance to fair and equal treatment towards its shareholders. To this, it has formulated a policy to oversee and protect the shareholders' rights and to encourage all the shareholders to obtain fair and equal rights as shareholders. In addition, the policy on treatment towards shareholders must be in accordance with the Company's principles of good corporate governance and must be consistent with the practices under the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and with other pertinent laws. Details of the Company's main policy formulated to see to it that the shareholders obtain equal, fair and equitable rights are as follows:

1. To encourage and allow all groups of shareholders, especially minority shareholders, to have a chance to participate in recruiting and electing directors to protect the equal rights of all parties by publishing the information for acknowledgement by the shareholders on the Company's website at least 4 months in advance before the meeting of shareholders ;

2. To encourage and allow a shareholder, who is not able to be present at a meeting, to have a chance to grant proxy:
 - 2.1 In the event the shareholder is not able to be present at the meeting of shareholders, the Company offers 3 forms of proxy so that the shareholder will have a chance to select one that befits the needs for her/his use. All the proxy forms are determined by the Department of Business Development, Ministry of Commerce.
 - 2.2 The grantor can grant proxy to an independent director, who will perform the duty in accordance with the grantor's intention. The Company has enclosed details of the independent directors with the proxy forms continuously and regularly every year.
3. Equality during Meeting of Shareholders
 - 3.1 Before the commencement of a meeting, the chairman will inform the shareholders clearly of the rules to be applied at the meeting and of the steps of voting on the resolution of each agenda item.
 - 3.2 The Board Chairman, who will attend and preside at every meeting of shareholders, accords an opportunity for the shareholders to ask questions and gives answers or explanations on the points relevant to the meeting agenda or the Company at all times.
 - 3.3 The Company accords an opportunity for the shareholders to resolve to elect each individual director.
 - 3.4 At a meeting of shareholders, the agenda as notified in the invitation to the meeting must be implemented. The Company has no policy to increase the meeting agenda or change the order of the agenda items unless such change or increase is reasonable and lawful in every respect.
 - 3.5 For transparency and accountability, at a meeting of shareholders the Company will use ballots for all agenda items, and for more rapidity and accuracy the Company has used a computer system for registration and for the passing of resolutions of shareholders.
4. After a meeting of shareholders, the Company will prepare minutes of the meeting according to its agenda together with resolutions of the meetings and the number of votes agreeing, disagreeing or abstaining from voting, including significant details required for consideration, to completion within 14 days counting from the date of the meeting, and will also publish them for acknowledgement by the shareholders via the Stock Exchange of Thailand and the Company's website in order that the shareholders can make examinations.
5. Policy and Measure for Care of Internal Information – The Company has a policy and procedure for overseeing its directors and executives regarding the use for their own benefit of internal information which has not yet been disclosed to the general public, including securities transactions especially during 1 month before the financial statements are made public. To this, directors and executives in various departments are required to understand the duty to report on the holding of securities in the Company by themselves, their spouses and children who have not yet become of age. All changes in the holding of securities must at all time be notified and securities holding reports submitted via the Company Secretary's office before they are forwarded to the Office of the Securities and Exchange Commission.

At the 2010 Ordinary Meeting of Shareholders, the Company granted all such rights and equalities as mentioned in 1 and 2 above to its shareholders and also prepared an invitation in both Thai and English for foreign shareholders, and for the 2011 Ordinary Meeting the Company will take steps to grant these rights and equalities to its shareholders.

(3) Roles of Stakeholders

The Company attaches importance to the rights of all groups of stakeholders by complying with the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as with other laws relating to the protection of rights of these stakeholders so that they will be well cared for.

- Shareholders: The Company is always well aware that it will conduct its business with transparency. It is determined to make its business prosper and yield good returns to the shareholders continuously in a long term.

- Customers: The Company is determined to develop the quality and standards of its products and will pay attention to friendly services for its customers to their maximum satisfaction and will also make available a working unit or personnel performing the duty to accept customers' complaints so as to take action for the customers as soon as possible and the customers' secrets will be kept.
- Suppliers: The Company will treat its suppliers fairly and equally, taking mutual benefits into consideration.
- Creditors: The Company will treat its creditors fairly by complying strictly with the terms and conditions of the agreements and with the financial commitments.
- Competitors: The Company will behave in accordance with international rules of competition and will treat its competitors fairly, avoid dishonest methods, and will not destroy the reputation of its competitors.
- Employees: The Company holds that an employee is a valuable resource and must be treated fairly in terms of opportunity, benefit in return and potential development and must be assured of her / his life quality and safety of work as well as suitable welfare and Provident Fund.
- Society and Environment: The Company is determined to conduct economically and socially beneficial business and attaches importance to environmental care and preservation. To this, the Company has a unit performing the duty to take care and charge of society and to promote organizational cultures and evoke awareness in all individuals in the organization so that they take care of, develop and promote the environment and stakeholders in line with the sustainable growth of the Company are indicated in the heading "Social and Environment Policies".

A stakeholder can ask for details, make complaints or notify clues of an offense committed regarding financial reports, internal control systems or business ethics of the Company by means of the email address **secretary@snpfood.com** or **audit@snpfood.com** or at telephone no. 0-2185-1313, at the Company Secretary Department or the Internal Audit Office, which will consider the matters before forwarding them to the Audit Committee and the working units concerned for further action. The complaints and clues so notified will be protected and kept confidential, and steps will be taken to find ways to make to corrections or improvements.

(4) Disclosure of Information and Transparency

1. Relationship with Investors

The Board of Directors attaches importance and is aware that disclosures of both financial and non-financial information of the Company will all affect the decision processes of investors and stakeholders of the Company. The Board of Directors is therefore aware of the necessity for disclosure of complete, true, reliable, regular and updated information. To disclose this information, the Board of Directors has assigned a finance and accounting support unit to communicate with institute investors, shareholders, analysts and the public sector concerned. Investors can ask information about the Company at telephone no. 0-2185-1313 or on the website **www.snpfood.com** or via the email address **presidentoffice@snpfood.com**.

2. Principles of Corporate Governance

The Company attaches importance to good corporate governance, which is important to the sustainable growth of the Company in a long term. It encourages the directors, Audit Committee members and employees concerned to perform their ethical duties under the Company's missions faithfully, honestly and fairly and to treat the Company and all groups of stakeholders, the general public, society and customers in accordance with ethical practices. To this, the Company communicates regularly with its customers and monitors compliance with these courses constantly and also determines disciplinary action.

In addition, the Company pays strict attention to transactions that may have conflicts of interests, implements the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, and stipulates that changes in the holding of securities be reported to Board meetings at all times, with such details as set out in the heading "Supervision of Use of Internal Information".

3. Remuneration for Directors and Executives

The directors' remuneration is in accordance with a principle and policy specified by the Board of Directors, and it is connected with the Company's operation results. Refer to the heading "Remuneration for Directors and Executives". Approval for the directors' remuneration is sought from the meeting of shareholders at all times.

(5) Board's Responsibilities

1. Board Structure

The Board of Directors attaches importance to good corporate governance, business virtue and transparency. For this purpose, the Board of Directors has appointed an independent Audit Committee comprising 3 independent directors, whose term of office is 2 years each, and 1 secretary. Their names are as follows:

(1) Miss Cattleya Saengsastra	Chairman, Audit Committee
(2) Mr. Dusit Nontanakorn	Member, Audit Committee
(3) Miss Sophavadee Uttamobol	Member, Audit Committee
(4) Mrs. Khanyupar Achakulwisut	Secretary, Audit Committee

The purpose is to be in charge of the quality of financial reports and internal control systems. In 2010, four (4) Audit Committee meetings were held and reports were submitted to the Board of Directors. For the Audit Committee's opinions, please refer to details in the heading "Internal Control".

2. Counter-balancing by Non-executive Directors

There are 12 members of the Board of Directors, which comprises:

- 6 executive directors
- 2 other directors
- 4 independent directors, equal to one-fourth of the whole Board

3. Combination or Separation of Positions

- The Board Chairman is the representative of the group of majority shareholders, who, in 2010, hold in aggregate 39.90 percent of the shares.
- The Board Chairman is not the same person as the Vice President, but both are the representatives of the same group of majority shareholders.
- The Board of Directors comprises 4 independent directors and 2 non-executive directors, who will lead to management counterbalancing and cross-examination.

4. Roles, Duties and Responsibilities of Board of Directors

4.1 Leadership and Visions

All members of the Board of Directors possess leadership, have wide visions and are free to make a decision. In addition, the Board of Directors participates in formulating or approving of visions, strategies, targets and budgets of the Company and supervises the Management so that it conduct business affairs efficiently and independently for an increase in the economic values and a sustainable growth of the business.

4.2 Separation of Roles, Duties and Responsibilities between the Board of Directors and the Management

The duties of the Board of Directors and the Management are clearly separated for management counterbalancing and cross-examination. The Board of Directors will consider and approve of policies in their overall pictures, such as, visions, missions and corporate governance policies, whereas the Management will have the duty to manage the Company and lay down plans and strategies in accordance with the policies formulated by the Board of Directors. Details of the roles, duties and responsibilities of the Board of Directors and the Management are indicated in the heading "Management Structure".

4.3 Policy on Conflicts of Interests

To prevent a conflict of interests, the Company has formulated a policy clearly for the supervision of transactions that may lead to conflicts of interests. To this, steps of approval for connected transactions between companies or persons that may have conflicts are specified in writing. In the event a director has an interest in any item on the agenda, that director will have no right to vote on that item. In addition, policies and procedures for supervising executives and parties concerned have been formulated in order that they do not use internal information of the Company for a personal benefit. In 2009, The Executive Committee has also formulated guidelines for the process of submitting each member's information as well as related personal information. Such information must be reported at least once a year, or once the information has been altered, so that the Company can monitor and control transactions that are related to each member.

4.4 Internal Control and Audit Systems

The Company, having attached importance to an efficient internal control system, has specified the operational duties and powers of its executives and operators clearly in writing. Use of properties of the Company is controlled and supervised so that they bring about benefits, and the duties of operators, monitorial personnel and evaluators are separated for appropriate counterbalancing and cross-examination. In addition, there is internal control regarding the financial system, and the Company has made available a system of financial reporting to executives according to line of command.

The Internal Audit Department perform its duty to make examinations to ensure that the main business and significant financial activities of the Company have been conducted in accordance with guidelines formulated and with efficiency, as well as to examine compliance with the laws and requirements pertinent to the Company. And in order that the internal audit unit is independent and able to perform the duty of cross-examination and counterbalancing fully, the Board of Directors requires that the Internal Audit Department report the audit results directly to the Audit Committee and that those results also be evaluated by the Audit Committee.

4.5 Risk Management System

A risk may occur at any time in the course of business, whether it results from internal or external factors. The Company has discerned and attached importance to effects that may be produced on the Company by those risks. To this, the Internal Audit Department has been assigned to evaluate the risks and all working units of the Company will specify risk factors that may result from their operations, whether those risks involve business operation, production, management and administration, or finance, in order that the Internal Audit Department in association with the working units specifying the risks may analyze the information and look for a way or measure to prevent or mitigate the damage resulting from those risks. Moreover, the Internal Audit Department and working units in charge must jointly monitor and evaluate the risks at intervals.

4.6 Meetings of Directors

The Board of Directors holds a regular meeting at least in every quarter. And in order that directors are able to be present at a Board meeting, the Secretarial Department specifies a schedule of Board meetings in advance every year and informs all the directors of this schedule at all times before the Board meetings. The Secretarial Department will send an invitation together with supporting documents at least 7 days in advance of the meeting so that the Board of Directors may consider it and have sufficient time to study information before attending the meeting. In 2010, the Board of Directors held 5 meetings in total. The Chairman of the board attended all the Board meetings, and during the meetings the chairman gave a chance and allocated time for directors to ask the Management for careful, appropriate and sufficient consideration of information, and records of the meetings were kept in writing and minutes of the meetings certified by the Board of Directors were filed and made ready for examination by the directors and parties concerned.

4.7 Reporting by Board of Directors

The Board of Directors is responsible for consolidated financial statements of the Company and its subsidiaries and for financial information appearing in annual reports. The financial statements have been prepared in conformity with accounting standards generally accepted in Thailand. Appropriate and constantly applied accounting policies are selected for use and careful discretion is exercised and optimum estimations applied for the preparation thereof. Moreover, significant information is sufficiently disclosed in the notes to financial statements. For details, please refer to the Report on the Board's Responsibility for the Preparation of Financial Reports.

The Board of Directors has caused to be maintained an efficient internal control system so as to reasonably ensure that records of accounting information are correct, complete and sufficient and to disclose weak points for the purpose of preventing dishonest acts or significantly irregular transactions.

4.8 Evaluation of Board's Performance

The Board of Directors, at the Meeting, No. 1/2011, held on February 23, 2011, resolved to approve the Board's self-assessment form used for the evaluation of the performance of the duties of the Board of Directors en bloc for 2010 under the subjects of assessment concerning the Board's structure and qualifications; the Board's roles, duties and responsibilities; Board meetings; the performance of duties of the Board of Directors; relationship with the Management; and self-development of directors and development of executives. Results of the evaluation is intended to be used for the improvement of the performance of duties by the Board of Directors. In the overall picture of the Board of Directors, most of the actions were deemed to be well taken or executed.

4.9 Development of Directors and Executives

4.9.1 Development of Directors' and Executives' Knowledge – The Company promotes and offers convenience for directors' and executives' training and knowledge development relating to corporate governance. The Company has made an orientation ceremony for new directors whenever a new director is appointed. To this, an overall picture will be presented regarding the Company's business and relevant information; the names of the Company's directors and managerial structure; legal documentation and handbooks; rules and regulations of working units concerned; the directors' roles, powers, duties and responsibilities; corporate governance guidelines; certificates, Memorandum and Articles of Association; the Company's rules, visions, targets, and information on the conduct of business and activities of the Company. Directors are also caused to visit businesses and attend meetings related to the setting of visions and business plans in association with high-ranking executives of the Company.

4.9.2 Work Succession Plan – The Company has prepared some personnel as replacements for high-ranking executives who are about to attain retirement age. At the same time, a guideline has been formulated for the development and enhancement of the potential of executives who would succeed to the positions.

Personnel

The Company has had no significant labor disputes during the previous 3 years' period, and the employees (exclusive of the directors and executives under the heading "remuneration for directors and executives") and employees' remuneration, that is, salaries, bonuses, special rewards and overtime pay and other welfare, separated according to main line of command, are as follows:

Working Units	2010		2009	
	Number of Persons	Remuneration (Million Baht)	Number of Persons	Remuneration (Million Baht)
Local Offices	378	183.71	381	150.15
Branch Operation Dept.	3,403	503.37	3,374	467.67
Factories	1,457	220.89	1,464	200.99
Total	5,238	907.97	5,219	818.81

Internal Control

The Company has made available a system of continuous assessment and verification of its internal control and internal audit to ensure that legal requirements, objectives, regulations and resolutions of meetings of shareholders of the Company are complied with in accordance with principles of good corporate governance. The internal control system is divided into 4 parts according to responsibility as follows:

1. The Board of Directors – The Board of Directors will be in charge of designing the Company's internal control policies in which the management and the employees of the Company will comply. The Board will also appoint the Audit Committee who will verify and assess the sufficiency of the Company's performance, and submit an internal audit report to the Board of Directors regularly at least in each quarter. If the Audit Committee has recommendations or has found some material defects, it will report them to the Board of Directors so that improvements or corrections will be made. The Audit Committee has verified the internal control system concerning various aspects of sufficiency and appropriateness and found no material problems or defects and this was consistent with the opinion of the Company's auditor.

2. Risk Management – It will be the duty of the Management to supervise, manage, and control within an acceptable level risks that may result from the conduct of business of the Company and from the performance of works. These risks will cover management, finance, business operation, operational affairs, management and administration, safety of goods and the environment. This success has resulted through a data processing system which has been efficiently and effectively set. To this, alert signals and other factors that may affect the conduct of business of the Company will be taken into consideration.

3. Control of the Management's Performance – Duties and powers of executives and operators have been designated in writing. The duties of operators, supervisors and evaluators are clearly separated for appropriate counterbalancing and examination. Transactions of the Management or parties concerned are also included. The control and designation of duties is a measure that will help prevent dishonest acts against property of the Company, significantly for the overall benefit of the Company.

In addition, the Company has specified its missions and objectives in writing and communicated them to all personnel for understanding so that their works will be achieved in accordance with the objectives. Plans for action, allocation of resources, budgets and workforces have also been clearly laid down, and work processes have been determined and performance are followed up and reported in order that the personnel work efficiently and effectively and comply with the rules, regulations and standards specified both by the company and the government.

4. Information System–The Company has an information system related to performance, financial reporting, and implementation of and compliance with policies and practices used for the control and conduct of activities of the Company. Moreover, information obtained from the outside is communicated by the Company to executives and users within the Company via a system which helps the information recipients to perform the duties under their responsibilities efficiently and effectively and which ensures that internal and external communications will enable the Company to achieve its targets and objectives.

Human Resources Policy

The company gives high priority on the value of human resources. Therefore we have created a system of incentives and environment conducive to our employees' working life. In order to foster a sense of belonging and engagement to the company among our employees, we have instilled the core values of the company and the philosophy of a happy life, in accordance with the "Happy 8 "concept advocated by the Thai Health Promotion Foundation

The company has continually supported human resources development in order to enhance knowledge and competency that compliment our business strategy. The company culture encourages our employees to express creative ideas to better service our customers, to develop products and services to meet the demands of our customers. The company supports the operation of the S&P Learning Center which offers courses at vocational level for subjects such as retail and food and nutrition. The company has developed a knowledge system to improve our readiness to compete amidst changing economic situations as well as to support the continuous business expansion both domestically and internationally.

Policy regarding Social and Environmental Responsibility

All groups within the company, in particular the public relations group give high importance to social and environmental responsibility. The company has continually organized social activities and in 2010, this continued through activities such as the fourth edition of the “Bring Back the Kids’ Smile” where we donated lunch and gifts and organized fun activities for underprivileged children from the Rangsit Foster Home; the “Cake a Wish Make a Wish” event where we donated cakes to 20 charities involved with underprivileged people; the “Kitchen for Kids” program where we helped repair the kitchens and canteens of rural schools in order to promote healthy nutrition as well as to give advice on the possibility of further education at the S&P Learning Center. In 2010, the S&P Learning Center produced its first graduating class in vocational studies for retail business, and this graduating class were able to work for the company in the bakery retail section. Furthermore, the company has continued to help support in cash and in kind to charitable organizations and foundations, as well as poor students and college students. In addition, the company has organized the “S&P Summer Camp” program under the topic “Happy Dhamma Happy Heart” for S&P Jak-ka-Jee Club members to practice and benefit from basic Buddhist meditation for children through various fun activities.

The company gives high importance to the environment. Our factories have in place waste water management to prevent negative environmental impact within the factories and surrounding communities, as well as a recycling policy using used oil to produce biodiesel for operating our forklifts, in line with the principle to reduce global waste to limit the effects of global warming.

Details of all Directors and Executives

Name - surname / position	Age (years)	Academic qualifications	Equity stake (percent)	Family relations between Executives	Previous 5-year experience	
					Period / position	Company
Mrs. Patarasila-On Chairperson of the Board of Directors	69	Honorary Degree Business Administration in Management, Rajamangala University Of Technology Isan Doctor in Letters (Honorary) Pine Manor College, Massachusetts, USA Business Administration BBA Boston University, U.S.A.	7.11	Eldest sister	Past 5 years / Chairman of the Board of Directors	S&P Syndicate Public Co., Ltd.
Lt. Varakorn Raiva Vice Chairperson of the Board of Directors Chairperson of the Executive Committee	63	MA Economics University of Indiana, U.S.A. BBA Chulalongkorn University, Bangkok, Thailand	2.10	First brother	Past 5 years / Vice Chairman of the Board of Directors	S&P Syndicate Public Co., Ltd.
Mr. Pravesvudhi Raiva President	60	BBA Political Science University of Indiana, U.S.A. Chulalongkorn University Training Program MMP - Modern Management Program MMM - Modern Marketing Management Director Certification Program Certificate (DCP) Director Accreditation Program Certificate (DAP) Thai Institute of Directors Association	5.83	Third brother	Past 5 years / President Director	S&P Syndicate Public Co., Ltd. Charn Issara Development Public Co., Ltd.

Name - surname / position	Age (years)	Academic qualifications	Equity stake (percent)	Family relations between Executives	Previous 5-year experience	
					Period / position	Company
Mr. Kachorndej Raiva Executive Committee Director	61	BBA Accounting Chulalongkorn University Bangkok, Thailand Director Certification Program Certificate (DCP) Thai Institute of Directors Association	1.96	Second brother	Past 5 years / Director Executive Committee	S&P Syndicate Public Co., Ltd.
Mrs. Kessuda Raiva Executive Vice President President for S&P Global Co., Ltd.	57	MBA Economics, North Eastern University, Boston, U.S.A. BBA Business Administration, Finance and Banking Assumption University (ABAC) Bangkok, Thailand Director Accreditation Program Certificate (DAP) Thai Institute of Directors Association Capital Market Academy Leader Program 10/2010 Capital Market Academy	7.25	Spouse of Mr. Pravesvudhi Raiva	2008 - Present / Executive Vice President 2006 – 2010 / Director	S&P Syndicate Public Co., Ltd.

Name - surname / position	Age (years)	Academic qualifications	Equity stake (percent)	Family relations between Executives	Previous 5-year experience	
					Period / position	Company
Ms. Cattleya Saengsastra Independent Director Chairman of the Audit Committee	63	BBA Accounting (Hons.) Chulalongkorn University Bangkok, Thailand Training Thammasat University Management Development Program - JJ Kellogg North Western University Director Accreditation Program Certificate (DAP) Thai Institute of Directors Association	0.011	- None -	Past 5 years / Independent Director Chairman of the Audit committee Director, Executive Committee Director	S&P Syndicate Public Co., Ltd. Dynasty Ceramic Public Co., Ltd.
Mr. Dusit Nonthanakorn Independent Director and Audit Committee Nomination and Remuneration Committee	64	MBA Engineering Sciences, Construction Engineering, Ohio State University BBA Business Administration University of California, Los Angeles The Role of Chairman Certificate (RCM) Director Certification Program Certificate (DCP) Audit Committee Program Certificate (ACP) Thai Institute of Directors Association	-	- None -	Present/ Independent Director and Audit Committee Independent Director Independent Director and Audit Committee Independent Director / Chairman of the Audit committee	S&P Syndicate Public Co., Ltd. Krung Thai Bank Public Co., Ltd. Siam Future Development Public Co., Ltd. Loxley Public Co., Ltd. Crown Seal Public Co., Ltd.

Name - surname / position	Age (years)	Academic qualifications	Equity stake (percent)	Family relations between Executives	Previous 5-year experience	
					Period / position	Company
Mr. Dusit Nonthanakorn Independent Director Audit Committee Director (Continue)					Director	Advanced Info Service Public Co.,Ltd. Regional Container Lines Public Co., Ltd. Amata Corporation Public Co., Ltd. The Krungthep Thanakorn Co., Ltd. Palang Sophon Limited. The University of the Thai Chamber of Commerce Foundation for Industrial Development Thailand Management Association Thai Institute of Directors Office of Insurance commission The Chamber of Commerce The Siam Cement Public Co., Ltd. (SCC) Cement Thai Distribution CPB Equity Co.,Ltd.
Ms. Sophavadee Uttamobol Independent Director Audit Committee Director	51	MBA Business Administration Chulalongkorn University, Bangkok, Thailand BBA Bachelor of Law Thammasat University, Bangkok, Thailand Director Accreditation Program Certificate (DAP) Audit Committee Program Certificate (ACP) Thai Institute of Directors Association	-	- None -	Past 5 years / Independent Director / Audit Committee	S&P Syndicate Public Co., Ltd. Bumrungrad Hospital Public Co., Ltd.

Name - surname / position	Age (years)	Academic qualifications	Equity stake (percent)	Family relations between Executives	Previous 5-year experience	
					Period / position	Company
Mr. Aviruth Wongbuddhaphitak Independent Director Chairman of Nomination and Remuneration Committee	63	MBA Accounting Information System New York University, U.S.A. Accounting BBA Chulalongkorn University Bangkok, Thailand Directors Certification Program Certificate (DCP) Thai Institute of Directors Association	-	- None -	2010 - Present / Independent Director	S&P Syndicate Public Co., Ltd.
					2009 - Present / Independent Director and Audit Committee	TMB Bank Public Co., Ltd.
					2006 - Present / Independent Director Chairman of the Audit committee	Advanced Info Service Public Co., Ltd.
					Advisor	The Siam Cement Public Co., Ltd. (SCC)
					2003 - Present / Director, Executive Committee 1995 - Present / Director	Thai Plastic and Chemicals Public Co., Ltd. Deves Insurance Public Co., Ltd.

Name - surname / position	Age (years)	Academic qualifications	Equity stake (percent)	Family relations between Executives	Previous 5-year experience	
					Period / position	Company
Mrs. Pratana Mongkolkul Director Nomination and Remuneration Committee	47	MBA Master of Business Administration, Thammasart University Directors Accreditation Program Certificate (DAP) Directors Certification Program Certificate (DCP) Thai Institute of Directors Association Chief Financial Officer Certificate Program 1 The Institute of Certified Accounting and Auditors of Thailand Capital Market Academy Leader Program 6/2008, Capital Market Academy	-	- None -	2007 - Present / Director	S&P Syndicate Public Co., Ltd.
					1998-Present/ CFO and Director	Minor International Plc's subsidiaries Minor Corporation Plc. And Director of Subsidiaries
					Director	The Minor Food Group Plc. And Director of Subsidiaries Rajadamri Hotel Public Co., Ltd.
Mrs. Patamawalai Ratanapol Director	55	MBA Business Administration Emporia State University, U.S.A. BBA Chulalongkorn University Bangkok, Thailand Directors Certification Program Certificate (DCP) Thai Institute of Directors Association	-	- None -	Audit Committee	Thoresen Thai Agencies Public Co., Ltd.
					2010 - Present / Director	S&P Syndicate Public Co., Ltd.
					1999 - Present / Chief People Officer	Minor Corporation Public Co., Ltd. And Subsidiaries
					Chief Operating Officer	The Minor Food Group Plc's Subsidiaries

Name - surname / position	Age (years)	Academic qualifications	Equity stake (percent)	Family relations between Executives	Previous 5-year experience	
					Period / position	Company
Mr. Vitoon Sila-On Director and Company Secretary Senior Vice President-Domestic Operations	43	MBA Kenan-Flagler Business School University of North Carolina Chapel Hill, NC, U.S.A. BBA Boston University Boston, MA 02215, U.S.A. Directors Certification Program Certificate (DCP) Directors Accreditation Program Certificate (DAP) Thai Institute of Directors Association	1.07	Son of Mrs. Patara Sila-On	2010 – Present / Director 2007 – 2010 / Director 2008 – Present / Senior Vice President-Domestic Operations 2006 – 2008 / Vice President Business Development and Restaurant Marketing 2002-2006 / Deputy Vice President Business Development	S&P Syndicate Public Co., Ltd.
Mrs. Chandibha Suriyong Senior Vice President Operations S&P Global Co., Ltd.	60	MBA Communication Arts, University of Wisconsin – Madison, Wisconsin, U.S.A Food Service Management & Operations, University of Wisconsin - Madison, U.S.A.	0.02	- None -	Past 5 years / Senior Vice President Operations	S&P Global Co., Ltd.
Mrs. Patcharee Visuttiwan Vice President for Operations Department	59	Commerce Diploma, Chao Phraya Commercial College	0.25	- None -	Past 5 years / Vice President for Operations Department	S&P Syndicate Public Co., Ltd.

Name - surname / position	Age (years)	Academic qualifications	Equity stake (percent)	Family relations between Executives	Previous 5-year experience	
					Period / position	Company
Mr. Somjit Kitteerakul Vice President for Bakery	49	BBA Bachelor of Science (Biotechnology), Kasetsart University	-	- None -	Past 5 years / Vice President for Bakery	S&P Syndicate Public Co., Ltd.
Mr. Chongchana Chantamas Vice President for Food Operations	46	BBA Bachelor of Science (Food Science and Technology), Kasetsart University	-	- None -	Past 5 years / Vice President for Food Operations	S&P Syndicate Public Co., Ltd.
Mr. Pakorn Tiewcharoen Vice President-Trade	40	MBA Business Administration SASIN-Kellogg Program BBA Business Administration Assumption University	-	- None -	2008-Present / Vice President-Trade 2000-2007 / Marketing and International Business Manager	S&P Syndicate Public Co., Ltd. Siam Cement Group of companies (SCG)

General corporate information and other references

Company name	S&P Syndicate Public Company Limited
Primary business	Restaurant and bakery shop chain operator; producer of cakes, breads, baked goods, Thai desserts prepared frozen foods and bakery products; provider of home delivery and outside catering services; investor and operator of Thai restaurants abroad.
Registered capital	523,431,365 Baht (Five hundred twenty-three million four hundred thirty-one three hundred sixty-five Baht)
Issued and paid-up capital	523,431,365 Baht (Five hundred twenty-three million four hundred thirty-one three hundred sixty-five Baht), comprising 104,686,273 ordinary shares with a par value of 5 Baht per share.
Head Office	457-457/ 6 Sukhumvit 55 (Soi Thonglor), Sukhumvit Road, Klongtannua, Vadhana, Bangkok 10110
Registration No.	0107537001170 (From No. Bo. Mo. Cho. 364)
Telephone	(02) 185-1313
Facsimile	(02) 185-1274
Email address	presidentoffice@snpfood.com.
Homepage	www.snpfood.com
Registrar	Thailand Securities Depository Centre CAPITAL MARKET ACADEMY BUILDING 2/7 Moo 4, (North Park Project) Vibhavadi-Rangsit Road Tung Song Hong, Laksi, Bangkok 10210 Thailand Telephone (02) 596-9000 Facsimile (02) 832-4994-6
Corporate auditors	Deloitte Touche Tohmatsu Jaiyos Co., Ltd. Rajanakarn Building, 25th. Floor 183 South Sathon Road, Yannawa, Sathon, Bangkok 10120 Telephone (02) 676-5700 Facsimile (02) 676-5757
Legal counsel	Dr. Suvarn Valaisathien Law Office 68 Soi 8, Sukhumvit Road, Klongtoey, Bangkok 10110 Telephone (02) 253-3427 Facsimile (02) 653-1135

The detail of subsidiaries and associated companies in which of the Company made investments, in the form of shareholding of 10% or more of the total number of shares issued. (see details under the section "S&P Group Structure")

