



# ANNUAL REPORT

Virtue for Sustainability

20  
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# Virtue for Sustainability



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Virtue has always been achieving balance in business, society, and environment for S&P. In order to allow the company to grow sustainably in the long term, virtue is both a strategic pillar and foundation which our executives and staff commit

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# Contents



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12

## Nature of Business

- Company's History
- Business Overview

---

25

## S&amp;P Group Structure

- S&P Syndicate Public Co.,Ltd.

---

26

## Organization Chart

---

28Economic Situation and  
Business Competition

---

29

## Notable Events

- Expansion of Business and  
Product Development
- Awards and  
Accomplishments

---

37Corporate Social  
Responsibility

---

46Report of the Board  
of Directors'  
Responsibilities for  
Financial Statements

---

47Audit Committee's  
Report

- Report of The Independent  
Certified Public Accountants

---

125

## Management

## Discussion and Analysis

- Summary of 2017 Performances

---

130S&P'S Subsidiaries and  
Affiliates

---

135Connected  
Transactions

---

139

## Risk Factors

---

141Shareholder and  
Management  
Structure

- Shareholder Structure
- Management Structure

---

150

## Corporate Governance

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160Details of  
All Directors and  
Executives

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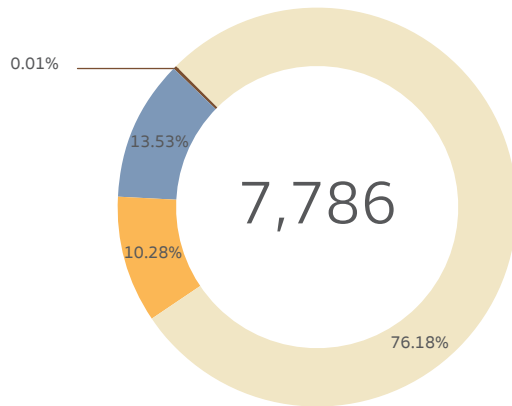
168General Corporate  
Information and  
Other References

## Financial Highlight

	2015	2016	2017
<b>Statements of Profit or Loss (Million Baht)</b>			
Total Revenue	7,631	7,932	7,987
Revenues from Sales and Services	7,552	7,775	7,786
Gross Profit	3,554	3,476	3,527
Profit before Finance Costs and Income Tax Expenses (EBIT)	766	557	578
Net Profit (Attributable to Owners of the Parent)	606	438	484
<b>Statement of Financial Position (million Baht)</b>			
Total Assets	3,807	3,714	3,970
Total Liabilities	1,308	1,293	1,346
Total Parent Shareholders' Equity and Total Minority Shareholders' Equity	2,499	2,421	2,625
Paid-up Registered Capital	490	490	490
<b>Financial Raio</b>			
Gross Profit Margin (%)	47.06	44.71	45.30
Net Profit Margin (%)	7.94	5.52	6.06
Return on Major Holders' Equity (%)	26.10	18.46	19.96
Return on Assets-ROA (%)	16.31	11.64	12.59
Liquidity Ratio (Times)	1.48	1.39	1.57
Debt to Equity Ratio (Times)	0.54	0.55	0.53
<b>Per Share Data (Bath per Share)</b>			
Closing Price as of December 31	28.00	25.50	21.90
Par Value	1.00	1.00	1.00
Book Value per Share	4.91	4.75	5.13
Earning per Share	1.23	0.89	0.99
Dividend per Share	1.10	0.80	0.87
Dividend Payout Ratio (%)	89.00	89.67	88.19

## Revenue 2017

Proportion of Total Revenues by Channel of Distribution 2017

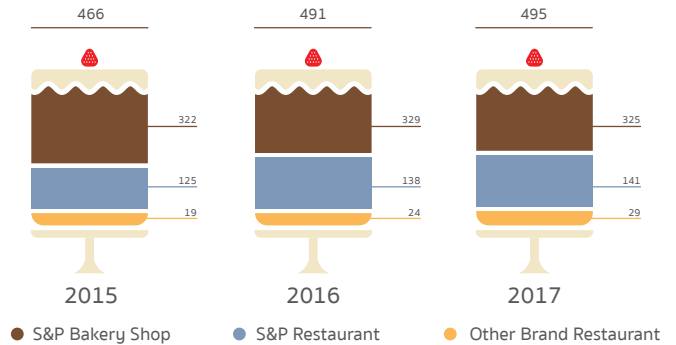


2017

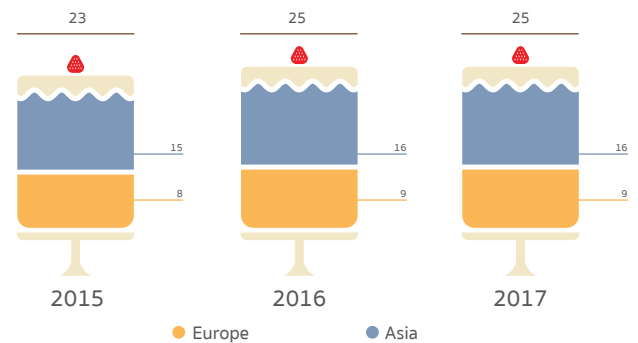
	Million Baht
Domestic Restaurant and Bakery Shop	6,151
Packages Food and Bakery Trading	762
Overseas Restaurant	873
Others*	-
Total Revenues	7,786

\*Rent income from outsiders

Number of Domestic Restaurants and Bakeries Branches

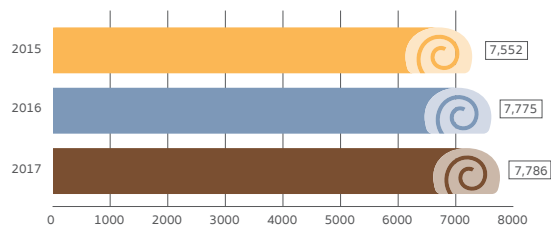


Number of Overseas Restaurants and Bakeries

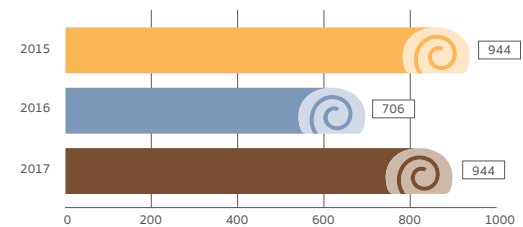


## 2017 Performances

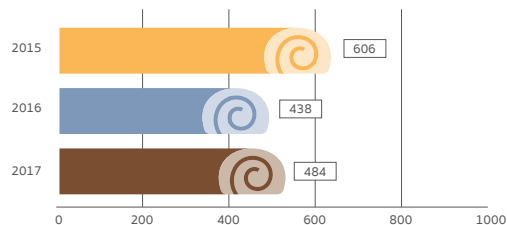
Revenue from Sales and Service (Million Baht)



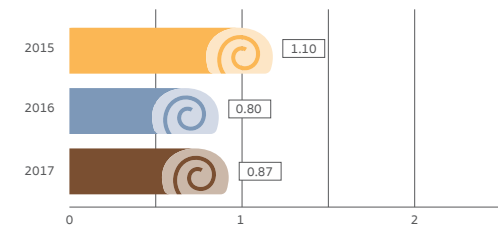
Operating Cash Flow (Million Baht)



Net Profit (Million Baht)



Dividend per Share (Baht/Share)





## Board of Directors



2

1

5

1

### MRS. PATARA SILA-ON

Chairperson of the Board of Directors

2

### MR. PRAVESVUDHI RAIVA

Vice Chairperson/  
Chairman of the Executive Committee

3

### MRS. KESSUDA RAIVA

Chief Executive Officer/Executive Committee/  
Risk Management Committee/  
Nomination and Remuneration Committee

4

### MR. KACHORNDEJ RAIVA

Executive Committee

5

### MR. VITOON SILA-ON

President-Operation and Human Resource/  
Executive Committee and Company Secretary/  
Chairman of the Risk Management Committee

6

### MR. KAMTORN SILA-ON

President - Production and Finance/  
Executive Committee/  
Risk Management Committee

## Board of Directors



7

10

8

7

**MS. CATTLEYA  
SAENGSASTRA**

Independent Director/  
Chairperson of the Audit Committee

8

**MS. SOPHADEE  
UTTAMOBOL**

Independent Director/Audit Committee

9

**MR. AVIRUTH  
WONGBUDDHAPITAK**

Independent Director/Chairman of the  
Nomination and Remuneration Committee

10

**MRS. PATAMAWALAI  
RATANAPOL**

Executive Committee/  
Nomination and Remuneration Committee

11

**MR. PIYA SOSOTHIKUL**

Independent Director/Audit Committee/  
Nomination and Remuneration Committee/  
Risk Management Committee

12

**MR. JOHN SCOTT HEINECKE**

Executive Committee/  
Risk Management Committee



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S&P is a leader in the restaurant business in Thailand. We offer unrivaled products and services to all different segments of our customers. Moreover, we are a leader in promoting vocational education opportunities for Thai youths, who can in turn contribute to society as capable professionals.

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## Message from Chairperson

Ever since the founding of S&P 45 years ago, from a small ice cream parlor in Soi Prasanmits to becoming a restaurant and bakery company with the most number of branches in the country: 137 branches in 2017, the company has continued to grow sustainably and has become known as a restaurant and bakery chain of high quality, with outlets in all regions of Thailand.

In the past 2-3 years, despite the economy and various situations which may have caused a slowdown for many businesses, S&P has maintained good governance in upholding high standard of ethics for its customers, staff and shareholders, namely producing high quality, clean and delicious products for our customers; responsibility to society and communities, human resource development through our learning center to train young people for future professional opportunities, including at S&P Training staff in various fields in skills needed to provide high quality service to our customers, improving operational process using IT, making it more simple and in turn with the fast-changing and highly competitive business atmosphere.

We pledge our commitment to all over shareholders to develop sustainable for a continued sustainable business growth.

On behalf of the company, I would like to thank our shareholders, business partners, customers, as well as our executives and staff for the support and trust given to our company. In our 45<sup>th</sup> year, we endeavor to maintain and develop S&P in providing high quality products and service, at the same time the S&P executives and staff will work as a team devoting ourselves to continually raise the bar even higher for food and bakery businesses.



Patara Sila-On  
Chairperson

## Message from Chief Executive Officer



Dear Shareholders,

Due to the fast changing context and more complexity in business operation and society, which impacted global economy and domestic economic growth.

Year 2017 was a challenging one, and it was the year to reflect on the necessity of a flexible and adaptive business foundation in order to drive the business forward with stability and sustainability.

Year of challenges came with opportunities. S&P has set the direction to drive business reform in order to accommodate with such changes under the "virtue for sustainability" concept by emphasizing on technology development and effective operation system and in line with the

changing of social environments with the following business reform plan.

- Reformation of management structure in accordance with customer group behaviors. This is to ensure that products and services, including marketing strategies, cater each customer group appropriately.
- Implementation of Digital Platform to support productive communication strategies in order to reach customer groups and expand consumer base through channel centralization. Digital marketing communication is a key factor in managing costs effectively.
- Sustainable business development and social responsibility because we put great importance on sustainable business practices with environmental-friendly innovations in order to adapt to ever changing social conditions, business sustainability, and society in the long run.

In order to achieve business reformation goals, cooperation from all sectors are crucial for sustainable growth.

I wish to thank our shareholders, customers, partners, government and private sectors for always entrusting us and have confidence in S&P. I would also like to thank our employees and executives for the constant support and devotion, which has resulted in today's success. Please rest assured that the company will continue to operate under good governance with society, community, and environmental responsibility to ensure stable and sustainable growth.

A handwritten signature in black ink, appearing to read 'Kessuda Raiva'.

Kessuda Raiva  
Chief Executive Officer





Brand  
Vision



To be the most  
favorite brand



of Thai  
restaurant  
& bakery



## Nature of Business

### Company History

Starting as a food and ice cream shop on Soi Sukhumvit 23, "S&P" was founded on October 14<sup>th</sup>, 1973. The company later introduced its bakery line and offered made-to-order cakes. S&P garnered wide-spread popularity that led to its rapid expansion throughout Thailand because of its product quality, presentation and unique packaging designs. In 1980 the company opened its landmark outlet in Siam Square and became one of the first food business operators who applied various marketing strategies and radio media. In addition, S&P became one of the first food beverage providers to open its restaurant in department stores. For the upcountry expansion, Chiang Mai was the first province where S&P had expanded outlet to.

The company significantly grew within a short period of time and finally became listed in the Stock Exchange of Thailand in 1989. The Company continues to invest in expanding its brand through opening up more restaurants and outlet channels. The company has also been successful in introducing other new brands such as Patara Fine Thai Cuisine, Vanilla, BlueCup Coffee, Delio cookies, Jelio Jelly and so forth. Moreover, S&P has been famously known for its moon cakes branded under "S&P" and "Golden Dragon".

In 1990, the company opened its first overseas operation under the restaurant brand "Patara" in London. The aim of Patara was to offer quality, delicious Thai food while satisfying the foreign market's growing demands towards Thai food. The company operates with a total of 25 branches in 6 countries: England, Switzerland, Austria, Singapore, China and Cambodia under its portfolio of brands such as Patara, Vanilla, Suda, Bangkok Jam, Siam Kitchen and S&P.

S&P continuously develops product lines for the instant food and ready to eat meal sector. The company has also expanded its range of services to offer S&P Catering as well as home food delivery through its hotline 1344 of "S&P Delivery 1344". It has even taken a further step to offer Japanese food under its brand "Maisen" and "Umenohana".

The year 2017 auspiciously marked 44 years of the company's operations and a forward step toward its 45<sup>th</sup> Year. The company is dedicated to constantly improving itself in all factors of its operations, services, and product lines across all brands. Above of all, it is committed to offering the highest quality products aligned with global standards to ensure freshness, hygiene, safety and great taste.

## Business Overview – The Company and its Subsidiaries

S&P Syndicate Public Company Limited and its subsidiaries specialize in the food and beverage industry. Details of operations, products, services and structure as described below:

### 1 | Domestic Business Group

As of December 31<sup>st</sup>, 2017, the Company operates domestically with 494 branches and 1 franchise. This group has been a major channel of distribution and main source of the revenues for the Company. The Company positions each of its brand differently. However S&P restaurants and bakeries offer at family-friendly dining atmosphere and serve the mass markets while other restaurants are specialty restaurants. Details of domestic restaurant and bakery business of the Company are as shown below:

Domestic Restaurant and Bakery Shop	Number of Branch		
	Bangkok	Upcountry	Total
S&P Bakery Shop	108	217	325
S&P Restaurant & Bakery	70	71	141
BlueCup (standalone)	2	1	3
GoGo Box	1	-	1
Grand Seaside	-	1	1
Vanilla	5	-	5
Patio	1	-	1
Patara	1	-	1
Maisen	8	2	10
Umenohana	1	1	2
SNP	2	1	3
S&P Franchise	1	-	1
Nai Hang	1	-	1
<b>Total</b>	<b>201</b>	<b>294</b>	<b>495</b>

In addition to the branch operations, the Company also operates Delivery Services of food, bakery and beverage (S&P Delivery 1344), outside food catering services (S&P Catering) and Trading Business.





## 1.1 | Business Group-operated under S&P Syndicate Plc.

### 1 | S&P Restaurant & Bakery

S&P restaurants offer a full range of dine-in and take away food products such as ready-meal. It also offers desserts, pastries and cakes, in addition to beverage under the BlueCup brand. S&P restaurant serves various groups of customers, e.g. teenagers, working people and all family members. The restaurant provides eat in, take away and delivery services with wide selection from menu. The customer can buy tasty frozen ready-to-eat meal, cookies, various bakery products and Thai desserts. It is a simple choice for delicious food for everyone, all day and for any occasion.



### 2 | S&P Bakery & Coffee

The Bakery & Coffee shops are located in the areas reachable to customers in various communities, e.g. supermarkets, Department Stores, office buildings, educational institutes, hospitals and gas stations. These shops serve as convenient points of access for purchasing BlueCup coffee, bakery, cakes, cookies, sandwiches, daily freshly baked products, and ready-to-eat meals. Location of these shops are mainly in the Bangkok Metropolitan areas as well as other main hubs throughout the country.



### 3 | BlueCup Coffee

BlueCup Coffee is S&P's coffee and beverage chain that was opened on January 21<sup>st</sup> 2002. BlueCup entered the market at a time when the Thai coffee shop industry was rapidly growing. The Company has planned to expand BlueCup Coffee to cover all target areas of the Country. In addition to the "BlueCup Coffee" counters in S&P restaurant and S&P Bakery Shop, there are also standalone "BlueCup Coffee" branches, currently 3 branches: in Siam Paragon, Central World and Suvarnabhumi Airport.



### 4 | S&P Delivery 1344

S&P Delivery or the 1344 Hotline is S&P's home delivery business. It offers this service through telephone hotlines, website and mobile application "S&P Delivery". This service offers on-demand delivery of S&P's food, bakery and cakes focusing on quality, cleanliness, taste, and speed in delivery to our customer's house or office. <http://www.1344delivery.com>



### 5 | S&P Catering (Outside Catering)

S&P Catering provides food catering services and snack box options to various corporate functions, events, private parties and serves a board clientele.

### 6 | Trading Business - Food and Bakery

To promote sales of our S&P products through retail channels, the company established the Trading Business Department. Under this sector, we have products under S&P brand in various categories such as sausage under "S&P Premo" brand, cookies and snack under "S&P Delio", frozen food under "S&P Quick Meal", caragenan jelly under "S&P Jello" and also moon cake under "Golden Dragon" brand. These products have been distributed via domestic modern trade, including hypermarkets, Department Stores, and convenient stores. Moreover, we also offer producing OEM products for various food chain customers and also export some products. In 2017 new products introduced include Veggie Quick Meals, Lightly-sweetened caragenan Jello to cater for the health-conscious.



## 7 | VANILLA

VANILLA Group of restaurants have been designed to reach modern teenagers and young professionals who are self-confident and have good taste life style. Restaurants in VANILLA Group offer high-quality food in unique ambiances where the customers can feel their classy good taste food.

- **Vanilla Brasserie: Cafe/patisserie Salon de crêperie/Chocolatier/Confiserie**

Inspired by pattern of French Cafe, the restaurant is designed to fit modern lifestyle customers of Siam Paragon by offering creative menu, such as pasta, salad, sandwich, French sweets, including premium souvenir.

- **Vanilla Café: Japanese Style Cafe**

Italian-Japanese restaurant designed in Japanese Retro style emphasizing on simplicity. The restaurant offers privacy in every corner of the restaurant and attracts customers by varieties of Japanese cakes and desserts to feel like dining at your friend place. This is considered as a successful choice to draw the high-end customers to their satisfaction.

- **Vanilla Home Café: Quick Lunch & Street Food**

Vanilla Home Café, a Vanilla Style under "Easy Thai local food concept" restaurant which emphasizes on meticulously cooked food form fresh and good quality raw materials, presented with premium bakery, beverage, and blended Thai material desserts.

- **Vanilla Bake Shop**

Based on the concept of industrial look, this homemade pastry and dessert café is mainly built with steel, wood and ceramic tiles while allowing the open texture of decorative materials to reveal its true nature. Menus are mainly served in sharing style. Besides, there are in-store corners to offer chef's table food and cooking workshop.

- **Vanilla Cafeteria**

The newest branch in Vanilla Group, located in Bangkok's modern shopping complex, The EmQuartier, "Vanilla Cafeteria" is the best spot to hang out with either friends, family and your loved one. Beautifully decorated in Art Deco style, offering a wide range of menu selections from the famous Vanilla menu, including main dishes, pasta, and appetizers as well as the best selections of coffee, tea, and well selected bakery.



## 8 | Patio: Delicatessen

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

## 9 | Patara: Fine Thai Cuisine

Patara, the fine Thai restaurant, offers stylish Thai cuisine for business gatherings and special occasions, including meetings and auspicious ceremony. The décor evokes feelings of traditional and comfortable Thai hospitality. The restaurant has received the Thailand Best Restaurant Award for 9 consecutive years.



## 10 | Grand Seaside: Seafood

The seafood restaurant offers seafood and contemporary Thai food in a relaxing ambience at Laem Farn, Sriracha, Chonburi Province. A best choice for customers who are fond of authentic Thai food and seafood in refreshing atmosphere of the Eastern seafood.

## 11 | SNP/HQ and SNP CAFE

Modern Stylish Restaurants, decorated in trendy mood and tone for fineness and relaxing ambience with special collection of premium food, bakery, fresh premium cakes from our modern CAKE STUDIO and varieties of beverage, uniquely only at SNP. The first flagship store "SNP/HQ" was opened in July 2016 at ItalThai Tower, New Petchburi Road, the second branch, "SNP/CAFE" at FYI – Rama 4 Road, was in operations in October 2016, and the third branch opened on 12 December 2017 at Mega Bangna



## 12 | Nai Hang

Premium street food restaurant decorated in the 1950's feel, giving it a retro sino-Thai atmosphere opened on 2 November 2017 at Long1919: a new cultural tourism destination on the Chao Phraya river route.



## 13 | S&P GOGO BOX

A new grab & go concept focusing on BTS, MRT and Airport Link commuters, tapping the demand for fast, convenient and high quality food. S&P GOGOBOX ticks all the boxes for the 25-45 age group with food, bakery, beverage all in one package for maximum convenience, The first branch is at Airport Rail link Phayathai where it intersect with Phayathai BTS.



## 1.2 | Business Group under Subsidiary Companies

### 1 | S&P Asset Co.,Ltd.

Paid up capital of Baht 1 million, of which the Company holds 99.93%, engages in real estate development. As of 15 August 2017, the Board agreed to dissolve the company and transfer 10 assets and rental rights to S&P Syndicated Plc.

### 2 | S&P International Foods Co.,Ltd.

Established on July 27, 2012 with the paid up capital of Baht 50 million which 99.99% of its shares are held by the Company. It currently operates franchise Japanese restaurants in Thailand, "Maisen". As of early 2017, 10 branches are in operations.

#### MAISEN

"Tonkatsu Maisen", is a top Japanese favorite well-accepted brand in Tonkatsu restaurant in Japan since 1965; and well-known for Tonkatsu (battered deep fried pork) as soft enough to cut with chopsticks, making a big step for their 48<sup>th</sup> Anniversary by consenting business alliance with S&P to open the first Tonkatsu Maisen restaurant in Thailand at B Floor of Silom Complex to introduce soft pork-deep-fried with a breadcrumb coating that spreads like a blooming flower, served with an original sauce: the dreamful soft delicious Tonkatsu, second to none.



### 3 | Umenohana S&P Co.,Ltd.

Established on June 7, 2013 to operate Japanese restaurant and food products in Thailand with the paid up capital of Baht 25 million where 60% of its shares are held by S&P Syndicate Public Company Limited and another 40% are held by Umenohana Co.,Ltd. It currently operates a franchise Japanese restaurant and sell its products under

#### • UMENOHANA

brand in Thailand. Currently there is 1 branch. Umenohana is a Japanese restaurant operated with three main concepts as follows;

- (1) It is an authentic Kaiseki cuisine deeming that the food consumption is not merely feeding one's hunger but fulfilling one's inner satisfaction,
- (2) It offers beyond-expectation deliciousness focusing that each dish must always be special, especially its signature dishes – those menus made of Tofu or King Crab, and
- (3) It provides customers with unforgettable experience from strict well and consistently trained staffs to immerse their everyday heartfelt services.





### • Umeno Café

Japanese-Western Café opened on 12 December 2017 with Zen Modern décor using wood furniture to symbolize Japanese essence combined with white and green tones to relay comfort and realized feel. Inspired by Umenohana, it uses signature dishes from Umenohana with a Western twist catering for the modern crowd with special details of the quality of ingredient and health benefits in each dish.



## 1.3 | Business Group under Associated Companies

### 1 | Foodhouse Catering Services Co.,Ltd.

Paid up capital of Baht 10 million, of which S&P holds 49.97% and engages in various food businesses related to operations of canteens, food services contracts with various institutes, such as hospitals, factories, and schools. This is a joint venture with Property Care Services (Thailand) Co.,Ltd., a subsidiary of OCS (U.K.) Co.,Ltd. under the brand "Foodhouse"

### 2 | MSC Thai Cuisine Co.,Ltd.

Registered capital of Baht 50 million, the Company held 40% of such company's authorized share capital with Minor Food Group Plc. And Visdom Link Co.,Ltd. to operate MSC Thai culinary school. M.S.C. Thai Culinary School MSC mainly focuses on developing chefs to meet accepted standards. By doing so, the school has thus prepared courses for those who wish to be a professional chef and master in cooking Thai food. The school aims to cultivate chefs for food service industry ranging from restaurants to hotels domestically and internationally.







BANGKOKJAM



## 2 | International Business Group

S&P Group has been an example of successful food business operator in both domestic market and abroad. The Company is a Thai Food Cultural Ambassador by expanding branches abroad in form of direct investments and joint investments with local investors.

As of December 31<sup>st</sup>, 2017, the Company has 25 restaurants abroad in 6 countries as follows:

Restaurant abroad	England	Switzerland	Austria	Singapore	China	Cambodia	Total
Patara	6	1	1	1	1	-	10
SUDA	1	-	-	-	-	-	1
Siam Kitchen	-	-	-	3	-	-	3
Bangkok Jam	-	-	-	7	-	-	7
Vanilla	-	-	-	-	2	-	2
S&P	-	-	-	-	-	2	2
<b>Total</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>11</b>	<b>3</b>	<b>2</b>	<b>25</b>

### 2.1 | S&P Global Co.,Ltd.

Paid up capital of 50 million Baht, of which the Company holds 80% of the shares. S&P Global operate restaurant business abroad under various brands as follows:

- **Patara: Fine Thai Cuisine**

Authentic Thai cuisine in modern and elegant environment with the western concept. Patara has 10 branches in total, which the latest branch is "Patara - Wimbledon Branch" - opened on 16 June 2017. On 22 November 4 branches in England were transferred to be under the management of Patara Fine Thai Cuisine Limited (PETC) which is a joint venture company with MINOR Group International Plc. (MINT) April 2016. The rest of "Patara" are in Switzerland, Austria, Singapore and China – one branch in each country.



- **SUDA: Thai Cafe Restaurant**

Relaxed Thai restaurant, open all day to provide varieties of Thai food, relevant for the 21<sup>st</sup> Century young customers.



- **Siam Kitchen: Delicious Home-Styled Thai Cuisine**

Well accepted by Singaporeans, Siam Kitchen has got "Halal" certification and therefore being Thai restaurants that could reach Muslim customers in Singapore.

- **Bangkok Jam (Singapore): Thai and Pan-Asian Cuisine**

Modern Thai food, influenced by Asian countries. A place for young working customers who prefer modern and quick service food.

- **VANILLA Restaurant**

The latest restaurant abroad under VANILLA brand, the first VANILLA in Shanghai, decorated in beautiful Art Deco Style. VANILLA Shanghai offers variety collections from the famous VANILLA menu list, to capture modern lifestyle customer groups.



## 2.2 | S&P International Foods (Cambodia) Co.,Ltd.

Established on April 30<sup>th</sup>, 2014 with paid-in capital 1,830 Million Riels (about 15 Million Baht) and 99.99% share owned by the Company. S&P Cambodia operates restaurant business in Cambodia with 2 branches, one in AION Mall and the other on Somdej Pan Avenue, Phnom Penh and there are plan to expand 3 branches in 2018



# Types of Products and Services

under S&P Syndicate Plc.

## 1 | Bakery products

With dedication for over 44 years, S&P as leader in cake and bakery products has continually developed and introduced new products as well as packaging design to satisfy the demands of our diverse customers, including the young, working professionals, and families, as well as catering for the changing lifestyle such as increased focus on health, of provenance of ingredients, online food orders, in order to maintain competitiveness. In developing new bakery products, apart from tastiness, our company places utmost importance on quality of the product and raw materials reinforcing our slogan: S&P Simple Delicious.



From our vast experience and renown, and with the support and trust of all our customers in our cake making expertise, we are dedicated to maintain quality in every process, from selecting ingredients, raw materials, and balanced cake. We continue to introduce and create new products to best satisfy all groups of customers including popular copyright cakes e.g. Doraemon cakes, Disney cakes and Star Wars cakes. We are committed to making the delicious S&P cakes symbolize the giving of happiness to loved ones on special occasions especially during festive times of the year. Our products include Pound cakes, individual cakes, cupcakes, frozen cakes, in addition S&P has "naked cakes" or butter sponge cakes with little cream for the health-conscious.



### 1.2 | Puff and Pastry

S&P Puff and Pastry focuses on "Freshness" and "Great taste" made fresh daily includes categories ranging from pie/puff: S&P's pie/duff dough is unique in that we use 144 layers to achieve unrivaled crispiness and lightness; croissant/danish: soft pastry moist with real butter ranging from French croissant, hot dog roll croissant to spinach danish; and pizza: ready to eat, full of flavor with a Thai style. In the past year S&P has added many new delicious pies for our customers to try anywhere, anytime.

### 1.3 | Fresh Bread

Bread is divided into "Stuffed bread": soft bread with different sweet and savory stuffing, and sandwich bread; sliced bread with different flavors. In addition, S&P gives importance to healthy products as we introduced new offerings to cater for health-conscious customers e.g. GABA rice bread, high calcium bread.





### 1.4 | Cookies

We use real butter making S&P cookies smell and taste so good. We have a variety of cookie products in beautiful packaging including Classic cookies in milk, butter, coffee, and pandan flavor; Crispy Lite in almond, chocolate chip and pistachio flavor; Danish fancy cookies in butter, tiramisu,

chocolate malt and caramel flavor; Premium cookies in chocolate chip, almond, earl grey and mocha almond flavor; and Shortbread containing more butter ingredient than other cookies. We also have "Lava cookies" which is filled with rich chocolate center, with two varieties; chocolate lava cookies and chocolate chip lava cookies, which continue to be very popular.

In addition, we have the Delio brand with many varieties to expand our customer base, which is available in S&P outlets in hypermarkets, supermarkets, convenience stores, and mini-marts in Bangkok and other provinces.



### 1.5 | Mooncake

We focus on making the best, freshest, cleanest safest mooncakes with longer shelf life. We are still the leader and distribute mooncakes to our loyal customers under S&P and Golden Dragon brands. Every year S&P introduces new mooncakes fillings to satisfy our customers. This year we added two new mooncakes e.g. Oolong & Pu Er tea and Vegan Durian Monthong.



### 1.6 | Thai Sweet Delicacies

We offer a variety of Thai sweet delicacies and flavors, including old hard-to-find recipes and modern Thai sweets incorporating Thai and Western influences in beautiful modern packaging which continue to be very popular to customers, e.g. Golden threads, 'Pui Fai' cupcakes, 'Sago', 'Khaotom Jim', etc.



## 2 | Food products

### 2.1 | Food products

From S&P's first branch, we have been offering delicious simple individual dishes, which continues today. Chicken gravy rice, Pad Thai vermicelli, Stir-fried Prawns with garlic and dried chili rice, American fried rice, Rice noodles with chicken in chili paste. We have later added more variety to the menu from appetizers, salads, sandwiches, pasta, Japanese dishes, vegetarian, as well as dishes for sharing and desserts to better satisfy our customer's demand. In addition, we have organized promotional menus during specific festivals such as Summer, Khao Chae (cold rice soup) menu which has become a big hit with our customers, and many healthy menus to take account of our customers lifestyle which views healthy and source of ingredients as priority.





## 2.2 | Frozen Finished Food: Quick Meal

As pioneers in ready-to-eat food, the company invests continually in research and development the strength of our quick meal which separates us from others the care that goes into making every menu to achieve great taste, nutritional value and food safety standard. Modern packaging design both outside and inside for convenience of modern fast-paced lifestyle, makes it easier and quicker to heat up. We have a wide variety of quick meal menus and we continue to develop new ones.



## 2.3 | Premo Brand Sausages

Sausage, ham, and bacon products under the brand "Premo" for the medium-upper segment, which uses our unique recipe selecting Grade A pork, with firmness, great taste, familiar to Thai customers, clean and with high standards. The products are used in S&P restaurants and distributed for retail in packets, as well as through modern trade channels. We also produce OEM for other food businesses.

## 2.4 | Corrageenan Jelly: Jelio Jelly

The jelly product add to the diversity of our product line offerings using jelly, caragenan to produce jelly with fruit and jelly fruit juice mix drink high in vitamin C.

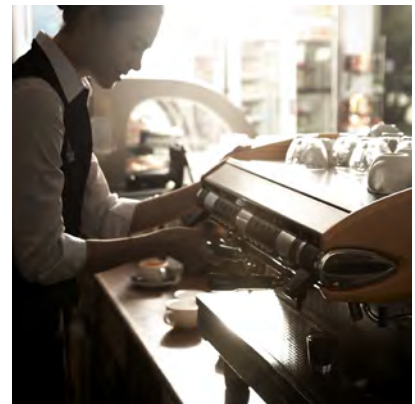


## 2.5 | International Food Products: PATIO

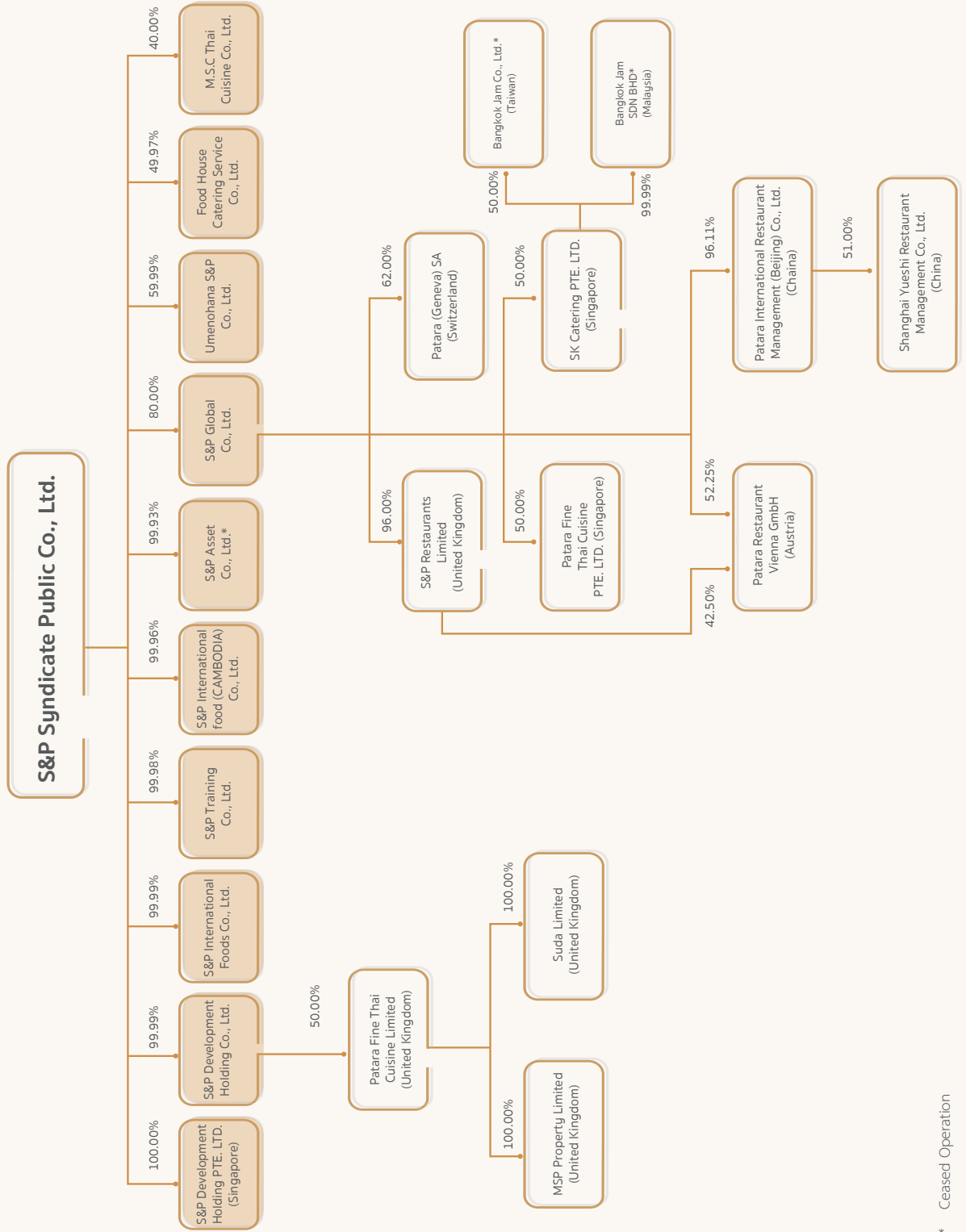
S&P is the leader in delicatessen products under Patio brand, e.g. salad dressing, frozen soup and other ready-made products which are delicious and healthy, available at S&P and leading retailers.

# 3 | Beverages

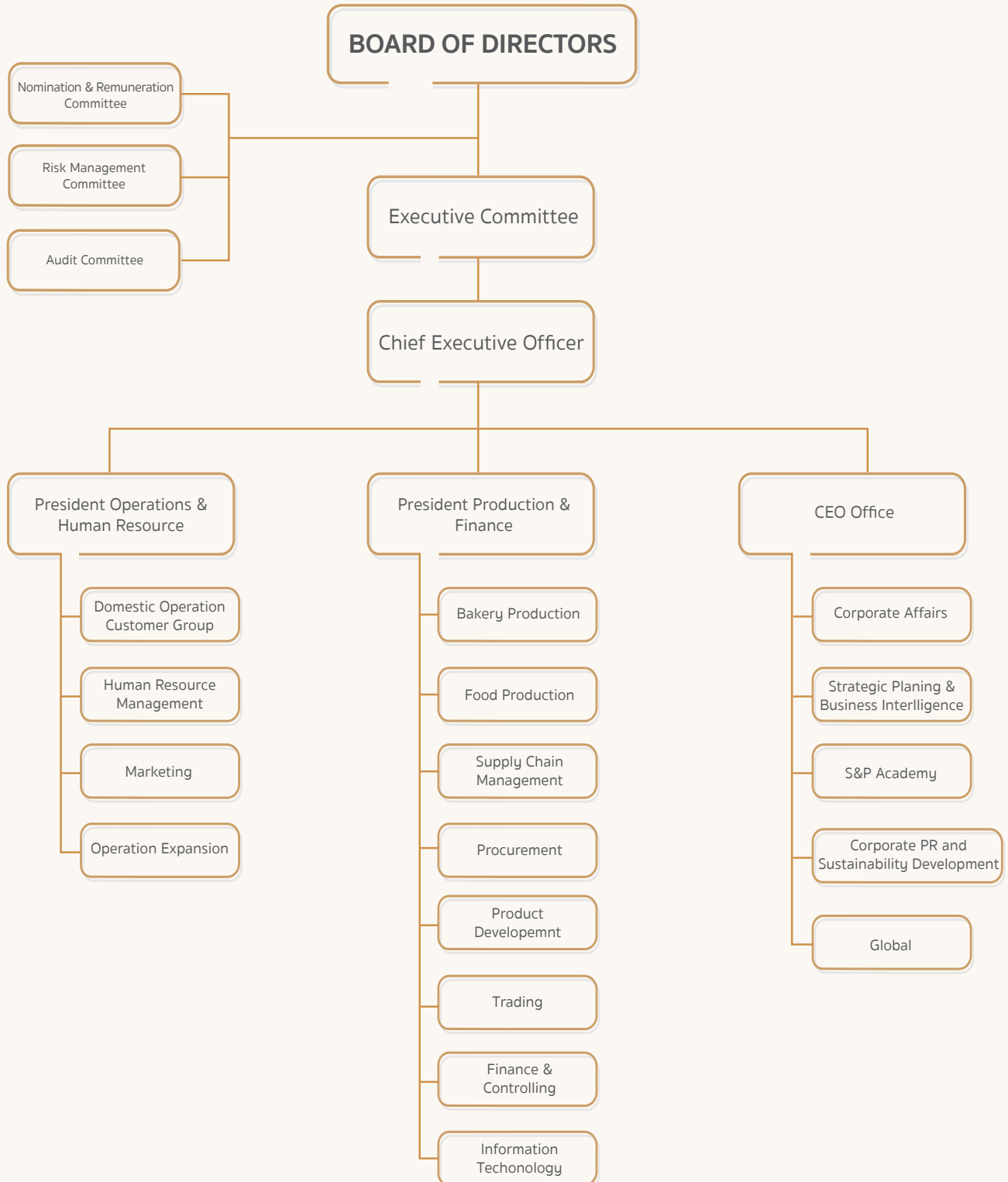
S&P Beverages group includes 100% fruit juices, healthy and fresh fruit shakes such as watermelon freeze, fresh orange juice, pineapple juice, longan juice and coconut juice. In addition, we offer healthy soy milk which has been processed by Umenohana from Japan, called "Toniyu Beverage", served hot or cold. For coffee lovers, S&P offers Bluecup aromatic fresh coffee with the highest quality made from choice 100% arabica beans with origins from Thailand and other countries. We also take pride in latte art in every blue cup coffee. We have introduced a new product Cold Brew, fresh coffee processed through cold drip method resulting an extra rich and balanced coffee using beans which received International coffee-tasting Gold Medal in Italy in 2012.



# S&P Group Stucture



## Organization Chart 2017



## Management structure of the Company

The managerial structure of the Company comprises 5 committees, that is, the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Executive Committee and Management Team. Details of these directors and managements 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) Mr. Pravesvudhi Raiva       | Vice Chairperson of the Board of Directors/<br>Chairperson of the Executive Committee |
| (3) Mrs. Kessuda Raiva          | Director/<br>Chief Executive Officer  |
| (4) Mr. Vitoon Sila-On          | Director and Company Secretary  |
| (5) Ms. Cattleya Saengsastra    | Independent Director  |
| (6) Mr. Aviruth Wongbuddhapitak | Independent Director  |
| (7) Ms. Sophavadee Uttamobol    | Independent Director  |
| (8) Mr. Piya Sosothikul         | Independent Director  |
| (9) Mr. John Scott Heinecke     | Director  |
| (10) Ms. Patamawalai Ratanapol  | Director  |
| (11) Mr. Kachorndej Raiva       | Director  |
| (12) Mr. Kamtorn Sila-On        | Director  |

### Audit Committee

The Audit Committee comprises 3 members.

- |                              |                                    |
|------------------------------|------------------------------------|
| (1) Ms. Cattleya Saengsastra | Chairperson of the Audit Committee |
| (2) Ms. Sophavadee Uttamobol | Audit Committee                    |
| (3) Mr. Piya Sosothikul      | Audit Committee                    |

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 4 members.

- |                                 |  |
|---------------------------------|--|
| (1) Mr. Aviruth Wongbuddhapitak | Chairperson of the Nomination and Remuneration Committee |
|---------------------------------|--|

- |                               |  |
|-------------------------------|--|
| (2) Ms. Patamawalai Ratanapol | Nomination and Remuneration Committee member |
| (3) Mr. Piya Sosothikul       | Nomination and Remuneration Committee member |
| (4) Mrs. Kessuda Raiva        | Nomination and Remuneration Committee member |

### Risk Management Committee

The Risk Management Committee comprises 5 members. (as of 1<sup>st</sup> May 2017)

- |                             |  |
|-----------------------------|--|
| (1) Mr. Vitoon Sila-On      | Chairperson of the Risk Management Committee |
| (2) Mrs. Kessuda Raiva      | Risk Management Committee                    |
| (3) Mr. John Scott Heinecke | Risk Management Committee                    |
| (4) Mr. Piya Sosothikul     | Risk Management Committee                    |
| (5) Mr. Kamtorn Sila-on     | Risk Management Committee                    |

### Executive Committee

The Executive Committee comprises 7 members.

- |                               |  |
|-------------------------------|--|
| (1) Mr. Pravesvudhi Raiva     | Chairperson of the Executive Committee |
| (2) Mr. Kachorndej Raiva      | Executive Committee Director           |
| (3) Mrs. Kessuda Raiva        | Executive Committee Director           |
| (4) Mr. Vitoon Sila-On        | Executive Committee Director           |
| (5) Mr. John Scott Heinecke   | Executive Committee Director           |
| (6) Ms. Patamawalai Ratanapol | Executive Committee Director           |
| (7) Mr. Kamtorn Sila-on       | Executive Committee Director           |

### Management Team

The Management Team comprises 6 members

- |                              |   |
|------------------------------|---|
| (1) Mr. Pravesvudhi Raiva    | Chairperson of the Executive Committee                            |
| (2) Mrs. Kessuda Raiva       | Chief Executive Officer, and President for S&P Global Co., Ltd.   |
| (3) Mr. Vitoon Sila-On       | President - Operations and Human Resources, and Company Secretary |
| (4) Mr. Kamtorn Sila-on      | President - Production and Finance                                |
| (5) Mr. Somjit Kititeerakul  | Vice President Bakery Manufacturing                               |
| (6) Mr. Chongchana Chantamas | Vice President Food Manufacturing                                 |



## Economic Situation & Business Competition

Thai restaurant business is large in size with estimated value of 390,000 million THB, 2-4% growth rate, with smaller family size, today's hectic lifestyle, and demand for comfort and convenience, eating out is more frequent, coupled with competition, new means in introducing products from restaurants, fast food outlets, convenience store, and ready to eat food vendors.

Nevertheless, chain restaurants continue to expand at shopping malls, community malls, hypermarkets, and hospitals which have a lot of different customer groups. Coupled with reputation, trust in the brand, quality, cleanliness, and new innovative menus, as well as promotion, enabling attraction of customer groups. Entry to market of new players from large companies bring new restaurant concepts making the restaurant business more interesting and competitive in price and in expansion to cover more areas, in competing for customer base.

Thai consumers' trend has also changed to focus more on food quality and health benefits. The market size for health food is valued at 17,000 million THB with 7% average annual growth. These also an increase in online orders for home delivery and take home orders, the value of which is 27,000 million THB with 15% average annual growth. The availability of choice and uncertain economic conditions have made consumers more cautious in their spending, making it necessary for businesses to adjust their menus, decor, as well as pricing for target groups, to attract customers. Managing increasing costs such as labor, rent, raw materials also become key for business success.

Apart from changing eating habits, media consumption habits have also changed. Use of social media for increased brand and product or service awareness has become very prevalent.

The market for coffee shops, bakeries, ice cream shops is valued at 6500 million THB, of which 40% or 30,000 million THB is coffee. With continue growth trend and Thai people's average annual coffee consumption at a relatively low level of 200 glasses per person, signifies sales expansion The market for bakery is at 25,000 million THB is highly competitive with presence of small and large businesses, introduction of new products and continuous sales promotion throughout the year to gain market share.

Our marketing strategy has always been focused on great tasting food made by experienced chefs, with choice ingredients, and new menus especially during festive times, our service, our quality staff, as well as the warm and cozy atmosphere of our restaurants. All of these have made S&P the leader in the Thai food business for more than 44 years.

S&P has been around for more than 44 years, has grown continually and been embraced by all groups of customers, with domestic and international expansion and subsidiary brands such as Vanilla, BlueCup, Patio, Patara, Grand Seaside, Maisen, Umenohana, SNP HQ and the latest brands Nai Harng at Lhong 1919 and Umeno Cafe at Mega Bangna, totally 495 outlets. Internationally, we have 25 restaurants in England, Switzerland, Austria, Singapore, China, and Columbia

## Notable Events

### Ministry of Energy visited the Solar Roof Installation Project

Department of Alternative Energy Development and Efficiency (DEDE) visited S&P Syndicate Plc. Bakery Production at Bangna Plant as the company is a role model in the Alternative Energy and Efficiency Program. The Solar Roof Project promoted and reinforced the vision of the environmentally-conscious food business leader. The event was held on March 14<sup>th</sup>, 2017 presided by Khun Navin Naknava, DEDE's Director of Public Relations.



### S&P launched new products at THAIFEX 2017

S&P Syndicate Plc. participated in the THAIFEX-World of Food Asia 2017 exhibition during May 31<sup>st</sup>-June 4<sup>th</sup>, 2017 at the Challenger Hall 3, Impact Muang Thong Thani. The Company launched 4 new product lines under the concept 'Simply Thai Taste'-1) **S&P Vegan** (offered 5 menus: Thai green curry with gaba rice, Thai red curry with jasmine rice, Pad Thai (no eggs), fried rice with chestnuts, and stir fried noodles); 2) **Vegan menu paired with organic gaba rice and organic riceberry rice** (offered 6 menus: Thai green curry with organic gaba rice, Thai red curry with organic gaba rice, fried organic gaba rice with chestnuts, Thai green curry with organic riceberry rice, Thai red curry with organic riceberry rice, and fried organic riceberry rice with chestnuts); 3) **Thai curry pastes** offered convenience, simplified cooking, prolonged storage life, and most importantly no MSG, additives, or preservatives added-such as green curry paste, Pad Thai paste, Massaman curry paste, red curry paste, and Panang curry paste; 4) Snacks such as cookies and butter cakes-Durian cake, Tom Yum

cookies, Safflower cookies, Durian butter cake, Butterfly Pea, Lemongrass, and Lime butter cake, Lemongrass Tom Yum butter cake, and freeze dried fruits such as durian and jack fruit.



### "Happy Kitchen - Joy Barista Workshop with S&P"

S&P Syndicate Plc. and Happy Kitchen TV program organized the "Happy Kitchen-Joy Barista Workshop with S&P" activity for S&P Joy Club and Happy Kitchen members to promote the BlueCup Coffee brand. Members learned about coffee making and latte art techniques from the barista champion at SNP Headquarter on June 9<sup>th</sup>, 2017.



### Press visited S&P in Vietnam and Vanilla in China

During June 14<sup>th</sup>-16<sup>th</sup>, 2017, S&P Syndicate Plc. guided press through S&P Thai Restaurant & Bakery Samdech Pan branch in Phnom Penh, Cambodia to celebrate its 1st anniversary. They also visited S&P Aeon Mall branch, which was the first branch to open in Cambodia and gained much popularity from the locals. During July 12<sup>th</sup>-14<sup>th</sup>, 2017, press visited Vanilla Restaurant Rockbund branch in Shanghai, China to celebrate its grand opening as the second branch following rave responses of the first branch at Sky Mall.



### "S&P Senior Chef Training Course"

S&P Syndicate Plc. and MSC Thai Culinary School organized "S&P Senior Chef Training Course" for S&P senior head chefs to elevate their culinary skills and knowledge equivalent to international standards. Khun Patara Sila-On, Chairperson of S&P Syndicate Plc. and President of MSC Thai Culinary School presided over the ceremony to present certificates to students. Chef Chumpol Jangprai, MSC's Managing Director, also attended the ceremony held at MSC Thai Culinary School.



### Kick Off Workshop for the Sustainable Development Project

S&P Syndicate Plc. organized a Kick Off Workshop for the Sustainable Development Project to join hands in the Company's sustainable growth. This will bring together economic, social, community, and environmental development on August 30<sup>th</sup>, 2017.





## Press Conference for the "Happy & Healthy with Royal Project" campaign

S&P Syndicate Plc. held a press conference to launch the Happy & Healthy with Royal Project campaign to promote products from projects initiated by His Majesty the late King Bhumibol and to support hill tribe farmers. The Company also recognized the importance of healthy living by cooking special menus with quality ingredients from the Royal projects, as a way to preserve freshness from farms directly to city tables. S&P CEO Khun Kessuda Raiva presided over the opening ceremony with Dr. Narongchai Pipattanawong, Director of Marketing for the Royal Project Foundation, and executives of the Royal Project Foundation. Assistant Professor Dr. Chatrapa Hudthagosol from the Department of Nutrition, Faculty of Public Health, Mahidol University also attended the event at SNP Headquarter. The special menus were served at S&P participating branches and affiliated restaurants from September 15<sup>th</sup> to December 15<sup>th</sup>, 2017.



## Product Launch of "The Mask Collection Presented by S&P-Happy Mooncake"

S&P Syndicate Plc. organized "The Mask Collection Presented by S&P-Happy Mooncake" event by applying The Mask Collection of 6 mask singers: Durian, Pony, Kangaroo, Samurai, Sumo, and Steamed Bun on S&P products. Moreover, 3 new mooncake flavors (Oolong & Pu'er teas, Custard, and Vegan Durian) under S&P brand and 1 new mooncake flavor (mango) under Golden Dragon brand were launched during the event.



Workpoint Entertainment Public Company Limited's Khun Dhanasak Hoonarak, Chief Business Development Officer, and Khun Vichanee Srisawat, Chief Marketing Officer, attended the event. In addition, Room 39 and Getsunova singers entertained the guests at SNP Headquarter on September 13<sup>th</sup>, 2017.



## "S&P Cake Carnival" celebrated 44 years

S&P Syndicate Plc. celebrated 44<sup>th</sup> anniversary with the "S&P Cake Carnival" event which showcased beautifully adorned cakes; offered surprising products and promotions under the "Carnival 2018" collection; and provided various fun activities. Famous actors and singers joined the celebration in welcoming festivity season during December 7<sup>th</sup>-10<sup>th</sup>, 2017 at Work and Play Activity Hall, Central Plaza Grand Rama 9.





### S&P joined the "SET in the City 2017" event

S&P Syndicate Plc. joined in the "SET in the City 2017", or the 12<sup>th</sup> Annual Investment Expo, booth exhibition to provide information to investors and interested parties. This event was designed to encourage investors to maximize their investment opportunities. The Stock Exchange of Thailand (SET) collaborated with financial partners such as Asset Management companies, Securities Brokerage companies, listed companies, FinTech, and other associations.



### Factory participated in the Cleaner Technology Project

Food production factory in Ladkrabang joined the Cleaner Technology project initiated by the Department of Industrial Works, Ministry of Industry.

### S&P supported the Another Life Company Rejuvenation Year 11 Project

S&P Syndicate Plc. attended the Another Life Company Rejuvenation Year 11 Project of King Mongkut's Institute of Technology Ladkrabang's Architecture Program in Industrial Design. Khun Pravesvudhi presented the Company and assigned tasks to students in order to integrate design learning in class rooms with work in real-world situations. It is divided into 7 steps: study visit, data analysis, experiment and design, marketing, communication and presentation, and report preparation. By doing so, students have the opportunity to experience work life outside the class rooms.



## Important Events in 2017

### Bussiness expansion and product development

#### 1. Business expansion

Every year the company increases restaurant, bakery shop outlets both in Bangkok and other provinces so our customers can access our products and services conveniently. In 2017, S&P opened 8 new restaurant branches at Vibhavadi hospital, The Mall Bangkok, Hua Hin, PTT Soonvijai Wang noi, Royal Garden Pattaya, Samitivej hospital Chonburi, Big C Rachada, Robison Petchcuri and 9 new bakery shops. Furthermore, we opened a new Japanese restaurant Umeno Cafe for Tofu lovers, a subsidiary of Umenohana; a new SNPHQ restaurant at Mega Bangna; and Nai Harn restaurant at Lhong 1919 at Wanglee Pier, Klongsan, which is a lifestyle restaurant set in a Sino-Thai compound with a Sino-Thai menu drawing inspiration from Khun Suriyon Raiva, the tycoon patriarch of the Raiva family. The company also opened the second Vanilla restaurant for the chic and trend-conscious clientele in Shanghai, China.

#### 2. Product development and sales promotion

Introducing new menus and products is a part of S&P's success. Apart from novelty, we give priority to taste, quality of ingredient and decoration. We have introduced themes, such as for food beverages and bakery for special occasions e.g. Simply Valentines for the festival of love; Summer Delight for Khao Chae (cold rice summer soup) and Mango sticky rice festival; Simply Thai Taste for Thai food festival; Mooncake festival in which S&P bought the copyright license for the Mask Singer for cake decoration and mooncakes; Vegan Festival; Royal Project menu in which we used ingredient from the Royal Project; and the year-end cake carnival for cakes and cookies; Star Wars cakes and cookies.

Main sales promotion occurs on Wednesday with 20% discount for bakery products, 2 pies for 40 THB, Buy 3 get 4 Banana Cake, Joy of Sharing food discount for Fish menus, BlueCup Buy 1 get 1 promotion, two times per month.

Joy Card has added a new 'S&P Mobile Application' feature which can top-up the card and receive cumulative points when using the debit function of card, or the Mobile Application which can also be used to send gifts.

S&P gives increasing importance to online marketing, using content marketing with interesting materials and using social media for customer awareness and interest in our products. We made TV and online commercials for our mooncakes and 'The most Diverse Meal' campaign to promote our restaurant using online media for brand awareness, as well as our year-end "surprise Cake..Wrap Happiness" campaign promoting giving delicious S&P cakes to loved ones with a special secret compartment where you can hide a special gift inside the cake.

## Awards and Achievements in 2017

### International Innovation Awards 2017

S&P Syndicate Plc. received the "International Innovation Awards 2017" (IIA 2017) in the Services & Solutions category for The Solar Roof: S&P Bakery Factory Energy Saving Project, from Enterprise Asia. The award was given by Dato' William Ng, President of Enterprise Asia, at Hyatt on the Bund Hotel in Shanghai, China on December 1<sup>st</sup>, 2017.

S&P is proud to be a part of electricity consumption reduction by producing its own clean and environmental-friendly alternative energy in the production of various S&P bakery products such as banana cakes, butter cakes, marble cakes, puffs, pies, cookies, mooncakes, and pizzas.

S&P is committed to contribute positively to the Thai society for years on end.



### Excellent Food Standard for Tourism 2017

S&P received a trophy award of Excellent Food Standard for Tourism 2017 for the following 6 branches: Central Airport, Central Khon Kaen, Central Phuket, Central Festival Chiang Mai, Tha Maharaj, and Suvarnabhumi Airport Café 2.



### Asia Responsible Entrepreneurship Awards 2017

S&P Syndicate Plc. received Asia Responsible Entrepreneurship Awards 2017 (AREA) for the 2<sup>nd</sup> year due to an initiative on social responsibility for social empowerment through S&P Kitchen for Kids Project, which has been continuously improving the canteens for the up-country schools for 9 consecutive years, with a total of 24 schools nation-wide. The award was given by LT Gen Sudhir Shama, Advisor of Enterprise Asia, and Alexandra Boakes Tracy, President of Hoi Ping Ventures, Hong Kong, at Renaissance Hotel in Bangkok on June 2<sup>nd</sup>, 2017.



### IP Champion 2017

S&P Syndicate Plc.'s CEO, Khun Kessuda Raiva, and President of Operations and Human Resources, Khun Vitoon Sila-On, received IP Champion Award 2017 for outstanding business performance for the trademark of big business from the Ministry of Commerce. The award was given by Khun Vinichai Chamchang, Deputy Minister of Commerce. Khun Patara Sila-On, Chairperson of S&P, and Khun Pravesvudhi Raiva, S&P's Chairman of the Executive Committee, also attended the award ceremony at BITEC Bangna on November 4<sup>th</sup>, 2017.





### Thailand Top Company Awards 2017

S&P Syndicate Plc. received the Thailand Top Company Awards 2017 in the food and beverages category for the 4th consecutive year as a business organization with outstanding products and services, which was also considered based on Thailand's top 1,000 earning companies. The award was given by H.E. Prof. MD. Kasem Wattanachai to Khun Vitoon Sila-On, President of Operations and Human Resources. The ceremony was organized by Business+ Magazine in cooperation with the Thai Chamber of Commerce University at Dusit Thani Bangkok Hotel on March 14<sup>th</sup>, 2017.



### Herworld Editor's Choice Awards 2017

Khun Maneesuda Sila-On, Deputy Vice President Corporate Communication of S&P Syndicate Plc., was awarded Herworld Editor's Choice Awards 2017 for Best of Delicious Cake from Khun Wiroj Wachiradechakul, CEO of Tree Dance Publishing Co., Ltd., at Mercure Bangkok Makkasan Hotel on December 8<sup>th</sup>, 2017.



### Green Industry Award

Food Production Group of the Ladkrabang Factory participated in the Green Industry Project and received the Green Industry Award from the Industrial Estate Authority of Thailand.

### Green Star Awards

Food Production Group of the Ladkrabang Factory participated in the Environmental Governance Program and received the Green Star Awards from the Industrial Estate Authority of Thailand. The program was initiated to strengthen the relationship between factories in industrial estates and surrounding communities; to encourage factories in industrial estates to formally implement environmental governance and corporate social responsibility (CSR); and to enhance understanding and trust of the communities towards environmental performance of factories in industrial estates. This cooperation will lead to coexistence of industry, community, and society.



## Marketing activities

We organized many promotional activities for our customers to say thank you for their continued support as well as to promote overall sales. Promotions and activities support our main marketing strategy focusing on bringing good taste, quality ingredients, premium service to our customers such as,

- 20% discount on Wednesdays for bakery products which continues to be popular for customers. We also offer 15% discount everyday for cakes to our JoyCard members
- New Year Promotion, 20% discount when buying more than 2 cakes and for cookies; Buy 4 boxes get 1 extra box
- Cake Carnival: The year's main cake and cookies festival organized at Central Plaza Gland Rama 9 with many activities such as concerts, entertainment from the stars and celebrities, and the premiere of the Surprise cake.
- For mooncake festival this year, S&P collaborated with the Mash Singer reality music game show from Workpoint Entertainment for copyright license to feature different Mask singers on S&P mooncake packaging and on our cake decorations.
- BlueCup D-Day: Buy 1 get 1 Free for coffee, tea, smoothies and sparkling twice a month to all customers to try new quality coffee from BlueCup with the aim of expanding our customer base and scales at our outlets.
- Promotion during important Thai Holidays such as Children's day where we give souvenir to children visiting our outlets and Mother's Father's day where moms and dads eat free at S&P to underline our reputation as a restaurant for the whole family.
- Online marketing or e-marketing is an important channel to reach our customers either through Facebook, Line, Instagram and website, where content marketing play a key role emphasizing interesting materials, evoking good sentiments in our customers and reinforcing customer brand loyalty.
- At year-end, S&P introduced the new S&P e-Wallet Joy Card to increase convenience for purchasing products at S&P outlets and online, including many special privileges and loyalty points accumulation when paying by Joy Card

## Corporate Social Responsibility

### 1. Overall Policy

S&P Syndicate Public Company Limited has been doing CSR (Corporate Social Responsibility) activities earnestly, whether regarding the education of disadvantaged students by admitting them to school at vocational certificate level in the fields of retail business, and food and nutrition at the S&P Learning Center in the bilateral system so as to accord them an opportunity to practice on-the-job and earn income during their studies, or the implementation of the “Kitchen for Kids” Program to establish good hygienic practice for communities and make them learn how to develop the quality of life. Moreover, the public are allowed access to mental development through dharma practice in association with employees of the organization. In environmental aspect, the factory has improved its quality and standardization systems so they are always acceptable at national and international levels of standard to customers’ satisfaction, with the Company’s awareness on corporate social responsibility in the areas of business and others in which the Company has taken part in the development and improvement of living and social conditions.

Additionally, the company received the Environmental, Social and Governance (ESG) award. In 2017, the company also received the “International Innovation Awards 2017” (IIA 2017) in the Services & Solutions category for the Solar Roof: S&P Bakery Factory Energy Saving Project, from Enterprise Asia. S&P is proud to be a part of electricity consumption reduction and is committed to contribute positively to the Thai society for years on end.

### 2. Overall Operation

In addition to the careful selection of good quality and fresh raw materials and the emphasis on developing the quality products for the consumers, the Company also has been practicing the Corporate Social Responsibility (CSR) in all of the Company’s main units, whether under the anti-corruption policy as effective throughout the organization, the responsibility for consumers, the environment conservation, and the improvement of operation systems to reduce energy use of the production line. The following activities have been undertaken continually:

#### 2.1 Anti-corruption Policy

The Board of Directors has recognized and prioritized good corporate governance, by supporting the Company’s participation for Collective Action Coalition of Thailand’s private sector in anti-corruption. The Company has been certified as a member for the Collective Action Coalition of Thailand’s private sector in anti-corruption, operated by Thai Institute of Director (IOD) for the second consecutive year. The Company has approved an Anti-Corruption Policy, with an emphasis for the Board and Management to act as a role model for anti-corruption practice, anti-bribery, either as gift exchanges, financial support, or donation, and for the Company’s directors, employees, and those from subsidiary companies to uphold these guidelines. Information on anti-corruption has been disseminated through the Company’s communication channel, and communicated to the Company’s stakeholders to ensure awareness of the aforementioned issue. This facilitates support for compliance. The Company has established and developed practice guideline, rules, and ethics consistent to the mentioned policy, to foster justice, ethics, honesty, transparency, and accountability of the Company.



Apart from anti-corruption measures, reducing occurrence of corruption, the Company has also conducted evaluation measures on corruption monitoring, which help identification of significant corruption and prompt reporting. The Company has assigned the channel of “Whistleblower” for stakeholders, relevant personnel, directors, and employees to communicate their grievances, or share information of corruption, or unjust treatment. The Company considers such sharing as a confidential matter. Only those assigned or directly involved would be privy of such information. Information on corruption cases and sharing of grievances can be done via the following channel:

1. By email  
E-mail : [whistleline@snpfood.com](mailto:whistleline@snpfood.com)
2. By Post – by addressing to:  
Audit Office, S&P Syndicate PLC  
Number 2034/100-107 Floor 23 Ital-Thai Tower,  
New Petchburi Road  
Kwang Bangkapi, Khet Huaykwan, Bangkok 10310
3. Through call center  
Phone : 02-785-4000 ext 386  
Phone : 089-204-5542

As for S&P Learning Centers, topics of ethics and Whistleblower have been added to the orientation course to educate new recruits. The “Growing up without Cheating” course was designed to instill a sense of honesty in the students who are S&P’s future employees. In order to encourage employees to understand and practice continuously, the company has announced an explicit policy against fraud and corruption-to not accept, give, create, nor promote any behavior that may lead to frauds. Furthermore, Whistleblower News (WB News) has been initiated to disseminate knowledge and understanding to employees on anti-corruption rules and policy in the form of animated cartoon, which has been publicized on the company’s website every month.

Also, the fraud risk assessment process has been applied to prevent and suppress the fraud and corruption; the incidents with high risk of fraud and corruption from operating the business were identified, the risk level of both the probability to occur and its effect was evaluated, the appropriate standard on anti-corruption and the achievement measurement were set up, the resources utilized for reducing the risk was defined, and the evaluation of the operation of risk management plan was regularly followed up.

## 2.2 Responsibility for consumers

The Company and its subsidiaries’ policy is to focus on producing quality and safe product in accordance with the law and international quality standard by controlling the whole process of food chain: from the quality of raw material, the safety and cleanness of production process, the staff’s attention to cleanness and quality, the consistent product quality, as well as the product distribution process from the Company’s factories and shops, to the consumption of the consumers. The back tracking system also has been applied in order to ensure the consumers of quality and safety in consuming products under the brands of S&P, Premo, Delio, Patio, and other brands of the Company’s Group, with its determination to continue developing in line with the growth of the market and quality standard in international level to satisfy the need of the consumers domestically and internationally.

### (1) Food Production Group

The policy of the food production group of the Lad Krabang Factory is to emphasize on producing the products with good quality, safety, complying with the law and with the international standard. This quality control has been done through the whole food chain including the quality of the raw material and product, the consumption of the consumers, and also the food traceability system in order to ensure the consumers of the quality and safety. The food line of the Lat Krabang Factory also has quality systems of food production accredited by governmental agencies, that is, Good Manufacturing Practice (GMP) and Hazard Analysis and Critical Control Points (HACCP) by the Food and Drug Administration (FDA), the Department of Agriculture and the Department of Fisheries. It also has been inspected by the United States of Food and Drug Administration (USFDA); the inspection included the frozen ready to eat products, seafood and dessert, and also accredited by the private sector, that is, Good Manufacturing Practice (GMP), Hazard Analysis and Critical Control Points (HACCP), ISO9001:2008, ISO22000:2005, IFS and BRC by SGS (Thailand) Ltd. This was to ensure our customers of product quality and safety.

In 2017, the food production group has emphasized on the significance of production standard by organizing training and seminar about standard on raw material preparation, standard on food preparation and cooking, standard on food

preparation, and measures to control allergens, etc. In this respect, the Company also improved its factory for the production line to be ready to manufacture food products with quality, cleanness and safety at all times.

## (2) Bakery Production Group

The bakery production group has carried out production continuously under qualified systems acceptable to international standards. In this regard, the Sukhumwit Factory has had its production accredited pursuant to the Good Manufacturing Practice (GMP) regarding the safety management system for food quality by the Food and Drug Administration and the Department of Agriculture. The Hazard Analysis and Critical Control Points (HACCP) standard has also been continually applied.

Besides, the bakery production group's laboratory that examines the raw material, the finished product and the environment was also certified ISO/IEC 17025: 2005 standard from the Department of Medical Sciences and the Thai Industrial Standard Institute. Furthermore, the bakery factory has had its production accredited pursuant to the Good Manufacturing Practice (GMP) from the Food and Drug Administration, and the Department of Agriculture, and also had its food safety management system accredited pursuant to the ISO 22000:2005 from Lloyd's Register (LRQA), which is a standard covering good practice of the production facility, food safety and production system that can confirm the quality and safety from the production facility to the consumers.

In 2017, the bakery production group organized several seminars and trainings on the GMP system, the standardized internal quality audit, the understanding about the standard specification of laboratory in accordance with ISO/IEC17025:2005, the follow-up on laws about food label, nutrition label and related laws, the safety and occupational health and working environment, for both existing and new employees. Also, the compliance with such regulations was always monitored.

## 2.3 Environment Conservation

The Company has always been aware of the importance of environment conservation in many ways. In 2016, the production groups did not only commit to producing food and bakery with no effect to the environment and surrounding communities, but also emphasized on decreasing the costs

of energy and production leading to the higher level of production efficiency. In 2017, the factory's internal lighting bulbs were replaced with LED bulbs to improve energy saving and increase the useful life and subsequently also reduce the garbage quantity from lighting bulbs. The factory also applied the solar energy as alternative energy to save the electricity use in a project of solar roof installed at Bangna Bakery Factory; the purpose was to generate electricity from the solar energy to be used for the Factory's lighting system, which helped to save averagely over 3 million Baht per year on the electricity consumption and to reduce the carbon dioxide amount emitting from the electricity generation by fuel at over 300 tons (equivalent) per year. This project has been planned to be extended to other factories in the future.

Additionally, waste sorting has been continually encouraged to reduce the bio-waste to be recycled into bio-fertilizer. The Company's staff is supervised in terms of narcotics harms with an application for accreditation on workplace drug prevention for Sukhumwit, Bangna and Lamphun bakery factories.

On June 23rd, 2017, the Company received a certificate of drug prevention coalition from the Office of Labor Protection and Welfare Area 8, for the prevention, solution and supervision of drug problems in the worker group; and

On July 25th, 2016, the Lamphun factory was accredited for the preventing drug problems in the workplace.

## 2.4 Participating in Developing the Community or Society

### (1) S&P Learning Center

From the vision of the high-ranking management regarding "human resource" stating that "Individuals in the Company, wherever they are, are deemed as important assets that must be developed for maximum efficiency", thereby conceiving a notion that supports learning in the form of learning center; a long-term project as implemented by the Education Council based on the National Education Act B.E.2542 (A.D. 1999). S&P Syndicate Public Company Limited is one of the seven business establishments with preparedness and property to be a model of forming a learning center, as considered by the Office of the Education Council; the S&P Learning Center

was opened in 2007 as its first academic year, with a vocational certificate curriculum comprising 2 types of subject, that is, commerce and home economics, with the objective of upgrading the education of the Thai workforce in the Company, developing the human resources for an increase in their potential for work, educating personnel to meet industrial demand in the lines of food and retail service for employment in the Company, and giving support to individuals interested in food science by allowing them access to both theoretical and practical learning so to support the Company's business growth as well as to offer an opportunity to underprivileged students.

In 2017, there have already been 8 classes of students graduated from this learning center. Also, the S&P Learning Center has implemented educational program in association with nationwide academic institutes and schools, including:

1. Providing scholarship for those disadvantaged students from the Rajaprajanugroh and Suksasongkra Schools nationwide as well as those low-income students from other schools. This scholarship was provided for students to further their school free of charge at vocational certificate level of S&P Learning Center, and bachelor's degree level. The students will have an opportunity to train in on-the-job training while studying, and upon the completion of their education they could join the Company. In 2017, there were 58 vocational certificate level students graduated and they have already been recruited as the Company's employees. The total number of graduating students from 8 classes is almost 250.
2. Collaborating with the Vocational Education Commission (VEC) in admitting vocational students in Bangkok and from provincial regions to do internship. In 2017, there were totally 850 students from more than 50 vocational colleges sending their students to train with the Company.
3. Collaborating with university level institutes to cultivate the bachelor level graduates in the fields of culinary business and service in order to develop the human resources equipped with the knowledge and skill in food and service business that suit with the demand of the Company. Upon their completion, the students from this program can immediately become chef or restaurant/bakery shop management. The institutes collaborating in this program included:
  - Suan Dusit University: Program in Culinary Technology and Service
  - Suan Dusit University: Program in Culinary Technology

and Service

- Institute of Vocational Education: Northern Region 2 (Phrae Vocational College), Program in Retail Marketing

In 2017, there were totally 100 bachelor degree students receiving scholarship and 20 of them graduated from Suan Dusit University. These graduates will be later recruited as the Company's employees.

4. Collaborating with university level institutes in admitting the students to train in on-the-job training and career training in the Company outlets/office/factory. The institutes collaborating in this program included Rajamonkol Institute of Technology - Thunyaburi, Assumption University, Mahidol University, Kasetsart University, Chiang Mai University, Rajabhat Suan Sunandha University, Suan Dusit University, Silpakorn University, Burapha University, Rangsit University, King Mongkut's Institute of Technology Ladkrabang, and Chulalongkorn University. The total numbers of student were 37.
5. Collaborating with the Vocational Education Commission (VEC) as an S&P representative was appointed by the VEC to be a chairperson of joint public-private sub-committee to cultivate qualified vocational graduates in food and service business. The memorandum of agreement of this joint public-private sub-committee has been created with the objective to develop the international standard labor in accordance with the market demand. This effort will be done in collaboration with the vocational schools nationwide.

## (2) Dhamma Practice Venue, Raiva House

In 1979, Mother Chamnong Raiva gave out, as a dhamma practice venue, the Raiva House at Bang Phra Sub-district, Chon Buri Province, where she had been born and which had been built by Father Suriron Raiva, whereupon Mother Dr. Siri Krinchai was invited to introduce a training course for mental development and the training had been in operation since then until the present time. The Raiva House has organized mental training and developing activities with at least 10 courses a year, allowing the public to participate in the dhamma practice in association with employees of the Company.

In 2017, Raiva House had provided dhamma practice of totally 21 courses with over 1,000 people participated in the program: both from the Company's employees and the public.



## Corporate Social Responsibility in 2017

### 1. "Cake A Wish Make A Wish" Project

S&P Syndicate Public Company Limited organized the 13th year Cake A Wish Make A Wish. Project. Between 27 January – 6 February 2017, the company was able to deliver a weighted total of 725 pounds of cake 22 different charities and foundations for the disadvantaged, disabled, orphaned children and the elderly. The aim of such work was to bring happiness to these people in which the company plans to continually do every year.



### 2. "Quality of Life Improvement for Students in Underprivileged Schools" Project

S&P Syndicate Public Company Limited participated as the host in the Quality of Life Improvement for Students in Underprivileged Schools project and was appointed as a project member to be responsible for Nong Bua Lampoo Province with the Office of Deputy Prime Minister (by Air Chief Marshal Prajin Juntong) as the main responsible unit. In this project, the Company provided support to Banwangmon School in Nong Bua Lampoo Province for an improvement of kitchen and canteen, and provided kitchen utensils to the project center to be distributed to different schools under the project for purpose of future benefits and improvement of students' quality of life in underprivileged schools.



### 3. "Garbage Recycling" Project

S&P Syndicate Public Company Limited sees the importance of environmental protection and thus denoted Recycling garbage bins (3 different colors) and garbage bags to schools under the Bangkok Metropolitan Administration, in order to raise consciousness in our youth about the importance of garbage separation to build a better environment for society at large. The project was expanded to give advice and raise awareness of this issue to schools under the "S&P Kitchen for kids" Project and the "Quality of Life Improvement for Students in Under Privileged Schools" Project.



### 4. "Filling Smile" Project (10<sup>th</sup> Year)

On 17<sup>th</sup> March 2017, S&P Syndicate Public Company Limited organized the 10<sup>th</sup> year "S&P Filling Smile" activity in which S&P staff hosted lunch for war veterans and organized a concert to honor H.M. King Bhumibol, and donated 100,000 THB to the war Veterans Hospital, Vibravadi Rd.



### 5. Bakery training for Female Inmates

On 22 March 2017, S&P Syndicate Public Company Limited in conjunction with the central Penitentiary Samutprakarn, organized a visit to the Central Penitentiary Samutprakarn, to give decoration basic training in cake to female inmates.



### 6. "S&P Kitchen for Kids" Project

S&P Syndicate Public Company Limited continued "S&P Kitchen for kid" project for the 9th year by improving the hygienic condition of the kitchen and donating the kitchen utensils for the schools in need. This year, 2 schools were selected for this program: Wannawit School, Sukhumvit 8, Bangkok; and Rajaprajanugroh III School in Phitsanulok Province. The company also bought the specialists to share their knowledge in kitchen sanitation with the school's cooks and students. In addition, on the donation day, the Company also provided lunch for students, supplies to support the sustainable farming and bins for recycling. Also, the recipe book "favorite Menus for School Kids" created by the Company was given to strengthen students' good nutrition and to be an alternative to allocate various menus to them.



### 7. The Fundraising Project for the Ramathibodi Foundation under the royal patronage of Her Royal Highness Princess Maha Chakri Sirindhorn

S&P Syndicate Public Company Limited provided a fund to the Ramathibodi Foundation under the royal patronage of Her Royal Highness Princess Maha Chakri Sirindhorn, for the construction of the Chakri Naruebodindra Medical Institute, Faculty of Medicine, Ramathibodi Hospital: the fund was raised from the sale of every piece of cake classic of 2 pounds weight with 25 Baht to be donated from each piece, a total of 1 million THB was donated.



### 8. "Kaokonlakao" Project

On 7 December 2017, S&P Syndicate Public Company Limited with contributions from executives, staff, and subsidiary companies donated 1 million THB to the Kaokonlakao project to raise money for 11 hospitals nationwide.





### 9."S&P Kindness for You" Project

S&P Syndicate Public Company Limited donated products to help alleviate public needs in various situations, such as cookies to help those affected by the flood in the South by donating through the Army Wives Association, Ruamkattamyu Foundation, and Klaikanwon Vocational College; also donations of cookies were made to the Department of Corrections and the Royal Thai Army to help those affected by flooding in the Northeast through Channel 3 Family; as well as donations of mooncakes for those who came to pay their respects at the Royal Cremation through the Royal Thai Army, etc.



### 10.Project to Build Capacity for Thai SMEs

On 19 December 2017, Mrs. Kessuda Raiva CEO of S&P Syndicate Public Company Limited and Mr. Mongkol Leelatham, Managing Director of SMEs Development Bank, signed on MOU on cooperation in capacity-building for Thai SMEs at the SMEs Fair 2017, Klong Padung Krungkasem near Government House, with S&P executives and SMEs operators present.



### 11."Responsible Procurement" Project

S&P Syndicate Public Company Limited met with farmers and raw material producers such as the Royal Project, and various agricultural cooperative to exchange knowledge and news on best practices in producing highest quality products for consumers, how to better directly support agricultural producers. S&P is committed to help develop better products for healthy consumption, more focus on quality new materials through high standards in choosing the freshest and highest quality raw materials for our menus.





## Customer Relations Activities

### S&P Mobile Application

In 2017, the Customer Relations Department has developed new applications to better meet current consumers' lifestyle as the country is transforming into cashless society. The "S&P Mobile Application" was developed to provide more convenience to S&P Joy Card holders as they can use the application instead of carrying the card with them. QR Code in the app allows cardholders to conveniently have access to discounts, promotion activities, top up or make payment through the mobile application instead of paying cash. For every 20 baht payment made through the membership card or the mobile app, the cardholder will earn more points. In addition, the Joy Card member can go to the Gift function and send special gift, such as cake and cookies, to their loved ones anywhere and anytime, or find the nearest branch, and read the latest news from S&P.



### Customer Relations Enhancement

The Customer Relations Department regularly held activities to strengthen relationship with customers throughout the year 2017. Those activities focused on promotion of health and well-being, family relations and social responsibility. The Company has given high importance to clear and transparent communication and to respond to customer's complaint with responsibility and sincerity.



## Environmental Management

- 1.Environmental Management Policy
- 2.Environment Policy

### 1.Environmental Management Policy Corporate

- Formulation of clear policy
- Control of the execution
- Assessment

### Employees

- Preventing environmental impact on employees
- Instilling environmental responsibility awareness
- Encouraging participation

### Community

- Pollution survey
- Elimination the root cause of pollution
- Communicate to encourage participation

## 2.Environmental Policy

- Promoting production technology development by considering possible impact on the environment throughout the production process, from raw material sourcing to production and waste elimination
- Promoting the reduction of impact on the environment by reducing waste, reusing and recycling
- Promoting energy and natural resource conservation and encouraging employee participation
- Promoting and ensuring compliance with environment related laws and regulations and increase compliance intensity
- Promoting and continuously improving environmental management system
- Enhancing the society's trust towards the company
- Promoting awareness among all employees and stakeholders

### Production Waste Reduction Project

- Waste water treatment
- Using less plastic bag in dough wrapping
- Reprocessing excessive pastries
- Constantly improving production process

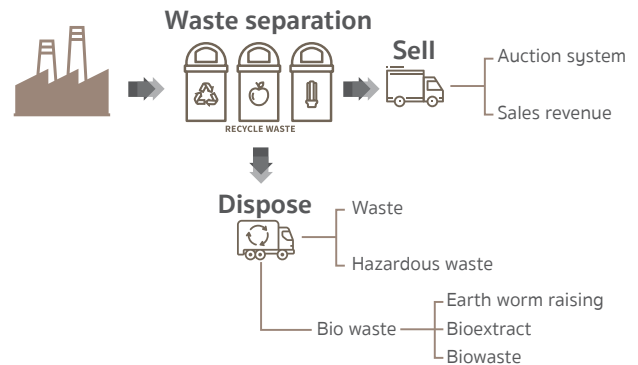
### Energy Reduction Project

- Using evaporator
- Reducing the use of CO2 in freezing process by changing from cryogenic to mechanical freezer system
- Changing light bulbs into LED

### SOLAR ROOF



## Production Waste Management



### Waste Separation

Bakery plant Income from sales of waste after separation  
 450,000 Baht per month  
 5,000,000 Baht per year

### Earth Worms Can Save the Planet

Objective : To make biofertilizer and bioextract from waste  
 Raw materials : Fruit and vegetable waste, dough waste from the production process, dry leaves and grass are used to feed the worms

Vermicompost is used as fertilizer

Bioextract is used to treat waste water in the drainage before it goes to the treatment well. Treatment ratio: 1 kilogram of worm/ 1 kilogram of feed/day

\*\*Worms are the basic factor in bioagriculture. The food digestion system of worms contain good microorganisms which are friendly to the environment and do not create bad microorganisms and eliminate bad microorganisms

### Microorganisms Can Save the Planet

Objectives : To use waste from bakery decoration

Raw materials : To fermented fruit waste and sugar left from sieving

How to use : The bioextract is poured into the drainage system and toilets to eliminate bad smell, dirt in the water and improve the environment without using chemicals

## Report of the Board of Directors' Responsibilities for Financial Statements

The financial statements of S&P Syndicate Plc. and its subsidiaries, which have been brought to create consolidated financial statements, have been prepared in accordance with the Thai Accounting Standard No. 1 (revised B.E. 2559) regarding "Presentation of Financial Statements", and is effective for financial statements beginning on or after January 1st, 2017 onwards; in accordance with the Regulation of the Stock Exchange of Thailand dated October 2nd, 2017 on "the presentation and submission of financial statements and reports of the financial position and results of operations of the listed companies B.E. 2560"; in compliance with the notification of the Department of Business Development on "the brief particulars in the financial statements (No. 2) B.E. 2559", dated October 11th, 2016. Additionally, interim consolidated financial statements and interim separate financial statements have been prepared in Thai Baht and in accordance with Thai Accounting Standard No.34 (revised B.E.2559) regarding the "interim financial statements".

The company has also disclosed sufficient important information in the notes of the financial statements.



(Patara Sila-On)  
Chairperson



(Kessuda Raiva)  
Chief Executive Officer



## Audit Committee's Report

The Board of Directors has assigned an independent committee as an audit committee, which comprises 3 people, namely are Ms. Kataliya Sangsatra, as head of the Audit Committee, Ms. Sopawadee Uttamobol, and Mr. Piya Sototikul, an audit director, and Mrs. Cherry Sawangkong, serving as a secretary to the audit committee. All Audit Committee members are qualified according to requirements by the Thailand Stock Exchange Committee, and work within the boundaries and responsibilities designated to the Audit Committee, which are financial budgeting, internal control, internal audit, ensuring compliance according to the law, policies, regulations, orders; including reviews of transaction and conflicts of interests, promoting good corporate governance, nomination, and remuneration of account auditors.

As of 2017, the Audit Committee met 6 times in total, by being jointly convened with the directors, internal auditor, and account auditors. There was also a joint meeting with the account auditors, without the Management, to enable independent discussions on financial budgeting, and exchange opinions on the financial budget of 2017. The main points are as follows.

### 1 | Quarterly financial audit and 2017 fiscal budget

The Audit Committee has reviewed the quarterly financial budget and 2017 fiscal year, including any transaction made, transactions which may have conflicts of interests with the Management and the internal audit function. Account auditors are invited for all meetings with budget consideration, financial footnoting, observations of account auditors, and new reporting format of account auditors. This includes aspects on data, evidence, and accounting system, as well as opportunities to inquire and receive satisfactory advices on key content. Inquiries and advices with Management of accounting, and finances, and account auditors, regarding the accuracy of the Company's financial budget and overall budget; as well as improving accountings per observations from account auditors in parts mutually agreed to be appropriate. This enables reliable financial budget, which is sufficient for information disclosure and the company's financial footnoting, as well as independence of

account auditors. The Audit Committee was of an opinion consistent to the account auditors that the aforementioned financial statement is appropriately accurate regarding its key content, reliable according to the general accounting standards. This was presented to the Company's Board of Directors for approval prior to submitting for further approval in the next Company's general shareholder assembly.

### 2 | Performance review and internal audit

The Audit Committee has reviewed the internal audit system assessment, based on the reports of the audit function, in collaboration with directors on a quarterly basis. Issues considered would be on performances, resource usage, asset maintenance, prevention or mitigation of mishaps, damages, or corruption; including the computer system used for financial data recording, reliability of financial statements, compliance to the laws, regulations and mandates.

In 2017, the SAP (System Application and Products in Data Processing) Module FI CO SD MM RT PP QM was implemented to support office work, logistics, accounting and finances; and used for processing in computing and reporting for greater efficiency. This enables planning and controls to become more effective. Results from the program implementation reveals no significant flaws. Additionally, there was also monitoring on reviews of the Company's account auditors, which provide consistent opinions, that there are no significant issues or mishaps. This ensure that all branches and functions of the Company are operating effectively, with internal audit function having the duty to independently review the accuracy, and to report directly to the Audit Committee according to the approved audit plan, which comprehensively address all important systems of the Company.

### 3 | Internal Audit Review

The Audit Committee has reviewed the audit operations according to the approved plan, and recognized that the operational results have exceeded targets. Furthermore, work development should be according to the established vision, which is to audit creatively for value generation in the

Company, according to good corporate governance set under our missions, strategy, and for plans successful implementation of. Considerations would be made from quarterly result summary, which presents findings and shared opinions with audit function. This helps setting result monitoring measures to ensure increased effectiveness of operational function. Furthermore, internal quality assurance within the Company has also been established, in order to be compared against self-assessment of internal auditors. It was revealed that the quality is satisfactory. Improvement from audit function were utilized to fortify the audit work's quality further. As of 2017, the paper-based system facilitates the management audit to become more effective.

#### 4 | Compliance audit of laws, regulations and mandates

The Audit Committee has held a meeting with internal audit function and relevant management function. It was revealed that the audited function was in compliance with the laws and regulations designated in the key content. There were also considerations on changes of the laws, accounting measures, and other issues relevant to the Company for each quarter. This includes information from external account auditors. Studies and work were undertaken for understanding prior to it being implemented as an appropriate working guideline for the Company, better accurate and consistent with the evolving laws and regulations.

#### 5 | Risk Management Assessment

This year, the Audit Committee has reviewed risk management review of the risk management committee, and discovered that the work was a consistent with regulations on risk management, covering key risk factors, controls and monitoring, and risk management, particularly in mitigating key risks down to an acceptable level. The key risk factors were illustrated in the annual report. Furthermore, the Company has set for risk assessment of scale-up projects and new projects, in forecasting key risk factors, and set guideline that would mitigate risks, particularly when the risks occur according to the forecast.

#### 6 | Cross-transaction review and review on conflicts of interests

The Audit Committee has reviewed the appropriateness and sufficiency in the cross-transaction review, for related transactions that may generate conflicts of interests. It was revealed that in 2017, the agreement for transactions of the Company is of a general trade business nature. There were no substantial changes. They were reasonable and were of the highest benefits to the Company's business operations, were transparent, traceable, and disclosed in an accurate and sufficient manner, as illustrated in the annual report.

#### 7 | Promotion of Good Corporate Governance

The Audit Committee has reviewed the operations of the Company to be accordance with laws of assets and stock exchange market, regulations of Thailand's stock exchange market, policy and working guideline in anti-corruption which resulted in the Company being certified from Thailand's private sector's Alliance Network against Anti-Corruption for the 2<sup>nd</sup> consecutive year, and in compliance with other laws relevant to the Company's business operations. It was discovered that the Company has been in compliance with various laws and regulations in an accurate, appropriate manner, as well as promoting and encouraging for directors and all employees to be in compliance with the policy of regulations and ethics. This enables the Company's business to operate in a transparent and traceable manner. As of 2017, the number of grievances filed on non-compliance, unethical behaviors, and corruption were greatly reduced compared to 2016. There were reviews conducted according to the set regulations, with established preventive measures after all grievances were filed.

## 8 | Nomination and remuneration of account auditors

The Audit Committee considers and reviews the operation results of the past year from the accounting auditor, with considerations given to reliability, independence of the account auditor, knowledge, and capacity in service and consultancy provision regarding the standards of accounting, account review, and budgeting approval in a timely manner. The Audit Committee proposed a resolution to the Board for approval in contracting Deloitte Touche Tomatsu Chaiyos Company to be the Company's accounting auditor for one more year more. It would be proposed for approval by the board before the general shareholder assembly, to approve, to appoint, and to set remuneration of account auditor, as of 2018, at 2,770,000 Baht just for the Company. This is equivalent to the number from last year, when consolidating the Company and its subsidiaries, the figure would be at 3,998,300 Baht which is an increase of 60,800 THB compared to the year before. (or 1.54%)

In order to ensure that accounting governance is just and independent from the Management, there was one joint-meeting with the account auditors, without the Management. The account auditors gave opinions that there was good collaboration and appropriate adherence to accounting standards. There were also consultations with account auditors, on key audit matter according to the new reporting standards of account auditors. Conclusion was according to what the account auditor noted in the account auditors' report, opening up opportunities for internal auditors and account auditors to meet and consult at all times. Feedback on the monitoring work for continuous improvement has been implemented, to ensure greater effectiveness and even better alignment to standards.



Head of Audit Committee  
(Ms. Kataliya Sangsatra)

## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

### TO THE SHAREHOLDERS AND BOARD OF DIRECTORS S&P SYNDICATE PUBLIC COMPANY LIMITED

#### Opinion

We have audited the consolidated financial statements of S&P Syndicate Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of S&P Syndicate Public Company Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of S&P Syndicate Public Company Limited and its subsidiaries and of S&P Syndicate Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

#### Basis for Opinion

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

#### Key Audit Matters

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

Key Audit Matters	Audit Responses
Valuation of investment in subsidiaries in the separate financial statements and valuation of fixed assets and leasehold rights of those subsidiaries in the consolidated financial statements	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>Understanding the impairment consideration process and related internal control procedures relating to impairment recognition</li> <li>Reviewing the design and implementation of the internal control procedures for such matter</li> </ul>



Key Audit Matters	Audit Responses
Two subsidiaries have incurred material retained deficit. This may cause the recoverable amounts of investment in such subsidiaries and fixed assets and leasehold rights of those subsidiaries to be less than the carrying amounts, which are in the amounts of Baht 50 million, Baht 50 million and Baht 11 million, respectively. Therefore, investments and fixed assets and leasehold rights of those subsidiaries may have incurred impairment. The consideration of impairment of investments in subsidiaries and fixed assets and leasehold rights of those subsidiaries is depended on the judgements and assumptions used by management in estimating the recoverable amounts.	<ul style="list-style-type: none"> <li>Involving our internal specialist to assist with: <ul style="list-style-type: none"> <li>Critically evaluating whether the model used by management to calculate the value in use of the individual Cash Generating Units complies with the requirements of TAS 36 Impairment of Assets.</li> <li>Validating the assumptions used to calculate the discount rates and recalculating these rates.</li> </ul> </li> <li>Analysing the projected future cash flows used in the models to determine whether they are reasonable and supportable given the current market and expected future performance.</li> </ul>
Accounting policies for impairment of assets, impairment, impairment of investments and detail of investments in subsidiaries and fixed assets and leasehold rights of those subsidiaries were disclosed in the Notes 3.10, 3.21, 10, 13 and 14 to the financial statements.	<ul style="list-style-type: none"> <li>Subjecting the key assumptions to sensitivity analysis.</li> <li>Comparing the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections.</li> </ul>

## Other Information

Management is responsible for the other information. The other information comprises information included in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

## Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Choopong Surachutikarn

Certified Public Accountant (Thailand)

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	796,421,070	551,885,559	510,215,371	408,825,555
Temporary investments	5	176,086,221	224,672,493	176,072,399	205,245,664
Trade and other current receivables	6 and 26	362,943,480	317,507,749	385,153,463	347,754,226
Short-term loan to a related party	7 and 26	-	-	9,000,000	9,000,000
Current portion of loans to related parties	12	-	-	27,634,118	10,539,055
Inventories	8	317,526,820	311,744,413	301,449,084	295,333,187
Other current assets		16,805,324	41,590,279	13,964,738	35,946,860
Total Current Assets		1,669,782,915	1,447,400,493	1,423,489,173	1,312,644,547
NON-CURRENT ASSETS					
Deposits used as collateral	9	16,052,860	1,052,860	15,583,660	583,660
Investments in associates	10 and 26	43,411,852	27,721,813	4,997,000	4,997,000
Investments in subsidiaries	10 and 26	-	-	261,880,639	260,880,839
Investments in joint ventures	10 and 26	260,979,045	97,098,743	35,000,000	20,000,000
Other long-term investment	11	-	10,000,000	-	10,000,000
Loans to related parties	12	-	5,000,000	31,973,890	32,473,890
Property, plant and equipment	13	1,529,248,430	1,673,941,300	1,355,864,035	1,388,329,545
Leasehold rights	14	69,876,849	87,562,587	45,207,388	59,245,140
Intangible asset	15	38,530,030	40,295,139	38,267,080	39,944,293
Deferred tax assets	16	49,202,159	40,904,045	41,736,635	34,203,617
Long-term deposits		280,107,830	267,982,790	223,684,732	208,441,574
Other non-current assets		13,128,557	14,750,998	7,079,648	7,986,568
Total Non-current Assets		2,300,537,612	2,266,310,275	2,061,274,707	2,067,086,126
TOTAL ASSETS		3,970,320,527	3,713,710,768	3,484,763,880	3,379,730,673

Notes to the financial statements form an integral part of these statements

## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF FINANCIAL POSITION (CONTINUED) AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term borrowings from a financial institution	17	-	7,904,943	-	-
Trade and other current payables	18 and 26	935,065,912	900,485,275	788,740,077	777,983,330
Current portion of long-term borrowings from financial institutions	20	18,340,000	14,034,421	6,000,000	6,000,000
Current income tax payable		44,360,028	47,924,253	43,998,317	46,150,703
Current portion for employee benefit	21	1,993,866	2,270,450	1,993,866	2,270,450
Other current liabilities	19	61,031,211	73,605,189	37,524,497	34,847,065
<b>Total Current Liabilities</b>		<b>1,060,791,017</b>	<b>1,046,224,531</b>	<b>878,256,757</b>	<b>867,251,548</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred gain from sales of fixed assets to a joint venture entity	33	28,083,519	-	-	-
Long-term borrowings from financial institutions	20	16,127,277	30,083,026	15,500,000	21,500,000
Deferred tax liabilities	16	1,721,827	1,900,512	-	-
Non-current provision for employee benefit	21	171,295,978	148,345,067	167,158,333	144,799,858
Other non-current liabilities	22	67,611,095	66,546,094	47,690,983	43,814,664
<b>Total Non-current Liabilities</b>		<b>284,839,696</b>	<b>246,874,699</b>	<b>230,349,316</b>	<b>210,114,522</b>
<b>TOTAL LIABILITIES</b>		<b>1,345,630,713</b>	<b>1,293,099,230</b>	<b>1,108,606,073</b>	<b>1,077,366,070</b>



## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF FINANCIAL POSITION (CONTINUED) AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
490,408,365 ordinary shares of Baht 1 each		490,408,365	490,408,365	490,408,365	490,408,365
Issued and paid-up share capital					
490,408,365 ordinary shares of Baht 1 each, fully paid		490,408,365	490,408,365	490,408,365	490,408,365
PREMIUM ON ORDINARY SHARES		689,980,549	689,980,549	689,980,549	689,980,549
SURPLUS ON GAIN FROM TRANSFER OF BUSINESS TO A JOINT-VENTURE ENTITY	33	79,905,178	-	-	-
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	52,343,137	52,343,137	52,343,137	52,343,137
Unappropriated		1,253,021,258	1,146,842,070	1,143,425,756	1,069,632,552
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		(48,800,226)	(48,231,519)	-	-
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT		2,516,858,261	2,331,342,602	2,376,157,807	2,302,364,603
NON-CONTROLLING INTERESTS		107,831,553	89,268,936	-	-
TOTAL SHAREHOLDERS' EQUITY		2,624,689,814	2,420,611,538	2,376,157,807	2,302,364,603
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,970,320,527</b>	<b>3,713,710,768</b>	<b>3,484,763,880</b>	<b>3,379,730,673</b>

Notes to the financial statements form an integral part of these statements

## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			2017	2016	2017	2016
Revenues from sales			7,785,598,677	7,774,932,567	6,742,874,167	6,657,239,978
Cost of sales			(4,258,133,631)	(4,299,017,119)	(3,958,387,169)	(4,006,244,784)
<b>Gross profit</b>			<b>3,527,465,046</b>	<b>3,475,915,448</b>	<b>2,784,486,998</b>	<b>2,650,995,194</b>
Other income	25		200,675,251	157,094,533	93,730,555	199,536,275
Selling expenses			(2,296,857,180)	(2,181,817,421)	(1,687,345,861)	(1,513,210,697)
Administrative expenses			(791,673,362)	(818,858,747)	(609,899,937)	(656,526,808)
Management benefit expenses	26		(52,577,472)	(53,337,471)	(50,771,145)	(51,110,628)
Net loss on exchange rate			(2,516,127)	(8,807,619)	(2,516,127)	(4,123,518)
Finance costs			(2,447,999)	(1,757,912)	(1,592,754)	(438,789)
Share of loss from investment in associates and joint ventures	26		(6,772,758)	(13,224,741)	-	-
<b>Profit before income tax expense</b>			<b>575,295,399</b>	<b>555,206,070</b>	<b>526,091,729</b>	<b>625,121,029</b>
Income tax expense	16		(78,839,029)	(117,048,243)	(74,684,084)	(114,468,932)
<b>PROFIT FOR THE YEAR</b>			<b>496,456,370</b>	<b>438,157,827</b>	<b>451,407,645</b>	<b>510,652,097</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>						
Items may be reclassified to profit and loss						
Exchange differences on translation of financial statements of foreign subsidiaries			5,474,764	(25,263,786)	-	-
Unrealized gain on revaluation of investment in available-for-sales securities (reversal)			(159,550)	(220,255)	-	-
Income tax relating to components of other comprehensive income that may be reclassified to profit or loss			15,955	60,006	-	-
Items that will not be reclassified to profit and loss						

Notes to the financial statements form an integral part of these statements

## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			2017	2016	2017	2016
Items that will not be reclassified to profit and loss Loss on remeasurements of defined benefit plans			-	(840,441)	-	(3,410,842)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR - NET OF TAX</b>			<b>5,331,169</b>	<b>(26,264,476)</b>	<b>-</b>	<b>(3,410,842)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<b>501,787,539</b>	<b>411,893,351</b>	<b>451,407,645</b>	<b>507,241,255</b>
<b>PROFIT ATTRIBUTABLE TO:</b>						
Owners of the Parent			483,793,629	437,507,541	451,407,645	510,652,097
Non-controlling interests			12,662,741	650,286	-	-
			<b>496,456,370</b>	<b>438,157,827</b>	<b>451,407,645</b>	<b>510,652,097</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>						
Owners of the Parent			483,224,922	412,117,480	451,407,645	507,241,255
Non-controlling interests			18,562,617	(224,129)	-	-
			<b>501,787,539</b>	<b>411,893,351</b>	<b>451,407,645</b>	<b>507,241,255</b>
<b>BASIC EARNINGS PER SHARE</b>		<b>BAHT</b>	<b>0.99</b>	<b>0.89</b>	<b>0.92</b>	<b>1.04</b>
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>		<b>SHARES</b>	<b>490,408,365</b>	<b>490,408,365</b>	<b>490,408,365</b>	<b>490,408,365</b>

Notes to the financial statements form an integral part of these statements

## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2017 CONSOLIDATED FINANCIAL STATEMENTS

UNIT : BAHT

	Equity attributable to owners of the parent											Non-controlling interests	Total shareholders' equity
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Surplus on gain from transfer of business to a joint-venture entity	Retained earnings		Other components of shareholders' equity			Total attributions to owners of the parent			
					Appropriated	Legal reserve	Unappropriated	Other comprehensive income (loss)					
								Exchange differences on translation of financial statements	Unrealized gain on revaluation of securities (reversal)		Income tax relating to items that may be reclassified to profit or loss		
BEGINNING BALANCE AS AT JANUARY 1, 2016		490,408,365	689,980,549	-	52,343,137	1,200,583,335	(23,985,729)	379,791	(75,961)	2,409,633,487	89,493,065	2,499,126,552	
Total comprehensive income for year		-	-	-	-	436,667,100	(24,389,401)	(220,225)	60,006	412,117,480	(224,129)	411,893,351	
Dividends paid	24	-	-	-	-	(490,408,365)	-	-	-	(490,408,365)	-	(490,408,365)	
ENDING BALANCE AS AT DECEMBER 31, 2016		490,408,365	689,980,549	-	52,343,137	1,146,842,070	-48,375,130	159,566	(-15,955)	2,331,342,602	89,268,936	2,420,611,538	
BEGINNING BALANCE AS AT JANUARY 1, 2017		490,408,365	689,980,549	-	52,343,137	1,146,842,070	(48,375,130)	159,566	(15,955)	2,331,342,602	89,268,936	2,420,611,538	
Total comprehensive income for year		-	-	-	-	483,793,629	(425,096)	(159,566)	15,955	483,224,922	18,562,617	501,787,539	
Dividends paid	24	-	-	-	-	(377,614,441)	-	-	-	(377,614,441)	-	(377,614,441)	
Profit from transferring business to a joint-venture entity	33	-	-	79,905,178	-	-	-	-	-	79,905,178	-	79,905,178	
ENDING BALANCE AS AT DECEMBER 31, 2017		490,408,365	689,980,549	79,905,178	52,343,137	1,253,021,258	(-48,800,226)	-	-	2,516,858,261	107,831,553	2,624,689,814	

Notes to the financial statements form an integral part of these statements



## S&amp;P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2017  
SEPARATE FINANCIAL STATEMENTS

UNIT : BAHT

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total Shareholders' equity
				Appropriated	Unappropriated	
				Legal Reserve		
BEGINNING BALANCE AS AT JANUARY 1, 2016		490,408,365	689,980,549	52,343,137	1,052,799,662	2,285,531,713
Total comprehensive income for year		-	-	-	507,241,255	507,241,255
Dividends paid	24	-	-	-	(490,408,365)	(490,408,365)
ENDING BALANCE AS AT DECEMBER 31, 2016		490,408,365	689,980,549	52,343,137	1,069,632,552	2,302,364,603
BEGINNING BALANCE AS AT JANUARY 1, 2017		490,408,365	689,980,549	52,343,137	1,069,632,552	2,302,364,603
Total comprehensive income for year		-	-	-	451,407,645	451,407,645
Dividends paid	24	-	-	-	(377,614,441)	(377,614,441)
ENDING BALANCE AS AT DECEMBER 31, 2017		490,408,365	689,980,549	52,343,137	1,143,425,756	2,376,157,807

Notes to the financial statements form an integral part of these statements

## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax expense		575,295,399	555,206,070	526,091,729	625,121,029
Adjustments :					
Depreciation and amortization		417,441,714	392,253,740	352,059,025	323,051,474
Unrealized (gain) loss on exchange rate		(1,235,534)	781,990	(2,295,321)	1,846,522
Unrealized gain on revaluation of trading securities		(1,395,857)	(4,792,103)	(1,395,670)	(4,746,314)
Doubtful debts		-	2,109,570	-	-
Share of (profits) loss from investment in associates and joint ventures		6,772,758	13,224,741	-	-
Loss on impairment of fixed assets (reversal)		2,521,443	2,396,083	(159,800)	996,083
Loss on write-off of fixed and intangible asset		6,182,469	6,621,498	5,903,041	4,437,769
Gain on sales of temporary investments		(891,387)	(2,228,727)	(731,064)	(1,983,421)
Gain from sale of investment in an associate		-	(84,500,196)	-	(107,728,531)
Gain on sales of fixed assets		(17,076,185)	(3,100,584)	(11,163,204)	(3,100,584)
Gain on sales of fixed assets to a joint-venture entity	25 and 33	(28,083,520)	-	-	-
Gain from transfer of business to a joint-venture entity	25 and 33	(79,905,178)	-	-	-
Employee benefit obligation expense		25,909,399	22,316,375	24,352,341	21,836,482
Customer loyalty programmes expense (reversal)		-	(5,096,474)	-	(5,096,474)
Interest income		(2,537,866)	(2,375,400)	(4,716,543)	(4,508,982)
Interest expense		2,447,980	1,757,912	1,592,754	438,789

## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Profit from operations before changes in operating assets and liabilities		905,445,635	894,574,495	889,537,288	850,563,842
Operating assets (increase) decrease					
Trade and other receivables		(45,221,281)	12,942,859	(33,795,276)	(11,541,257)
Inventories		(5,782,407)	12,293,627	(6,115,896)	13,909,688
Other current assets		24,784,954	(32,366,036)	21,982,122	(28,884,900)
Deposits used as collateral		(15,000,000)	-	(15,000,000)	-
Long-term deposits		(12,125,040)	(13,654,696)	(15,243,159)	(25,301,654)
Other non-current assets		1,622,441	4,318,723	906,919	1,398,206
Operating liabilities increase (decrease)					
Trade and other payables		32,916,787	6,351,934	13,665,552	(917,064)
Other current liabilities		(13,166,385)	9,882,480	2,085,024	(2,815,899)
Cash paid for employee benefit obligations		(3,235,072)	(2,443,930)	(2,270,450)	(2,443,930)
Other non-current liabilities		2,020,064	(174,100)	195,722	1,998,442
Cash received from operations		872,259,696	891,725,356	855,947,846	795,965,474
Cash received from interest		2,575,142	2,366,120	2,969,252	4,844,509
Cash paid for interest		(2,265,653)	(1,376,163)	(1,353,387)	(210,887)
Cash paid for income tax		(90,864,098)	(187,087,651)	(84,369,488)	(167,378,994)
Net cash provided by operating activities		781,705,087	705,627,662	773,194,223	633,220,102

## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash payments for loans to related parties			-	(28,158,244)	(14,000,000)
Cash received from loans to related parties		5,000,000	1,000,000	12,000,000	16,193,445
Cash payments for purchases of temporary investments		(250,000,000)	(514,226,531)	(250,000,000)	(496,726,531)
Proceeds from sales of temporary investments		300,713,966	614,000,000	281,300,000	611,000,000
Cash payments for purchases of investment in joint venture		(186,343,100)	(38,371,150)	(15,000,000)	-
Cash payment for purchase of investment in subsidiary		-	-	(999,800)	(40,000,000)
Proceeds from sale of investment in an associate		-	156,726,531	-	156,726,531
Cash received from long- term investment		10,000,000	-	10,000,000	-
Cash payments for purchases of fixed assets, intangible asset and leasehold right	4.2.1	(370,321,178)	(564,820,768)	(307,491,785)	(495,861,935)
Cash received from sales of fixed assets		22,106,073	3,963,998	12,394,259	3,963,998
Cash received from sales of fixed assets to a joint-venture entity	33	126,507,300	-	-	-
Cash received from transfer of business to a joint-venture entity	33	179,198,700	-	-	-
Net cash used in investing activities		(163,138,239)	(341,727,920)	(285,955,570)	(258,704,492)



## S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from short-term borrowings from a financial institution		(7,904,943)	7,904,943	-	-
Cash repayments for long-term borrowings from financial institutions		(24,650,170)	(20,251,076)	(6,000,000)	(2,500,000)
Proceeds from long-term borrowings from financial institutions		15,000,000	30,000,000	-	30,000,000
Cash repayments for long-term finance lease liabilities	4.2.1	(2,255,419)	(989,986)	(2,255,419)	(989,986)
Dividends paid	4.2.2	(377,595,250)	(490,381,862)	(377,595,250)	(490,381,862)
Net cash used in financing activities		(397,405,782)	(473,717,981)	(385,850,669)	(463,871,848)
Unrealized loss on exchange of cash and cash equivalents		983,808	169,859	1,832	169,859
Exchange rate differences on translation of financial statements		22,390,637	10,564,296	-	-
Increase in cash and cash equivalents		244,535,511	(99,084,084)	101,389,816	(89,186,379)
Cash and cash equivalents as at January 1,		551,885,559	650,969,643	408,825,555	498,011,934
<b>CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,</b>	<b>4.1</b>	<b>796,421,070</b>	<b>551,885,559</b>	<b>510,215,371</b>	<b>408,825,555</b>

Notes to the financial statements form an integral part of these statements

# S&P Syndicate Public Company Limited And Subsidiaries

## Notes To The Financial Statements For The Year Ended December 31, 2017

### 1 | General Information And The Operation Of The Company

S&P Syndicate Public Company Limited (the "Company") was incorporated under the Civil and Commercial Code of Thailand as a limited company on October 14, 1973. Subsequently in May 1989, the Stock Exchange of Thailand registered the Company's common shares as a listed security and the Company was transformed to Public Company Limited on April 20, 1994. The address of its head office is at Italthai Tower, 23<sup>rd</sup> and 24<sup>th</sup> Floor, No. 2034/100 - 107, New Petchburi Road, Kwaeng Bangkapi, Khet Huay Kwang, Bangkok.

S&P Syndicate Public Company Limited is the parent company within the group of companies. The principal business is the operation of a nationwide and international chain of restaurants and bakery shops, the production of bakery, frozen foods and other food products and food-service related businesses such as outside catering.

### 2. | Basis For Preparation And Presentation Of The Consolidated And Separate Financial Statements

2.1 The Group and the Company maintain its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and General Accepted Accounting Principal in Thailand.

2.2 The Group's and the Company's financial statements have been prepared in accordance with the Thai Accounting Standard ("TAS") No. 1 (Revised 2016) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2017 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559" dated October 11, 2016.

The accounting standards being adopted by the Company may not be in conformity with generally accepted accounting principles in other countries because the financial statements is not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Thailand. Accordingly, the financial statements have not been designed for those who are

not familiar with accounting principles and accounting practices generally accepted in Thailand.

For the convenience of readers, an English translation of the financial statements has been prepared from Thai language statutory financial statements which are issued for domestic financial reporting purposes.

2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

2.4.1) Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the periods beginning on or after January 1, 2017.

During the year, the Company and the Group have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions, which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have

significant impact on the Company's and the Group's financial statements.

- 2.4.2) Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective. The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Company's and the Group's management will adopt such TFRSs in the preparation of the Company's and the Group's financial statements when it becomes effective. The Company's and the Group's management have assessed the impact of such TFRSs and considered that the adoption of such financial reporting standards does not have significant impact on the financial statements of the Company and the Group in the period of initial application.

#### 2.5 Basis for preparation of consolidated financial statements

The consolidated financial statements for the years ended December 31, 2017 and 2016 include the financial information of the Company and its subsidiaries. These subsidiaries of the Company are as follows:

	Business type	Country of registration	Percentage of shareholdings (%) As at December 31,	
			2017	2016
S&P Global Co., Ltd.	Investment in other companies	Thailand	80.00	80.00
S&P International Foods Co., Ltd.	Restaurant	Thailand	99.99	99.99
Umenohana S&P Co., Ltd.	Restaurant	Thailand	59.99	59.99
S&P Asset Co., Ltd. <sup>(1)</sup>	Office rental	Thailand	99.93	99.93
S&P International Foods (Cambodia) Co., Ltd.	Restaurant	Cambodia	99.96	99.96
S&P Development Holding Pte. Ltd.	Investment in other companies	Singapore	100.00	100.00
S&P Development Holding Co., Ltd.	Investment in other companies	Thailand	99.99	99.99
S&P Training Co., Ltd. <sup>(2)</sup>	Training for employees	Thailand	99.98	-

(1) On September 15, 2017, the Board of Directors' Meeting of S&P Asset Co., Ltd. passed the resolution to approve that the Company ceased its operation and transferred all fixed assets and leasehold rights to S&P Syndicate Public Company Limited.

(2) In September 2017, S&P Training Co., Ltd. was registered as the limited company with the registered capital in amount of Baht 1 million. Share subscriptions were called for payment and fully paid up on August 13, 2017. The Board of Directors' Meeting of the Company passed the resolution to invest in S&P Training Co., Ltd. of 999,998 ordinary shares in the amount of Baht 999,800 representing 99.98% of such company.

Additionally, the consolidated financial statements also include the financial information of overseas subsidiaries invested by S&P Global Co., Ltd., which has been given authority to provide technical assistance to, and management of overseas Thai food restaurants. Those subsidiaries are as follows:

	Business type	Country of registration	Percentage of shareholdings (%) As at December 31,	
			2017	2016
Directly invested by S&P Global Co., Ltd.				
S&P Restaurant Limited	Restaurant	United Kingdom	96.00	96.00
Patara (Geneva) SA	Restaurant	Switzerland	62.00	62.00
Patara Fine Thai Cuisine Pte. Ltd.	Restaurant	Singapore	50.00	50.00
SK Catering Pte. Ltd.	Restaurant	Singapore	50.00	50.00
Patara International Restaurant Management (Beijing) Co., Ltd. <sup>(1)</sup>	Restaurant	The People’s Republic of China	96.11	94.17
Patara Restaurant, Vienna GmbH	Restaurant	Austria	52.25	52.25
Indirectly invested through S&P Restaurant Limited				
SUDA Limited <sup>(2)</sup>	Restaurant	United Kingdom	-	96.00
Patara Restaurant, Vienna GmbH	Restaurant	Austria	40.80	40.80
Indirectly invested through SK Catering Pte. Ltd.				
Bangkok Jam Sdn. Bhd. <sup>(3)</sup>	Restaurant (Ceased operation)	Malaysia	50.00	50.00
Indirectly invested through Patara International Restaurant Management (Beijing) Co., Ltd.				
Shanghai Yueshi Restaurant Management Limited	Restaurant	The People’s Republic of China	51.00	51.00

(1) In January 2017, Patara International Restaurant Management (Beijing) Co., Ltd., registered its increased share capital of RMB 3.01 million (equivalent Baht 15.58 million) (from RMB 6.0 million to RMB 9.01 million) which S&P Global Co., Ltd. purchased all increased shares. As a result, percentage of shares held directly by S&P Global Co., Ltd. increased from 94.17% to 96.11%.

(2) On November 20, 2017, S&P Restaurant Limited sold all shares of SUDA Limited to Patara Fine Thai Cuisine Limited, a joint-venture entity (see Note 33).

(3) Bangkok Jam Sdn. Bhd. ceased its operations in 2015. Such company is in the process of liquidation.

Significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

The consolidated financial statements for the years ended December 31, 2017 and 2016, included the financial statements of Bangkok Jam and Patara Fine Thai Cuisine, which are sole proprietorship entities registered under the laws of Singapore which are under the control of SK Catering Pte. Ltd. and Patara Fine Thai Cuisine Pte. Ltd., respectively.



## 2.6 Detail of non-wholly owned subsidiaries

Detail of non-wholly owned subsidiaries of the Group is as follows:

Unit:Thousand Baht

Company's name	Proportion of ownership interests and voting rights held by non-controlling interests (%)		Profit (loss) allocated to non-controlling interests For the years ended December 31,		Accumulated non-controlling interests As at December 31,	
	2017	2016	2017	2016	2017	2016
SK Catering Pte., Ltd.	50	50	(38,309)	(4,253)	(39)	38,270
Patara Fine Thai Cuisine Pte., Ltd.	50	50	632	602	16,467	15,845
Individually immaterial subsidiaries with non-controlling interests			56,240	3,427	91,404	35,154
			18,563	(224)	107,832	89,269

The summarized financial information before intragroup eliminations of each subsidiary that is non-controlling interests is as follows:

**SK Catering Pte., Ltd.**

Unit:Thousand Baht

	As at December 31,	
	2017	2016
Current assets	19,960	82,627
Non-current assets	33,314	64,523
Current liabilities	53,353	65,115
Non-current Liabilities	-	5,496
Total attributions to owners	(39)	38,270
Non-controlling interests	(39)	38,270
Revenue	255,129	342,528
Expenses	(278,223)	(349,106)
Profit for the year	(23,094)	(6,578)
Profit (loss) attributable to :		
Owners of the Parent	(11,547)	(3,289)
Non-controlling interests	(11,547)	(3,289)
	(23,094)	(6,578)

	As at December 31,	
	2017	2016
Total comprehensive (loss) income attributable to :		
Owners of the Parent	(38,309)	(4,253)
Non-controlling interests	(38,309)	(4,253)
	(76,618)	(8,506)

**Patara Fine Thai Cuisine Pte., Ltd.**

Unit:Thousand Baht

	As at December 31,	
	2017	2016
Current assets	36,815	33,802
Non-current assets	2,038	2,548
Current liabilities	6,249	5,026
Non-current Liabilities	90	91
Total attributions to owners	16,467	15,845
Non-controlling interests	16,467	15,845
Revenue	38,286	40,628
Expenses	(36,584)	(38,484)
Profit for the year	1,702	2,144
Profit (loss) attributable to :		
Owners of the Parent	851	1,072
Non-controlling interests	851	1,072
	1,702	2,144
Total comprehensive (loss) income attributable to :		
Owners of the Parent	632	602
Non-controlling interests	632	602
	1,264	1,204

### 3 | Significant Accounting Policies

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the significant accounting policies as follows:

#### 3.1 | Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and all types of deposits at financial institutions with the original maturities of three months or less from the date of acquisition, excluding deposit at financial institutions used as collateral.

#### 3.2 | Temporary investments

Temporary investments consist of investment in trading securities, available-for-sale securities, time deposits with maturity term over 3 months up to 12 months and held-to-maturity debt security due within 12 months and without obligation.

Investments in trading securities are carried at fair value. Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair values are recognized as profit and loss in the statement of profit or loss and other comprehensive income.

Investments in available-for-sales securities are carried at fair value, differences between cost value and fair value of available-for-sales securities are recorded as unrealized gain (loss) on the changes in fair values of investments under shareholders' equity.

#### 3.3 | Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the estimated collection losses on receivables. Such estimate based on the Company's and subsidiaries' collection experiences of each receivable.

#### 3.4 | Inventories

Inventories of the Company and its subsidiaries are carried at the lower of cost or net realizable value. The cost of inventories of the Company and its five subsidiaries are calculated by using the weighted average cost method and the other eight subsidiaries are calculated by using the first-in, first-out method.

#### 3.5 | Investments in associates, subsidiaries and joint ventures

Investments in associates, subsidiaries and joint ventures are presented by the cost method in the separate financial statements.

Investments in associates and joint ventures are presented by the equity method in the consolidated financial statements.

In the case where impairment of investment is occurred, the impairment loss of investment are recognized as expense charged to the statement of profit or loss and other comprehensive income.

#### 3.6 | Other long-term investment

Other long-term investment is debt security which the Company has the intent and ability to hold until maturity, is classified as held-to-maturity and carried at the amortized cost, net of allowances for impairment (if any.)

#### 3.7 | Property, plant and equipment

Land of the Company is stated at cost less provision for impairment.

Plant and equipment of the Company and its subsidiaries are stated at cost, less accumulated depreciation and allowance for impairment.

Depreciation of plant and equipment of the Company and its subsidiaries is calculated by the straight-line method over the estimated useful lives of the assets as follows:

Buildings and building improvements	5-30 years
Factory buildings	5-40 years
Machinery and equipment	5-15 years
Furniture and equipment	3-5 years
Vehicles	5 years

In case of impairment of property, plant and equipment is occurred, the loss on impairment will be charged as expense to the statement of profit or loss and other comprehensive income.

Dismantling, moving and renovating assets location cost in which the Company obligates when receiving such asset. The Company recognizes them at the cost of assets and depreciated them.

### 3.8 | Intangible asset

Intangible asset consists of computer software development cost which is stated at costs less accumulated amortization.

Amortization is calculated by the straight-line method, based on the estimated useful lives of the assets as 5 years.

### 3.9 | Leasehold rights

Leasehold rights of the Company and its subsidiaries consist of leasehold rights for land and buildings, which are stated at cost, less accumulated amortization.

Amortization of leasehold rights of the Company and its subsidiaries are calculated by using the straight-line method over the lease periods as follows:

Leasehold rights of the Company land and buildings	3-30 years
Leasehold rights of subsidiaries - buildings	15-20 years

### 3.10 | Impairment

The carrying amounts of the assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amounts of asset is estimated.

The Company recognizes impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell or its value in use. The Company determines the value by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate

valuation model is used. The calculation reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Company recognizes an impairment loss as expense in the statement of profit or loss and other comprehensive income.

Reversal of an impairment loss

The Company reverses impairment loss of asset, which had been recognized in the prior periods, if there is an indicator for impairment may no longer exist or may have decreased, the recoverable amount must be estimated.

### 3.11 | Provision for customer loyalty program

The provision for customer loyalty program represents current obligations arising from reward point program granted to the Company's customers, which is calculated based on the estimates of redemption rate of the accumulated points used by the customers for the rewards and the average prices of the rewards and is presented as current liabilities in the statement of financial position.

### 3.12 | Deferred gain on sales of fixed assets to a joint-venture entity

In November 2017, S&P Restaurant Limited, a subsidiary of S&P Global Co., Ltd., sold building to MSP Property Ltd., a subsidiary of Patara Fine Thai Cuisine Limited, a joint-venture entity (see Note 33).

The Company recognized such gain on sales of fixed assets as income in the consolidated statements of profit or loss according to the shareholding percentage of the parties outside S&P group. The remaining amount was recorded under the liability section in the account "Deferred gain from sales of fixed assets to a joint-venture entity". The Company will realize such "Deferred gain from sales of fixed assets to a joint-venture entity" as income when the Company reduces percentage of shareholding in such joint-venture entity and when such joint-venture entity calculates depreciation or sells such transferred assets to the third parties.



### 3.13 | Surplus on gain from transfer of business to a joint-venture entity

In October 2017, S&P Restaurant Limited, a subsidiary of S&P Global Co., Ltd., transferred 4 Thai restaurants operating in United Kingdom and transferred employees and other related assets to SUDA Limited, the subsidiary of S&P Restaurant Limited and sold SUDA Limited to a joint-venture entity (see Note 33).

The Company recognized gain on transfer of business to a joint-venture entity as income in the consolidated statements of profit or loss according to the shareholding percentage of the party outside S&P Group. The remaining amount was recognized as "surplus on gain from transfer of business to a joint-venture entity". The Company will realize such "surplus on gain from transfer of business to a joint-venture entity" into retained earnings when the Company reduces percentage of shareholding in such joint-venture entity, or when such joint-venture entity sells such transferred business to the third parties.

### 3.14 | Employee benefit obligation

3.14.1 The contribution paid by the Company and its domestic subsidiaries to the provident funds of employees is recognized as an expense in the statement of profit or loss and other comprehensive income when the transactions occurred.

3.14.2 The Company and its subsidiaries records employee benefits obligation under the Labor Protection Act using the Projected Unit Credit Method. Such provisions was calculated by an independent actuary based on actuarial assumptions as at the statement of financial position date and used various factors including assessment of the average age and employment life of its employees, employee turnover and assumption of future salary increases. The employee benefits obligation is discounted to the present value as at the statement of financial position date.

The Company and its subsidiaries recognize the expense for defined employee benefit as personnel expenses in the statement of profit or loss and other comprehensive income.

The actuarial gains (losses) are recognized in other comprehensive income and transferred in full amount to the retained earnings in the period in which they arise.

### 3.15 | Leases Operating lease

Long-term lease for assets which a significant portion of the risks and rewards of ownership are still retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

### Finance lease

Lease in which substantially all the risk and reward of ownership, other than legal title is transferred to the Company is accounted for as a finance lease. The Company capitalized the asset and recorded liabilities in the statements of financial position of lessee in the amount at the lower of estimated present value of the underlying lease payments or at the fair value of the leased asset at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Financial charge is calculated by the effective interest rate method over the term of contracts. Financial charge and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

### 3.16 | Foreign currency transactions

Transactions in foreign currencies occurred during the year are translated into Baht at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the end of the reporting period are retranslated into Baht at the exchange rates prevailing on that date as determined by the Bank of Thailand. Gains or losses on retranslation are recognized as income or expense in the statement of profit or loss and other comprehensive income.

The translation of foreign financial statements into Baht for the purpose of preparing the consolidated financial statements is determined by using the following rates:

- Assets and liabilities are retranslated at the closing rate at the statements of financial position date.
- Shareholders' equity is retranslated at the rates prevailing on the transaction dates.

- c. Revenues and expenses are retranslated at the average rate during the year.

Gain (loss) on translation of foreign financial statements is shown under shareholders' equity.

### 3.17 | Recognition of revenues and expenses

Revenues from the sales of goods are recognized as revenue when the significant risks and rewards of ownership are transferred to the buyer. For domestic sales, title is considered to have passed when goods are dispatched to customers. For export sales, sales are recognized when goods are shipped and significant risks and rewards are passed to the buyer according to the shipment term. Sales are presented by deducting discounts, purchase volume discount and goods returned.

Revenues from dividend from investments are recognized as income when the dividend is declared.

Interest income and other income are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

### 3.18 | Taxation

Tax expense (tax income) comprises the sum of current tax in respect of the current year and deferred tax.

- **Current tax**

Current tax represents tax currently payable which is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensible income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

- **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the

extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each of the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is recognized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax asset against current tax liabilities and the Company intends to settle such current tax liability and asset on a net basis or intends to recognize the asset and settle the liability simultaneously.

Current and deferred tax are recognized as income or expense and included in profit or loss for the period.

Income tax expense related to profit or loss from normal activities are presented in the statement of profit or loss except for current and deferred taxes of related items that recognized directly in the shareholders' equity in the same or different period.

### 3.19 | Basic earnings per share

Basic earnings per share are calculated by dividing profit attributable to the ordinary equity holders of the parent for the year by the weighted average number of ordinary shares outstanding during the year.

### 3.20 | Fair value measurement for disclosure purpose

The Company and its subsidiaries regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company and its subsidiaries assess the evidence obtained from the third parties to support the conclusion that such valuations meet

the requirements of TFRS 13, including the level in the fair value hierarchy.

When measuring the fair value of an asset or a liability, the Company and its subsidiaries use market observable data as the first priority. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques for fair value measurement as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- **Level 3** inputs are unobservable inputs for the asset or liability.

### 3.21 | Accounting estimated and source of estimation uncertain

#### (1) Use of management's judgements

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Group's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

#### Impairment of investments

The carrying amounts of the investments in subsidiaries are reviewed at the end of each reporting period. The Company and the Group recognize impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell or its value in use. The Company

and the Group determines the value in use by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Details of the impairment loss calculation are set out in Note 3.10.

#### Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 3.14.

#### (2) Key sources of estimation uncertainty

The Group has accounting estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### Fair value measurements and valuation processes

Details of the fair value measurements and valuation processes are set out in Note 3.20.

## 4 | Supplemental Disclosure Of Cash Flows Information

### 4.1 | Cash and cash equivalents

Cash and cash equivalents as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Cash on hand	10,431	10,673	8,105	7,707
Bank deposits in savings and current accounts	783,630	518,787	501,646	387,590
Time deposits with maturity not more than 3 months (interest rates 0.30% - 0.85% per annum in 2017 and interest rates 0.62% - 1.25% per annum in 2016)	2,360	22,426	464	13,528
	796,421	551,886	510,215	408,825

### 4.2 | Non-cash transactions are as follows:

4.2.1 Liabilities incurred from acquisition of fixed assets, intangible asset and leasehold rights as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Liabilities incurred from acquisition of fixed assets, intangible asset and leasehold rights as at January 1,	51,29	65,219	47,443	63,107
<u>Add</u> Purchases of fixed assets, intangible asset and leasehold rights during the years	373,676	565,271	310,852	489,180
<u>Less</u> Less Provision for costs of dismantling, removing and restoring the site	1,309	(8,939)	(3,327)	(3,549)
Liabilities under finance lease agreements	(2,962)	(5,433)	(2,962)	(5,433)
Cash payments	(370,321)	(564,821)	(307,492)	(495,862)
Liabilities incurred from acquisition of fixed assets, intangible asset and leasehold rights as at December 31,	52,999	51,297	44,514	47,443

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Liabilities under finance lease agreements (Presented in other current liabilities and other non-current liabilities in the statement of financial position)				
Balance as at January 1	4,698	255	4,698	255
Add Liabilities under finance lease agreements	2,962	5,433	2,962	5,433
Less Cash payments	(2,256)	(990)	(2,256)	(990)
Balance as at December 31,	5,404	4,698	5,404	4,698
Future lease payments under finance lease agreements as at December 31, 2017 and 2016				
Not later than 1 year	2,403	1,811	2,403	1,811
Later than 1 year but not later than 5 years	3,001	2,887	3,001	2,887
	5,404	4,698	5,404	4,698

## 4.2.2 Accrued dividends as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Accrued dividends as at January 1,	333	306	333	306
Add Dividends declaration during the year	377,614	490,408	377,614	490,408
Less Dividends paid	(377,595)	(490,381)	(377,595)	(490,381)
Accrued dividends as at December 31,	352	333	352	333

## 4.3 | On October 26, 2017, S&amp;P Restaurant Limited,

a subsidiary of S&P Global Co., Ltd., transferred 4 Thai restaurants operating in United Kingdom and transferred employees and other related assets to SUDA Limited, the subsidiary of S&P Restaurant Limited by exchanging with newly issued shares issued of SUDA Limited amounting to GBP 4.1 million (equivalent to Baht 179.20 million) upon the business transfer agreement.



## 5 | Temporary Investments

Temporary investments as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Time deposits with maturity more than 3 months but not more than 1 year (interest rates 2.5% per annum)	13	13	-	-
Trading securities				
• Fixed income open-ended funds	152,475	100,962	152,475	83,417
• Private funds	23,597	121,829	23,597	121,829
Available-for-sales securities				
• Fixed income open-ended funds	-	1,868	-	-
Total temporary investments	176,085	224,672	176,072	205,246

Additional detail of temporary investments in the consolidated financial statements is as follows:

### As at December 31, 2017

Unit:Thousand Baht

	Cost value As at December 31, 2017	Unrealized gain (loss) on revaluation of temporary investments	Fair value As at December 31, 2017
Trading securities			
• Fixed income open-ended funds	152,147	328	152,475
• Private funds	22,529	1,068	23,597

### As at December 31, 2016

Unit:Thousand Baht

	Cost value As at December 31, 2016	Unrealized gain (loss) on revaluation of temporary investments	Fair value As at December 31, 2016
Trading securities			
• Fixed income open-ended funds	100,186	776	100,962
• Private funds	117,813	4,016	121,829
Available-for-sales securities			
• Fixed income open-ended funds	2,104	(236)	1,868

Additional detail of temporary investments in the separate financial statements is as follows:

### As at December 31, 2017

Unit:Thousand Baht

	Cost value As at December 31, 2017	Unrealized gain (loss) on revaluation of temporary investments	Fair value As at December 31, 2017
Trading securities			
• Fixed income open-ended funds	152,147	328	152,475
• Private funds	22,529	1,068	23,597

### As at December 31, 2016

Unit:Thousand Baht

	Cost value As at December 31, 2016	Unrealized gain (loss) on revaluation of temporary investments	Fair value As at December 31, 2016
Trading securities			
• Fixed income open-ended funds	82,686	731	83,417
• Private funds	117,813	4,016	121,829

## 6 | Trade And Other Receivables

Trade and other receivables as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Trade receivables - other companies	273,520	261,160	249,765	237,877
Trade receivables - related parties	5,140	5,590	70,979	65,222
	278,660	266,750	320,744	303,099
<u>Less</u> Allowance for doubtful accounts	(2,406)	(2,406)	(2,152)	(2,152)
Total trade receivables	276,254	264,344	318,592	300,947
Advance payments to related parties	-	45	10,407	4,145
Other receivables - other companies	36,562	13,092	11,016	7,093
Accrued income - related parties	4,962	1,987	23,826	14,636
Prepaid expenses	45,165	38,040	21,312	20,933
Total trade and other current receivables	362,943	317,508	385,153	347,754

Trade receivables as at December 31, 2017 and 2016 are classified by aging as follows:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
<b>Trade receivables</b>				
<b>Third parties</b>				
Current	144,326	144,963	120,825	121,934
Overdue				
3 months or less	120,201	111,303	120,200	111,303
Over 3 months up to 6 months	2,743	1,729	2,743	1,729
Over 6 months up to 12 months	1,620	107	1,620	107
Over 12 months	4,630	3,058	4,377	2,804
Total	273,520	261,160	249,765	237,877
<b>Related parties</b>				
Current	2,107	5,474	8,808	8,572
Overdue				
3 months or less	953	116	9,189	12,434
Over 3 months up to 6 months	-	-	9,574	12,680
Over 6 months up to 12 months	1,126	-	16,790	14,591
Over 12 months	954	-	26,618	16,945
Total	5,140	5,590	70,979	65,222
Less Allowance for doubtful accounts	278,660	266,750	320,744	303,099
Trade receivables	(2,406)	(2,406)	(2,152)	(2,152)
	276,254	264,344	318,592	300,947

## 7 | Short-Term Loan To A Related Party

As at December 31, 2017 and 2016, the Company granted a loan to S&P Global Co., Ltd. in form of promissory note in the amount of Baht 9 million carried fixed interest at the rate of 3 percent per annum. Such loan is unsecured and is callable on demand.

## 8 | Inventories

Inventories as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Finished goods	121,472	129,702	120,966	129,515
Work in process	1,574	86	1,574	86
Raw materials	113,905	111,557	100,563	98,349
Packaging materials	65,038	58,721	64,530	58,019
Spare parts and supplies	13,018	11,647	10,396	9,333
Goods in transit	2,520	31	3,420	31
Total inventories	317,527	311,744	301,449	295,333

For the years ended December 31, 2017 and 2016, the costs of inventories recognized as an expense during the year in the consolidated financial statements are Baht 4,258 million and Baht 4,299 million, respectively, and in the separate financial statements are Baht 3,958 million and Baht 4,006 million, respectively.

## 9 | Deposits Used As Collateral

9.1 As at December 31, 2017, cash at banks of the Company of Baht 15 million was used as collateral for long-term loan to S&P Global Co., Ltd., a subsidiary (see Note 32.3).

9.2 As at December 31, 2017 and December 31, 2016, cash at banks of the Company of Baht 0.58 million was used as collateral against the letters of guarantee from a bank for electricity usage (see Note 32.3).

9.3 As at December 31, 2017 and December 31, 2016, cash at bank of S&P Asset Co., Ltd. of Baht 0.47 million was used as collateral against the letters of guarantee from a bank for electricity usage (see Note 32.3).

## 10 | Investments In Associates, Subsidiaries And Joint Venture

Investments recorded by the equity method in the consolidated financial statements as at December 31, consist of:

Unit: Thousand Baht

	Type of business	Paid-up share capital		Percentage of shareholding (%)		Balance (at cost method)		Balance (at equity method)	
		2017	2016	2017	2016	2017	2016	2017	2016
Associates :									
Shares held by S&P Syndicate Public Company Limited									
Foodhouse Catering Services Co., Ltd.	Catering	10,000	10,000	49.97	49.97	4,997	4,997	43,412	27,722
Total investments in associates								43,412	27,722
Joint ventures :									
Shares held by S&P Syndicate Public Company Limited									
MSC Thai Cuisine Co., Ltd. <sup>(1)</sup>	Culinary School	80,000	50,000	43.75	40.00	35,000	20,000	27,042	13,537
Shares held by S&P Development Holding Co., Ltd.									
Patara Fine Thai Cuisine Limited <sup>(2)</sup>	Restaurant	GBP 12.3 million	GBP 4.5 million	50.00	50.00	292,904	121,561	233,937	83,562
Total investments in joint ventures								260,979	97,099

(1) On February 24, 2017, the Board of Directors' Meeting of MSC Thai Cuisine Co., Ltd. passed the resolution to increase its authorized share capital from Baht 50 million to Baht 80 million by issuing 300,000 new ordinary shares of Baht 100 each, totalling Baht 30 million. The Company purchased 150,000 new ordinary shares totalling Baht 15 million.

(2) On April 20, 2017, the Board of Directors' Meeting of Patara Fine Thai Cuisine Limited passed the resolution to increase its authorized share capital from GBP 4.50 million to GBP 5.30 million by issuing 800,000 new ordinary shares of GBP 1 each, totalling GBP 800,000. S&P Development Holding Co., Ltd. purchased 400,000 new ordinary shares totalling GBP 400,000.

On November 20, 2017, the Board of Directors' Meeting of Patara Fine Thai Cuisine Limited passed the resolution to increase its authorized share capital from GBP 5.30 million to GBP 12.30 million by issuing 7,000,000 new ordinary shares of GBP 1 each, totalling GBP 7,000,000. S&P Development Holding Co., Ltd. purchased 3,500,000 new ordinary shares totalling GBP 3,500,000.



Investments recorded by the cost method in the separate financial statements as at December 31, consist of:

Unit: Thousand Baht

	Type of business	Paid-up capital As at December 31,		Percentage of shareholding (%) As at December 31,		Balance (at cost) As at December 31,		Dividend income For the years ended December 31,	
		2017	2016	2017	2016	2017	2016	2017	2016
Shares held by S&P Syndicate Public Co., Ltd. Associates :									
Foodhouse Catering Services Co., Ltd.	Catering	10,000	10,000	49.97	49.97	4,997	4,997	-	-
Total investments in associates						4,997	4,997		
Shares held by S&P Syndicate Public Co., Ltd. Subsidiaries :									
S&P Global Co., Ltd.	Invest in other companies	50,000	50,000	80.00	80.00	40,000	40,000	-	-
S&P Asset Co., Ltd.	Office rental	1,000	1,000	99.93	99.93	999	999	-	-
S&P International Foods Co., Ltd.	Restaurant	50,000	50,000	99.99	99.99	49,997	49,997	-	-
Umenohana S&P Co., Ltd.	Restaurant	25,000	25,000	59.99	59.99	15,000	15,000	-	-
S&P International Foods (Cambodia) Co., Ltd.	Restaurant	USD 457,500	USD 457,500	99.96	99.96	14,885	14,885	-	-
S&P Development Holding Pte. Ltd.	Invest in other companies	SGD 1	SGD 1	100.00	100.00	-	-	-	-
S&P Development Holding Co., Ltd.	Invest in other companies	140,000	140,000	99.99	99.99	140,000	140,000	-	-

	Type of business	Paid-up capital As at December 31,		Percentage of shareholding (%) As at December 31,		Balance (at cost) As at December 31,		Dividend income For the years ended December 31,	
		2017	2016	2017	2016	2017	2016	2017	2016
S&P Training Co., Ltd. <sup>(1)</sup>	Training for employees	1,000	-	99.98	-	1,000	-		
Total investments in subsidiaries						261,881	260,881		
<b>Shares held by S&amp;P Syndicate Public Co., Ltd. Joint venture :</b>									
MSC Thai Cuisine Co., Ltd. <sup>(2)</sup>	Culinary School	80,000	50,000	43.75	40.00	35,000	20,000	-	-
Total investments in joint venture						35,000	20,000		
Total dividend income								-	-

(1) In September 2017, S&P Training Co., Ltd. was registered as the limited company with the registered capital in amount of Baht 1 million. All shares were called for payment and fully paid up. On August 13, 2017, the Board of Directors' Meeting of the Company passed the resolution to invest in S&P Training Co., Ltd. of 999,998 ordinary shares in the amount of Baht 999,800.

(2) On February 24, 2017, the Board of Directors' Meeting of MSC Thai Cuisine Co., Ltd. passed the resolution to increase its authorized share capital from Baht 50 million to Baht 80 million by issuing additional 300,000 ordinary shares of Baht 100 each, totalling Baht 30 million by the Company purchased 150,000 additional ordinary shares totalling Baht 15 million.

S&P International Foods Co., Ltd., a subsidiary of the Company has loss from operation and as at December 31, 2017 and 2016, retained deficit is amounting to Baht 41.94 million and Baht 43.61 million, respectively (carrying amount of investment in the separate financial statements amounting to Baht 50 million and fixed assets and leasehold rights of such subsidiary in the consolidated financial statement as at December 31, 2017 and 2016 amounting to Baht 38.54 million and Baht 49.90 million, respectively). The loss of subsidiary is an indication of asset impairment, which the Company estimated the recoverable amounts by estimating value in use and noted that the value in use of investment and fixed assets are higher than carrying amounts.

### Details of material associated company

The summarized financial information of the material associated company represents amounts shown in the associate's financial statements prepared in accordance with TFRSs and adjusted by the Group for equity accounting purposes for the years ended December 31, as follows:

#### Foodhouse Catering Services Co., Ltd.

Unit:Thousand Baht

	2017	2016
Assets	114,666	76,449
Liabilities	(34,607)	(27,789)

Unit:Thousand Baht

	2017	2016
Revenue	341,815	245,718
Gain from continuing operations	61,053	49,175
Profit for the year	33,170	24,452

Reconciliation of the above summarized financial information to the carrying amount of the interest in an associated company recognized in the consolidated financial statements, is as follows:

Unit:Thousand Baht

	2017	2016
Net assets of the associate company	80,059	48,660
Proportion of the Group's ownership interest in Foodhouse Catering Services Co., Ltd. (%)	49.97	49.97
Carrying amount of the Group's interest in Foodhouse Catering Services Co., Ltd. (%)	40,005	24,315

Aggregate information of an associated company that is not individually material

Unit:Thousand Baht

	2017	2016
The Group's share of loss for the years ended December 31,	15,690	12,219
Aggregate carrying amount of the Group's interests in this associated company as at December 31,	43,412	27,721

### Details of material joint venture

The summarized financial information of the material joint venture represents amounts shown in the joint-venture's financial statements prepared in accordance with TFRSs and adjusted by the Group for equity accounting purposes for the years ended December 31, were as follows:

**Patara Fine Thai Cuisine Limited**

Summarized statement of financial position as at December 31,

Unit:Thousand Baht

	2017	2016
Current assets		
Cash and cash equivalents	8,502	61,992
Other current assets (excluding cash)	30,509	14,039
Total current assets	39,011	76,031
Non-current assets	430,431	111,008
<b>Total assets</b>	469,442	187,039
Current liabilities		
Other current liabilities (including trade payables)	(38,342)	(34,739)
Total current liabilities	(38,342)	(34,739)
<b>Total liabilities</b>	(38,342)	(34,739)
<b>Net assets</b>	431,100	152,300

Summarized statements of profit or loss and other comprehensive income for the years ended December 31,

Unit:Thousand Baht

	2017	2016
Revenue	125,619	66,495
Cost of sale	(32,263)	(18,063)
Staff cost	(52,472)	(41,787)
Administration expense	(83,789)	(58,229)
Loss from continuing operations	(42,905)	(51,584)
Income tax expense	-	-
Post-tax loss from continuing operations	(42,905)	(51,584)
<b>Net loss</b>	(42,905)	(51,584)

Reconciliation of the above summarized financial information to the carrying amount of the interest in joint venture recognized in the consolidated financial statements as at December 31, is as follows:

Unit:Thousand Baht

	2017	2016
Net assets of the joint venture	431,100	152,300
Adjust exchange differences on translation of financial statements	36,774	14,824
	467,874	167,124
Proportion of the Group's ownership interest in the joint venture (%)	50.00	50.00
Carrying amount of the Group's interest in the joint venture	233,937	83,562

Aggregate information of a joint venture that is not individually material

Unit:Thousand Baht

	2017	2016
The Group's share of loss for the years ended December 31,	(1,495)	(832)
Aggregate carrying amount of the Group's interests in this joint venture as at December 31,	27,042	13,537

## 11 | Other Long-Term Investmen

Other long-term investment as at December 31, consists of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
<b>Security Held-to-Maturity</b>				
Subordinated debenture 10 years (interest rate at 4.375% per annum)	-	10,000	-	10,000



## 12 | Loans To Related Parties

Loans to related parties as at December 31, consist of:

Unit:Thousand Baht

	Principal	Interest rate % per annum	Consolidated Financial Statements		Separate Financial Statements	
			Balance 2017	Balance 2016	Balance 2017	Balance 2016
<b>Loans to related parties</b>						
<b>Subsidiaries</b>						
Patara Restaurant, Vienna GmbH	Baht 49.97 million	3.0	-	-	49,974	49,974
<b>Less</b> Allowance for doubtful accounts			-	-	(25,000)	(25,000)
			-	-	24,974	24,974
S&P International Foods Co., Ltd.	Baht 10.09 million	3.0	-	-	-	6,500
Umenohana S&P Co., Ltd.	Baht 6.00 million	3.0	-	-	6,000	-
S&P Restaurant Limited	2017:GBP 0.46 million		-	-	26,634	6,539
	2016:GBP 0.40 million	3.0	-	-	-	-
S&P Global Co., Ltd.	Baht 2.0 million	3.0	-	-	2,000	-
<b>Joint venture</b>						
MSC Thai Cuisine Co., Ltd.	Baht 5.0 million	4.5	-	5,000	-	5,000
<b>Total loans to related parties</b>				5,000	59,608	43,013
<b>Current portion of loans to related parties - presented in current assets</b>			-	-	27,634	10,539
<b>Loans to related parties - presented in non-current assets</b>			-	5,000	31,974	32,474
			-	5,000	59,608	43,013

- In 2013, the Company granted a loan to Patara Restaurant, Vienna GmbH. in the amount of Baht 49.97 million. Such subsidiary issued a promissory note to the Company. The note is unsecured and callable on demand. As such subsidiary has retained deficit, the Company considered to provide an allowance for doubtful accounts for loan to such subsidiary of Baht 25.00 million.

On December 31, 2017 and 2016, the Company anticipated that loans to Patara Restaurant, Vienna GmbH to be collectible after 12 months from the date of reporting period, therefore, those loans were presented as non-current assets.

- On June 3, 2015, the Company granted a loan in the amount of Baht 10.09 million to S&P International Foods Co., Ltd. Such loan is unsecured and due within 10 months. Subsequently, in April 2016, the Company entered into a contract addendum with such subsidiary to extend the loan period. The loan is payable on the 3-month basis, totalling 10 installments. During 2016, the Company received the partial payment in the amount of Baht 3.59 million and during the year ended December 31, 2017, the Company fully received such loan.
- In 2013, the Company granted a loan to S&P Restaurant Limited in the amount of GBP 0.4 million. The loan is payable totalling 3 installments. The first principal repayment is repaid in November 2015 of GBP 0.10 million, the second repayment in November 2016 in the amount of GBP 0.15 million and the final repayment in November 2017 in the amount of GBP 0.15 million. During 2015 and 2016, the Company received the installment in the amount of GBP 0.25 million (equivalent to Baht 11.97 million), respectively. The remaining loan in the amount of GBP 0.15 million will be received in 2018.

In August 2017, the Company granted a loan to S&P Restaurant Limited in the amount of GBP 0.36 million. The loan carries fixed interest at the rate of 3.0 percent per annum. Such loan is payable totalling 3 installments.

The first principal repayment will be repaid in August 2018 of GBP 0.10 million, the second repayment in August 2019 in the amount of GBP 0.13 million and the final repayment in August 2020 in the amount of GBP 0.13 million.

On October 6, 2017, the Company granted an additional loan to S&P Restaurant Limited in the amount of GBP 0.10 million. The loan carries fixed interest at the rate of 3.0 percent per annum. Such loan is unsecured and is callable on demand.

- On November 27, 2017, the Company granted a loan to Umenohana S&P Co., Ltd. in amount of Baht 6.00 million such subsidiary issued a promissory note to the Company. The loan carries fixed interest at the rate of 3.0 percent per annum. Such loan is unsecured and is callable on demand.
- On August 25, 2017, the Company granted a loan to S&P Global Co., Ltd. in amount of Baht 2.00 million such subsidiary issued a promissory note to the Company. The loan carries fixed interest at the rate of 3.0 percent per annum. Such loan is unsecured and is callable on demand.
- On November 27, 2017, the Company granted a loan to Umenohana S&P Co., Ltd. in amount of Baht 6.00 million such subsidiary issued a promissory note to the Company. The loan carries fixed interest at the rate of 3.0 percent per annum. Such loan is unsecured and is callable on demand.
- On May 31, 2016, the Company granted a loan to MSC Thai Cuisine Co., Ltd. in amount of Baht 5.00 million. The loan carries fixed interest at the rate of 4.5 percent per annum. Such loan is unsecured and is callable on demand. On December 31, 2016, the Company anticipated that loans to MSC Thai Cuisine Co., Ltd. to be collectible after 12 months from the date of reporting period, therefore, those loans were presented as non-current assets.

During the period ended December 31, 2017, the Company fully received such loan.

### 13 | Property, Plant And Equipment

Property, plant and equipment as at December 31, consist of:  
As at December 31, 2017

Unit: Thousand Baht

	Consolidated Financial Statements					
	Balance as at January 1, 2017	Additions	Disposals	Transfer in (Transfer out)	Reclassifications	Differences on Translation of Financial Statements
<b>Cost</b>						
Land	279,483	-	-	-	-	279,483
Buildings and building improvements	207,179	348	(117,361)	-	-	89,773
Factory buildings	200,131	-	-	-	-	200,131
Machinery and equipment	1,344,179	59,723	(25,298)	31,817	(259,203)	1,145,104
Furniture and equipment						
• Offices and factories	850,483	31,460	(32,703)	6,291	-	855,531
• Restaurants and bakery shops	1,705,854	78,552	(97,136)	117,938	259,203	2,040,111
Vehicles	64,487	2,676	(4,114)	-	-	63,048
Total cost	4,651,796	172,759	(276,612)	156,046	-	4,673,181
<b>Accumulated depreciation</b>						
Buildings and building improvements	(96,004)	(4,440)	46,778	-	-	(53,831)
Factory buildings	(140,084)	(4,809)	-	-	-	(144,893)
Machinery and equipment	(996,438)	(103,910)	20,657	-	210,840	(864,978)
Furniture and equipment						
• Offices and factories	(538,120)	(75,893)	31,860	-	-	(582,153)
• Restaurants and bakery shops	(1,177,945)	(193,132)	82,142	-	(210,840)	(1,489,308)

	Consolidated Financial Statements					
	Balance as at January 1, 2017	Additions	Disposals	Transfer in (Transfer out)	Reclassifications	Differences on Translation of Financial Statements
Vehicles	(50,162)	(5,745)	4,114	-	-	1
Total accumulated depreciation	(2,998,753)	(387,929)	185,551	-	-	14,176
Building improvements and equipment under construction and installation	25,619	180,851	-	(156,046)	-	(160)
Less Allowance for impairment - building improvements and equipment	(4,721)	(6,184)	3,663	-	-	-
<b>Property, plant and equipment</b>	<b>1,673,941</b>					
						<b>1,529,248</b>

As at December 31, 2016

Unit: Thousand Baht

	Consolidated Financial Statements					
	Balance as at January 1, 2016	Additions	Disposals	Transfer in (Transfer out)	Differences on Translation of Financial Statements	Balance as at December 31, 2016
<b>Cost</b>						
Land	279,483	-	-	-	-	279,483
Buildings and building improvements	238,038	-	(2,339)	-	(28,520)	207,179
Factory buildings	200,131	-	-	-	-	200,131
Machinery and equipment	1,259,654	94,173	(36,618)	35,375	(8,405)	1,344,179
Furniture and equipment	740,708	82,206	(26,958)	54,527	-	850,483
• Offices and factories	1,599,567	88,461	(105,484)	141,375	(18,065)	1,705,854
• Restaurants and bakery shops	63,758	5,844	(6,082)	1,260	(293)	64,487
Vehicles						
Total cost	4,381,339	270,684	(177,481)	232,537	(55,283)	4,651,796

	Consolidated Financial Statements				
	Balance as at January 1, 2016	Additions	Disposals	Transfer in (Transfer out)	Differences on Translation of Financial Statements
<b>Accumulated depreciation</b>					
Buildings and building improvements	(97,292)	(6,143)	2,339	-	5,092
Factory buildings	(134,545)	(5,539)	-	-	-
Machinery and equipment	(922,839)	(115,522)	35,854	-	6,069
Furniture and equipment					
• Offices and factories	(507,573)	(56,824)	26,277	-	-
• Restaurants and bakery shops	(1,110,136)	(179,547)	99,482	-	12,256
Vehicles	(50,785)	(5,723)	6,052	-	294
Total accumulated depreciation	(2,823,170)	(369,298)	170,004	-	23,711
Building improvements and equipment under construction and installation	23,866	234,684	(7)	(232,537)	(387)
Less Allowance for impairment - building improvements and equipment	(2,325)	(3,663)	1,267	-	-
<b>Property, plant and equipment</b>	1,579,710				1,673,941
Depreciation for the years ended December 31,					
2017					
2016					Thousand Baht
					387,929
					Thousand Baht
					369,298
Gross carrying amount of fully depreciated fixed assets that is still in use as at December 31,					
2017					Thousand Baht
2016					1,985,088
					Thousand Baht
					1,855,868



	Separate Financial Statements					
	Balance as at January 1, 2017	Additions	Disposals	Transfer in (Transfer out)	Reclassifications	Balance as at December 31, 2017
<b>Cost</b>						
Land	279,483	-	-	-	-	279,483
Buildings and building improvements	38,121	348	(285)	-	-	38,184
Factory buildings	200,131	-	-	-	-	200,131
Machinery and equipment	1,228,598	45,527	(16,716)	31,747	(259,203)	1,029,953
Furniture and equipment						
• Offices and factories	850,295	31,416	(32,703)	6,291	-	855,299
• Restaurants and bakery shops	1,341,425	47,846	(85,874)	113,340	259,203	1,675,940
Vehicles	63,338	2,676	(4,114)	-	-	61,900
Total cost	4,001,391	127,813	(139,692)	151,378	-	4,140,890
<b>Accumulated depreciation</b>						
Buildings and building improvements	(35,161)	(738)	285	-	-	(35,614)
Factory buildings	(140,085)	(4,809)	-	-	-	(144,894)
Machinery and equipment	(917,657)	(90,518)	16,368	-	210,840	(780,967)
Furniture and equipment						
• Offices and factories	(538,006)	(75,840)	31,860	-	-	(581,986)
• Restaurants and bakery shops	(949,623)	(148,662)	79,931	-	(210,840)	(1,229,194)
Vehicles	(49,011)	(5,745)	4,114	-	-	(50,642)
Total accumulated depreciation	(2,629,543)	(326,312)	132,558	-	-	(2,823,297)
Building improvements and equipment under construction and installation	18,858	173,007	-	(151,378)	-	40,487
Less Allowance for impairment - building improvements and equipment	(2,376)	(2,103)	2,263	-	-	(2,216)
<b>Property, plant and equipment</b>	1,388,330					1,355,864

As at December 31, 2016

Unit:Thousand Baht

	Separate Financial Statements				
	Balance as at January 1, 2016	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2016
<b>Cost</b>					
Land	279,483	-	-	-	279,483
Buildings and building improvements	40,460	-	(2,339)	-	38,121
Factory buildings	200,131	-	-	-	200,131
Machinery and equipment	1,145,657	81,765	(33,723)	34,899	1,228,598
Furniture and equipment					
• Offices and factories	740,375	82,157	(26,764)	54,527	850,295
• Restaurants and bakery shops	1,268,625	36,308	(101,254)	137,746	1,341,425
Vehicles	62,316	5,844	(6,082)	1,260	63,338
Total cost	3,737,047	206,074	(170,162)	228,432	4,001,391
<b>Accumulated depreciation</b>					
Buildings and building improvements	(36,564)	(936)	2,339	-	(35,161)
Factory buildings	(134,545)	(5,540)	-	-	(140,085)
Machinery and equipment	(849,944)	(100,783)	33,070	-	(917,657)
Furniture and equipment					
• Offices and factories	(507,306)	(56,789)	26,089	-	(538,006)
• Restaurants and bakery shops	(911,946)	(134,988)	97,311	-	(949,623)
Vehicles	(49,340)	(5,723)	6,052	-	(49,011)
Total accumulated depreciation	(2,489,645)	(304,759)	164,861	-	(2,629,543)
Building improvements and equipment under construction and installation	23,830	223,460	-	(228,432)	18,858
<u>Less</u> Allowance for impairment - building improvements and equipment	(1,380)	(2,263)	1,267	-	(2,376)
<b>Property, plant and equipment</b>	1,269,852				1,388,330
Depreciation for the years ended December 31,					
2017				Thousand Baht	326,312
2016				Thousand Baht	304,759
Gross carrying amount of fully depreciated fixed assets that is still in use as at					
December 31,					
2017				Thousand Baht	1,975,348
2016				Thousand Baht	1,825,446

### S&P Restaurant Limited

As at December 31, 2016, buildings of S&P Restaurant Limited with the cost value of GBP 2.01 million (equivalent to Baht 88.51 million), have been used as collateral for long-term loans with a commercial bank. Subsequently, on November 20, 2017, the Company discharged of the guarantee before transferring buildings to MSP Property Ltd., subsidiary of a joint-venture entity.

As at December 31, 2017 and 2016, the assets under financial leases are as follows:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Cost of assets - vehicles	9,847	6,971	9,847	6,971
Less Accumulated depreciation	(2,488)	(715)	(2,488)	(715)
Carrying amount	7,359	6,256	7,359	6,256

S&P International Foods Co., Ltd., a subsidiary of the Company has loss from operations and as at December 31, 2017 and 2016, retained deficit is amounting to Baht 41.94 million and Baht 43.61 million, respectively (carrying amount of investment in the separate financial statements amounting to Baht 50 million and fixed assets and leasehold rights of such subsidiary in the consolidated financial statement as at December 31, 2017 and 2016, amounting to Baht 38.56 million and Baht 49.90 million, respectively). The loss of subsidiary is an indication of asset impairment, which the Company estimated the recoverable amount by estimating value in use and noted that the value in use are higher than carrying amounts.

Patara Restaurant, Vienna GmbH, a subsidiary of S&P Global Co., Ltd. has loss from operations and as at December 31, 2017 and 2016, retained deficit is amounting to Baht 99.16 million and Baht 102.45 million, respectively (carrying amount of fixed assets of such subsidiary in the consolidated financial statement as at December 31, 2017 and 2016, in the amount of Baht 15.79 million and Baht 21.65 million, respectively). The loss of subsidiary is the indication of asset impairment, which the Company estimated the recoverable amount by estimating value in use and noted that the value in use is higher than carrying amount of fixed assets.

## 14 | Leasehold Rights

Leasehold rights as at December 31, consists of:

As at December 31, 2017

Unit:Thousand Baht

	Consolidated Financial Statements				
	Balance as at January 1, 2017	Additions	Disposals	Differences on translation of financial statements	Balance as at December 31, 2017
<b>Cost</b>					
Leasehold rights	263,451	9,978	(20,958)	(128)	252,343
Total cost	263,451	9,978	(20,958)	(128)	252,343

	Consolidated Financial Statements				
	Balance as at January 1, 2017	Additions	Disposals	Differences on translation of financial statements	Balance as at December 31, 2017
<b>Accumulated amortization</b>					
Leasehold rights	(175,888)	(17,753)	11,080	95	(182,466)
Total accumulated amortization	(175,888)	(17,753)	11,080	95	(182,466)
<b>Leasehold rights</b>	87,563				69,877

Unit:Thousand Baht

	Consolidated Financial Statements				
	Balance as at January 1, 2016	Additions	Disposals	Differences on translation of financial statements	Balance as at December 31, 2016
<b>Cost</b>					
Leasehold rights	245,352	29,184	-	(11,085)	263,451
Total cost	245,352	29,184	-	(11,085)	263,451
<b>Accumulated amortization</b>					
Leasehold rights	(165,910)	(17,193)	-	7,215	(175,888)
Total accumulated amortization	(165,910)	(17,193)	-	7,215	(175,888)
<b>Leasehold rights</b>	79,442				87,563
Amortization for the years ended December 31,					
2017					17,753
2016					17,193

As at December 31, 2017

Unit:Thousand Baht

	Separate Financial Statements			
	Balance as at January 1, 2017	Additions	Disposals	Balance as at December 31, 2017
<b>Cost</b>				
Leasehold rights	197,473	-	-	197,473
Total cost	197,473	-	-	197,473

	Separate Financial Statements			
	Balance as at January 1, 2017	Additions	Disposals	Balance as at December 31, 2017
<b>Accumulated amortization</b>				
Leasehold rights	(138,228)	(14,038)	-	(152,266)
Total accumulated amortization	(138,228)	(14,038)	-	(152,266)
<b>Leasehold rights</b>	59,245			45,207

As at December 31, 2016

Unit:Thousand Baht

	Separate Financial Statements			
	Balance as at January 1, 2016	Additions	Disposals	Balance as at December 31, 2016
<b>Cost</b>				
Leasehold rights	168,289	29,184	-	197,473
Total cost	168,289	29,184	-	197,473
<b>Accumulated amortization</b>				
Leasehold rights	(125,573)	(12,655)	-	(138,228)
Total accumulated amortization	(125,573)	(12,655)	-	(138,228)
<b>Leasehold rights</b>	42,716			59,245
Amortization for the years ended December 31,				
2017				14,038
2016				12,655

S&P International Foods Co., Ltd., a subsidiary of the Company has loss from operation and as at December 31, 2017 and 2016, retained deficit is amounting to Baht 41.94 million and Baht 43.61 million, respectively (carrying amount of investment in the separate financial statements amounting to Baht 50 million and fixed assets and leasehold rights of such subsidiary in the consolidated financial statement as at December 31, 2017 and 2016, amounting to Baht 38.56 million and Baht 49.90 million, respectively). The loss of subsidiary is an indication of asset impairment, which the Company estimated the recoverable amounts by estimating value in use and noted that the value in use are higher than carrying amounts.



## 15 | Intangible Asset

Intangible asset as at December 31, consists of:

As at December 31, 2017

Unit:Thousand Baht

	Consolidated Financial Statements				
	Balance as at January 1, 2017	Additions	Disposals	Differences on translation of financial statements	Balance as at December 31, 2017
<b>Cost</b>					
Computer software development costs	63,712	10,087	-	(130)	73,669
Total cost	63,712	10,087	-	(130)	73,669
<b>Accumulated amortization</b>					
Computer software development costs	(23,417)	(11,760)	-	38	(35,139)
Total accumulated amortization	(23,417)	(11,760)	-	38	(35,139)
<b>Intangible asset</b>	40,295				38,530

As at December 31, 2016

Unit:Thousand Baht

	Consolidated Financial Statements				
	Balance as at January 1, 2016	Additions	Disposals	Differences on translation of financial statements	Balance as at December 31, 2016
<b>Cost</b>					
Computer software development costs	32,995	30,719	-	(2)	63,712
Total cost	32,995	30,719	-	(2)	63,712
<b>Accumulated amortization</b>					
Computer software development costs	(17,656)	(5,762)	-	1	(23,417)
Total accumulated amortization	(17,656)	(5,762)	-	1	(23,417)
<b>Intangible asset</b>	15,339				40,295
Amortization for the years ended December 31,					
2017					11,760
2016					5,762

As at December 31, 2017

Unit:Thousand Baht

	Separate Financial Statements			
	Balance as at January 1, 2017	Additions	Disposals	Balance as at December 31, 2017
<b>Cost</b>				
Computer software development costs	63,044	10,032	-	73,076
Total cost	63,044	10,032	-	73,076
<b>Accumulated amortization</b>				
Computer software development costs	(23,100)	(11,709)	-	(34,809)
Total accumulated amortization	(23,100)	(11,709)	-	(34,809)
<b>Intangible asset</b>	39,944			38,267

As at December 31, 2016

Unit:Thousand Baht

	Separate Financial Statements			
	Balance as at January 1, 2016	Additions	Disposals	Balance as at December 31, 2016
<b>Cost</b>				
Computer software development costs	32,582	30,462	-	63,044
Total cost	32,582	30,462	-	63,044
<b>Accumulated amortization</b>				
Computer software development costs	(17,462)	(5,638)	-	(23,100)
Total accumulated amortization	(17,462)	(5,638)	-	(23,100)
<b>Intangible asset</b>	15,120			39,944
Amortization for the years ended December 31,				
2017				11,709
2016				5,638

## 16 | Deferred Income Tax And Income Tax Expense

Deferred tax assets and liabilities as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Deferred tax assets	49,202	40,904	41,737	34,204
Deferred tax liabilities	1,722	1,901	-	-

The movements of deferred tax assets and liabilities for the years ended December 31, 2017 and 2016 are as follows:

### Consolidated Financial Statements

As at December 31, 2017

Unit:Thousand Baht

	Balances as at January 1, 2017	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2017
<b>Deferred tax assets resulted from</b>				
Revaluation of trading securities	(2,313)	(115)	-	(2,428)
Revaluation of available-for-sales securities	(16)	16	-	-
Allowance for doubtful accounts	481	-	-	481
Buildings and equipment - difference of depreciation rate	(109)	508	-	399
Unearned revenues	2,808	1,878	-	4,686
Employee benefit obligation	29,571	4,417	-	33,988
Actuarial gain on defined employee benefit plan	45	-	-	45
Provision for costs of dismantling, removing and restoring the site	3,996	1,062	-	5,058
Unused tax losses	6,441	532	-	6,973
Deferred tax assets	40,904	8,298	-	49,202
<b>Deferred tax liabilities resulted from</b>				
Buildings and equipment - difference of depreciation rate <sup>(1)</sup>	(1,901)	179	-	(1,722)
Deferred tax liabilities	(1,901)	179	-	(1,722)

As at December 31, 2016

Unit:Thousand Baht

	Balances as at January 1, 2016	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2016
<b>Deferred tax assets resulted from</b>				
Revaluation of trading securities	(1,548)	(765)	-	(2,313)
Revaluation of available-for-sales securities	(76)	-	60	(16)
Allowance for doubtful accounts	515	(34)	-	481
Buildings and equipment - difference of depreciation rate	(242)	133	-	(109)
Provision for customer loyalty programmes	1,019	(1,019)	-	-
Unearned revenues	360	2,448	-	2,808
Employee benefit obligation	25,692	3,879	-	29,571
Actuarial gain on defined employee benefit plan	(808)	-	853	45
Provision for costs of dismantling, removing and restoring the site	3,128	868	-	3,996
Unused tax losses	6,441	-	-	6,441
Deferred tax assets	34,481	5,510	913	40,904
<b>Deferred tax liabilities resulted from</b>				
Buildings and equipment - difference of depreciation rate <sup>(1)</sup>	(2,167)	266	-	(1,901)
Deferred tax liabilities	(2,167)	266	-	(1,901)

(1) Deferred tax liabilities of S&amp;P Restaurant Limited and SK Catering Pte. Ltd.

## Separated Financial Statements

As at December 31, 2017

Unit:Thousand Baht

	Balances as at January 1, 2017	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2017
<b>Deferred tax assets resulted from</b>				
Revaluation of trading securities	(2,313)	(114)	-	(2,427)
Allowance for doubtful accounts	431	-	-	431
Buildings and equipment - difference of depreciation rate	(108)	383	-	275
Unearned revenues	2,809	1,877	-	4,686
Employee benefit obligation	29,370	4,416	-	33,786
Actuarial gain on defined employee benefit plan	44	-	-	44
Provision for costs of dismantling, removing and restoring the site	3,971	971	-	4,942
Deferred tax assets	34,204	7,533	-	41,737

As at December 31, 2016

Unit:Thousand Baht

	Balances as at January 1, 2016	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2016
<b>Deferred tax assets resulted from</b>				
Revaluation of trading securities	(1,548)	(765)	-	(2,313)
Allowance for doubtful accounts	431	-	-	431
Buildings and equipment - difference of depreciation rate	(242)	134	-	(108)
Provision for customer loyalty programmes	1,019	(1,019)	-	-
Unearned revenues	360	2,449	-	2,809
Employee benefit obligation	25,491	3,879	-	29,370
Actuarial gain on defined employee benefit plan	(808)	-	852	44
Provision for costs of dismantling, removing and restoring the site	3,104	867	-	3,971
Deferred tax assets	27,807	5,545	852	34,204



Income tax expense of the Company and its subsidiaries for the years ended December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Current tax	93,765	123,729	88,666	120,919
Adjustment prior year income tax	(6,449)	(905)	(6,449)	(905)
Deferred tax expenses relating to the origination and reversal of temporary differences	(8,477)	(5,776)	(7,533)	(5,545)
Income tax expense per the statements of profit or loss and other comprehensive income	78,839	117,048	74,684	114,469

The reconciliation between income tax income (expense) and accounting income for the years ended December 31, are as follows:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Accounting profit before income tax	575,295	555,206	526,092	625,121
Applicable corporate income tax rates	8.5-25 %	8.-25 %	20%	20%
Current income tax	144,081	123,992	105,218	125,024
Adjustment prior year income tax	(6,449)	(905)	(6,449)	(905)
Tax effect of non-deductible expenses (benefits)	(58,793)	(6,039)	(24,085)	(9,650)
Income tax expense per the statements of profit or loss and other comprehensive income	78,839	117,048	74,684	114,469

The Company and domestic subsidiaries used corporate income tax at the rate of 20% except for a domestic subsidiary, which used corporate income tax at the rates for Small and Medium Enterprises of 15% - 20%.

Overseas subsidiaries used tax rate of each country at the rates of 8.5% - 25%

## 17 | Short-Term Borrowings From A Financial Institution

In July 2016, Patara International Restaurant Management (Beijing) Co., Ltd., the Company's subsidiary, entered into a short-term loan agreement with a financial institution to borrow of CNY 1.53 million (equivalent to Baht 7.90 million) in order to jointly invest with a local company in the People's Republic of China in order to incorporate Shanghai Yueshi Restaurant Management Limited to operate the restaurant business in the People's Republic of China. Such loan has carrying interest rate at 130% of the PBOC base rate p.a. (equivalent to 5.66% p.a.) and is payable within 6 months. Such loan is guaranteed by the S&P Syndicate Public Company Limited. During the year 2017, the Company fully repaid such loan and redeemed the guarantee.

## 18 | Trade And Other Payables

Trade and other payables as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Trade payables - other companies	491,357	468,081	388,096	391,825
Trade payables - related parties	1,959	2,233	9,987	3,584
Advance received from related parties	-	-	609	4
Accounts payable - acquisition of assets	52,999	51,297	44,515	47,443
Unearned revenues	36,622	26,475	35,938	24,918
Other payables	90,714	89,004	86,990	86,101
Accrued expenses	261,415	263,395	222,605	224,108
	935,066	900,485	788,740	777,983

## 19 | Other Non-Current Assets

Other non-current assets as at December 31, consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Value-added-tax payable	45,643	53,564	32,781	26,543
Others	15,388	20,041	4,743	8,304
	61,031	73,605	37,524	34,847

## 20 | Long-Term Borrowings From Financial Institutions

Long-term borrowings from financial institutions as at December 31, consist of:

Borrowers	Credit limit	Interest Rate (% p.a.)	Repayment terms	Repayment date and due date	Consolidated Financial Statements			Separate Financial Statements		
					2017		2016	2017		2016
					Currencies	Thousand Baht		Currencies	Thousand Baht	
<b>S&amp;P Restaurant Limited<sup>(1)</sup></b> Loans from overseas commercial banks	GBP 340,000	Bank base rate + 0.5%	Repayable on a quarterly basis of GBP 17,000 per installment	April 2014 to January 2019	-	-	GBP153,000	6,737	-	-
<b>S&amp;P International Foods Co., Ltd.<sup>(2)</sup></b> Loan from local commercial banks	Baht 25 million	MLR - 2%	Repayable on a quarterly basis of Baht 1,260,000 per installment	January 15, 2014 to January 15, 2019	-	4,840	-	9,880	-	-
<b>S&amp;P Syndicate Public Co., Ltd.<sup>(3)</sup></b> Loan from local commercial banks	Baht 30 million	4.25%	Repayable on a monthly basis of Baht 500,000 per installment	July 22, 2016 to July 21, 2021	-	21,500	-	27,500	21,500	27,500
<b>S&amp;P Global Co., Ltd.<sup>(4)</sup></b> Loan from local commercial banks	Baht 15 million	Bank saving + 1.00%	Repayable on a monthly basis of Baht 625,000 per installment	January 18, 2017 to January 17, 2019	-	8,127	-	-	-	-
<b>Less Current portion of long-term borrowings from financial institutions</b>						34,467 (18,340)		44,117 (14,034)	21,500 (6,000)	27,500 (6,000)
						16,127		30,083	15,500	21,500

- (1) S&P Restaurant Limited used its buildings with the cost value of GBP 2.01 million, as collateral for long-term loans with a commercial bank. The Company has to maintain debt to the property value ratio in accordance with the condition of the loan agreement. In November, the Company fully repaid such loan and discharged of the guarantee (see Note 13).
- (2) S&P International Foods Co., Ltd., a subsidiary, received credit facilities from a local bank. S&P Syndicate Public Co., Ltd. has issued a "Letter of Awareness" to such bank and has to maintain percentage of shareholding in S&P International Foods Co., Ltd. to not less than 99.99% throughout the period of the loan agreement. In addition, such subsidiary has to maintain its debt to equity ratio as specified in the loan agreement.
- (3) In July 2016, the Company entered into a long-term loan agreement for 5 years with a local commercial bank as credit limit of Baht 30 million. Such loan is unsecured. In addition, the Company has to maintain its debt to equity ratio as specified in the loan agreement. the period ended December 31, 2017, the Company repaid the principal amounting to Baht 6.00 million
- (4) S&P Global Co., Ltd., a subsidiary, entered into a loan agreement with a local commercial bank with credit limit of Baht 15 million. Such loan uses its savings bank account as collateral (see Note 9.1). Under the loan agreement, such subsidiary has to maintain its debt to equity ratio as specified in the loan agreement. S&P Global Co., Ltd. has drawn down and during the period ended December 31, 2017, the Company repaid the principal amounting to Baht 6.88 million.

## 21 | Employee Benefit Obligation

The Company and its subsidiaries provided employee benefit obligations upon retirement which are considered as unfunded defined benefit plans.

Amounts recognized as expense in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, 2017 and 2016 are as follows:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Current service cost	20,370	18,384	19,896	18,007
Interest cost	4,573	3,932	4,456	3,829
Expenses recorded in the statements of profit or loss and other comprehensive income	24,943	22,316	24,352	21,836

Movements in the present value of the defined benefit obligation for the years ended December 31, are as follows:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Balance of present value of defined benefit obligation as at January 1	150,616	129,050	147,070	123,414
Current service cost	20,370	18,384	19,896	18,007
Interest cost	4,573	3,932	4,456	3,829
Actuarial loss on defined employee benefit plan	-	1,694	-	4,264
	175,559	153,060	171,422	149,514
<u>Less</u> Benefits paid during the year	(2,270)	(2,444)	(2,270)	(2,444)
Balance of present value of defined benefit obligation as at December 31,	173,289	150,616	169,152	147,070
<u>Less</u> Current portion for employee benefit	(1,994)	(2,271)	(1,994)	(2,271)
Non-current provision for employee benefit	171,295	148,345	167,158	144,799

For the year ended December 31, 2016, the Company recognized the actuarial loss in the consolidated and separate statements of profit or loss and other comprehensive income in the amount of Baht 1.69 million and Baht 4.26 million, respectively. The Company recognized the actuarial loss of Baht 0.19 million to the retained earnings. Such actuarial loss mainly resulted from the change in discount rate, salary increase rate and employee turnover rate according to the actuarial assumption. (2017 : Nil)

The key actuarial assumptions used to calculate the defined benefit obligation as at December 31, 2017 and 2016 are as follows:

Unit:Thousand Baht

	Consolidated Financial Statements	Separate Financial Statements
Discount rate (% p.a.)	3.03% - 3.46%	3.03%
Mortality rate	Thai Mortality Table 2008	
Normal retirement age	60 years	660 years 4% 0% - 47%
Salary increase rate	4%	4%
Employee turnover rate	0% - 47%	0 - 47%

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligations as at December 31, 2017 and 2016 are as follows:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
<u>Discount rate</u>				
Discount rate, decrease of 1 percent	19.06	16.92	18.44	16.57
Discount rate, increase of 1 percent	(16.45)	(14.57)	(15.92)	(14.27)
<u>Salary growth rates</u>				
Salary growth rates, increase of 1 percent	20.25	16.37	19.61	16.02
Salary growth rates, decrease of 1 percent	(17.71)	(14.39)	(17.17)	(14.09)
<u>Life expectancy</u>				
Life expectancy, increase of 1 year	3.81	1.12	3.70	1.10
Life expectancy, decrease of 1 year	(3.78)	(1.11)	(3.67)	(1.09)
<u>Employee turnover rate</u>				
Employee turnover rate, decrease of 1 percent	5.76	5.35	5.61	5.19
Employee turnover rate, increase of 1 percent	(17.54)	(15.55)	(16.99)	(15.24)

## 22 | Other Non-Current Liabilities

Other non-current liabilities as at December 31, 2017 and 2016 consist of:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Provision for costs of dismantling, removing and restoring the site	62,271	63,340	42,496	38,929
Others	5,340	3,206	5,195	4,886
	67,611	66,546	47,691	43,815

## 23 | Legal Reserve

Pursuant to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital and the reserve is not available for distribution as dividends.

## 24 | Appropriation Of Earnings And Dividend

On April 22, 2016, the Annual General Shareholders' Meeting of the Company passed a resolution to approved the dividends from the operations of the year 2015 for 490,408,365 shares at Baht 1.10 per share, totalling Baht 539.45 million and as the Company already distributed the interim dividends at Baht 0.20 per share, totalling Baht 98.08 million in September 2015. Therefore, the Company will pay remaining dividends of Baht 0.90 per share, totalling Baht 441.37 million which was paid on May 13, 2016.

On August 10, 2016, the Board of Directors' Meeting of the Company passed the resolution to distribute the interim dividends from the operations of the six-month period ended June 30, 2016 for 490,408,365 shares at Baht 0.10 per share, totalling approximately Baht 49.04 million which was paid on September 9, 2016.

On April 21, 2017, the Annual General Shareholders' Meeting of the Company passed a resolution to approve the dividends from its operations of the year 2016 at Baht 0.80 per share for 490,408,365 shares, totalling Baht 392.33 million and as the Company already distributed the interim dividends at Baht 0.10 per share, totalling Baht 49.04 million in September 2016. Therefore, the Company paid remaining dividends of Baht 0.70 per share, totalling Baht 343.29 million which was paid on May 11, 2017.

On August 15, 2017, the Board of Directors' Meeting of the Company passed the resolution to distribute the interim dividends from the operations of the six-month period ended June 30, 2017 for 490,408,365 shares at Baht 0.07 per share, totalling approximately Baht 34.32 million and the Company was paid the dividends within September 13, 2017.



## 25 | Other Income

Significant other income for the years ended December 31, 2017 and 2016 are as follows:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Unrealised gain on revaluation of trading securities	2,176	4,792	143	4,746
Interest income	2,676	2,375	4,717	4,508
Management fee income	6,370	4,919	14,933	13,932
Rental building and equipment income	3,096	3,372	5,589	5,078
Member card fee income	16,212	12,673	16,212	10,397
Revenue from sales scraps	8,405	8,264	8,405	8,264
Gain from sale of investment in an associate (see Note 26)	-	84,500	-	107,729
Gain on transfer of business to a joint-venture entity (see Note 33)	79,905	-	-	-
Gain on sale of fixed assets to a joint-venture entity (see Note 33)	28,084	-	-	-
Other income	53,751	36,200	43,732	44,882
	200,675	157,095	93,731	199,536

## 26 | Transactions With Related Parties

The Company has transactions with its subsidiaries, associates, joint ventures and other related parties. Certain portions of the Company's assets, liabilities, revenues from sales and services, other income, costs of sales and services, selling expenses and administrative expenses represent transactions occurred with its subsidiaries, associates, joint ventures and other related parties. These parties are related through common shareholders and/or directorships. Those significant transactions with subsidiaries, associates, joint ventures and other related parties as included in the financial statements are determined at cost plus margin or the price as stipulated in the agreements.

The significant balances of assets, liabilities, and transactions occurred with the related parties are as follows:

## 26.1 Significant balance with related parties as of December 31, as follows:

Unit:Thousand Baht

Account name/Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
<b>Trade receivables</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	-	54
S&P International Foods Co., Ltd.	Subsidiary	-	-	44,967	44,212
Umenohana S&P Co., Ltd.	Subsidiary	-	-	388	86
S&P International Foods (Cambodia) Co., Ltd.	Subsidiary	-	-	20,134	17,802
S&P Training Co., Ltd.	Subsidiary	-	-	3,442	-
Foodhouse Catering Services Co., Ltd.	Associate	516	371	516	371
MSC Thai Cuisine Co., Ltd.	Joint ventures	-	63	-	63
Patara Fine Thai Cuisine Limited	Joint ventures	3,092	2,522	-	-
The Minor Food Group Public Co., Ltd.	Related party	1,109	2,634	1,109	2,634
Other related parties	Related party	423	-	423	-
		5,140	5,590	70,979	65,222
<b>Advance payments to related parties</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	57	84
S&P International Foods Co., Ltd.	Subsidiary	-	-	6,703	3
Umenohana S&P Co., Ltd.	Subsidiary	-	-	59	29
S&P International Foods (Cambodia) Co., Ltd.	Subsidiary	-	-	2,368	3,984
S&P Development Holding Co., Ltd.	Subsidiary	-	-	500	-
S&P Training Co., Ltd.	Subsidiary	-	-	720	-
Foodhouse Catering Services Co., Ltd.	Associate	-	45	-	45
		-	45	10,407	4,145
<b>Accrued income - related parties</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	242	237
S&P International Foods Co., Ltd.	Subsidiary	-	-	205	922
Umenohana S&P Co., Ltd.	Subsidiary	-	-	81	32

Account name/Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
S&P International Foods (Cambodia) Co., Ltd.	Subsidiary	-	-	12,013	7,674
S&P Training Co., Ltd.	Subsidiary	-	-	642	-
S&P Restaurant Limited	Subsidiary	-	-	898	500
Patara Restaurant, Vienna GmbH	Subsidiary	-	-	4,783	3,284
Foodhouse Catering Services Co., Ltd.	Associate	-	185	-	185
Patara Fine Thai Cuisine Limited	Joint venture	4,962	1,802	4,962	1,802
		4,962	1,987	23,826	14,636
<b>Short-term loan to a related party</b>					
S&P Global Co., Ltd. (3.0%)	Subsidiary	-	-	9,000	9,000
<b>Investments in associates</b>					
Foodhouse Catering Services Co., Ltd.	Associate	43,412	27,722	4,997	4,997
<b>Investments in subsidiaries</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	40,000	40,000
S&P Asset Co., Ltd.	Subsidiary	-	-	999	999
S&P International Foods Co., Ltd.	Subsidiary	-	-	49,997	49,997
Umenohana S&P Co., Ltd.	Subsidiary	-	-	15,000	15,000
S&P International Foods (Cambodia) Co., Ltd.	Subsidiary	-	-	14,885	14,885
S&P Development Holding Pte. Ltd. (Registered Capital : SGD 1)	Subsidiary	-	-	-	-
S&P Development Holding Co., Ltd.	Subsidiary	-	-	140,000	140,000
S&P Training Co., Ltd.	Subsidiary	-	-	1,000	-
		-	-	261,881	260,881
<b>Investments in joint ventures</b>					
MSC Thai Cuisine Co., Ltd.	Joint venture	27,042	13,537	35,000	20,000
Patara Fine Thai Cuisine Limited	Joint venture	233,937	83,562	-	-
		260,979	97,099	35,000	20,000

Account name/Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
<b>Loans to related parties</b>					
(Interest rate per annum)					
Patara Restaurant, Vienna GmbH (3.0%)	Subsidiary	-	-	49,974	49,974
<u>Less</u> Allowance for doubtful account		-	-	(25,000)	(25,000)
		-	-	24,974	24,974
S&P International Foods Co., Ltd. (3.0%)	Subsidiary	-	-	-	6,500
S&P Restaurant Limited (3.0%)	Subsidiary	-	-	26,634	6,539
Umenohana S&P Co., Ltd. (3.0%)	Subsidiary	-	-	6,000	-
S&P Global Co., Ltd. (3.0%)	Subsidiary	-	-	11,000	-
MSC Thai Cuisine Co., Ltd. (4.5%)	Joint venture	-	5,000	-	5,000
		-	5,000	68,608	43,013
<b>Trade payables</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	86	-
S&P Asset Co., Ltd.	Subsidiary	-	-	-	262
S&P International Foods Co., Ltd.	Subsidiary	-	-	247	845
Umenohana S&P Co., Ltd.	Subsidiary	-	-	140	245
S&P Training Co., Ltd.	Subsidiary	-	-	7,876	-
MSC Thai Cuisine Co., Ltd.	Joint venture	321	-	-	-
The Minor Food Group Public Co., Ltd.	Related party	17	-	17	-
Other related parties	Related party	1,621	2,233	1,621	2,232
		1,959	2,233	9,987	3,584
<b>Advance received from related parties</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	-	4
S&P International Foods Co., Ltd.	Subsidiary	-	-	609	-
		-	-	609	4

## 26.2 Movements of loans to related parties

Movements of loans to related parties for the years ended December 31, as follows:

Unit:Thousand Baht

Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
S&P Global Co., Ltd.	Subsidiary				
Beginning balances		-	-	9,000	-
Add Lent during the year		-	-	2,000	9,000
Ending balances		-	-	11,000	9,000
Patara Restaurant, Vienna GmbH	Subsidiary				
Beginning balances		-	-	49,974	49,974
Less Allowance for doubtful accounts		-	-	(25,000)	(25,000)
Ending balances		-	-	24,974	24,974
S&P International Foods Co., Ltd.	Subsidiary				
Beginning balances		-	-	6,500	10,094
Less Repayment during the year		-	-	(6,500)	(3,594)
Ending balances		-	-	-	6,500
S&P Restaurant Limited	Subsidiary				
Beginning balances		-	-	6,539	15,922
Add Lent during the year		-	-	19,658	-
Less Repayment during the year		-	-	-	(6,600)
Unrealized gain (loss) on revaluation		-	-	437	(2,783)
Ending balances		-	-	26,634	6,539
Foodhouse Catering Services Co., Ltd.	Associate				
Beginning balances		-	6,000	-	6,000
Less Repayment during the year		-	(6,000)	-	(6,000)
Ending balances		-	-	-	-

Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
MSC Thai Cuisine Co., Ltd.	Joint venture				
Beginning balances		5,000	-	5,000	-
Add Lent during the year		-	5,000	-	5,000
Less Repayment during the year		(5,000)	-	(5,000)	-
Ending balances		-	5,000	-	5,000
Umenohana S&P Co., Ltd.	Subsidiary				
Beginning balances		-	-	-	-
Add Lent during the year		-	-	6,000	-
Ending balances		-	-	6,000	-
S&P Restaurant Limited	Subsidiary				
Beginning balances		-	-	-	-
Add Lent during the year		-	-	500	-
Less Repayment during the year		-	-	(500)	-
Ending balances		-	-	-	-

### 26.3 Significant transactions with related parties for the years ended December 31, are as follows:

Unit:Thousand Baht

Account name/Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
<b>Revenues from sales</b>					
S&P International Foods Co., Ltd.	Subsidiary	-	-	33,857	24,907
Umenohana S&P Co., Ltd.	Subsidiary	-	-	614	787
S&P International Foods (Cambodia) Co., Ltd.	Subsidiary	-	-	5,664	10,674
S&P Training Co., Ltd.	Subsidiary	-	-	3,158	-
HD Distributors (Thailand) Co., Ltd.	Associate	-	65	-	65
Foodhouse Catering Service Co., Ltd.	Associate	1,593	1,995	1,593	1,995
Patara Fine Thai Cuisine Limited	Joint venture	-	2,773	-	-



Account name/Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
The Minor Food Group Public Co., Ltd.	Related party	27,138	27,558	27,138	27,558
Swensen's (Thai) Co., Ltd.	Related party	53,165	32,009	53,165	32,009
Other related parties	Related party	42,304	25,448	42,304	25,448
		124,200	89,848	167,493	123,443
<b>Gain on sale investment in an associate</b>					
HD Distributors (Thailand) Co., Ltd. <sup>(1)</sup>	Associate	-	84,502	-	107,703
<b>Rental income from buildings and equipment</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	761	996
Umenohana S&P Co., Ltd.	Subsidiary	-	-	300	300
S&P International Foods Co., Ltd.	Subsidiary	-	-	712	410
S&P Training Co., Ltd.	Subsidiary	-	-	720	-
HD Distributors (Thailand) Co., Ltd.	Associate	-	202	-	202
MSC Thai Cuisine Co., Ltd.	Joint venture	3,000	3,000	3,000	3,000
		3,000	3,202	5,493	4,908
<b>Other income</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	2,932	2,577
S&P Asset Co., Ltd.	Subsidiary	-	-	100	96
S&P International Foods Co., Ltd.	Subsidiary	-	-	1,912	2,302
Umenohana S&P Co., Ltd.	Subsidiary	-	-	578	360
S&P International Foods (Cambodia) Co., Ltd.	Subsidiary	-	-	4,825	7,624
S&P Restaurant Limited	Subsidiary	-	-	410	398
S&P Development Holding Co., Ltd.	Subsidiary	-	-	24	24
Patara Restaurant, Vienna GmbH	Subsidiary	-	-	1,499	1,499
S&P Training Co., Ltd.	Subsidiary	-	-	600	-
Foodhouse Catering Services Co., Ltd.	Associate	930	898	930	898
MSC Thai Cuisine Co., Ltd.	Joint venture	464	86	464	86
Patara Fine Thai Cuisine Limited	Joint venture	3,174	1,525	3,174	-
		4,568	2,509	17,448	15,864

Account name/Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
<b>Purchases of goods</b>					
S&P International Foods Co., Ltd.	Subsidiary	-	-	1,974	2,173
Umenohana S&P Co., Ltd.	Subsidiary	-	-	843	403
HD Distributors (Thailand) Co., Ltd.	Associate	-	509	-	509
MSC Thai Cuisine Co., Ltd.	Joint venture	1,135	-	1,135	-
Other related parties	Related parties	4,526	11,893	4,526	11,893
		5,661	12,402	8,478	14,978
<b>Rental and other expenses</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	558	-
S&P Asset Co., Ltd.	Subsidiary	-	-	3,219	4,534
S&P Training Co., Ltd.	Subsidiary	-	-	12,235	-
S&P International Foods Co., Ltd.	Subsidiary	-	-	1,974	2,173
Umenohana S&P Co., Ltd.	Subsidiary	-	-	843	403
S.R. Estate Ltd.	Common director	108	432	108	432
Seacon Development Public Co., Ltd.	Common director	1,378	688	1,378	688
Directors	Directors	1,510	2,091	1,510	2,091
		2,996	3,211	21,825	10,321
<b>Service expenses</b>					
S&P Asset Co., Ltd.	Subsidiary	-	-	1,383	1,277
The Minor Food Group Public Co., Ltd.	Related party	2,535	1,320	2,535	1,320
Seacon Development Public Co., Ltd.	Common director	7,356	3,499	7,356	3,499
		9,891	4,819	11,274	6,096
<b>Management benefit expenses</b>					
Short-term benefits	Management	51,072	51,997	49,266	49,770
Long-term benefits	Management	1,505	1,341	1,505	1,341
		52,577	53,338	50,771	51,111

Account name/Company's name	Relationship	Consolidated Financial Statements		Separate Financial Statements	
		2017	2016	2017	2016
<b>Share of profit (loss) of associates and joint ventures</b>					
HD Distributors (Thailand) Co., Ltd.	Associate	-	2,789	-	-
Foodhouse Catering Services Co., Ltd.	Associate	15,690	12,219	-	-
MSC Thai Cuisine Co., Ltd.	Joint venture	(1,495)	(832)	-	-
Patara Fine Thai Cuisine Limited	Joint venture	(20,968)	(27,400)	-	-
		(6,773)	(13,224)	-	-

(1) On April 5, 2016, the Company entered into the agreement to sell all shares of HD Distributors (Thailand) Co., Ltd., the Company recognized gain on sale of such associate for the period ended June 30, 2016 amounting to Baht 84.50 million and Baht 107.73 million in the consolidated and separate financial statements, respectively.

During the year 2017, S&P Restaurant Limited, a subsidiary of S&P Global Co., Ltd., transferred business in United Kingdom to a joint-venture entity upon the business transfer agreement (see Note 33).

## 27 | Expenses By Nature

Significant expenses by nature for the years ended December 31, 2017 and 2016 are as follows:

Unit:Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Changes in inventories of finished goods and work in process - increase	6,990	(21,758)	7,061	(21,758)
Raw materials and consumables used	2,559,015	2,496,211	2,313,919	2,286,398
Cost of finished goods purchased	85,931	70,297	85,747	70,297
Depreciation and amortization	417,442	392,254	352,059	323,052
Employee expenses	1,993,265	1,994,641	1,688,890	1,623,665
Transportation expenses	207,302	205,530	203,123	201,753
Advertising and marketing expenses	279,073	288,730	253,461	252,718
Management benefit expenses	51,072	53,338	49,266	51,111
Rental building and office expenses	539,165	399,229	350,578	320,767
Services charge expenses	439,950	415,348	417,891	396,048
Loss on impairment of fixed assets (reversal)	(1,560)	2,396	(160)	996
Loss on write-off of fixed assets	6,181	6,621	5,903	4,438
Doubtful debts	-	2,110	-	-

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## 28 | Provident Fund

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The Company and domestic subsidiaries established the provident funds in compliance with the Provident Fund Act B.E. 2530. The funds are voluntarily joined by employees. Under the fund's regulations, the members contribute 2% of their monthly salary to the fund and the Company and the subsidiaries contribute 2% of such monthly salary. The funds will be paid to the employees upon termination in accordance with the rules of the provident fund.

For the years ended December 31, 2017 and 2016, the Company's contributions and subsidiaries' contributions to provident funds which were recorded as expenses in the consolidated statements of profit or loss and other comprehensive income were Baht 19.17 million and Baht 17.08 million, respectively.

For the years ended December 31, 2017 and 2016, the Company's contributions to the provident fund which were recorded as expenses in the separate statements of profit or loss and other comprehensive income were Baht 18.65 million and Baht 16.53 million, respectively.

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## 29 | Capital Management

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The primary objectives of the Company's and its subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

The Company and its subsidiaries do not apply any particular financial ratio to monitor its capital whilst manage their capital to be sufficient for their working capital by: for instance, issuing new share or adjusting the amount of dividend paid to shareholders, according to the prevailing situations.

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## 30 | Disclosure Of Financial Instrument Information

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The Company presents and discloses financial instrument information of the Company and its subsidiaries as follows:

### 30.1 Credit Risk

Credit risk refers to the risk that counterparty will default on its trading terms and conditions resulting in collection loss to the Company and subsidiaries. Concentrations of credit risk are limited since the Company and subsidiaries have adopted the policy of dealing with creditworthy counterparty as a mean of mitigating the risk of financial losses from defaults.

In case of recognized financial assets in the statements of financial position, the carrying amounts of the assets recorded in the statements of financial position represent the maximum exposure to credit risk.

### 30.2 Interest Rate Risk

Interest rate risk arises from the potential for a change in interest rate to have an adverse effect on the Company and its subsidiaries in the current reporting period and in future years. The Company and its subsidiaries do not expect to incur material incremental effect on their interest expense because loans of the Company and its subsidiaries are immaterial amount.

### 30.3 Foreign Exchange Risk

Foreign exchange risk arises from the potential for a change in foreign exchange rate to have an adverse effect on the Company and its subsidiaries in the current reporting period and in future years. The Company and its subsidiaries do not expect to incur material incremental effect on their financial assets and liabilities in foreign currencies as the majority of their businesses are engaged in Thai Baht.

However, the effect of change in foreign exchange rate may has material effect on financial assets and liabilities of the overseas subsidiaries. The Company and its subsidiaries do not use any financial instrument to manage such risk.

### 30.4 Fair value of financial assets and liabilities

For the fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company and its subsidiaries in estimating fair value of financial instrument.

#### Financial assets and liabilities measured at fair value

Certain financial assets of the Company and subsidiaries are measured at fair value in the statements of financial position at the end of reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation technique and key input
	Fair value (Baht : 1,000)		Fair value (Baht : 1,000)			
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016		
Trading securities	<ul style="list-style-type: none"><li>Fixed income open-ended funds = 152,475</li><li>Private funds = 23,597</li></ul>	<ul style="list-style-type: none"><li>Fixed income open-ended funds = 100,962</li><li>Private funds = 121,829</li></ul>	<ul style="list-style-type: none"><li>Fixed income open-ended funds = 152,475</li><li>Private funds = 23,597</li></ul>	<ul style="list-style-type: none"><li>Fixed income open-ended funds = 83,147</li><li>Private funds = 121,829</li></ul>	Level 1	The fair value of unit trust is determined from the trusts' net asset value.
Available-for-sales securities	-	<ul style="list-style-type: none"><li>Fixed income open-ended funds 1,868</li></ul>	-	-	Level 1	The fair value of unit trust is determined from the trusts' net asset value.

#### Financial assets and liabilities not measured at fair value

Cash and cash equivalents, temporary investments, trade and other current receivables, short-term loans to related parties, trade and other current payables, current income tax payable, other current liabilities, the carrying values approximate their fair values due to the relatively short period to maturity.

Other long-term investments had not significantly different from the carrying values stated in the statements of financial position.

Long-term borrowings from financial institutions bearing floating interest rate, the carrying value is approximate its fair value.

The transactions disclosed in the following table, are considered that the carrying amounts recognized in the consolidated and separate financial statements are different from their fair values.

	Carrying amount	Fair value	Fair value hierarchy
<b><u>As at December 31, 2017</u></b>			
<b>Separate financial statements</b>			
<b>Financial assets</b>			
Loans to related parties	93,608	90,266	Level 3
<u>Less</u> Allowance for doubtful account	(25,000)	(25,000)	
	68,608	65,266	
<b><u>As at December 31, 2016</u></b>			
<b>Consolidated financial statements</b>			
<b>Financial assets</b>			
Loans to related parties	5,000	5,131	Level 3
<b><u>Separate financial statements</u></b>			
<b>Financial assets</b>			
Loans to related parties	77,013	79,845	Level 3
<u>Less</u> Allowance for doubtful account	(25,000)	(25,000)	
	52,013	54,845	

Fair value of long-term loans to related parties bearing fixed interest rate are determined by discounted cash flows method. Future cash flows are estimated based on relevant market price discounting the weighted average cost of capital of S&P Syndicate Public Co., Ltd. Group.



## 31 | Financial Information By Segment

Financial information by the reportable segments which are domestic restaurants and bakery shops, packaged food and bakery trading business, overseas restaurants and others.

Elimination of inter-segment, segment revenues and profit from external customers and reconciliation of total segment profit to profit before income tax expense and comprehensive income for the years ended December 31, 2017 and 2016 are as follows:

Unit: Thousand Baht

	Domestic restaurants and bakery shops	Packaged food and bakery trading business	Overseas restaurants	Others	Total	Elimination of inter-segment	Total
<b>Consolidated statement of profit or loss and other comprehensive income</b>							
<b>For the year ended December 31, 2017</b>							
Segment revenues	6,098,404	826,729	873,419	52,023	7,850,575	(64,976)	7,785,599
Segment profit (loss) from external customers	1,015,700	122,833	(36,596)	2,729	1,104,666	(9,439)	1,095,227
Unallocated income (expenses):							
Other income							200,675
Central selling and administrative expenses							(656,293)
Management benefits							(52,577)
Net loss on exchange rate							(2,516)
Finance costs							(2,448)
Share of loss from investment in associates and joint ventures							(6,773)
Profit before income tax expense							575,295
Income tax expense							(78,839)
Profit for the year							496,456
Total other comprehensive income for the year - net of tax							5,331
Total comprehensive income and other comprehensive income for the year							501,787

	Domestic restaurants and bakery shops	Packaged food and bakery trading business	Overseas restaurants	Others	Total	Elimination of inter-segment	Total
<b>Consolidated statement of profit or loss and other comprehensive income For the year ended December 31, 2016</b>							
Segment revenues	5,968,693	845,176	944,533	45,045	7,803,447	(28,514)	7,774,933
Segment profit (loss) from external customers	930,800	89,205	5,313	(7,879)	1,017,439	-	1,017,439
Unallocated income (expenses):							
Other income							157,095
Central selling and administrative expenses							(542,200)
Management benefits							(53,337)
Net loss on exchange rate							(8,808)
Finance costs							(1,758)
Share of loss from investment in associates and joint ventures							(13,225)
Profit before income tax expense							555,206
Income tax expense							(117,048)
Profit for the year							438,158
Total other comprehensive loss for the year - net of tax							(26,265)
Total comprehensive income and other comprehensive income for the year							411,893
<b>Statements of financial position As at December 31, 2017</b>							
Trade and other current receivables	82,507	173,871	224,011	8,629	489,018	(262,541)	226,477
Inventories	135,305	27,739	9,178	2,801	175,023	-	175,023
Property, plant and equipment	606,865	1,243	140,348	4,629	753,085	(6,554)	746,531

	Domestic restaurants and bakery shops	Packaged food and bakery trading business	Overseas restaurants	Others	Total	Elimination of inter-segment	Total
Leasehold rights	52,316	-	14,104	-	66,420	-	66,420
Assets under common use							
• Trade and other current receivables							136,466
• Inventories							142,504
• Property, plant and equipment							782,717
• Leasehold rights							3,457
• Others							1,690,726
Total assets							3,970,321
<b>Statements of financial position</b>							
<b>As at December 31, 2016</b>							
Trade and other current receivables	69,918	233,554	40,380	7,113	350,965	(80,264)	270,701
Inventories	151,726	9,182	10,101	2,045	173,054	-	173,054
Property, plant and equipment	608,832	1,442	239,930	4,273	854,477	(43)	854,434
Leasehold rights	66,301	-	16,310	52	82,663	-	82,663
Assets under common use							
• Trade and other current receivables							46,807
• Inventories							138,690
• Property, plant and equipment							819,507
• Leasehold rights							4,900
• Others							1,322,955
Total assets							3,713,711

## Geographic Area Information

Financial information by geographic area for the years ended December 31, is as follows:

Unit:Thousand Baht

	Domestic	Overseas	Consolidated Financial statements
<b>Revenues</b>			
<b>For the year ended December 31, 2017</b>			
Revenue from external customers	6,787,980	873,419	7,661,399
<b>Segment assets</b>			
<b>As at December 31, 2017</b>			
Non-current assets	2,101,061	199,477	2,300,538
<b>Revenues</b>			
<b>For the year ended December 31, 2016</b>			
Revenue from external customers	6,740,552	944,533	7,685,085
<b>Segment assets</b>			
<b>As at December 31, 2016</b>			
Non-current assets	1,963,845	302,465	2,266,310

## 32 | Commitments And Letters Of Guarantee

As at December 31, 2017 and 2016, the Company and its subsidiaries had commitments and letters of guarantee as follows:

32.1 Commitments to pay rental and services under long-term lease contracts as at December 31, are as follows:

### Domestic offices rental and services expenses

Unit:Thousand Baht

Payment period	2017	2016
Not later than 1 year	521,278	499,410
Later than 1 year but not later than 5 years	1,119,927	1,035,119
Later than 5 years	99,756	91,664

## Overseas subsidiaries rental and services expenses

Unit: Thousand Baht

Payment period	2017	2016
Not later than 1 year	104,450	150,286
Later than 1 year but not later than 5 years	130,826	226,182
Later than 5 years	54,627	97,952

For the years ended December 31, 2017 and 2016, the Company paid rental expense under lease of space and service agreements and recorded as expense in the consolidated statements of profit or loss and other comprehensive income amounting to Baht 539.17 million and Baht 399.23 million, respectively.

For the years ended December 31, 2017 and 2016, the Company paid rental expense under lease of space and service agreements and recorded as expense in the separate statements of profit or loss and other comprehensive income amounting to Baht 350.58 million and Baht 320.77 million, respectively.

- 32.2 As at December 31, 2017 and 2016, the Company and its subsidiaries have outstanding capital commitments relating to construction of new branches, shops and information technology system of Baht 198.33 million and Baht 25.75 million, respectively.
- 32.3 As at December 31, 2017 and 2016, the Company and its subsidiaries have letters of guarantee issued by a bank to guarantee for electricity usage for the Company and its subsidiaries of Baht 64.87 million and Baht 61.97 million, respectively. Such amount included the letters of guarantee of Baht 1.05 million which deposit at bank was used as collateral (see Notes 9.1 and 9.2).
- 32.4 S&P International Foods Co., Ltd., a subsidiary company, entered into a License Agreement with an overseas company which its period is from October 26, 2012 to December 31, 2021 for operating the restaurant business. Such subsidiary company has to pay an initial royalty fee and running royalty fees on a quarterly basis in each year at the rates as specified in the agreement for trademark and production know-how.

The Company issued a letter of guarantee dated October 26, 2012 to guarantee for all payments that the subsidiary has to pay according to the License Agreement.

## 33 | Transfer Of A Subsidiary's Business To A Joint-Venture Entity

On October 26, 2017, S&P Restaurant Limited, a subsidiary of S&P Global Co., Ltd., transferred 4 Thai restaurants in United Kingdom and transferred employees and other related assets to SUDA Limited, the subsidiary of S&P Restaurant Limited, by exchanging with newly issued shares of SUDA Limited amounting to GBP 4.1 million (equivalent to Baht 179.20 million).

On November 20, 2017, S&P Restaurant Limited has transferred business by selling all ordinary shares of SUDA Limited to Patara Fine Thai Cuisine Limited, a joint-venture entity at the price of GBP 4.1 million (equivalent to Baht 179.20 million) and received a payment in full in 2017. From this transfer business, the Company recognized such gain on transfer of business as income for the year 2017 in the amount of GBP 1.84 million (equivalent to Baht 79.91 million) according to the shareholding percentage

of the parties outside S&P Group. The remaining amount of GBP 1.84 million (equivalent to Baht 79.91 million) was presented in account "surplus on gain from transfer of business to a joint-venture entity" under shareholders' equity in the statement of financial position as of December 31, 2017. The Company will realize such "surplus on gain from transfer of business to a joint-venture entity" into retained earnings when the Company reduces percentage of shareholding in a joint-venture entity or such joint-venture entity sells the transferred business to the third parties.

On November 20, 2017, S&P Restaurant Limited sold buildings, which has carrying amount of GBP 1.62 million (equivalent to Baht 70.81 million), to MSP Property Ltd., a subsidiary of Patara Fine Thai Cuisine Limited, a joint-venture entity, at the price of GBP 2.9 million (equivalent to Baht 126.51 million) and S&P Restaurant Limited fully received in 2017. The Company recognized such gain on sales of fixed assets to a joint-venture entity as income for the year 2017 in the amount of GBP 0.64 million (equivalent to Baht 28.08 million) according to the shareholding percentage of the parties outside S&P Group. The remaining amount of GBP 0.64 million (equivalent to Baht 28.08 million) was included in liability section in the account as "Deferred gain on sales of fixed assets to a joint-venture entity" as of December 31, 2017. The Company will realize such "Deferred gain on sales of fixed assets to a joint-venture entity" as income when the Company reduces percentage of shareholding in such joint-venture entity and when such joint-venture entity calculates depreciation or sells such transferred assets to the third parties.

## 34 | Event After The Reporting Period

On February 23, 2018, the Board of Directors' Meeting of the Company has resolutions to distribute an annual dividends from the operations of the year 2017 for 490,408,365 shares at Baht 0.87 per share, totalling Baht 426.66 million. The dividends consist of interim dividends at Baht 0.07 per share, totalling Baht 34.33 million which was paid on September 13, 2017 and the additional dividends of 490,408,365 shares at Baht 0.80 per share, totalling Baht 392.33 million, which will be paid on May 2, 2018. The Board of Directors will propose to the shareholders at the annual general shareholders' meeting to obtain an approval for the dividend payment.

## 35 | Reclassification

A reclassification has been made in the consolidate and separate financial statements for the year ended December 31, 2016, to conform to the classification used in current period's financial statements. A reclassification has no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassification is as follows:

Account	Previous presentation	Current presentation	Amount (Thousand Baht)	
			Consolidated Financial Statements	Separate Financial Statements
Current portion of employee benefit obligation	Employee benefit obligations which presented under non-current liabilities	Current provisions for employee benefits which presented under current liabilities	2,271	2,271

## 36 | Approval Of The Financial Statements

These financial statements were approved for issue by the authorized directors of the Company on February 23, 2018.



## Management Discussion and Analysis

### Summary of 2017 Operating Performances

#### Revenue from Sales and Services

The company and its subsidiaries reported revenue from sales and services of 7,786 Million Baht, increased by only 11 Million Baht, or 0.1%, y-o-y. The slight increase was due to regression in domestic consumption. Despite the country's economic growth of 3.9% from 2016, overall private consumption was fragile from high household debts, employment declination, and shrinkage of agricultural prices towards the end of 2017.

#### Revenues breakdown by Channels of Distribution

Channels of Distribution	2017		2016		Increase / (Decrease) %
	Amount	%	Amount	%	
Domestic Restaurants and Bakery Shops	6,151	76.2	6,009	76.2	2.4
Packaged food and Bakery Trading Business	762	10.3	820	10.3	-7.1
Overseas Restaurant	873	13.5	945	13.5	-7.6
Other*	-	0.0	1	0.0	-100.0
<b>TOTAL REVENUES</b>	<b>7,786</b>	<b>100.0</b>	<b>7,775</b>	<b>100.0</b>	<b>0.1</b>

\* Rental Revenue (to outsiders)

When considering channels of distribution, revenue from domestic restaurants and bakery shops grew 2.2%-from restaurant sales growth of 0.4%, which was offset by decrease in bakery shops sales of 1.9%. this was due to regression in domestic consumption and impacts of the country's economy as aforementioned.

Overseas restaurant revenue dropped by 7.5%, in which growth rate of sales to existing overseas restaurants decreased by 11.7% due to high business competition and economic regression in Singapore and the UK. Restaurants in Cambodia,

however, performed better than previous year. Packaged food and bakery trading business decreased by 55 Million Baht, or 6.7%, from lower sale volume in supermarkets and retail stores for frozen food, sausage, and mooncake products.

### Revenues breakdown by Products

Product	2017		2016		Increase / (Decrease) %
	Amount	%	Amount	%	
Bakery	3,274	42.1	3,267	42.0	0.2
Domestic Food and Beverage	2,643	33.9	2,529	32.5	4.5
Overseas Restaurant	874	11.2	945	12.1	-7.5
Food Products **	738	9.5	792	10.2	-6.8
Other Products ***	257	3.3	242	3.1	6.2
<b>TOTAL REVENUES</b>	<b>7,786</b>	<b>100.0</b>	<b>7,775</b>	<b>100.0</b>	<b>0.1</b>

\*\* Food products produced by the Company, consisting of frozen food, sausages, jelly, and dry mix.

\*\*\* Comprise of products OEM under S&P brand, goods purchased for sales, other miscellaneous products, and rent income.

In 2017, revenue from bakery products accounted for 3,274 Million Baht, increased slightly from previous year. Revenue from domestic food and beverage accounted for 2,643 Million Baht, or a 4.5% increase, contributed by branch expansion and continuous promotional activities to improve market position.

### Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

The company's EBITDA in the financial statements was at 995 Million Baht, an increase of 4.8%. As in the 4th quarter of 2017, the company recognized a one-time gain from the transfer of Thai restaurant business in the UK. Four branches of "Patara" restaurant and other related assets of 108 Million Baht were transferred to Patara Fine Thai Cuisine Co.,Ltd. (PFTC). S&P Development Holding Co.,Ltd. is a subsidiary company 100% owned by PTFC; and MFG International Co.,Ltd. (a subsidiary of Minor International Public Company Limited) holds 50% of PFTC shares.

If extra profit is excluded, the company's EBITDA margin was slightly higher than the previous year due to the increased profitability of the company. Although production costs have been well managed and improved over the past year, the company reported an increase in SG&A expenses of 88 Million Baht (or 3.0%) y-o-y, which was mainly due to higher staff expenses from minimum wage adjustment and branch expansion. In addition, rent of both existing and new branches has been increased.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	12M Y2017	12M Y-2016	Growth (MB)	%
Consolidated Net Income (MB)	995	949	46	4.8
Net profit margin to total revenue (%)	12.5	12.0	1	0.5
Net profit from normal operation (MB)	796	747	49	6.5
Net operating profit margin (%)	10.1	9.5	1	0.6

## Net Profit

In 2017, the company and its subsidiaries reported a net profit of 484 Million Baht which increased by 46 Million Baht, or 10.6%, y-o-y. This was due to the one-time gain from transfer as previously mentioned. When considering net profit from operation in 2017, the company's net operating profit margin remained the same as 2016 at 4.8%.

Net Profit	12M Y2017	12M Y-2016	Growth (MB)	%
Consolidated Net Income (MB)	484	438	46	10.6
Net profit margin to total revenue (%)	6.1	5.5	1	0.5
Net profit from normal operation (MB)	376	375	1	0.3
Net operating profit margin (%)	4.8	4.8	-	0.0

## Balance Sheet and Statements of Cash Flows

At the end of 2017, the company and its subsidiaries reported total assets of 3,970 Million Baht, up by 257 Million Baht from 3,714 Million Baht in 2016 y-o-y. Meanwhile, long-term assets also increased slightly mainly due to:

1. The increase in cash and cash equivalents of 245 Million Baht from the selling of S&P Restaurant Co.,Ltd.'s assets, and improved capital management.
2. Increase of investment in joint ventures of 164 Million Baht.
3. Reduction of land, buildings, and equipment of 145 Million Baht.

The company's total liabilities increased by 53 Million Baht y-o-y from 1,293 Million Baht at the end of 2016 to 1,346 Million Baht at the end of 2017, mainly contributed by the increase in current liabilities of trade payables by 35 Million Baht. Simultaneously, non-current liabilities increased from 2016 by 38 Million Baht, resulted from profit of selling assets to joint ventures is expected to be 28 Million Baht.

The company's shareholders' equity increased by 204 Million Baht from 2,421 Million Baht to 2,625 Million Baht, mainly from (1) net profit of 484 Million Baht in 2017, (2) increase of 19 Million Baht from non-controlling interests, (3) dividend payment of 378 Million Baht, and (4) profit from business transfer to the company – joint ventures of 80 Million Baht.

The company and its subsidiaries had cash flow from operating activities of 782 Million Baht, an increase of 76 Million Baht from 2016. The increase was due to the decrease in cash paid to corporate income tax of 96 Million Baht.

The company and its subsidiaries had cash flow from investing activities of 163 Million Baht, a decrease of 179 Million Baht, contributed by (1) proceeds from the sale of fixed assets increased by 145 Million Baht, (2) cash paid to purchase fixed assets, intangible assets, and leasehold rights decreased by 195 Million Baht, (3) cash paid for investments in joint ventures increased by 148 Million Baht, and (4) proceeds from sales of investments to the company – joint ventures increased by 179 Million Baht. The company had net cash from financing activities of 397 Million Baht, decreased by 77 Million Baht, mainly due to a decrease in dividend payout of 113 Million Baht.

### Financial Ratio Analysis

The company's gross profit margin increased from 44.7 in 2016 to 45.3% in 2017, contributed by effective production cost management. Net profit margin increased to 6.1% in 2017 from 5.5% in 2016 due to the one-time gain from transfer of business to the company – joint ventures in 2017. If this gain has been excluded, however, net profit margin was 4.8%, similar to that of the previous year. This was the result of higher SG&A expenses.

Return of equity increased from 17.8% in 2016 to 12.6% in 2017. Similarly, return on asset increased from 11.6% in 2016 to 12.6% in 2017. These 2 ratios were higher than normal

due to net profit of 2017 included the one-time gain. If such gain was excluded, return of equity was 14.9% and return of asset was 9.8%, which decreased slightly from the previous year.

D/E ratios of 2017 and 2016 remained the same at 0.5%. Current ratio increased from 1.4 times at the of 2016 to 1.6 times at the end of 2017, mainly from an increase in cash and cash equivalents; an increase in trade accounts receivable and other current receivables; cash received from the business transfer to the company – joint ventures; and the company's performance improvement throughout the year.

Financial Ratios	31-Dec-2017	31-Dec-2016
<b>Profitability</b>		
Gross Profit Margin (%)	45.3	44.7
Net Profit Margin (%)	6.1	5.5
Net Operating Margin (%)	4.8	4.8
<b>Activity Ratio</b>		
Return on Asset (%)	12.6	11.6
Return on Equity (%)	19.2	17.8
Turnover ratio of trade receivables (Times)	29.4	29.1
Average Collection Period (Days)	12.4	12.5
Fixed asset turnover rate (Times)	4.5	4.6
Account payable turnover ratio (Times)	8.9	9.2
Average repayment period (Days)	41.1	39.5
Inventory turnover ratio (Times)	13.5	13.5
Asset turnover (Times)	2.0	2.1
<b>Liquidity Ratio</b>		
Current Ratio (Times)	1.6	1.4
Quick Ratio (Times)	1.3	1.1
<b>Leverage Ratio</b>		
D/E Ratio (Times)	0.5	0.5
Interest Coverage Ratio (Times)	236.0	316.8

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## Company's Operation Plans for 2018

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The company continues to raise revenue through branch expansion policy both locally and overseas, by selecting only locations with high competitiveness in order to enhance business growth. With the determination and devotion to improve services responsive to various customer groups, a new marketing strategy has been introduced. The new strategy focuses on consumer lifestyle segmentation, new product development, and more options available to customers.

For production and distribution, the company has relentlessly improved its production and distribution capabilities by investing in building of new warehouses and distribution centers, which are expected to be ready in 2019. This is to ensure that products are delivered to consumers within a shorter period of time to preserve quality and freshness. Also, these warehouses and centers are to help reduce transportation costs. Efficient human resources management is another contribution to revenue growth. In addition, Warehouse

Management System (WMS) and other cutting-edge technologies have been installed to enhance performance and to provide real-time reporting so that situations are constantly updated and dealt with.

Human resources is a key contribution to the company's success in reaching its goals. With this realization, the company puts great emphasize on human resources development so that its employees are equipped with the skills and tools necessary to compete in the business on both national and international levels. Ongoing trainings and seminars have been provided to staffs of all levels.

The company has driven the business forward in parallel with social, community, economy, and environment responsibility policy in order to ensure sustainable growth. More importantly, customers can rest assured that products under the S&P brand and its subsidiaries are of quality and filled with happiness.

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## S&P's Subsidiaries and Affiliates

Names/Location	Type of business	No. of common share		% Holding
		Total Share	No. of Shares held by S&P Group	
<b>S&amp;P Syndicate Public Company Limited</b> Ital Thai Tower, 23 <sup>rd</sup> -24 <sup>th</sup> Floor, No. 2034/100-107, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310 Tel : +66 (0) 2785 4000 Fax : +66 (0) 2785 4040	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 overseas restaurant business			
<b>S&amp;P Development Holding Pte. Ltd.</b> 80 Robinson Road # 02-00 Singapore (068898) Tel: - Fax: -	Operate Thai restaurant domestically and internationally, also hold shares in other companies	1	1	100%
<b>S&amp;P Development Holding Co., Ltd.</b> Ital Thai Tower, 23 <sup>rd</sup> Floor, No. 2034/100, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310 Tel : +66 (0) 2785 4000 Fax : -	Operate Thai restaurant abroad, Provide service support for affiliated business or branch both domestic and abroad	2,000,000	1,999,997	99.99%
<b>S&amp;P International Foods Company Limited</b> Ital Thai Tower, 23 <sup>rd</sup> Floor, No. 2034/100, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310 Tel : +66 (0) 2785 4000 Fax : +66 (0) 2785 4506	Operate Japanese Restaurant under "Maisen" brand	500,000	499,970	99.99%



Names/Location	Type of business	No. of common share		% Holding
		Total Share	No. of Shares held by S&P Group	
<b>S&amp;P International Foods (Cambodia) Company Limited</b> Villa No. 21, Street 214, Village 2, Sangkat Beoung Raing, Khan Daun Penh, Phnom Penh, Cambodia Tel : +85 639 988 Fax : -	Operate Restaurant Business under "S&P Restaurant" and "BlueCup" in Cambodia	45,750	45,730	99.96%
<b>S&amp;P Training Co., Ltd.</b> 1/2 Soi Attakravi 1, Sukhumvit 26 Rd, Klongtan, Klongtoei, Bangkok Tel : +66 (0) 2664-6260 Fax : -	To engage in the training of skill development for employees of S&P Syndicate Public Company Limited and its subsidiaries	10,000	9,998	99.98%
<b>S&amp;P Asset Co., Ltd.</b> 1/2 Soi Attakravi 1, 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%
<b>S&amp;P Global Co., Ltd.</b> Ital Thai Tower, 23 <sup>rd</sup> Floor, No. 2034/100, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310 Tel : +66 (0) 2785-4000 Fax : +66 (0) 2785-4507	Operate Thai restaurants in overseas, currently with 6 subsidiaries as follows	500,000	400,000	80.00%
<b>Umenohana S&amp;P Co., Ltd.</b> Ital Thai Tower, 23 <sup>rd</sup> Floor, No. 2034/100, New Petchburi Road, Bangkapi, Huay kwang, Bangkok Tel : +66 (0) 2785-4000 Fax : +66 (0) 2785-4506	Operate Japanese restaurant and food product in Thailand under "Umenohana" brand	250,000	149,997	59.99%

Names/Location	Type of business	No. of common share		% Holding
		Total Share	No. of Shares held by S&P Group	
<b>Foodhouse Catering Services Co., Ltd.</b> 234 Soi Sukhuvit 101 (Punnavithi), Sukhumvit Rd., Bangchak, Prakanong, Bangkok Tel : +66 (0) 2741-8800 Fax : +66 (0) 2741-8260	Operate business to Provides a variety of nutrition services in kind of or sets of dishes to any organizations such as hospital, factory and schools	10,000	4,997	49.97%
<b>M.S.C Thai Cuisine Co., Ltd.</b> (Formerly "The Thai Cuisine Co.,Ltd.") No.457-457/1-6 Sukhumvit 55, Klongtannua, Vadhana, Bangkok Tel : +66 (0) 2636-6901 Fax : +66 (0) 2636-7660	Operate Cooking School under the name "M.S.C. Thai Culinary School"	800,000	350,000	40.00%
<b>S&amp;P Restaurant Company Limited*</b> Sutherland House, 1759 London Road, Leigh on Sea, Essex SS9 2RZ, UK Tel : +44 (0) 20 8874 6503 Fax : -	Operate Thai restaurants under "Patara" and "Suda" brand in England	1,000,000	960,000	96.00%
<b>Patara (Geneva) SA*</b> No.94, Rue des Eaux-Vives CH-1207, Geneva Switzerland Tel : +41 (0) 22 735 0517 Fax : +41 (0) 22 735 0538	Operate Thai restaurants under "Patara" brand in Geneva, Switzerland	200	124	62.00%
<b>Patara Fine Thai Cuisine Pte. Ltd.*</b> Previous Name: 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	600,000	300,000	50.00%

Names/Location	Type of business	No. of common share		% Holding
		Total Share	No. of Shares held by S&P Group	
<b>SK Catering Pte. Ltd.*</b> Previous Name: Siam Kitchen Causeway Point Pte. Ltd. 211 Henderson Road #05-03 Singapore 159552 Tel : (65) 6411-4990 Fax : (65) 6411-4991	Operate Thai restaurants under " Siam Kitchen" and "Bangkok Jam" brand in Singapore	300,000	150,000	50.00%
<b>Patara International Restaurant Management</b> (Beijing) Co., Ltd.* 6 <sup>th</sup> Floor, Jinbao Place, 88 Jinbao Street, Dongcheng District, Beijing, China Tel : (8610) 852-21678 Fax : -	Operate Thai restaurants under "Patara" brand in China	9,000,000	8,650,000	96.11%
<b>Patara Restaurant, Vienna GmbH**</b> Petersplatz 1/Goldschmiedgass 9/Graben 27-28/Top-No.7 1010 Vienna, Austria Tel : +43 199 719 38 Fax : -	Operate Thai restaurants under "Patara" brand in Austria	1,200,000	1,116,600	93.05%
<b>Shanghai Yueshi Restaurant Management Co., Ltd.***</b> Lot No. 4 F07-09, 4 <sup>th</sup> Floor, Sky Mall, No. 5001, Dushi Road, Minhang, Shanghai, China Tel: (8610) 021-3468-7591 Fax : -	Operate restaurants under "Vanilla" brand in Shanghai China	8,000,000	4,080,000	51.00%
<b>Bangkok Jam SDN BHD****</b> No.79 A, Jalan SS 21/37 Damansara Utama, 47400 Petaling, Selangor Malaysia Tel: - Fax: -	Operate restaurants under "Bangkok Beat Bistro" brand. <u>Currently Ceased operation</u>	470,000	469,999	99.99%

Names/Location	Type of business	No. of common share		% Holding
		Total Share	No. of Shares held by S&P Group	
<b>Bangkok Jam Co., Ltd****</b> No.12, Lane 247, Section 1, Dunhua South Road, Da-an, Taipei City Taiwan Tel: - Fax: -	Operate restaurants under "Bangkok Jam" brand in Taiwan. <u>Currently Ceased operation</u>	5,000,000	5,000,000	100.00%
<b>Patara Fine Thai Cuisine Limited*****</b> Sutherland House, 1795 London Road, Leigh on Sea, Essex SS9 2RZ, UK Tel: + 44 (0) 20 8874 6503 Fax: -	Operate Thai restaurants under "Patara" and "Suda" brand in England	12,300,000	6,150,000	50.00%
<b>Suda Limited*****</b> Sutherland House, 1795 London Road, Leigh on Sea, Essex SS9 2RZ, UK Tel: + 44 (0) 20 8874 6503 Fax: -	Operate Thai restaurant under "Patara" and "Suda" brands in England	4,100,000	2,050,000	50.00%
<b>MSP Property Limited*****</b> Sutherland House, 1795 London Road, Leigh on Sea, Essex SS9 2RZ, UK Tel: + 44 (0) 20 8874 6503 Fax: -	Operate real estate business	2,900,000	1,450,000	50.00%

Remarks \*

\* 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 shares through S&P Restaurant Co. Ltd. in the UK

\*\*\* indicates a company in which S&P Global Co., Ltd. owns shares through Patara International Restaurant Management (Beijing) Co., Ltd. in China

\*\*\*\* indicates a company in which S&P Global Co., Ltd. owns shares through SK Catering Pte. Ltd. in Singapore

\*\*\*\*\* indicates a company in which share are owned by S&P Development Holding Co., Ltd. in Thailand

\*\*\*\*\* indicates a company in which S&P Development Holding Co., Ltd. owns shares through Patara Fine Thai Cuisine Limited in UK

## Connected Transactions

### Revenues and Expenses between the Company, Subsidiaries and Related Parties

#### (1) REVENUES

Company/Related Parties	Type of Transactions	2017	2016
S&P Global Co.,Ltd.	Rental income-Building and Equipment	0.76	1.00
	Revenue from services	2.40	2.40
	Revenue from sales	0.21	0.02
	Interest Income	0.32	0.15
<b>Subsidiary of S&amp;P Global Co.Ltd.</b>			
S&P Restaurant Co.,Ltd.	Interest Income	0.41	0.40
Patara Reataurant, Vienna GmbH	Interest Income	1.50	1.50
S&P International Foods Co.,Ltd.	Revenue from services	0.74	0.74
	Rental income-Building and Equipment	0.71	0.41
	Revenues form sales	34.91	31.20
	Interest Income	0.11	0.26
S&P Asset Co.,Ltd.	Revenue from services	0.10	0.10
S&P International Foods (Cambodia) Co.,Ltd.	Revenue from services	4.34	5.39
	Revenue form sales	6.15	12.91
Umenohana S&P Co.,Ltd.	Revenue from services	0.36	0.36
	Rental income-Building and Equipment	0.30	0.30
	Revenues form sales	0.82	0.79
	Interest Income	0.01	-
S&P Development Holding Co.,Ltd.	Revenue from services	0.02	0.02
S&P Training Co., Ltd.	Revenue from services	0.60	-
	Rental income-Building and Equipment	0.72	-
	Dividen Income	3.16	-
HD Distributors (thailand) Co.,Ltd.	Rental income-Building and Equipment	-	0.20
	Dividen Income	-	0.07
Foodhouse Catering Services Co.,Ltd.	Revenue form sales	1.59	2.00
	Revenue form services	0.93	0.82
	Interest Income	-	0.08
MSC Thai Cuisine Co.,Ltd.	Rental income-Building and Equipment	3.00	3.00
	Revenue form sales	0.41	0.09
	Interest Income	0.05	0.15

Company/Related Parties	Type of Transactions	2017	2016
<b>Subsidiary of The Minor Food Group Plc.</b>			
The Minor Food Group Limited	Revenue form sales	27.14	27.56
Minor DQ Limited	Revenue form sales	27.33	12.73
Minor Dairy Limited	Revenue form sales	-	0.40
Swensen's (Thai) Limited	Revenue form sales	53.16	32.00
SLRT Limited	Revenue form sales	4.44	3.92
The Coffee Club (Thailand) Limited	Revenue form sales	0.31	0.29
BMP (Thailand) Co.,Ltd.	Revenue form sales	2.73	-
Select Service Partner Co.,Ltd.	Revenue form sales	0.78	0.57
		115.89	77.47

## (2) Purchases of goods and services

Company/Related Parties	Type of Transactions	2017	2016
S&P Global Co.,Ltd.	Purchase of goods	0.56	-
S&P Asset Co.,Ltd.	Rental payment for building and service	4.60	5.80
S&P International Foods Co.,Ltd.	Purchase of goods	1.97	2.17
Umenohana S&P Co.,Ltd.	Purchase of goods	0.84	0.40
S&P Training Co., Ltd.	Payment for services	12.24	-
HD Distributors (Thailand) Co.,Ltd.	Purchase of goods and services	-	0.51
MSC Thai Cuisine Co.,Ltd.	Payment for services	1.14	-
S.R.Estate Co.,Ltd.	Rental payment for brnach office	0.11	0.43
The Company Director	Rental payment for office and warehouse	1.51	1.32
		-	0.77
Seacon Development Co.,Ltd.	Rental payment for building and service	8.74	4.19
<b>Subsidiary of Minor International Plc.</b>			
Royal Garden Plaza Co.,Ltd.	Rental payment for building and service	3.68	-
Chao Phraya Resort Co.,Ltd.	Rental payment for building and service	2.67	-
The Minor Food Goup Plc.	Sales of goods	2.54	1.32
<b>Subsidiary of The Minor Food Group Plc.</b>			
Minor Cheese Limited	Purchase of goods	0.14	10.85
Minor Dairy Limited	Purchase of goods	0.38	1.05
		9.41	13.22



## Assets and Liabilities between the Company, Subsidiaries and Related Parties

### (1) Accounts Receivables

Company/Related Parties	Type of Transactions	2017	2016
S&P Global Co.,Ltd.	Sales of goods and services	-	0.05
S&P international Foods Co.,Ltd.	Sales of goods and services	44.97	44.21
Umenohana S&P Co.,Ltd.	Sales of goods and services	0.39	0.09
S&P international Foods (Cambodia) Co.,Ltd.	Sales of goods	20.13	17.80
HD Distributors (Thailand) Co.,Ltd.	Sales of goods and services	3.44	-
Foodhouse Catering and Services Co.,Ltd.	Sales of goods	0.52	0.37
MSC Thai Cuisine Co.,Ltd.	Payment for services	-	0.07
<b>Subsidiary of Minor Internaional Plc.</b>			
The Minor Food Group Plc.	Sales of goods	1.11	2.15
<b>Subsidiaries of The Minor Food Group Plc.</b>			
Minor DQ Limited	Sales of goods	-	0.13
Minor Dairy Limited	Sales of goods	-	-
Swensen's (Thai) Limited	Sales of goods	0.42	-
SLRT Limited	Sales of goods	-	0.23
Select Service Partner Co.,Ltd.	Sales of goods	-	0.12
		1.53	2.63

### (2) Accounts Payable

Company/Related Parties	Type of Transactions	2017	2016
S&P Global Co.,Ltd.	Purchase of goods	0.09	-
S&P Asset Co.,Ltd.	Rent-Building and Service	-	0.26
S&P international Foods Co.,Ltd.	Purchase of goods	0.25	0.85
Umenohana S&P Co.,Ltd.	Purchase of goods	0.14	0.25
S&P Training Co., Ltd.	Payment for services	7.88	-
<b>Subsidiary of Minor Internaional Plc.</b>			
The Minor Food Goup Plc.	Payment for services	0.02	-
<b>Subsidiaries of The Minor Food Group Plc.</b>			
Minor Cheese Limited	Purchase of goods	1.59	2.18
Minor Dairy Limited	Purchase of goods	0.04	0.05
		1.65	2.23

## (3) Loans to Related Parties

Company/Related Parties	Type of Transactions	2017	2016
S&P Global Co.,Ltd.	Short-Term Loan	11.00	9.00
S&P Restaurants Co.,Ltd. (3%)	Short-Term Loan	26.63	6.54
S&P Restaurants Co.,Ltd. (3%)	Long-Term Loan	-	6.54
Patara Restaurant, Vienna GmbH (3%)	Short-Term Loan	-	-
Patara Restaurant, Vienna GmbH (3%)	Long-Term Loan	49.97	49.97
Less: Reserve for Bad Debt		(25.00)	(25.00)
		24.97	24.97
S&P Internatioanl Food Co.,Ltd. (3%)	Short-Term Loan	-	4.00
S&P Internatioanl Food Co.,Ltd. (3%)	Long-Term Loan	-	2.50
Umenohana S&P Co.,Ltd. (3%)	Short-Term Loan	6.00	-
MSC Thai Cuisine Co.,Ltd. (4.5%)	Long-Term Loan	-	5.00

## Risk Factors

From the industrial landscape, the competitive situation, consumers' behaviors, Free Trades and Services, the establishment of AEC, development of information systems, performance, rules and measures, a rapidly evolving foundation, these cause factors and chances of, both internal and external, risk occurring to increase. The Company has always prioritized risk management, and founded a Risk Management Committee on 28<sup>th</sup> February 2015 for drafting of policies, guidelines, and monitoring, as well as results from risk management assessment.

Risk Management Committee has set policies and consider risk management for every function in the organization, as assigned to do so by the Board of Directors. This includes risk assessment for projects with high investment, prior to being presented to the Board of Directors. Notably, the Board considers that the Company's key risk factors and management approach are as follows.

### 1.1 Strategic Risks

Strategic planning is an essential tool in setting the direction enabling for the Company to operate successfully according to the established objectives and targets. The Board of Directors has set for strategic and budget plans to be drafted, in order to establish both short-term and long-term business strategy. In the operation, the Company has conducted analysis on feasibility and factors impacting business operations, such as internal factors, external factors, economic conditions, industrial landscape, and competitors. This includes considering opportunities for business expansion abroad. Presently, the Company has set up a strategic office with the roles and direct responsibilities on this. Risk Management Committee has the duty to consider and advise the strategic office for the overall picture.

### 1.2 Operational Risks

Operations of each Company's function is considered one of the factors driving the Company to achieve its established targets and objectives. The Company expands its business via increasing number of branches and service points, as well as offering new products, and diversifying businesses, such as Japanese restaurants by the Company. Employees are also hired increasingly in number. Therefore, in the operation,

where operators cannot perform the set assignment, this would cause the organization to proceed slowly, and to be ineffective. The Board of Directors and the Management are aware of the factors, and have thus arranged for trainings to provide understanding to all levels of employees. Handbooks and guidelines were produced. For essential activities, there are assignment allocation to ensure a check and balance system of reviewing, as well as systematic reporting and monitoring. This is inclusive to developing work process for effectiveness, rapidness, accuracy and cost-effectiveness for operations, management, and service provision. Furthermore, the Company also arranges for internal audit to perform reviews and monitoring. Notably, the Risk Management Committee considers operational risks, both the impacts to the organization and the likelihood of it happening, as well as preventive and risk management approach to aforementioned risks.

### 1.3 Financial Risks

The Company has financial management with considerations to liquidity risk, credit risk, and market risks, such as fluctuation of exchange rates and interest rate adjustment. Furthermore, the Company conducts financial budgeting, management approach, monitoring and setting clearly different measures, such as proportion of debts against capital, short term assets or reserves. These efforts aid in financial risk management. As for the exchange rate risks, due to the fact that investment in branches outside the country are considered long term investment – the income and the expense are primarily in the same currency. Distribution of dividend does not happen regularly. The Company, therefore, does not have the need to perform forward contract in advance.

#### 1.4 Information Systems Risks

The Company expands businesses, such as through increase numbers of branches and service points. Information system therefore has a crucial role in supporting various functions' within the organization for optimum efficiency, for connection between minor systems, for data safety and accessibility within the working operations, for data transmission to facilitate work to function heads and managers. This aids the Company to manage data effectively. The Company has set an information system unit to be responsible for overseeing work system, and foster the organization's readiness in supporting novel technological innovation. There has also been a drafting for the master plan on information systems, in consistent with corporate business plan; as well as security plan on information systems, business continuity plan, and emergency contingency plan. These plans strengthen information system performance, with regular reporting and follow ups of the initial plan to the directors.

#### 1.5 Political and Natural Disaster Risks

The Company is aware of the impact natural disasters, such as floods, epidemic (i.e. bird flu), and political unrest, may have on the Company's business operations. Therefore, the Company has prepared for a response plans, including trainings of employees to handle different natural disasters, including ones from floods, outbreak disease (e.g. Bird Flu), political unrest. accidents or anthropogenic, such as fire, and protests. The plans have been categorized into short term plan in case of emergency, when the Company needs to implement a business continuity plan (BCP), and medium-long term plan, to prevent or mitigate emergencies, as well as minimizing business impacts. BCP must be reviewed periodically by the Risk Management Committee. If an emergency arises, the Risk Management Committee will assess risk management regarding a particular situation to identify and improve the plan for even greater effectiveness.

## Shareholder and Management Structure

### Shareholder Structure

#### Share Capital

The Company's securities comprise ordinary shares. As of December 31, 2017, the Company's registered capital is 490,408,365 Baht, divided into 490,408,365 ordinary shares of par value of 1 baht each. The paid-up capital amounts to 490,408,365 baht, divided into 490,408,365 ordinary shares of par value of 1 baht each. The resolution of the 2014 Annual General Meeting of Shareholders of S&P Syndicate Public Company Limited, held on April 21, 2014 approved a change in the par value of the Company's share from 5 Baht per

share to 1 Baht per share. The Company has completed the registration of change in share par value with the Registrar for Public Limited Companies, the Ministry of Commerce, on May 7, 2014

#### Shareholders

The first 10 majority shareholders whose names appeared in the register of shareholders as of March 8, 2018 are as follows:

Group of Shareholders		Number of Shares	Percent
1	The Sila-On and Raiva Groups	214,898,100	43.82
2	Minor International Public Company Limited	175,275,220	35.74
3	Mrs.Supapan Pichaironarongsongkram	17,345,000	3.54
4	Mr.Aryuth Charnsethikul	7,600,000	1.55
5	Bangkok Bank Public Company Limited	6,956,000	1.42
6	Mr.Chalee Valaisathien	5,595,400	1.14
7	Mrs.Parinya Khancharoensuk	5,212,310	1.06
8	Mr.Niti Osathanukrua	4,800,500	0.98
9	Mr.Phithak Phisethsith	4,150,000	0.85
10	Prospect International Co.Ltd.	4,093,500	0.83
<b>Total</b>		<b>445,926,030</b>	<b>90.93</b>

## Management Structure

### The Company's Committee Structure

The Company's management structure comprises of 5 sets of committee: Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Executive Committee. The details and scope of authorities of each are as follows.

### (1) Board of Directors

As of February 26, 2018, as appeared in the Certificate of Public Company Limited Registration, the Department of Business Development, Ministry of Commerce, the Board of Directors comprises 12 members. The details of the meeting and the remuneration of each directors in the year 2017 are as follows:

Name/Position	Board of Directors		Audit Committee		Nomination and Remuneration Committee		Risk Management Committee		Executive Committee		Total
	Total Attendances/ Total number of the meeting (Including AGM)	Board of Directors Allowance (Baht)	Total Attendances/ Total number of the meeting	Audit Committee Allowance (Baht)	Total Attendances/ Total number of the meeting	Audit Committee Allowance (Baht)	Total Attendances/ Total number of the meeting	Audit Committee Allowance (Baht)	Total Attendances/ Total number of the meeting	Audit Committee Allowance (Baht)	
1. Mrs.Patara Sila-On Chairperson of the Board of Directors	6/7	720,000	-	-	-	-	-	-	-	-	720,000
2. Mr.Pravesvudhi Raiva Chairman of the Executive Committee	7/7	480,000	-	-	-	-	-	-	8/8	-	480,000
3. Ms.Cattleya Saengsastra Independent Director, Chairperson of the Audit Committee	7/7	655,000	6/6	495,000	-	-	-	-	-	-	1,150,000
4. Ms.Sophavadee Uttamobol Independent Director, Audit Committee	7/7	655,000	6/6	480,000	-	-	-	-	-	-	1,135,000
5. Mr.Aviruth Wongbuddhapitak Independent Director, Chairperson of Nomination and Remuneration's Committee	7/7	655,000	-	-	2/2	45,000	-	-	-	-	700,000
6. Ms.Patamavalai Ratanapol Director, Nomination and Remuneration's Committee	6/7	630,000	-	-	2/2	30,000	-	-	8/8	200,000	860,000
7. Mr.Piya Soonthikul Independent Director, Audit Committee, Nomination and Remuneration's Committee, Risk Management Committee	6/7	630,000	5/6	305,000	2/2	30,000	2/2	30,000	-	-	995,000
8. Mr.John Scott Heinecke Director, Risk Management Committee	7/7	655,000	-	-	-	-	2/2	30,000	8/8	200,000	885,000
9. Mr.Kachorndej Raiva Director	7/7	480,000	-	-	-	-	-	-	8/8	-	480,000



Name/Position	Board of Directors		Audit Committee		Nomination and Remuneration Committee		Risk Management Committee		Executive Committee		Total
	Total Attendances/ Total number of the meeting (Including AGM)	Board of Directors Allowance (Baht)	Total Attendances/ Total number of the meeting	Audit Committee Allowance (Baht)	Total Attendances/ Total number of the meeting	Audit Committee Allowance (Baht)	Total Attendances/ Total number of the meeting	Audit Committee Allowance (Baht)	Total Attendances/ Total number of the meeting	Audit Committee Allowance (Baht)	
10. Mrs.Kessuda Raiva Chief Executive Officer, Nomination and Remuneration's Committee, Risk Management Committee	7/7	480,000	-	-	2/2	-	2/2	-	8/8	-	480,000
11. Mr.Kamtorn Sila-On President Production & Finance, Risk Management Committee	7/7	480,000	-	-	-	-	2/2	-	7/8	-	480,000
12. Mr.Vitoon Sila-On President Operations & Human Resource and Company Secretary, Chairperson of Risk Management Committee	6/7	480,000	-	-	-	-	2/2	-	6/8	-	480,000
<b>Total</b>		<b>7,000,000</b>		<b>1,280,000</b>		<b>105,000</b>		<b>60,000</b>		<b>400,000</b>	<b>8,845,000</b>

**\*Note: The remunerations received from holding the position of director are as follows;**

- Gratuity was fixed at 270,000 Baht for the chairperson of the board and 180,000 Baht for each director.
- The regular remuneration for the chairperson was at 37,500 Baht per month and 25,000 Baht per month for each director, the chairperson of the audit committee at 22,500 Baht per month and the members of audit committee at 15,000 Baht per month
- The meeting allowance for non-executive chairperson was 37,500 baht per time and 25,000 baht per time for each non-executive director.
- The meeting allowance for non-executive chairperson of the audit committee was 37,500 baht per time, and the non-executive members of audit committee at 25,000 Baht per time each.
- The meeting allowance for the non-executive chairperson of the nomination and remuneration committee was 22,500 Baht/time, and non-executive members of nomination and remuneration at 15,000 Baht/time.
- The meeting allowance for the non-executive chairperson of the risk management committee was 22,500 Baht/time, and non-executive members of risk management committee at 15,000 Baht/time.
- The meeting allowance for the non-executive chairperson of the executive committee was 37,500 Baht/time, and non-executive members of executive committee at 25,000 Baht/time.
- With effective from the date of Annual General Meeting of Shareholders 2017 held on April 21, 2017 which specified that the resolution will be effected from May 2017 onward.

### 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 the Company Board of Director Meeting at least 6 times per annum.
- (7) To create a vision, business strategy of the company business operation and the annual operating budget of the company.

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 Board of Directors' meeting No. 2/2017 held on February 23, 2017, has passed the resolution appointed the Audit Committee to replace the current director who are due to retire by rotation for 3 years period, to be re-elected for another 3 years, in order to oversee the quality of financial reporting and internal control systems.

### Scope of Powers and Duties of the Audit Committee

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 current 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 chairperson.
- 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 6 times per annum, and each meeting summary is directly reported to the Board of Director. In 2017, there were a total 6 Audit Committee meetings. Please see the "Board of Director" section above 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' meeting No. 2/2016 held on May 13, 2016, has passed the resolution appointed the Nomination and Remuneration Committee to replace the current director who are due to retire by rotation for 3 years period, to be re-elected for another 3 years, in order to consider the rules and the process of nominating directors and determining the remuneration of the Board of Directors.

#### Nomination and Remuneration Committee's scope of authority and duties

To consider the principal and procedure of seeking qualified person to be appointed as a company director, and to determine the remuneration of 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 company's Article of Association as follows;

#### Nomination Duties

- 1) Consider and propose the board of directors the nomination of the 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 appoint as a director

#### Remuneration Duties

Consider and propose the board of directors the necessary and appropriate yearly compensation for members of board of directors, various subcommittees and the executives from the president upward, and if necessary, to the general shareholder's meeting for approval.

### (4) Risk Management Committee

The Board of Directors' meeting No. 2/2017 held on February 23, 2017, has passed the resolution appointed the Risk Management Committee to replace the current director who are due to retire by rotation for 3 years period, to be re-elected for another 3 years, in order to look after the company's risk management due to the current business environment is constantly changing. After the appointment, the risk management committee will prepare the risk management

committee's charter to define the roles and responsibilities of the committee to propose the board of directors for approval accordingly.

#### Risk Management Committee's scope of authority and duties

The Board of Director's Meeting No.2/2012 held on May 10, 2012, has passed the resolution approved the Risk Management Committee's authority and duties as follows;

- 1) To determine risk management policy and strategy, monitoring and evaluating the Company's risk management
- 2) Oversee the operating result of the Company in various aspects

### (5) Executive Committee

#### The Executive Committee'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 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.

#### **(6) Chairperson of the Board of Directors Chairperson of the Board of Directors' scope of authority and duties**

The separation of powers in the matter of company policy and the management of separate functions clearly. Therefore, the company specified that the Chairman of the Board of Directors, Chairman of Executive Committee, Chief Executive Officer, and President are a different person. And the Chairperson of the Board of Directors has the following roles:

1. To call for the Board of Directors Meeting and to be the chairperson of the Board of Director Meeting and the shareholders meeting. The Chairperson of the Board of Directors also plays a role in determining the agenda with the Chairperson of the Executive Committee, Chief Executive Officer, and President
2. To play a role in controlling the meeting to be in efficiency in accordance with the Company's Article of Association, support and giving an opportunity to the directors to freely comment.
3. Supporting and encouraging the Board of Directors to perform their duties as fully as possible in accordance with the scope of authority, responsibility and good corporate governance
4. Supervise and follow up the management of the Board of Directors and other committees to achieve the objectives.
5. Be a casting vote, in the case where the Board of Directors Meeting have a vote, and the votes of both parties are equal.

#### **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 a criminal offense with the punishable by imprisonment in relation to the property that has been committed fraudulently, 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 shall go through the Nomination and Remuneration Committee which was appointed by the Board of Directors' meeting No. 1/2011 held on February 23, 2011, to 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. Directors or persons to be nominated as directors of the Company shall hold a directors positions of not more than 5 listed companies in any other listed company in the Stock Exchange of Thailand.
3. Members of the Board of Directors will be elected by a meeting of shareholders in accordance with the following criteria and procedures:
  - 3.1 A shareholder has one vote per share;
  - 3.2 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);
  - 3.3 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 chairperson will have a casting vote.

4. 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.
5. 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.
6. 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.
7. 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 Chairperson 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:
  - 5.1 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;
  - 5.2 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;
  - 5.3 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;
  - 5.4 Being a director who is not related to or is not a close relative of an executive or majority shareholder of the Company;
  - 5.5 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;
  - 5.6 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;

- 5.7 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 the Director

The 2017 General Shareholders Meeting, held on April 21, 2017, resolved to approve the directors' remuneration divided into the following:

Meeting Allowance (Baht/person/time)	2017		
	Chairperson (Non-Executive)	Executive Director	Non-Executive Director
Board of Directors	37,500	-	25,000
Audit Committee	37,500	-	25,000
Nomination and Remuneration Committee	22,500	-	15,000
Risk Management Committee	22,500	-	15,000
Executive Committee	37,500	-	25,000
Board of Directors	37,500	25,000	25,000
Audit Committee	22,500	-	15,000

The regular remuneration and the meeting allowance mentioned above will be effective as from May 2017 until the Nomination and Remuneration Committee considers that the remuneration is not suitable to or consistent with the overall economic condition. It will then be proposed to the Board of Directors for consideration and approval for alterations thereto would be sought from the Meeting of Shareholders

The annual gratuity of 2017 was fixed at 270,000 baht for the Chairperson of the board and 180,000 baht each for the 11 directors of the Company. The gratuity amounts in total to 2,250,000 baht, and shall be paid in accordance to the period of holding their position.

The comparison of director's remuneration in 2017 and 2016 are as follows;

Remuneration	2017		2016	
	Person	Baht	Person	Baht
Regular Remuneration for Non-Executive Director	12	4,380,000	13	4,060,000
Meeting Allowance	6	2,065,000	6	1,567,500
Gratuity	12	2,250,000	13	3,000,000
<b>Total</b>		<b>8,695,000</b>		<b>8,627,500</b>

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.

The comparison of remuneration for the Executive Committee and Executives in 2017 and 2016 are as follows;

Remuneration	2017		2016	
	Person	Baht	Person	Baht
Salaries	9	41,960,000	11	41,021,600
Bonuses, special rewards and travel expenses	9	5,889,106	11	7,321,586
<b>Total</b>		<b>47,849,106</b>		<b>48,343,186</b>

The above remuneration was not included the allowance paid to the board of directors and some executive directors as shown under the heading "Board of Directors".

## 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 etc.

## 4) Performance Evaluation and Consideration of Top Management Remuneration

The Company has determined the performance of the top management of the organization starting from the President by the Nomination and Remuneration Committee which the conflict director will not involve in the consideration.

The evaluate will including the evaluation of the leadership performance, determining policies and strategic plans, applying financial performance indicator and the profitability of the company, relationships with the board of director and the organization or other outsiders, including the social and environmental responsibility. The focus of the evaluation is to use the evaluation result to performing better. The overall picture of the year 2017, it was seen that most of the top executives performed or action in each issue in a good manner and efficiency.

As the company has determined to evaluate the performance of the top management of the organization starting from the President upwards, the Nomination and Remuneration Committee without the conflicting director involve have been used the evaluation result to determine the remuneration of the top management which the performance of each top management and the rate of remuneration of top management of other listed companies in the same industry has been take into account in order to set the criteria.



## 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 in setting the policy of the Company.

In addition, the Company also considers the corporate governance evaluation of the Thai listed companies (CGR) for the year 2017 by comparing the past-3-years evaluation results and the suggestions on how to compile with the good corporate governance for listed companies from the Good Governance Development & Alliance Department. This evaluation results were proposed to all company directors in order to obtain the direction to improve the corporate governance.

Moreover, the Company 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 1 months 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 5 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 Chairperson of the Board of Directors, the Chairperson 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 obtains 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 5 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 chairperson 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 Chairperson, 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 2017 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 2018 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 by 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. In relation to the employees' remunerations, the Company has set up an employee compensation policies in line with the other company under the same industry and inflation rate.
- 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](mailto:secretary@snpfood.com) or [audit@snpfood.com](mailto:audit@snpfood.com) or at telephone no. 0-2785-4000, 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. 0-2785-4000 or on the website [www.snpfood.com](http://www.snpfood.com) or via the e-mail address [presidentoffice@snpfood.com](mailto: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 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) Ms. Cattleya Saengsastra | Chairperson, Audit Committee |
| 2) Ms. Sophavadee Uttamobol | Member, Audit Committee      |
| 3) Mr. Piya Sosothikul      | Member, Audit Committee      |
| 4) Mrs. Chirley Sawangkong  | Secretary, Audit Committee   |

The purpose is to be in charge of the quality of financial reports and internal control systems. In 2017, 6 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 Chairperson is the representative of the group of majority shareholders, who, in 2018, hold in aggregate of 43.82 percent of the shares.
- The Board Chairperson 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. In the past year, the Company has reviewed the Mission and Vision, and has adopted strategies that have been reviewed to perform, such as reflection in the form of activities.

#### (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 "Directorial 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 System

#### Internal Control

The Company has set the policy in developing the internal control efficiently, effectively, and continually. In addition to the internal control in operation and in the computer system that are compatible with the operation of the Company, in order to comply with the internal control system efficiently this year the Company has introduced the self-control evaluation system to each division to use as a guideline to evaluate oneself frequently. This is to prevent or to mitigate unaware fault or fraud.

#### Internal Audit

The company recognizes the importance of the internal audit as a tool to guarantee that the internal control has been practiced efficiently and continually. Also, the Audit Committee intends to elevate the standard of the auditing work, it thus determines that the audit unit must have vision to audit creatively and generate value added for the organization as mention in principle of the good corporate governance. Moreover, it also determines to evaluate the auditing work quality by those divisions that have been audited as well as to have the internal audit department to evaluate itself.

### (4.5) Risk Management System

The company is committed to the development of risk management to increase efficiency and effectiveness. In 2012, the company has established a Risk Management Committee to responsible for the organizational risk management other than risk management team that responsible for the departmental level. In 2017, the risk management committee had 2 meetings, to identify the risk factors of all departments across the organization, risk prioritized, established the

guidelines for risk management of the company, and assigned responsibility to provide the measures to control and manage the risks to an acceptable level in order to achieve the goals and strategies set forth, and build trust with shareholders and other stakeholders. The risk management committee has considered the change of risk factors and economic condition that may affect the company's operation in each quarter, evaluated major projects proposed by the executive committee to ensure the risk management and monitoring of each project is appropriate and be able to achieve its goal before propose to the Audit Committee and the Board of Directors accordingly.

#### (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 2017, the Board of Directors held 6 meetings in total. The Chairperson of the board always attach importance to attend all the Board meetings, except only once that the chairperson has the need to be hospitalized. Also during the meetings the chairperson gave a chance and allocated time for directors to ask the Management and 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) The Performance Evaluation of the Board of Directors

Nomination and Remuneration Committee has considered the performance evaluation forms of the Board of Directors and other committees of the Company by categorizing into the performance evaluation of each directors and the performance evaluation of a whole group of directors. Once the performance evaluation forms have been considered, it was proposed in the Board of Director Meeting.

The Board of Directors approved the performance evaluation forms mentioned above for the year 2017. The evaluation topic included the evaluation of the structure and the qualification of the directors, the role and responsibility of the directors, the meeting of the directors, the performance of the directors, the relationship with the Management, and the self-development of the directors and the Management.

The Nomination and Remuneration Meeting No.1/2018 held on 8 February 2018 has considered the summary of the performance evaluation of the directors by comparing with the past 3 years results, and proposed it to the Board of Directors Meeting No. 1/2018 held on 23 February 2018 to consider merit, demerit, and direction for improvement. The performance evaluation was aimed to obtain the result to use in improve the performance of the directors. For the year of 2017, in overall the Board of Directors agreed that the most of the operations have been done properly.

#### (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.

## (6) Human Resources Policy

The Company recognizes the importance of human resources as a valuable resource in achieving business goals. Therefore, the Company strive to develop the staff personnel to be sustainable to the completion in food and service business in both local and international for maximum efficiency. The emphasis is on creating people with basic skills in cooking. In the year 2017, the company has organized the following courses:

- 1) Kitchen Master Course, for mentoring in cooking skills through the MSC Thai Cuisine School, which specializes in teaching Thai cooking, especially by highly qualified instructors and instructors from prestigious educational institutions. They can also pass the knowledge of cooking skills from Department of Skill Development, Ministry of Labour which passed Thai Kitchen Standard Level 1 (have 2 levels) of 100 people.
- 2) Restaurant courses and bakery shops, including drinks knowledge, sales knowledge and service knowledge.
- 3) Provide Safety, Occupational Health and Working Environment Course, and GMP quality assurance and pre-fire course to the front store, factory worker and office staff.
- 4) Provide Human Resources Management Course which including good attitude and teamwork and Pre-service Preparation for Bilateral Students and new staff.
- 5) Provide Financial Discipline Courses together with the Stock Exchange of Thailand to the staff at the management level and restaurant staff to be able to organize personal expenses, reduce and stop debt, manage

the savings systematically to improve the quality of employees' life and subordinates.

In addition, the Company has developed the knowledge of directors and executives in the areas related to the corporate governance, including Strategic Planning to Win Disruptive, Leading in a Disruptive World Course, Strategies to Practice Course, Business Revolution and Innovation Network (BRAIN), Executive Program, Capital Market Academy (Wor.Tore.Tor), Anti-Corruption: the Practice Guide, Industry 4.0 Completion Preparation Course.

The Company's strategy of building people has continued over the past 10 years through the performing of "S&P Learning Center" which has been approved by the Ministry of Education. S&P Learning Center opened in 2007, the course is offered at vocational certificate level for retail business, and food and nutrition major. S&P Learning Center also take the vocational students in "bilateral" system from vocational colleges all over the country, and also increased the number of employment of bachelor's degree scholarship student in line with the expansion of Company's shop. The Company's strategy of building people are the preparation and development of human resources to suit the business and sustainable corporate culture also the students who finish vocational training can work under the policy of the government to develop people through education system by private organizations.

## 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 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	2017		2016	
	Number of employee	Remuneration (Million Baht)	Number of employee	Remuneration (Million Baht)
Local Offices	738	384.90	713	381.51
Branch Operation Dept.	5,085	922.96	4,949	856.29
Factories	1,732	392.14	1,756	384.98
<b>Total</b>	<b>7,555</b>	<b>1,700.00</b>	<b>7,418</b>	<b>1,622.78</b>

### (7) Internal Audit Control

The company always recognizes that internal control is an important process in order to effectively prevent and control work. A good internal control system will ensure that the company's system is accurate, transparent, and capable of reducing or preventing potential damage. As a result, the Company has continuously developed its internal control system for efficiency and effectiveness by creating a guide-book. "Internal Control System Requirements" in writing, which cover all operations system to follow the policy of the Board of Directors in order to enhance knowledge, understanding about the code of conduct and principles for monitoring, evaluation and timely performance reporting and staffing throughout the organization. This will result in the company achieving its objectives and leads to sustainable growth of the organization. Defining this internal control standard to ensure that the operation meets the overall objectives of the company in terms of efficiency and effectiveness of operations, including property supervision and prevent or minimize damages or corruption in all division of the Company and reliability of financial reports and compliance with the laws and regulations.

The Board of Directors supports and ensures that the Internal Audit functions is independently, equitably, able to inspection and fully balance by frequently reporting directly to the Audit Committee, in order for the Audit Committee to provide necessary advice and to ensure that the internal control system and internal audits, which are key mechanisms for driving business to sustainable growth, can achieve the company's vision, mission and strategy.

For the internal control framework, the Board of Directors including the Audit Committee and the Internal Audit Office, using the Internal Control Integrated Framework of the Committee

of Sponsoring Organization of the Tread way Commission (COSO) as an idealism and reference of working, which can be described as follows:

#### 1. Organization and Environment

The Company has established a Strategic Plan for the year, with a review of the operational goals that have been followed. In addition, the team has been set up to work on a variety of subjects, with the selection of knowledgeable staff. The ability and expertise in each line. Key Performance Indicator (KPI's) is a tool for assessing the company's performance. It focuses on the most important human resources in the business. Goal achievement It is committed to creating and developing talented people with sustainable knowledge. To compete with business, food and service both in the country and abroad for maximum efficiency. The emphasis is on creating people with basic skills in cooking. And business service capabilities. The development of skills, talents and management has also increased. The ability of executives to create a Food Leader Advantage course for corporate executives. To manage people and the cost of each unit to be more effective.

The company's strategy of building people has continued over the past 10 years through its "S&P Learning Center". The "S&P Learning Center" has been approved by the Ministry of Education and opened since 2007, the course is offered at vocational certificate level (Vocational Certificate) in retail business, and food and nutrition major. In the present situation, to create the human resources strategy to be appropriate and workable in line with the government policy in order to develop people through education system by private organizations, the emphasis is on creating people and developing human resources to prepare for the "bilateral" system and gaining bachelor's degree by increasing the company's sales.

Preparing a code of conduct for work and ethics to be a guidelines for directors and employee to strictly proceed with honesty and transparency. In addition, the Company continues to provide training courses for staff development. And also encourages the employees to attend the seminars that are consistent with the responsibilities of the employees.

## 2. Objective Setting

The Company has clearly defined the objectives of the internal control including the strategy for the operation, for reporting, and for complying with the policy, law, regulation and rule that have been written. This practice have been done in according with the main objectives or the overall mission as well as with the acceptable risk in order to equip the management team with a tool and guideline for managing and controlling with efficiency, transparency and accountability. This will also create the creditability for those related people. In addition, the Company has also adjusted the strategy plan and objectives to conform to the always fluctuated environment and risk factors.

## 3. Event Identification

The Company has appropriately and systematically specified the event identification and various risk factors that will negatively affect the organizational level objectives and operational level objectives as well as the possible events that will positively benefit the objectives. This has been done by considering the sources of risk from both inside and outside the Company. Also the monitoring has consistently done to ensure that the Company has specified the risk factors covering the change of each level, and the management team and related people have always been kept updating with the situation.

## 4. Risk Assessment

The Company has placed clear emphasis on risk assessment procedures for its operations, financial reporting and non-financial information, including legal compliance, all relevant regulations by specifying the acceptable levels of risk that

affect the achievement, and also defining how to achieve the target as well as the objective of the organization. Also determined the procedure to respond the risk which the Company establishes clear risk assessment procedures at the organizational, departmental, and operational levels, as well as systematic risk assessments to determine the significance of such risk factors. It also identifies and evaluates significant changes that may have an impact on the internal control system by considering changes in laws and regulations, the economy and the environment.

## 5. Risk Management Policy

The Company value the significance of the risk management which is the essential mechanic and tool in managing organization to achieved the set target. The policy on risk management has been set to emphasize on risk management in accordance with the good corporate governance and also to manage risk within the whole organization integrally, systematically and continually. It is expected that the risk will be minimized to the acceptable level. The Company has determined to have the procedure to follow up the risk management in all level and the result must be reported. This measure also has been applied to minimize the risk to the acceptable level. Besides, the Company has specified that the risk must be review and update to be accordance with the situation in every year.

## 6. Controlling Activities

The Company has clearly defined the duty and the responsibility of each position, and also provided "The Internal Control Regulations and Business Authorization" for each division to use in its operation. These regulations and authorization will be reviewed and improved to allow the operation process align with the organization structure and the present operation. They were also designed to allow each function to be able to check and balance as well as to recheck the operation result if it has always been done in comply with the rules and regulations specified in "The Internal Control Regulations and Business Authorization" and other Company's manuals. This is to guarantee that the operation has been done under the sufficient and appropriate internal control,

and also efficiently. In addition, the Company has a general control of the information technology system such as segregation of duties, reviewing, data access controls at each level, the establishment of critical information leakage prevention measures, passwords defined and back-up system that can be backward-looking and back up data properly for employees of all levels acknowledge to strictly proceed.

#### 7. Information and Communication

The Company places importance on Information and Communication, by which all employees will get information about Policies, Regulation, Announcements of the Company through various channels of the Company in complete, accurate, timeliness manners. Channels to communicate with outsiders is conducted through website: [www.snfood.com](http://www.snfood.com) to enable shareholders to get information at any time, including disclosure of information through the Security Exchange of Thailand. Moreover, the Company has got clear policies for control of the information access and in-proper utilization of information of the Company. Intranet has been utilized as communication channel within the Company to disclose policies, rules and regulations, Operating Authority Manual, and System Procedures, including communicating organization movements and various important matters. Channel to accept employee complaints or petitions is also prepared through [Whistleline@snfood.com](mailto:Whistleline@snfood.com)

In 2016 the Company has approved for installation of SAP Program, a globally accepted ERP software, to manage various resources of the Company to its efficiency and effectiveness. The system will be used to record all business transactions, evaluate important information and issue useful reports for managing the Company through accuracy, clearness, quick and drillable manners. The system will increase ability to utilize information to identify abnormality that may happen in the operations for better control system. The system implementation has been jointly conducted by staff of the Company and Implementation Consultant. The System go live will be from early Q2/2017.

#### 8. Monitoring

The Company continually monitors and evaluates the internal control independently by setting effective tracking standards and comparisons of accomplishments with goals or KPIs of the organization and coverage of follow up the work of the subordinates by the supervisor and the audit of the internal audit. The Company has evaluated and communicated the shortcomings of internal control to relevant parties in a timely manner in order to find effective solutions with effectiveness in a timely manner.

#### 9. Head of the Internal Audit

Mrs.Chirley Sawangkong, the Deputy Vice President of the Audit Office, whom qualifications and caliber meet the requirement is currently the Head of the Internal Audit.

#### 10. Head of the Company's Compliance

Mr.Supathep Sukanjanaporn, the head of the Company's Compliance, has handled this job properly.

## Details of All Directors and Executives

As of March 8, 2018

Name-surname/ position	Age (years)	Academic qualifications	Equity stake (share number)			Family relations between Executives	Previous 5-year experience	
			Beginning of 2017	Change	End of 2017		Period/position	Company
Mrs.Patara Sila-On Chairperson of the Board of Directors/ Director	76	Honorary Degree Business Administration in Management Rajamangala University Of Technology Isan Doctor in Letters (Honorary) Pine Manor College, Massachusetts, USA BBA Business Administration Boston University, USA	40,148,145 (equal to 8.19%)	1,200,000 (equal to 0.24%)	41,348,145 (equal to 8.43%)	Eldest sister	Past 5 years/ Chairperson of the Board of Directors	S&P Syndicate Public Co., Ltd. Food and Beverage Business
Mr.Pravesvudhi Raiva Vice Chairperson/ Chairperson of the Executive Committee/ Director	67	BBA Political Science University of Indiana, USA MMP Modern Management Program MMM Modern Marketing Management Program Chulalongkorn University Training Program Director Certification Program Certificate (DCP) Director Accreditation Program Certificate (DAP) Thai Institute of Directors Association (IOD) Poom Palung Pandin Program, Class of 2 <sup>nd</sup> Chulalongkorn University Top Executive Program in Commerce and Trade (TEPCoT), Class of 8 <sup>th</sup> Commerce Academy, University of the Thai Chamber of Commerce	30,524,310 (equal to 6.22%)	-	30,524,310 (equal to 6.22%)	Third brother	2016-Present/ Vice Chairperson 2015-Present/ Chairman of the Executive Committee 2015-2016/ Chief Executive officer 1994-2015/ President, Director 2014-Present/ Independent Director, Chairman of Remuneration Committee 1993-2013/ Director	S&P Syndicate Public Co., Ltd. Food and Beverage Business  Charlissara Development Public Co., Ltd. Property Development Business

Name-surname/ position	Age (years)	Academic qualifications	Equity stake (share number)			Family relations between Executives	Previous 5-year experience	
			Beginning of 2017	Change	End of 2017		Period/position	Company
Mr.Kachorndej Raiva Executive Committee Director	68	BBA Accounting Chulalongkorn University Director Certification Program Certificate (DCP) Thai Institute of Directors Association (IOD)	10,275,705 (equal to 2.10%)	-	10,275,705 (equal to 2.10%)	Second brother	Past 5 years/ Executive Committee Director, Director	S&P Syndicate Public Co., Ltd. Food and Beverage Business
Mrs.Kessuda Raiva Chief Executive officer/ Executive Committee Director/ Nomination and Remuneration Committee/ Risk Management Committee	64	Honorary Doctorate Degree Business Administration in Management, Rajamangala University Of Technology Bangkok MBA Economics North Eastern University, Boston, USA BBA Business Administration, Finance and Banking Assumption University (ABAC) Director Accreditation Program Certificate (DAP) 45/2005 Role of The Chairman Program Certificate Class of 36 <sup>th</sup> Thai Institute of Directors Association (IOD) Capital Market Academy Leader Program 10/2010 Capital Market Academy Poom Palung Pandin Program, Class of 1 <sup>st</sup> Chulalongkorn University Top Executive Program in Commerce and Trade, Class of 6 <sup>th</sup> (TEPCoT 6) Commerce Academy, University of the Thai Chamber of Commerce Top Executive Program in Energy Technology, Class of 6 <sup>th</sup> Thailand Energy Academy Top Executive Program in Industrial Business Development and Investment, Class of 1 <sup>st</sup> Institute of Business and industrial Development	37,938,550 (equal to 7.74%)	-	37,938,550 (equal to 7.74%)	Spouse of Mr. Pavasudhi Raiva	2017-Present/ Chief Executive officer, Risk Management Committee 2015-2016/ President 2013-Present/ Nomination and Remuneration Committee 2008-2015/ Executive Vice President 1994-Present/ Executive Committee Director, Director 1990-Present/ President, Director	S&P Syndicate Public Co., Ltd. Food and Beverage Business S&P Global Co., Ltd. Operate Restaurant Business abroad

Name-surname/ position	Age (years)	Academic qualifications	Equity stake (share number)			Family relations between Executives	Previous 5-year experience	
			Beginning of 2017	Change	End of 2017		Period/position	Company
Mr.Vitoon Sila-On Executive Committee Director and Company Secretary/ President-Operation and Human Resource/ Executive Committee Director/ Chairperson of Risk Management Committee	50	MBA Business Administration University of North Carolina Chapel Hill, NC, USA BBA Hospitality and Food Administration Boston University USA Directors Certification Program Certificate (DCP) Directors Accreditation Program Certificate (DAP) Thai Institute of Directors Association (IOD) Capital Market Academy Program Class of 23 <sup>th</sup> Capital Market Academy	7,815,000 (equal to 1.59%)	-	7,815,000 (equal to 1.59%)	First Son of Mrs. Patarra Sila-On	2017-Present/ President-Operation and Human Resource 2012-Present/ Chairperson of Risk Management Committee 2010-Present/ Executive Committee Director, Director 2008-2016/ Senior Vice President Domestic Operations	S&P Syndicate Public Co., Ltd. Food and Beverage Business
Mr.Kamtorn Sila-on President-Production and Finance/ Executive Committee Director/ Risk Management Committee	48	MBA Financial Engineering, MIT Sloan School of Management Massachusetts, USA MEng Chemical Engineering; Associate of the City and Guilds Institute Upper Second Class Honours Imperial College of Science Technology and Medicine, London, England Audit Committee Program Certificate (ACP) Director Certification Program Certificate (DCP) Thai Institute of Directors Association (IOD)	7,385,000 (equal to 1.51%)	-	7,385,000 (equal to 1.51%)	2 <sup>nd</sup> Son of Mrs. Patarra Sila-On	2017-Present/ President-Production and Finance 2016-Present/ Director 2015-Present/ Risk Management Committee 2015-2016/ Senior Vice President -Production & Supply Chain 2014-Present/ Executive Committee Director	S&P Syndicate Public Co., Ltd. Food and Beverage Business

Name-surname/ position	Age (years)	Academic qualifications	Equity stake (share number)			Family relations between Executives	Previous 5-year experience	
			Beginning of 2017	Change	End of 2017		Period/position	Company
Mr.Kamtorn Sila-on (Continue)							2014-2015/ Vice President-Production & Supply Chain, Director  2011-Present/ Chairperson of Remuneration Committee, Chairperson of Audit Committee, Chairperson of Nomination Committee, Independence Director, Audit Committee  2011-2014/ Deputy Managing Director, Head of Private Client Investment Management 2004-2011/ Deputy Managing Director, Co-head of Investment Banking	Precious Shipping Public Co., Ltd. Transportation & Logistic Business          Bualuang Securities Plc. Finance & Securities
Ms.Cattleya Saengsastra Independent Director/ Chairperson of the Audit Committee	70	BBA Accounting (Hons.) Chulalongkorn University Controllership Training Program Thammasat University Management Development Program- JJ Kellogg Northwestern University Director Accreditation Program Certificate (DAP) Thai Institute of Directors Association (IOD)	60,005 (equal to 0.012%)	-	60,005 (equal to 0.012%)	None	Past 5 years/ Independent Director, Chairperson of the Audit committee  Past 5 years/ Director, Executive Committee Director	S&P Syndicate Public Co., Ltd. Food and Beverage Business  Dynasty Ceramic Public Co., Ltd. Construction Materials Business



Name-surname/ position	Age (years)	Academic qualifications	Equity stake (share number)			Family relations between Executives	Previous 5-year experience	
			Beginning of 2017	Change	End of 2017		Period/position	Company
Ms.Sophavadee Uttamobol Independent Director/ Audit Committee Director	58	MBA Business Administration Chulalongkorn University, BBA Bachelor of Law Thammasat University Director Accreditation Program Certificate (DAP) Audit Committee Program Certificate (ACP) Thai Institute of Directors Association (IOD)	-	-	-	None	Past 5 years/ Independent Director, Audit Committee Director  Past 5 years/ Independent Director, Audit Committee Director  2017-Present/ Limited Partnership	S&P Syndicate Public Co., Ltd. Food and Beverage Business  Bumrungrad Hospital Public Co., Ltd. Health Care Services Business  Kao Pin Petch Limited Partnership Consumer Product Business
Mr.Aviruth Wongbuddhapitak Independent Director/ Chairperson of Nomination and Remuneration Committee	70	MBA New York University, USA BBA Accounting Chulalongkorn University Directors Certification Program Certificate (DCP) Thai Institute of Directors Association (IOD) Role of the Compensation Committee Certificate (RCC). Thai Institute of Directors Association (IOD)	-	-	-	None	2010-Present/ Independent Director, Chairperson of Nomination and Remuneration Committee  2006-2015/ Independent Director, Remuneration Committee Director, Chairperson of the Audit committee  2003-Present/ Director  1995-Present/ Director, Chairperson of the Executive Committee	S&P Syndicate Public Co., Ltd. Food and Beverage Business  Advanced Info Service Public Co., Ltd. Information & Communication Technology Business  Thai Plastic and Chemicals Public Co, Ltd. Plastic and Chemicals Business  Deves Insurance Public Co., Ltd. Insurance business

Name-surname/ position	Age (years)	Academic qualifications	Equity stake (share number)			Family relations between Executives	Previous 5-year experience	
			Beginning of 2017	Change	End of 2017		Period/position	Company
Mrs.Patamawalai Ratanapol Executive Committee Director/ Nomination and Remuneration Committee	62	MBA Business Administration Emporia State University, USA BBA Commerce and Accountancy Chulalongkorn University Directors Certification Program Certificate (DCP) Thai Institute of Directors Association (IOD)	42,500 (equal to 0.01%)	-	42,500 (equal to 0.01%)	None	2010-Present/ Director, Executive Committee Director, Nomination and Remuneration Committee	S&P Syndicate Public Co., Ltd. Food and Beverage Business
							1999-Present/ Chief People Officer	Minor International Public Co., Ltd. and Subsidiaries Food and Beverage Business
							1999-Present/ Chief People Officer, Chief Operating Officer Minor Food	The Minor Food Group Plc's and Subsidiaries Food and Beverage Business
							2017-Present/ Acting Chief Executive Officer 1999-2017/ Chief People Officer	Minor Corporation Public Co., Ltd. and Subsidiaries Fashion Product Business
Mr.Piya Sosoithikul Independent Director, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee	47	MBA Business Administration Harvard University, USA ME Chemical Engineering Massachusetts Institute of Technology (MIT) USA BE Chemical Engineering Massachusetts Institute of Technology (MIT) USA	-	-	-	None	2012-Present/ Risk Management Committee 2011-Present/ Independent Director, Audit Committee, Nomination and Remuneration Committee	S&P Syndicate Public Co., Ltd. Food and Beverage Business
							2016-Present/ Executive Committee	Gris T Co., Ltd. Cosmetic Business

Name-surname/ position	Age (years)	Academic qualifications	Equity stake (share number)			Family relations between Executives	Previous 5-year experience	
			Beginning of 2017	Change	End of 2017		Period/position	Company
Mr. Piya Sosothikul (Continue)		BA Economics Massachusetts Institute of Technology (MIT) USA Director Accreditation Program Certificate (DAP) Thai Institute of Directors Association (IOD)					2015-Present/ Executive Committee	The One Enterprise Co., Ltd. Entertainment Business
							2012-Present/ Executive Committee	Siam Housing Co., Ltd. Real Estate Business
							2011-Present/ Executive Committee	Thaichuro Co., Ltd. Food Flavor Enhancer Business
							2011-Present/ Director	Nanyang Marketing Co., Ltd. Shoes Business
							2011-Present/ Director	Nanyang Industry Co., Ltd. Shoes Business
							2011-Present/ Director	Seacon Development PLC Space Rental Business
							2011-Present/ Consultant of Managing Director Department	Bangkok Bank PLC. Banking Business
							2010-Present/ Executive Committee	Erawana Co., Ltd. Real Estate Business
							2007-Present/ Executive Committee	Bualuang Securities PLC. Finance & Securities
							2004-Present/ Executive Committee	Seacon Co., Ltd. Construction Business

Name-surname/ position	Age (years)	Academic qualifications	Equity stake (share number)			Family relations between Executives	Previous 5-year experience	
			Beginning of 2017	Change	End of 2017		Period/position	Company
Mr.John Scott Heinecke Executive Committee Director/Risk Management Committee	47	BA International Business Washington State University, Pullman, WA, USA BA Marketing Washington State University, Pullman, WA, USA Directors Certification Program Certificate (DCP) Director Finance Program (DFP) Australian Institute of Company Directors Association	-	-	-	None	2012-Present/ Executive Committee Director, Director, Risk Management Committee  2010-Present/ Executive Committee  2009-Present/ Director 2002-Present/ Chief Operating Officer Hot Chain Group of Business of Minor Food	S&P Syndicate Public Co., Ltd. Food and Beverage Business  Minor Corporation Public Co., Ltd. And Subsidiaries Fashion Product Business  The Minor Food Group Plc's and Subsidiaries Food and Beverage Business
Mr.Somjit Kitteerakul Vice President for Bakery	56	M.S. Art Ramkhamhaeng University B.S. Biotechnology Kasetsart University	-	-	-	None	Past 5 years/ Vice President for Bakery	S&P Syndicate Public Co., Ltd. Food and Beverage Business
Mr.Chongchana Chantanas Vice President for Food Operations	53	B.S. Food Science and Technology Kasetsart University	-	-	-	None	2015 -Present/ Vice President for Food Operations and R&D (Packaged Food) 2013-2014/ Vice President Trade 2008-2014/ Vice President for Food Operations	S&P Syndicate Public Co., Ltd. Food and Beverage Business

## 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	490,408,365 Baht (Four hundred ninety million four hundred eight thousand three hundred and sixty-five Baht)
Issued and paid-up capital	490,408,365 Baht (Four hundred ninety million four hundred eight thousand three hundred and sixty-five Baht) comprising 490,408,365 ordinary shares with a par value of 1 Baht per share.
Head Office	2034/100-107, Ital Thai Tower, 23 <sup>rd</sup> - 24 <sup>th</sup> Floor, New Petchburi Road, Bangkok, Huaykwang Bangkok 10310 Thailand
Registration No.	0107537001170 (From No. Bo.Mo.Cho. 364)
Telephone	(02) 785 – 4000
Facsimile	(02) 785 – 4040
Email address	presidentoffice@snpfood.com
Homepage	www.snpfood.com
Registrar	Thailand Securities Depository Co., Ltd. (TSD) 93 The Stock Exchange of Thailand Building Rachadapisek Road, Dindaeng, Dindaeng Bangkok 10400, Thailand Tel: (02) 009-9000 Fax: (02) 009-9991
Corporate auditors	Deloitte Touche Tohmatsu Jaiyos Co., Ltd. 11/1 AIA Sathorn Tower, 23 <sup>rd</sup> – 27 <sup>th</sup> Floor South Sathon Road, Yannawa, Sathorn, Bangkok 10120 Thailand Telephone (02) 034-0000 Fax: (02) 034-0100
Legal counsel	International Legal Counsellors Thailand 18 <sup>th</sup> Floor, Sathorn City Tower 175 South Sathon Road, Bangkok 10120 Thailand Tel: (02) 679-6005 Fax: (02) 679-6041

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")



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