



Annual Report
2019

“Strengthen
the Core,

Create
the Next”





S&P

SIMPLY DELICIOUS

Since 1973



จากวันวาน...
สู่วันนี้



— 46 ปี —
มีแต่ของอร่อย



Cooking is an art
that comes straight from the heart
To turn a simple dish into "quelque Delice"
Simply add love From start to finish.

Patara

Mrs. Patara Sila-On
Chairman & Founder



“Strengthen the Core, Create the Next”



Strengthen the Core, Create the Next

For 46 years, S&P continues to strive to manage and develop food and baked goods products since the business started until now as it grows to be a restaurant and bakery business with more than 540 domestic and international branches. Furthermore, in this era of disruption, we also “build and improve” new businesses to adapt to rapidly changing business and technology industry. We never cease to improve our products and services but rather continue to create new innovations to meet the changing demands of our customers. We will continue to march forward to deliver the best products and services to our customers under the following three business attributes;

Quality: The passed-down principal that has never changed is the standard quality of the products. S&P cares and makes sure that its products and services are of high quality in every step from manufacturing process to delivery to the hands of customers. Food products in particular have to maintain their taste, freshness and hygiene to be safe for consumption. Moreover, the company also develops innovative products and services and modern packaging design. This is all made possible by meticulousness and maximum commitment to build a sustainable relationship with customers with good products and services.

Value: Not only do we focus on the quality but also understand the sentimental value of the products to customers. Therefore, value is important and motivates us to create new and innovative products and services that add values to customers and society and for maximum satisfaction and sustainability. We also highlight nutritious value and food safety to wholeheartedly deliver good products for customers’ happiness so that they will continue to pass on that good feeling to others close to them.

Virtue: Virtue is a significant factor that contributes to effectiveness, efficiency and transparency. We therefore foster good organizational culture for everyone regardless of their levels to have good behavior, ethics and integrity to themselves, customers, counterparties, partners, communities, society and environment. This is to ensure customers and company’s shareholders that our business operation is carried out with effectiveness, responsibility, transparency, accountability, equality and justice to every group of stakeholders. This is our responsibility for the sustainability of the organization, society, country and our world.



Contents

18>> Nature of Business

- Company's History
- Business Overview

69>> Report on Responsibilities for Financial Statements

36>> S&P Group Structure

- S&P Syndicate Public Co., Ltd.

70>> Audit Committee's Report

- Report of The Independent Certified Public Accountants

37>> Organization Chart

166>> Management Discussion and Analysis

- Summary of 2019 Performances

40>> Economic Situation and Business Competition

173>> S&P'S Subsidiaries and Affiliates

43>> Important Events

- Business Expansion and Product Development
- Awards and Achievements

177>> Connected Transactions

56>> Corporate Social Responsibility

182>> Risk Factors

185>> Shareholder and Management Structure

- Shareholder Structure
 - Management Structure
-

200>> Corporate Governance

215>> Details of All Directors and Executives

228>> General Corporate Information and Other References

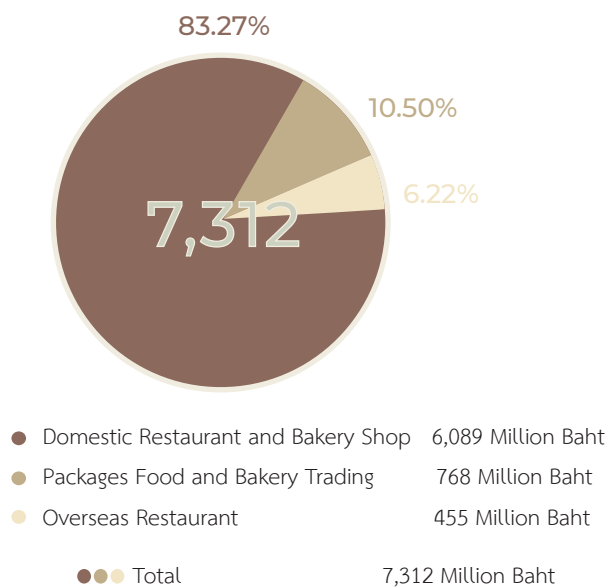


FINANCIAL HIGHLIGHTS

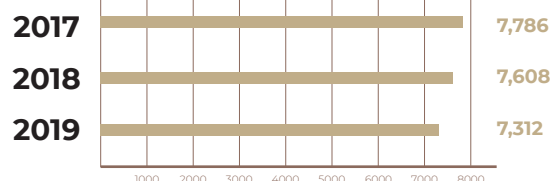
| | 2019 | 2018 | 2017 |
|---|-------|-------|-------|
| Statements of Profit or Loss (Million Baht) | | | |
| Total Revenue | 7,385 | 7,706 | 7,987 |
| Revenues from Sales and Services | 7,312 | 7,608 | 7,786 |
| Gross Profit | 3,092 | 3,334 | 3,527 |
| Profit before Finance Costs and Income Tax Expenses (EBIT) | 349 | 445 | 578 |
| Net Profit (Attributable to Owners of the Parent) | 314 | 400 | 484 |
| Statement of Financial Position (million Baht) | | | |
| Total Assets | 3,891 | 4,040 | 3,970 |
| Total Liabilities | 1,355 | 1,450 | 1,346 |
| Total Parent Shareholders' Equity and Total Minority Shareholders' Equity | 2,536 | 2,589 | 2,625 |
| Paid-up Registered Capital | 490 | 490 | 490 |
| Financial Ratio | | | |
| Gross Profit Margin (%) | 42.28 | 43.82 | 45.30 |
| Net Profit Margin (%) | 4.25 | 5.19 | 6.06 |
| Return on Major Holders' Equity (%) | 12.55 | 15.89 | 19.96 |
| Return on Assets-ROA (%) | 7.90 | 9.99 | 12.59 |
| Liquidity Ratio (Times) | 1.75 | 1.59 | 1.57 |
| Debt to Equity Ratio (Times) | 0.53 | 0.58 | 0.53 |
| Per Share Data (Bath per Share) | | | |
| Closing Price as of December 31 | 15.70 | 19.50 | 21.90 |
| Par Value | 1.00 | 1.00 | 1.00 |
| Book Value per Share | 5.08 | 5.14 | 5.13 |
| Earning per Share | 0.64 | 0.81 | 0.99 |
| Dividend per Share | 0.56 | 0.73 | 0.87 |
| Dividend Payout Ratio (%) | 87.35 | 89.45 | 88.19 |

Revenue 2019

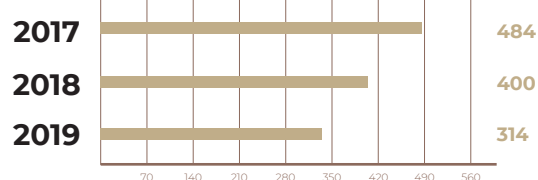
Proportion of Total Revenues by Channel of Distribution 2019



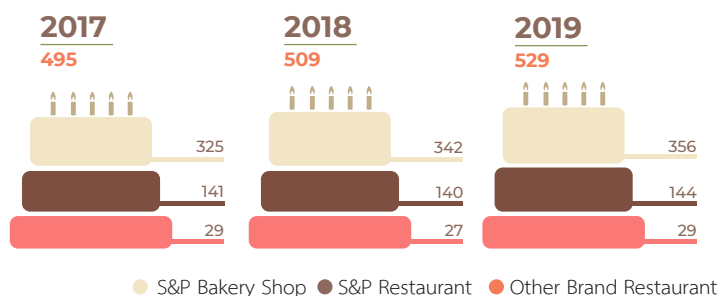
Revenue from sales and service (million baht)



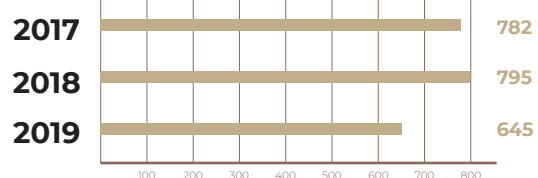
Net profit (million baht)



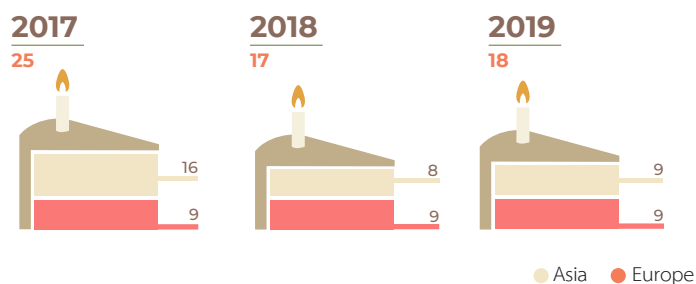
Number of Domestic Branches



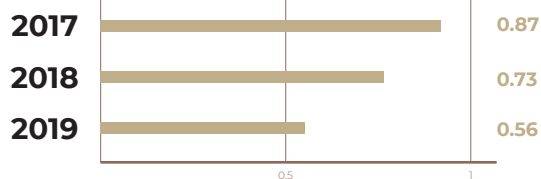
Operating cash flow (million baht)



Number of Overseas Restaurant



Dividend (baht/share)





Board of Directors

- | | |
|--|---|
| <p>1>> Mrs. Patara Sila-On Chairperson of the Board of Directors</p> | <p>4>> Mr. Vitoon Sila-On Director / Chief Executive Officer / Risk Management Committee</p> |
| <p>2>> Mr. Pravesvudhi Raiva Vice Chairperson</p> | <p>5>> Ms. Cattleya Saengsastra Independent Director / Chairperson of the Audit Committee</p> |
| <p>3>> Mrs. Kessuda Raiva Director / Chairperson of the Executive Committee</p> | <p>6>> Ms. Sophavadee Uttamobol Independent Director / Audit Committee</p> |



7>> **Mr. Piya Sosothikul**
Independent Director / Chairman of the Risk Management Committee /
Audit Committee / Nomination and Remuneration Committee

8>> **Mr. Teeranun Srihong**
Independent Director / Chairman of the Nomination and
Remuneration Committee

9>> **Mr. Kachorndej Raiva**
Director

10>> **Mr. Kamtorn Sila-on**
Director / Risk Management Committee

11>> **Mr. Lerssak Boonsongsup**
Director

12>> **Mr. Chaiyapat Paitoon**
Director / Risk Management Committee



Executive Committee

- | | | | |
|-----|---|-----|---|
| 1>> | Mrs. Kessuda Raiva Chairperson of The Executive Committee | 5>> | Mr. Arth Prakhunhangsit Executive Committee |
| 2>> | Mr. Kachorndej Raiva Executive Committee | 6>> | Mr.Vitoon Sila-On Executive Committee |
| 3>> | Mr. Pravesvudhi Raiva Executive Committee | 7>> | Mr.Kamtorn Sila-On Executive Committee |
| 4>> | Mrs. Patamawalai Ratanapol Executive Committee | | |



Management Team

1>> **Mr. Somjit Kititeerakul**
Vice President – Bakery Manufacturing

2>> **Mr. Chongchana Chantamas**
Vice President – Food Manufacturing

3>> **Mrs. Maneesuda Sila-On**
Sustainable Development & Corporate
Communications Director

4>> **Mrs. Supawadee Hutasingh**
Human Resource Director /
Learning Center & Corporate Affair Director

5>> **Mrs. Marayat Laonipon**
Operation Expansion Director

6>> **Mrs. Sathimon Tawantiang**
Supply Chain Director

7>> **Mr. Thirakorn Raiva**
Specialty & Asian Business Director

8>> **Ms. Attaya Petrakard**
Global Operation Director

9>> **Mr. Poramate Sanguanchokewanich**
Delivery Director

10>> **Ms. Nuttharin Pingsuthiwong**
Trade Director

“We continue to strive and maintain the ability to deliver good products and services to meet the customers’ demand.”



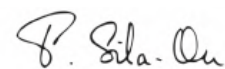
Message from the Chairperson

Dear shareholders,


Over the last 46 years, the S&P restaurant and bakery business operation is committed to deliver good taste and services to all of the customers. Even though in some years we may face economic slowdown and natural disaster, we continue to strive and maintain the ability to deliver good products and services to meet the customers' demand. With the "4 characteristics" of superb service, premium taste, clean place and welcoming atmosphere, our customers are guaranteed to be left with impression and return to use our service and also are ensured to be satisfied with our delicious, clean, hygienic food and welcoming service from our staff.

In 2019, as sustainable development seemed to be the focus of the world, S&P remains committed environmental in the sustainability, product quality and human resources development. With human resources being the heart and driving force of the business, we therefore build and improve our staff to be skilled, effective and valuable asset of the company by providing support in education in the form of S&P learning center with High Vocational Certificate where students will get to learn for free and work and grow within the organization. S&P aims to enhance the capability of its staff to be able to work in various fields and train staff in an executive level to be able to lead employees and drive the business so that S&P will remain a restaurant and bakery business that offers satisfying and hygienic services to customers.

On behalf of the board of directors, I would like to thank our shareholders, partners, customers, including all our executives and staff who supported and trust our company. In this 47th year, we reaffirm that our executives and staff will remain united in ensuring that S&P maintains our status at the top of the restaurant and bakery industry.



Mrs. Patara Sila-on
(Chairperson)

A man with a beard and glasses, wearing a dark suit and a white shirt, is sitting on a dark wooden chair. He is smiling and looking towards the camera. His legs are crossed at the ankles. The background is a plain, light-colored wall.

“We will focus on our strengths and commit to changing faster for the future.”

Message from Chief Executive Officer

Dear Shareholders,

It is my first year as CEO and the hazing came hard and fast. Even though 2019 was a very challenging year we stuck to our values of offering high quality products and services, providing outstanding value to the customer, and doing the right thing for our community and the world.

As proof of our high quality products we won new contracts with our B2B customers and achieved tremendous growth in our food service business. Our main Restaurant and Bakery business did maintain its profitability through strategic cost savings and improving operational efficiencies. We made initial progress in enhancing customer experience through key store renovations, staff grooming, as well as digital Joy card member and payment app. Furthermore, we continue to reduce plastic packaging use by another 80 tons through package redesign and the introduction of paper straws. We worked with Sampran Model to source an ever increasing range of organic fruits and vegetables for the health and wellbeing of our customers.

At S&P we will focus on our strengths and commit to changing faster for the future by bringing in high calibre professional talents to spearhead our transformation to becoming Asia's top influential brand.

Strengthen the Core, Create the Next for 2020 and beyond !

Our priorities include :

1. Strengthen Top of mind Cake shop status by embracing e-commerce and social commerce as well as our strong delivery network.
2. Reclaim top of mind Thai restaurant status with mouthwatering menus. Strengthen our chefs academy and research facility to ensure authenticity, quality and innovation.
3. Introduce high quality handmade Thai sweets to preserve our heritage and provide product variety for our customers.
4. Boost delivery business by partnering with all aggregators. As well as strengthen our own 1344 S&P Delivery system for greater accessibility and convenience for all customers.
5. Re-organize and develop our people to be more agile, goal oriented, and good team players. Restructure systems and processes to be more efficient and productive.

Finally I would like to thank everyone for your trust and support. And be assured that S&P executives and staff shall continually strive to improve the quality and value of our products and services.



Vitoon Sila-On
(CEO)

Vision

>> “To be the most trusted brand of Thai restaurant & Bakery”





Mission Statements

- 1>> Always bring happiness to customers
- 2>> Accelerate profit growth in existing and related businesses
- 3>> Introduce new innovative products and services
- 4>> Attract and retain high work efficiency through human resource development and participation
- 5>> Reduce complicated business procedures and increase productivity
- 6>> Engagement in the community

Nature
of Business



Company History



A small ice-cream corner was established in soi Prasanmitr. It has grown to become a restaurant and bakery chain in Thailand and abroad with more than 547 outlets.

patara
FINE THAI CUISINE

The first Patara Fine Thai Cuisine was opened in London, UK.

PATIO
AT TWENTY-SIX

Home Style Cooking restaurant, Patio was opened

VANILLA

Vanilla, concept restaurant for young professional opened with its unique menu



Umenohana, Kaiseki-style Japanese restaurant with its signature menu of crabs and tofu was opened



Nai Hang, A Thai-Chinese restaurant, with retro-Chinatown decor and Thai/Chinese menu was opened



Umeno Cafe - Japanese/Western restaurant with a Zen-Modern atmosphere was opened

1973

1989



Listed on the Stock Exchange of Thailand

Bakery Factory

The Bakery factory was established at Sukhumvit 62

1990

1997



S&P Delivery 1344 started delivery food, drinks and bakery

Food Factory

The Food factory was established at Ladkrabang Industrial Estate

2001

2003



BlueCup Coffee, fresh quality coffee and beverage was established

2005

2012



Maisen, the famous "Tonkatsu" breaded pork restaurant from Tokyo was opened in Thailand

2013

2016



SNP/HQ, a new concept restaurant with industrial style, modern decor was opened

2017

2020

Towards our 47th year
Strengthen the core and Create the next

Business Overview

The Company and its Subsidiaries

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

1> Domestic Business Group

As of December 31, 2019, the Company operates domestic 529 branches and 2 franchise. This group has been a major channel of distribution and main source of the revenues of the Company. The Company positions each store-type differently, per their unique identities, to better serve different groups of customers. S&P restaurants and bakery focus family customer and Mass Customization, while other specialty restaurant brands target more unique customers. Details of domestic restaurant and bakery business of the Company are as table below:

| Domestic Restaurant and Bakery Shop | Number of branch | | |
|-------------------------------------|-----------------------------|-----------|-------|
| | Bangkok Metropolitan Region | Upcountry | Total |
| S&P Bakery Shop | 202 | 154 | 356 |
| S&P Restaurant & Bakery | 99 | 45 | 144 |
| BlueCup (stand-alone) | 2 | 1 | 3 |
| Grand Seaside | - | 1 | 1 |
| Vanilla | 3 | - | 3 |
| Patio | 1 | - | 1 |
| Patara | 1 | - | 1 |
| MAISEN | 13 | - | 13 |
| UMENOHANA | 2 | - | 2 |
| SNP | 1 | - | 1 |
| S&P Franchise | 2 | - | 2 |
| Nai Harn | 2 | - | 2 |
| Total | 328 | 201 | 529 |



1.1>> Business Group operated under S&P Syndicate PLC



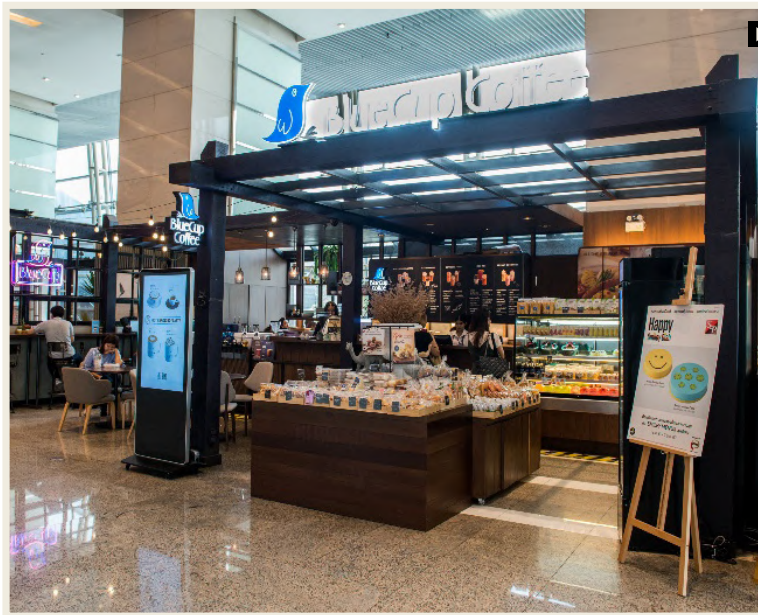
>>> S&P Restaurant & Bakery

S&P restaurant and bakery business is operated under S&P Syndicate PLC. Having grown from just a bakery business to a restaurant business, the company aims to develop and create an opportunity to expand its business to other new restaurant brands. S&P offers full services of food, baked goods, BlueCup coffee and various ready-meal products with meticulous eye in details and careful selection of quality ingredients, creative dishes from professional chefs and freshly-cooked dishes. 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 the 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. which is a new and important alternative in this era.



>>> S&P Bakery Shop

The Bakery & Coffee shops are located in the areas reachable to customers in various communities, e.g. supermarkets, department stores, office building, educational institutes, hospital and gas stations. This is a quick and convenient access to buy bakery, cakes, cookies, sandwiches and daily freshly baked products. Last year, the company has introduced a new style of restaurants where food is the highlight under the “S&P Food and Bakery” concept. The restaurants target customers in hospitals, gas stations, office buildings and universities who want fresh, delicious and quality read-to-eat food with affordable prices. Shops are located in Bangkok, Metropolitan areas and other provinces.



>>> Bluecup Coffee

BlueCup Coffee is a good spot to buy good quality coffee and other beverage. It was started up for the first time on January 21, 2002 in Siriraj Hospital, which at that time the coffee market has just been developed in Thailand. Considering the potential, readiness and the available resources of the Company, S&P, then, started the “BlueCup Coffee”. 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 stand-alone “BlueCup Coffee” branches, currently 2 branches: in The Office at Central World and Suvarnabhumi Airport.



>>> S&P Delivery 1344

To respond to the need of living in a fast-paced life and convenient and fast lifestyle of new-generation consumers, S&P provides delivery service to deliver food, beverages, cakes, various baked goods and ready meals to customers' home and workplaces in order to save commuting time while keeping taste just as good as eat in . Customers can order through the following channels;

- Call : Just press “1344”
- Website : www.snp1344.com
- Mobile application : “S&P Delivery”



>>> S&P Catering (Outside Catering)

S&P Catering provide Catering Services and prepare premium snack box for any need of the customers on any special occasion, regardless of size of events, with various selections from menu. The services will be taken care for all details to provide integrated catering services for various Thai, Chinese and International food.

>>> Trading Business – Food, Bakery and OEM (Domestic and International)



• Trading Business – Food and Bakery

Having noticed the way to sell products through trading business to distribute products to wider range of customers, S&P has produced food products and ready-to-eat snacks under S&P brand or Exclusive or Only @ products under exclusive partnerships which have been distributed via domestic modern trade, including hypermarkets, department stores, and convenient stores. The products include sausage under “S&P Premo” brand, cookies and snack under “S&P Delio”, frozen food under “S&P Quick Meal”, carrageenan jelly under “S&P Jelio” and also moon cake under “Golden Dragon” brand. In 2019, the company has introduced new food products to the market e.g. frozen Quick Meal (salted egg white sauce pasta, spicy chicken pasta), frozen Easy Meal (rice with Thai basil, chicken, and omelet, and rice with green curry and omelet), sausage product at Only @ 7-11 which is cocktail party sausage, pork bologna sausage with chili made from pure pork and without MSG which is good for working people and teenagers.

The company also expanded the distribution channels to other countries around the world e.g. China, India, the United States of America, Europe, Australia etc. Last year, the company has also introduced its business in Korea and Hong Kong to attract foreign customers to try Thai food and dessert. In 2019, S&P received Prime Minister’s Export Award 2019 (PM Export Award) for Best Thai Brand which was the highest award the government gave to outstanding business operators. This award was a symbol of pride that honored the achievement and determination of Thai operators.



• OEM

The company also offer manufacturing service to chain restaurants and leading companies in the country by offering an OEM service such as sticky rice product, sausages, cookies, moon cakes as well as various selections of food and bakery products catered to specific demand of its business partners.



>>> VANILLA

The 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. In 2019, a new branch called “Vanilla Mitrtown” is opened at Samyan Mitrtown

• Vanilla Brasserie

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 Cafeteria

This branch is 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.

• Vanilla Every day

Vanilla Every day is decorated in a modern loft style featuring furniture in the Scandinavian and vintage design reflecting retro feelings with black and white color tone. The café is famous for its thin-crust homemade crepes in which savory crepes are also offered. Vanilla’s signature pasta dish is carbonara pasta packed with cream and cheese or black spaghetti with river prawns cooked in a signature butter and garlic sauce. The café is located at MEGA Bangna.



>>> Patio: Delicatessen

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



>>> 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.



>>> 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 Eastern seaside.



>>> SNP/HQ และ SNP CAFE

The Modern Stylish Restaurants is decorated in trendy mood and dark tone for fineness and relaxing ambience to maximize dining experience. SNP is divided into 3 zones which are Baking Lab for homemade bakery products, Cake Studio which cake making process is displayed and Espresso Bar, an open bar to show off drink mixing steps with various choice of food in the SNP unique style. “SNP/ HQ” was opened at Ital Thai Tower, New Petchburi Road and “SNP CAFÉ” was opened at FYI – Rama 4 Road



>>> Nai Harn

The inspiration for this restaurant comes from Suriyon Raiva or “the father” of the Raiva family who everyone used to call “Nai Harn” which means the business owner. The ambience of the restaurant represents the old Yaowarat Chinatown in 1967. The restaurant offers a wide selection of Thai-Chinese dishes from street food to famous restaurant dishes using high quality and various ingredients with a unique style of Nai Harn added to harmonize with the decoration.

1.2>> Business Group under Subsidiary Companies

>>> 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 2019, 13 branches are in operations. The new branches are opened at Central Eastville and Central Ladprao

• 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 48th 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.



• UMENOHANA

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 every-day heartfelt services.

>>> Umenohana S&P Co., Ltd.

Umenohana S&P Co., Ltd. Was established on June 26, 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. As of 2019, 2 branches are in operations.



• Umeno Café

The Japanese-western café opened its first branch in MEGA Bangna. The café is decorated in Zen-modern style mainly featuring wood furniture depicting the identity of Japan and uses white furniture and green couches to convey relaxing and cozy ambience.



>>> S&P Delivery Co., Ltd.

S&P Delivery Co., Ltd. was established on November 27, 2018 with the paid up capital of 1 million baht. The company has registered a change of name and purposes from S&P Asset Co., Ltd. to S&P Delivery Co., Ltd. with purposes of transporting and handling products and passengers whether on land, water or air, domestically and internationally as well as transporting all types of food to individuals, a group of people, juristic persons in public agencies.

1.3>> Business Group under Associated Companies



>>> Foodhouse Catering Services Co., Ltd.

Paid up capital of 10 Baht million, of which S&P holds 49.97% and engages in various food businesses related to operation 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”.



>>> MSC Thai Cuisine Co., Ltd.

Registered capital of Baht 80 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.

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 31st, 2019, The Company has 18 restaurants abroad in 6 countries as follows:

patara
FINE THAI CUISINE



| Restaurant abroad | England | Switzerland | Austria | China | Cambodia | Singapore | Total |
|-------------------|---------|-------------|---------|-------|----------|-----------|-------|
| Patara | 7 | 1 | 1 | - | - | 1 | 10 |
| Vanilla | - | - | - | 2 | - | - | 2 |
| S&P | - | - | - | - | 6 | - | 6 |
| Total | 7 | 1 | 1 | 2 | 6 | 1 | 18 |

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, There are 7 branches in England There are 3 branches in Switzerland, Austria, and Singapore.



>>> 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 VINILLA menu list, to capture modern lifestyle customer groups. Currently there are 2 branches.

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

Established on April 30th, 2014 with paid-in capital of USD 1,457,500 (around 48 million baht) and 99.99% share owned by the Company, S&P Cambodia operates restaurant business in Cambodia with 6 branches in Phnom Penh; at AEON MALL, SAMDECH PAN AVENUE, EDEN GARDEN, AEON MALL SENSOK CITY, THE PARK COMMUNITY MALL, NORO MALL.





Type of Products and Services

Under S&P Syndicate Public Company Limited

1> Bakery Products

Going into the 46th year, S&P remains the leader in cake and bakery industry in Thailand thanks to its continuing effort to improve its business and products to answer the lifestyle of every group of consumers from family, teenagers and working people and also improves its cake and bakery products to be healthier. The company also facilitates its customers by offering a food ordering channel through S&P and other service providers. Packaging was improved to meet the aspect of sustainability and continuous resource utilization. More branches were open to reach wider customers. Last but not least, S&P still adheres to its principles of caring about the quality of ingredients, freshness, hygiene and good taste which is the heart of S&P business until today.



1.1>> Cake

With more than 46 years of experience, the Company has excelled in cake baking art while maintaining meticulousness in every step, improving staff to be skilled in baking and selecting high quality ingredients. The process therefore results in beauty and harmonious taste. The Company does not cease to come up with new cake recipes and new flavors meeting the demand of every group of consumers such as Disney-licensed cake like Doraemon including our new and cute addition of We Bare Bears brand. The Company intends to offer the cake as happiness to special persons on special occasions especially during the happiness festivals in every year. The product includes pound cake, individual cake, cupcake, frozen cake and Naked cake. Additionally, S&P also offers cake with 25% less sugar for health-conscious customers.

To celebrate every special occasion be it birthdays, wedding anniversaries or any kind of occasions in every year, S&P has introduced cakes for every festival such as Children's Day, Valentine's Day, Mother's Day, Halloween, Father's Day especially New Year's Day for customers of every gender and age. This year, the Company launched a new collection that featured a classic recipe which is the most famous S&P cake and also introduced flower cakes, licensed cakes of Mickey, Minnie, Winnie the Pooh and the Frozen princesses. S&P also introduced Thai-inspired collection of cake and Thai flower cakes such as Cattleya 'Queen Sirikit' cake and Thai fruit cake so that everyone can enjoy these happiness festivals together.





1.2>> Puff and Pastry

Our pastries emphasize on “freshness”, “deliciousness”, “convenience” and “time-saving breakfast” which composes of “pie and puff group”. Our pies and puffs are unique as our process allows us to achieve 144 layers of dough and butter leading to crispness and lightness. We also offer “Danish croissant group” which includes classic butter croissant, with soft flour texture and authentically fresh butter in a French style and croissant hotdog roll packed with delicious sausage that compliments the fragrant croissant; “Danish group” including almond Danish, spinach Danish, blueberry Danish and pineapple Danish. Anyone can pick their favorite flavors. Furthermore, S&P also has “pizza group” that includes a crab stick topping, Hawaiian topping, ham and sausage topping and carbonara topping, the most famous topping among Thai families.

In 2019, S&P has developed puff and pastry product to satisfy customers and to highlight the popularity of salted egg which led to the sales of “ground pork and salted egg puff” in August. The puff was filled with fragrant ground pork and density of salted egg. S&P has adjusted the recipe for its famous pie to be “big pie with big filling” to be sold through the airports this year.

1.4>> Cookies

The Company uses real fresh butter making the cookies fragrant, crispy and delicious. Cookies are packed in beautiful packages and offered in various collection that has been long adored by S&P customers. S&P offers cookies in many flavors such as “classic flavor”; milk, butter, pandan and coffee, “premium flavor”; white chocolate mixed with matcha green tea, almond, chocolate chips, cranberry; “fancy flavor”; chocolate, cappuccino, malt, caramel; “lava flavor”; chocolate lava, chocolate chip lava; “crispy light flavor”; almond and chocolate; “danish”; butter; and “cookie kids”, milk, butter, cocoa, sprinkle. S&P has also highlighted the children segment. Kids S&P is the biggest manufacturer of licensed cookie in the country that has delivered happiness to children and families with cookies with doraemon, Frozen, Mickey and Minnie Mouse, Disney’s princesses, Winnie the Pooh and Toy Story.



1.3>> Fresh Bread and Sandwich

Bread is divided into “bread with filling”, being soft bread with both savory and sweet filling; and sandwich bread, which comes in several flavors. Moreover, S&P gives importance to healthy products such as GABA-rice bread, high-calcium milk bread. In 2019, S&P introduced “soft bread” product which has received good feedback from customers especially teenagers and working people. Under its delicious taste and “soft on the inside with yummy filling”, soft bread with steamed custard and salted egg custard filling are very popular.



In 2019, S&P was permitted to produce We Bare Bears licensed cookies which is the famous characters among Thai teenagers which led to the production of panda milk kids cookies, grizzly bear butter cookies and sprinkle ice bear mini cookies.

For this year’s New Year festival, S&P has designed a new cookie packaging for customers to buy as souvenirs and also introduced “S&P New Year Collection 2019” under the concept of “Thai style of happiness” that reflects contemporary Thaiiness.

Furthermore, the Company also has Delio cookies and aimed to expand its customer base to external channels such as hypermarket, supermarket and convenient stores across Bangkok and other provinces.



1.5>> Mooncake

The Company has long emphasized the Mid-Autumn Festival and remained the leader in the mooncake market under the S&P and Golden Dragon brand. In every year, mooncakes with classic style and flavor and style that reflects innovative colored skin and good taste are sold. This year, the Company has sold mooncakes with a new chocolate orange flavor to public. New Acai Berry, date and jasmine tea and red date and grains fillings were also introduced.

The mooncakes come in a beautiful box that can be used to ask for blessing or souvenir. The Company also introduced a lantern-shaped premium packaging containing 4 or 8 pieces of mooncake as a collaboration of S&P and SCG Group to develop environmental-friendly packages.

1.6>> Thai Sweet Delicacies

Thanks to positive feedback of various kinds of Thai sweet delicacies including traditional Thai sweets and applied dessert made through safe and clean production process, in 2019 the Company has increased the production capacity for Thai sweet delicacies in “Thong” group such as Thong Yip, Thong Yod, Med Kanun, Foy Thong and tapioca dumpling with pork to support the demand and growth of such product.



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 a pioneer in the ready-to-eat frozen food industry, the Company has consistently invested in research and development of new products in order to improve the food taste to be delicious according to the customers' demands and to launch new products and packages in order to make customers more convenience and to keep the production standard. S&P frozen finished food of all menus is carefully cooked to satisfy the customers' deliciousness and also to provide value and nutritional safety. Our modern packaging, both inside and outside, is suitable to hastily lifestyle of consumers, is convenient and use little time in warming the food. We also offer a variety of frozen food menus and an ongoing introduction of new products.



2.3>> Sausage: Premo

We have various types of sausage, ham, and bacon with Premo brand for a group of customers in medium level or higher. With our exclusive formula, S&P selects only the finest quality firm pork meat to produce sausages which are clean, safe and tasty as familiarized by Thais. The sausages are a standard raw material being used for S&P restaurants and are distributed through modern trade channels. We also offer original equipment manufacturer (OEM) for other food business groups.



2.4>> Carrageenan Jelly: Jellio Jelly

Ready-made carrageenan jelly, both in the forms of carrageenan jelly mixed with fruit flesh cups and ready-to-drink jelly mixed with fruit juice providing high vitamin C, is added to production line to expand product variety.



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.

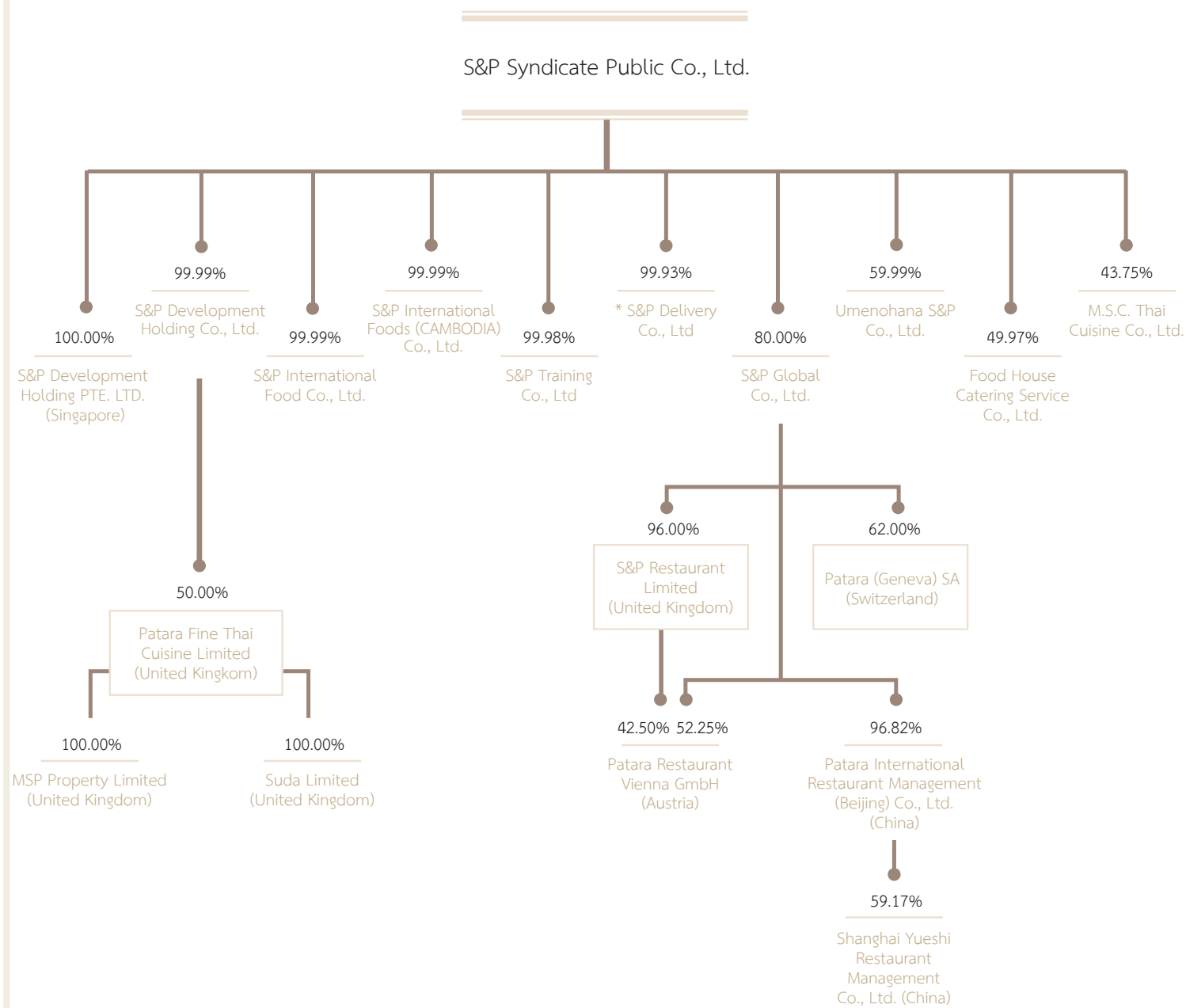
3> Beverage Products

Drinks from S&P beverage bar consists of fruit juice beverage made from 100% fresh fruit juice and smoothie fruit juice providing benefit and freshness to the body, such as smoothie watermelon juice, fresh orange juice, pineapple juice, longan juice, coconut juice, etc. Moreover, S&P has healthy drink of soybean milk through the Japanese production process from Umenohana Shop called “Toniyu Beverage”, to sell in both hot and cold drinks. For those coffee lovers within all S&P Restaurants, BlueCup Coffee operated by S&P has grown together with the expansion of S&P branches. The good taste of premium coffee comes from Arabica coffee from Thailand mixed with coffee from other sources. The company emphasizes on every step from coffee bean harvest, coffee roasting for the standard and harmonious taste and the commitment of the BlueCup baristas who focused on making fresh coffee and beverages for coffee lovers who love specific taste and smell of the BlueCup coffee. This year, BlueCup received a Healthier Logo label from Nutritious Logo Development and Support Project. The certified BlueCup products include hot Americano, cold brew coffee, oolong charcoal brew coffee (organic), cranberry charcoal brew coffee and tea to ensure good health among coffee and tea drinkers. Furthermore, BlueCup also introduced matcha green tea organic products made from organic tea to replace the original matcha green tea as a healthy and safe alternative for customers.



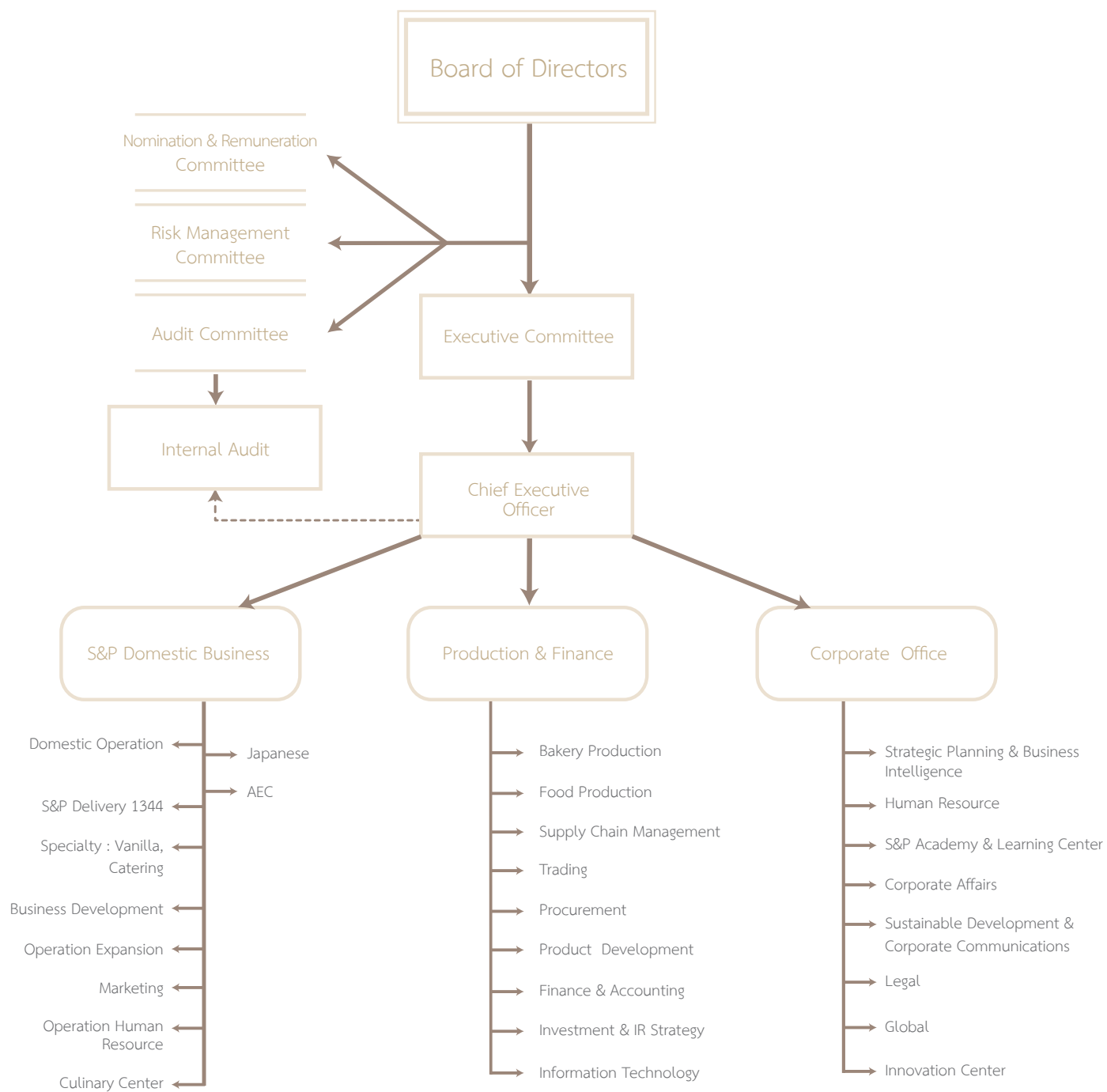
S&P

Group Structure (2019)



Organization Chart

in 2019



Corporate Structure

The Company consists of 5 committees which are Board of Directors, Auditor Committee, Nomination and Remuneration Committee, Risk Management Committee and Executive Committee as follows;

Board of Director and Secretaries

The Board of Directors consists of 12 members as follows;

- | | |
|-----------------------------|---|
| 1) Mrs. Patara Sila-On | Chairperson of the Board of Directors |
| 2) Mr. Pravesvudhi Raiva | Vice Chairperson |
| 3) Mrs. Kessuda Raiva | Director and Chairperson of the Executive Committee |
| 4) Mr. Vitoon Sila-On | Director and Chief Executive Officer |
| 5) Ms. Cattleya Saengsastra | Independent Director |
| 6) Ms. Sophavadee Uttamobol | Independent Director |
| 7) Mr. Piya Sosothikul | Independent Director |
| 8) Mr. Teeranun Srihong | Independent Director |
| 9) Mr. Kachorndej Raiva | Director |
| 10) Mr. Kamtorn Sila-on | Director |
| 11) Mr. Lerssak Boonsongsup | Director |
| 12) Mr. Chaiyapat Paitoon | Director |

Company's Secretary

Mrs. Patamawalai Ratanapol Company's Secretary

Remarks: The changes in Board of Directors and Company's Secretary are as follows;

1. Mr. Aviruth Wongbuddhapitak resigned from the position of Director and Independent Director on 1st February 2019.
2. The 8th member (Mr. Teeranun Srihong) joined as a Director on 27 February 2019 replacing Mr. Aviruth Wongbuddhapitak, a former Director who has resigned.
3. The 11th member (Mr. Lerssak Boonsongsup) joined as a Director on 8 November 2019 replacing Mrs. Patamawalai Ratanapol, a former Director who has resigned.
4. The 12th member (Mr. Chaiyapat Paitoon) joined as a Director on 8 November 2019 replacing Mr. John Scott Heinecke, a former Director who has resigned.
5. Mrs. Patamawalai Ratanapol joined as the Company's Secretary on 8 November 2019 replacing Mr. Kamtorn Sila-on, a former Secretary.

Audit Committee

The Audit Committee is composed of 3 members as follows;

- | | |
|-----------------------------|------------------------------------|
| 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 is composed of 3 members as follows;

- | | |
|-------------------------|---|
| 1) Mr. Teeranun Srihong | Chairman of the Nomination and Remuneration Committee |
| 2) Mr. Piya Sosothikul | Nomination and Remuneration Committee |
| 3) Mrs. Kessuda Raiva | Nomination and Remuneration Committee |

Remarks: The changes in the Nomination and Remuneration Committee are as follows;

1. Mrs. Patamawalai Ratanapol resigned from the Nomination and Remuneration Committee on 1st November 2019.
2. The 2nd member (Mr. Piya Sosothikul) joined as the Chairman of the Nomination and Remuneration Committee on 27th February 2019 replacing Mr. Aviruth Wongbuddhapitak who resigned from the position of the Chairman of the Nomination and Remuneration Committee on 1st February 2019.
3. The 2nd member (Mr. Piya Sosothikul) resigned from the position of the Chairman of the Nomination and Remuneration Committee on 8th November 2019 and the 1st member (Mr. Teeranun Srihong) joined as the Chairman of the Nomination and Remuneration Committee on 8th November 2019.

Risk Management Committee

The Risk Management Committee is composed of 4 members as follows;

- | | |
|--------------------------|---|
| 1) Mr. Piya Sosothikul | Chairman of the Risk Management Committee |
| 2) Mr. Vitoon Sila-On | Risk Management Committee |
| 3) Mr. Kamtorn Sila-on | Risk Management Committee |
| 4) Mr. Chaiyapat Paitoon | Risk Management Committee |

Remarks: The changes in the Risk Management Committee are as follows;

1. Mrs. Kessuda Raiva resigned from the Risk Management Committee on 8th November 2019.
2. The 2nd member (Mr. Vitoon Sila-On) resigned from the position of the Chairman of the Risk Management Committee on 27th February 2019 and Mr. John Scott Heinecke joined as the Chairman of the Risk Management Committee on 27th February 2019.
3. Mr. John Scott Heinecke resigned from position of the Chairman of the Risk Management Committee on 1st November 2019 and the 1st member (Mr. Piya Sosothikul) joined as the Chairman of the Risk Management Committee on 8th November 2019.
4. The 4th member (Mr. Chaiyapat Paitoon) joined the Risk Management Committee on 8th November 2019.

Executive Committee

The Executive Committee is composed of 7 members as follows;

- 1) Mrs. Kessuda Raiva Chairperson of the Executive Committee
- 2) Mr. Kachorndej Raiva Executive Committee
- 3) Mr. Pravesvudhi Raiva Executive Committee
- 4) Mrs. Patamavalai Ratanapol Executive Committee
- 5) Mr. Arth Prakhunhangsit Executive Committee
- 6) Mr. Vitoon Sila-On Executive Committee
- 7) Mr. Kamtorn Sila-on Executive Committee

Remarks: The changes in the Executive Committee are as follows;

1. The 4th member (Mrs. Patamavalai Ratanapol) resigned from the Executive Committee on 1st November 2019 and returned to the Executive Committee on 8th November 2019.
2. Mr. John Scott Heinecke resigned from the Executive Committee on 1st November 2019.
3. The 5th member (Mr. Arth Prakhunhangsit) joined the Executive Committee on 8th November 2019.

Executives

The Executives are composed of 10 members as follows;

- 1) Mr. Somjit Kititeerakul Vice President – Bakery Manufacturing
- 2) Mr. Chongchana Chantamas Vice President – Food Manufacturing
- 3) Mrs. Maneesuda Sila-On Sustainable Development & Corporate Communications Director
- 4) Mrs. Supawadee Hutasingh Human Resource Director / Learning Center & Corporate Affair Director
- 5) Mrs. Marayat Laonipon Operation Expansion Director
- 6) Mrs. Sathimon Tawantiang Supply Chain Director
- 7) Mr. Thirakorn Raiva Specialty & Asian Business Director
- 8) Ms. Attaya Petrakard Global Operation Director
- 9) Mr. Poramate Sanguanchokewanich Delivery Director
- 10) Ms. Nuttharin Pingsuthiwong Trade Director

Remarks: The details of the committee and executives are specified in the details of Company's executives and controlling person.

Economic Situation and Business Competition

Thai economy in 2019 still faced rising pressure from the world economic slowdown that has been partly affected the trade war, Thai baht that has weakened the competitive ability in price of exporters and limited growth of government and private investment. Thai economy in the third quarter expended from the second quarter of 2019 at 0.1% or 2.5% collectively from the first nine months of 2019 as forecast by the National Economic and Social Development Council. The expense still benefits from a positive factor as a result of the economic boosting measures of the government that helped raise the overall household expenses and the continuous recovery of overall foreign visitors even though the overall economy has grown less than forecast.



Restaurant and bakery industry

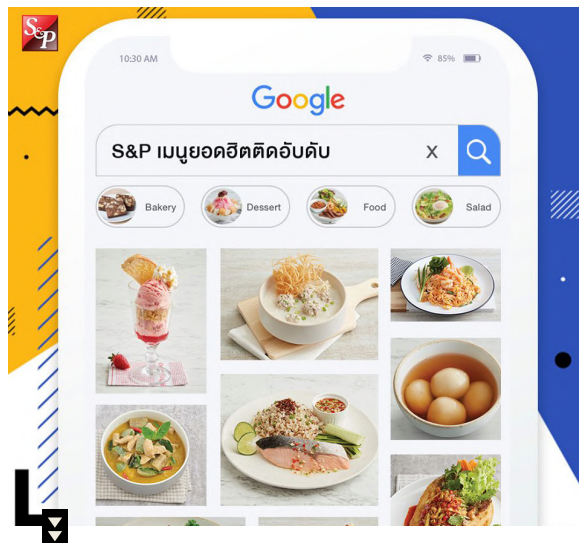
In 2019, the restaurant industry stood a chance to grow in economic fluctuation and has a tendency to continue growing thanks to the structural changes in smaller households and the changed lifestyle of consumers. Although in the past 2-3 year, the slowdown in consumption resulting from recovering household income was evident, the data from Euromonitor shows that sales of Thailand's food service sector still grew at 4 percent per year between 2013-2018, higher than private consumption with average growth of 2.4 percent year-on-year. The market value therefore rose to 880 billion baht. The chained restaurant sector in Thailand expanded around 9 percent per year whereas branch expansion mostly to retail areas grew at around 8 percent, higher than non-chained restaurant where sales and number of stores only grew at around 4 percent and 2 percent respectively. It is found that the restaurants with limited service such as counter-service restaurant, self-service restaurant or table-service restaurant still see positive growth thanks to its ability to offer fast service, reduce number of staff and rising table turnover rate resulting in increasing number of operators running this type of restaurant. Normally this kind of service only runs at fast food restaurants but nowadays other kinds of restaurants such as Japanese restaurants and bakeries start to adapt this kind of service as well which may lead to even more aggressive competition as the number of players keep rising.



According to such trend, S&P also adapts to the growth of different kinds of restaurants. For example, the fast casual restaurants are the mixture of fast-serving fast food and quality-focused casual dining. The store atmosphere and diverse menu tend to be popular around the world as well as foodie influencers, restaurant searching platform and rising number of deliveries. Despite continuous growth of restaurant industry, S&P remains careful in selecting appropriate locations, emphasizing on quality and service, creating good experience for customers, managing cost and building a relationship with customers which is what will sustainably drive the business.

Technology trend

The food industry has continued to change in the past. As the digital world is playing an important part in our everyday life resulting in fast moving consumer behavior, S&P therefore adopts technologies to increase its competitiveness in in-store management and events that aim to create satisfaction of in-store customers. S&P also introduced various contact channels such as 1344, website and application as well as creating an awareness through a social media and new advertising strategy using mobile-spin advertising network. The Company also taps into new ways of food deliveries through Line Man, Food Panda and Grab.



S&P remains determined on applying the Digital Transformation concept as well as focusing on customer experience, security of an online system, digital data and technologies in the future.

Important Events in 2019



Operating more than 540 branches

S&P continues to grow with more than 540 domestic and international branches. The Company focuses on opening small shops at the sky train stations and metro stations which have received positive feedback from customers.



Awards

S&P received Top Brand Thai Restaurant award and Top Employer (Food & Beverage) 2019 award from 2019 Asia CEO Summit given to top brands in Asia in various categories to create an awareness and credibility of the brands in Asia.



Sustainability

We take consideration of economic, social and environmental impacts and reduce the use of plastic of more than 80 tons by changing the packaging material and using paper straws.



Heath-centered Prioritizing customers

We select the best organic fruits and vegetables by collaborating with Sampran Model Project as well as developing low-sodium and low-calories food products for good taste and for health purpose



Growing in food producer business by leaps and bounds

We strive to grow by partnering with various food service operators such as collaborating with Thai Smile to create high quality vegetarian dishes which are farm fresh, clean, chemical-free and healthy to serve to Thai Smile passengers.

Other Important Events in 2019

S&P holds “S&P Khao Chae with delicious sides” workshop

S&P Syndicate PLC held the “S&P Khao Chae with delicious sides” workshop for members of the press to conserve and pass on the ancient Thai “Khao Chae” dish to public. The S&P “Khao Chae” dish is complimented with delicious and healthy side dishes including fried shrimp paste ball, bell peppers filled with crab, sweet radish, sweet pork floss and carved fruits and vegetables. A famous guests Varitthisa Limthammahisorn joined and demonstrated her cooking skill at the Training Center, S&P Syndicate PLC learning center on 10 April 2019.



Promoting zero plastic bags

S&P Syndicate PLC has started the zero plastic bag campaign on 5 June which fell on World Environment Day. The Company later announced that it will stop giving plastic bags on every 4th day of the month and in response to the government policy, S&P has stopped giving plastic bags from 1 January 2020 onwards which align with the Company’s goal of sustainability by having an awareness of economic, social and environmental impacts.



S&P joins signing ceremony of “Environmental care with Fest” project

S&P Syndicate PLC joined the “Environmental care with Fest” to promote the use of safe and environmentally-friendly food packages. Proceeds from Fest safe packages purchase will go to The Sirindhorn International Environmental Park for the maintenance and conservation of the environment on 20 June 2019 at SCG Bangsue Multi-Purpose Building.



S&P organizes press conference on mooncake

S&P Syndicate PLC organized a press conference on “S&P Mooncake 2019” under the concept of “Watching the moon and cherishing good taste”. To reaffirm its position as the leader in mooncake business, the Company launched mooncakes with 4 new fillings which are chocolate lava orange, berry and acai berry, date with grains and red date with jasmine tea. The Company in collaboration with SCG Packaging also introduced a new lantern packaging collection which is the environmentally-friendly packages at S&P Headquarter in August 2019.



S&P joins mooncake festival at Samphanthawong District

S&P Syndicate PLC brought a giant durian-filled double dragon-printed mooncake with 1 meter diameter weighing 125 kilograms reflecting power, eternal happiness, success and prosperity to join the mooncake festival at The Royal Jubilee Gate. Khun Kajeerat Janakom, Director of Samphanthawong District, chaired the event and distributed the cut mooncake to participants for good blessing.



S&P creates vegetarian menu for Thai Smile

S&P Syndicate PLC and Thai Smile Airways have created a special vegetarian menu by selecting high quality, fresh, chemical-free and healthy farm-fresh ingredients to serve every domestic and international Thai Smile passengers during the vegetarian festival between 29 September – 7 October 2019.



S&P signs MOU with Commercial Affairs Nan Office to support Golden Orange in Nan

S&P Syndicate PLC signed an MOU with the Office of Commercial Affairs Nan and Organic Farming Community Network in Nan to support the Nan Golden Orange for sales and steady income for farmers at Nan City Hall on 6 December 2019.



S&P celebrates 46th anniversary

S&P Syndicate PLC celebrates its 46th anniversary by selling a new 2020 collection including cake, hampers, BlueCup coffee, baked goods, sandwiches in special prices. The Company also held a DIY cake decorating activity and “S&P Cake Story” 1,500-pound and 1.5 meter-tall cake which reflects Thainess in each region in 2D animation style. The event was held in 28 November to 1 December 2019 at Work and Display, first floor, Central Grand Rama 9.

Business Expansion and Product Development

1> Business expansion

Every year the Company added more restaurant and bakery branches in Bangkok and other provinces so its services and products can be conveniently accessed by the target customers. In 2019, S&P opened 7 new restaurants at Whizdom 101, PTT Bangna-Trad km 34, Sikarin Hatyai Hospital, FYI Vi Plaza, Vibhavadi Hospital, Mega Bangna Foodwalk, and Robinson Ladkrabang and 17 new bakery shops.

2> Product development and sales promotion

- S&P introduced new licensed cakes which are We Bare Bear, Frozen 2 and Marvel to expand customer base who likes to try new things and who are the fans of these cartoon characters or movies. It also has a 1.5-pound classic cake and DIY cake that can be customized to customers' own imagination.



- The Company's strategy that helped drive the restaurant business in the past year included the awareness of the product, collaboration with food delivery partners such as Grab Food, Food Panda and LINE MAN and addition of food ordering channels through an app to quickly reach target customers.



- The Company developed and created healthy beverages and organic products with ingredients from organic farming community such as drinks made from organic coconut to meet the current consumption trend.



- In 2019, S&P developed a low-sodium menu to satisfy health-conscious customers and hospital customers.

- The Company added more sales channels for food and beverages and developing grab & go and ready-to-eat products to suit the lifestyle of diverse group of customers. The Company puts the emphasis on customers using BTS and MRT and aimed to cover as many areas as possible.



- The Company introduce healthy snack-box product which has less than 300 calories, Thai sweet snack box, fresh snack box for corporate customers to enjoy during conference, seminar, auspicious events, special occasions and any activities. The packages are environmentally friendly and recyclable.

- During the mooncake festival, the Company has always put its emphasis on the festival and remained the leader of mooncake business under the S&P and Golden Dragon brand. In every year, mooncakes with classic style and flavor and style that reflects innovative colored skin and good taste are sold. This year, the Company has sold mooncakes with a new chocolate orange flavor to public and a new Acai Berry, date and jasmine tea and red date and grains fillings were also introduced.



- The Company has partnered with business partners to develop products to celebrate the birthday of Thai Smile Airways in 2019 by creating special dishes served on domestic and international flights which included berry fairy cake and strawberry cocoa mousse served with earl gray tea and banoffee fairy cake and yuzu mango mousse served with English breakfast tea. Furthermore, it also selected frozen hot snacks to serve passengers in October 2019 to September 2020 which included quinoa sticky rice and grilled chicken, spaghetti with salted egg sauce, roasted chicken with rice, Pad Thai with shrimp and Chicken Biryani.





- In the mooncake festival, S&P has introduced Golden Dragon mooncakes with new flavors which are yuzu orange, cherry rose tea, caramel durian to be sold on modern trade channels. The Company also expanded its business to various countries e.g. China, India, the U.S., Europe and Australia. Last year, it also focused on penetrating Korea and Hong Kong market so that foreigners can taste Thai food and sweets. S&P also joined forces with SCG Packaging to launch the lantern collection which not only is environmentally friendly but also beautiful perfect for blessing and souvenir. The Company also introduced a lantern-shaped premium packaging containing 4 or 8 pieces of mooncake as a collaboration of S&P and SCG Group to develop environmental-friendly packages.



- ▶ • Vegetarian festival: S&P also cares about customers who like healthy baked goods that can be consumed during vegetarian festival such as vegetarian banana cake, vegetarian macadamia brownie, vegetarian cake with soft chocolate ganache, pineapple puff and taro and ginkgo puff. In 2019, S&P was also trusted by the leading airline like Thai Smile for the second year to cater food and sweet during vegetarian festival such as steamed rice with taro and ginkgo, Biryani rice with tofu and curry, black pepper mushroom spaghetti, steamed rice noodle rolls, quinoa sticky rice with 3-flavor mushroom and sweets such as Nectarine Almond Loaf and Chestnut Almond Loaf.



- ▶ • New Year: S&P reaffirmed its position as the brand of giving with “S&P New Year Collection” under the concept of “Thai style happiness” which emphasized on the beauty and identity of Thailand ranging from Thai flowers, culture, attractions and contemporary Thai costume. The Company launched baked good products such as cake, cookie, hamper and reusable packages to respond to its sustainability and global warming policy.

Awards and Achievements in 2019

1> S&P Food production factory receives 3R award

S&P Syndicate PLC's food factory has received the 3Rs Award, Zero Waste to Landfill Achievement Award and 3Rs+ Awards (gold medal) for its waste utilization improvement project for the fiscal year 2019. Mr. Banjong Sukreeta, Deputy Director of Department of Industrial Works, presented the award at the Thai Army Club. The industrial waste management under the 3Rs principals includes Reduce, Reuse and Recycle which aims to utilize the waste and for zero waste to landfill which is a good example of waste management for the industry sector.



2> S&P receives PM Export Award 2019 for Thai brand

S&P Syndicate PLC receives the Prime Minister's Export Award: PM Export Award 2019 for Best Thai Brand from General Prayut Chan-o-cha at Santi Maitree Building, Government House on 26 August 2019 as the symbol of pride of the country and to honor the achievement and determination of Thai operators.



3> S&P receives certificate

S&P Syndicate PLC receives a certificate at the ceremony where certificates were presented to industrial operators who joined voluntary sodium reducing project as part of "Label aware, eat smart and reduce sodium" program held by Food and Drug Administration in collaboration with government and private network. Mr. Satit Pitutacha, Deputy Minister of Public Health, presented the award to raise an awareness of consuming sodium in food which may lead to the change of consumption behavior and reduction of NCDs at MBK Center.



▶▶ 4> S&P receives CFP label

S&P Syndicate PLC receives the Carbon Footprint Product (CFP) certificate for S&P banana cake product from the Ministry of Natural Resources and Environment at the global warming event 2019 organized by Thailand Greenhouse Gas Management Organization PLC at The Berkley Hotel Pratunam on 19 September 2019.



5> Top Brand Thai Restaurant and Top Employer (Food & Beverage) 2019 Award

S&P Syndicate PLC received the Top Brand Thai Restaurant and Top Employer (Food & Beverage) 2019 award at the 2019 Asia CEO Summit & Award Ceremony organized by Influential Brand (Singapore) to raise a brand awareness and create credibility of the brand in Asia at Chatrium Ballroom, Chatrium Hotel Riverside Bangkok on Charoenkrung Road. The Top Employer Brand Awards is a new award given out to organizations with excellent organizational culture and commitment in employee's participation. Being held for the first time in Thailand, the award was presented during the 2019 Asia CEO Summit & Influential Brands Awards Ceremony. Many organizations and famous brands from many countries in Asia attended the event at S 31 Sukhumvit Hotel.



6> S&P receives Thailand Corporate Management Excellence Awards 2019

S&P Syndicate PLC receives a royal award of HRH Princess Maha Chakri Sirindhorn at Thailand Corporate Management Excellence Award 2019 from PM General Prayut Chan-o-cha as an honor and example for other organizations. The award was based on a survey of high-level executives from over 1,000 organizations. The ceremony was held by TMA and Sasin Graduate Institute of Business Administration of Chulalongkorn University at The Athenee Hotel Bangkok.

Marketing Activities

To deeply understand the buying decision process of connected consumers is a challenge that S&P is facing today. The Company therefore highlights on analyzing customers' data including touch points or communication channels to maximize its reach to customers. The Company aims to build a long-term relationship and connection and understand which marketing activities customers want and expect from the brand.

Main activities in 2019 consists of activities long enjoyed by customers and special activities to give thanks to customers who have been loyal to S&P.

- 20% discount on Wednesdays for bakery products which continues to be popular for customers. We also offer 15% discount every day for pound cakes to our Joy Card members.
- Promotional Activities in important festivals in the year. For example, souvenirs were given away to children who came to eat at the restaurants on Children's Day or on Mother's Day or Father's Day where children can take their parents to eat at S&P for free to answer the need of all family restaurant.





- “Selected Farm Products” campaign during June to August 2019. The Company carefully selected local seasonal ingredients for food, baked good, beverages and sweets.

- Healthy and delicious dishes such as fried quinoa with seabass. The seabass was selected from good breeds and raised in the water treatment technology with natural feedings. As for Betong Biryani rice and curry sauce, the superb ingredients were from Betong raised in natural sources. The fish is very meaty and delicious. Soft omelet on riceberry rice with Siam Pangas Tomyam soup. Pangas is the mixed breed of Mekong giant catfish and pangasius which results in soft, solid and delicious fish meat.
- Baked good products: S&P banana cake is made from bananas from Chumpon which was planted with the crop rotation technique resulting in good, high quality and fragrant bananas. The durians were from Tha Mai, Chanthaburi Province, a perfect land for durians to smells good, taste delicious and look golden.
- Organic beverages: Kimchoo guava and organic coconuts were organic ingredients picked from “Sampran Model” project aimed to connect organic nutrition chain and sustainable food system development. The fruits were delicious and safe to eat.

- Promotional activities during vegetarian festival between 21 September – 7 October 2019: S&P invited everyone to be fulfilled with merit and good taste during the vegetarian festival under the concept “right dish” by offering a set menu in special prices at 195 baht. The dishes included Thai and international dishes served with Tonyu drink made from concentrated soy milk from Japan processed through quality and nutrition preserving process and directly sent from Umenohana, a famous soy milk shop in Japan. Furthermore, there were also vegetarian dishes with less than 300 Kcal for health-conscious customers as follows;

- Betong fried noodle and grilled tofu, a dish with a great source of protein from grilled tofu;
- Tom Kha with King Oyster Mushroom;
- Fried Pak Chai with King Oyster Mushroom etc.





- S&P introduced the mooncakes under the concept of “Watching the moon and cherishing good taste”. To reaffirm its position as a leader in mooncake business and taste innovation and ingredient selection, the mooncakes came with 4 new fillings which are chocolate lava orange, berry and acai berry, date with grains and red date with jasmine tea. The Company in collaboration with SCG Packaging also introduced a new lantern packaging collection which is the environmentally-friendly packages with a special promotion! If customers bought 4 mooncakes, they would get 1 mooncake for free (only for 170 gram and 150 gram kind). And they also got discount of 50 baht (maximum 5 discounts/bill) when buying S&P mooncakes of any fillings or sizes of 500 baht (after discount) to redeem as a discount for purchase of food, beverages and baked goods (except mooncakes) of over 200 baht from today until 16 September 2019 at participating S&P shops. A 20% off was also offered for the purchase of first piece.



- For its 46th birthday, S&P gave away discount of 46 baht for every purchase of 200 baht only on 14 October 2019.



- The 46th birthday ceremony was held to give thanks to customers who have been loyal to S&P. S&P has brought products and gifts for customers to choose from including cakes, cookies and hampers. The event was held to conserve Thai culture by showing Thai style of happiness from 4 regions where many artists have attended including Namtoey, Suvanant “Kob” Punnakant and her sons, Nada and Nadol Punnakant and Intouch Rerkyen. S&P wanted to give end-of-year happiness to everyone.



- S&P sent out Thai styled happiness in New Year festival 2020 with an exciting promotion such as 20% discount on pound cake when buying more than 2 2-pound cakes or buy 4 S&P cookies get 1 free. S&P offered S&P Joy Card members 15% discount on cakes and cookies. There were also limited amount of 4 kinds of gift sets to choose from containing S&P products and locally-made loincloth bags from a community enterprise in Amnat Charoen. People can enjoy the festival of happiness from today until 10 January 2020. S&P also gave away 100 baht discount when buying more than 2 pound of cakes from 26 December 2019 to 10 January 2020.



- Coffee ran “BlueCup D-Day” promotional event every Friday in 2019 to create good relationship between customers who love coffee and beverages and the brand.



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 is 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.

Furthermore, the Company received the Environmental, Social and Governance: ESG Award and in 2017, the Company received “International Innovation Award 2017” (IIA 2017) in the Services & Solutions category which is an Asian-level award from the “SolarRoof: S&P Bakery Factory Energy Saving Project” from Enterprise Asia. S&P is proud to be a part in reducing the use of electric power and strives to continue to do good deeds for Thai society.





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 third 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. Setting criteria and developing guidelines, regulations and ethics to align with such policy as well as the publication of anti-corruption policy through company's communication channel and communication to stakeholders to comply with such policy. The company has insisted that the committee and executives strictly follow and comply with such policy so that employees and stakeholders are aware and collaborate in complying with such policy as well.

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
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

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.



>>> 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.

The food production line is based on environmentally-friendly production process by controlling the waste from its source, boosting capacity in sorting out and utilizing the waste before decomposing based on a correct guideline and 3Rs waste management principles (Reduce, Reuse, Recycle). The company also has a waste management policy that is correspond with the law as well as encouraging employees to participate. With such effort, the company therefore received 3 awards from Department of Industrial Works which are 3Rs Award, 3Rs Achiever and 3Rs Plus.

>>> Baked goods production line

The quality management system of the baked goods production line focuses on safety and compliance with the specified quality standard as well as adding value for consumers. Having been inspected and certified by an independent agency, S&P's operation is guaranteed to be in accordance with the standards, rules, regulations and law ensuring that its products are safe and comply with the product standard along every step until they reach the hands of consumers. Furthermore, its baked goods factory has been certified with Good Manufacturing Practice (GMP) from the Food and Drug Administration and Hazard Analysis and Critical Control Point (HACCP), ISO 22000 : 2005. The final products have also been verified by the product testing laboratory certified with ISO/IEC 17025 from the Department of Medical Sciences, Ministry of Public Health.



In 2019, the project to improve the quality of the ISO/IEC 17025:2017 laboratory was initiated to build credibility of the products and depict the standard of product quality control process. Product verification result has to come from the standard and trusted lab. The ISO/IEC 17025 standard of the Bureau of Laboratory Quality Standards, Department of Medical Sciences, Ministry of Public Health is considered a standard system of the laboratory which can produce accurate, credible and universally-accepted results ensuring consumers that the products have been processed through quality production and verification process.

S&P Unity Project and Complaint Handling

The Company strives to develop the product quality and standards including paying attention to providing family-friendly services to customers. The Customer Service Department emphasizes on complaints and feedback handling from customers with maximum and the sincerest responsibility under the S&P Unity Project. The Customer Service Department has prepared a complaint handling manual and provided know-how and basic problem-solving guidelines to staff working at the storefronts every month. The content covers providing impressive services to customers, how to handle complaints from customers and how to observe primary symptoms of customers in case of possible allergies as well as treatment methods. This project is aimed at reducing the number of complaints and possible impacts on customers such as the impact on health and safety. Furthermore, in case of complaints, the Customer Service has a procedural method to investigate the cause of complaints and report the results to complainers in writing every time as well as collecting data on complaint statistics for further analysis, improvement of service and efficiency in transparency and justice to the customers.



2.3>> Environment Conservation

In addition to the company's determination to produce food and baked goods without causing impact on the environment and communities nearby, the food and baked goods production line has put emphasis on reducing waste including plastic waste. The use of plastic in the production process is reduced by not using the cling film and plastic bag and using safe and reusable container instead.

As the factory requires the use of large amount of water which is an important part of the production, the company has issued a policy to reduce the use of water by launching a project in which treated wastewater will be used instead of good water in parts not relating to production such as for cleaning and for watering plants. In 2019, 22,800 cubic meters of water were used.

To protect its employees from narcotic drugs, the company has requested the certification of drugs prevention and correction standard for its baked good factories in Sukhumvit, Bangna and Lamphun for the 6th year.

“NO BAG MORE POINTS”

and subscription promotion for “S&P Joy Card on Mobile App”

In response to its CSR campaign on environment, the Company has organized “NO BAG MORE POINTS” campaign, offering 10 points to S&P Joy Card members when refusing to accept plastic bags when shopping. The Company also launched a promotion for S&P Joy Card members on the mobile application. When customers register with 100 baht application fee and 500-baht top up, they will get free cloth bags. This is to allow members to be a part of reducing waste in Thailand and creating an awareness for environmental conservation and the ban of plastic bags.



2.4>> Participating in Developing the Community or Society

The S&P Summer Camp 2019 took the young S&P Joy Card members aged 7-14 to go on an agricultural trip at Patom Organic Farm at Suan Sampran, Nakhon Pathom Province.

The children had a chance to learn organic farming such as the selection of seeds, planting seedlings, soil, turning biological waste into fertilizer, mud-covered salt egg process, making vinegar from bananas and picking organic eggs to cook by themselves. They also got to taste organic guava juice which is also sold at S&P shops where various other organic products are sold as well. The Company has purchased organic products directly from farmers. Not only did the children attend organic farming activities, they also designed a DIY fabric bags to use instead of cloth bags which helped them be aware of environmental conservation. The day ended with the S&P cake decoration where children get to use their imagination. The children earned new experiences, learned about organic farming and were aware of the environment conservation thanks to these activities.



▶▶ S&P takes S&P Joy Card members to experience culture and way of life of Northeastern people

S&P took the S&P Joy Card families on a trip to the red lotus lake, Nong Han Lake, Kumphawapi District, Udonthani Province which is the biggest red lotus lake in Thailand. The participants got to experience and learn the culture and the way of living of northeastern locals at live museum, So Phisai District, Bueng Kan Province through usable utensils on display. Furthermore, the participants got a chance to admire a naga painting which is famous in Bueng Kan. Each naga painting showed the way of living of people in the community. The visitors not only experienced and learned about the community but also supported their OTOP products. S&P is proud to be a part of a sustainable tourism community model and it is determined to operate its business along with giving back to the society, communities and environment.



Low Sodium Low-sodium dish cooking workshop

The low-sodium dish cooking workshop was aimed at creating good experience for the Company and S&P Joy Card members. In the event, participants learned about the consumption of sodium, selection of ingredients for cooking. The dietitian from Bhumibol Adulyadej Hospital's Kidney Center and a scholar from less sodium network from Thai Health Promotion Foundation were invited to talk about consuming less sodium

and benefits and adverse effects of sodium. The participants got to cook two S&P low-sodium dishes in the workshop which were quinoa and herb steamed seabass and Kurobuta pork Tom Yam noodle. S&P has picked the best ingredients for ultimate good taste. There are many more low-sodium dishes at S&P restaurants in 18 hospitals.

>>> 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 2019, there have already been 10 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 2019, there were 77 vocational certificate level students graduated and they have already been recruited as the Company's employees. The total number of graduating students from 10 classes is almost 363.
2. Collaborating with the Vocational Education Commission (VEC) in admitting vocational students in Bangkok and from provincial regions to do internship. In 2019, there were totally 1,000 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
 - Rajamangala University of Technology Krungthep: Program in Retail Marketing and Program in Food and Nutrition
 - 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.

4. 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.



>>> 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 2019, Raiva House had provided dhamma practice with over 1,000 people participated in the program: both from the Company's employees and the public.

2.5 Corporate Social Responsibility

Cake A Wish Make A Wish

S&P Syndicate PCL continued with the 15th year of S&P Cake A Wish to Make A Wish 2019 campaign to pass on happiness during New Year and Valentine's Day to underprivileged people, orphans, disables including patients in 23 various foundations in Bangkok and other provinces with 670-pound for giving happiness and willing to our society.



Vocational training for inmates project

S&P Syndicate PLC and Department of Corrections organized a vocational training for inmates project for 3 prisons. The Company provided specialists to support basic vocational skills for inmates after prisons that can be used to build career and earn income for their families. Specialists from baked good factories taught about cake decoration to women at Central Women's Correctional institution whereas specialists from BlueCup taught about how to make fresh coffee to women at Corrections Hospital and food specialists taught about how to cook roasted pork with rice to men at Bang Kwang Central Prison in March and April 2019.



S&P promotes zero plastic bag at Siriraj Hospital

S&P Syndicate PLC promotes the ban of plastic bag at Siriraj Hospital at the launch of "Bring medicine back with cloth bags" project on 14 March 2019 at 100th Year Siriraj Centennial Hall, Siriraj Hospital to encourage patients to bring medicine back with their cloth bags and promote the ban of plastic bags at shops at Siriraj Hospital. The move was expected to commence on 1 April 2019.



Promoting quality of life of underprivileged students

S&P Syndicate PLC joined the launch of project to promote the quality of life of underprivileged students 2019 which was held for the third year. The event was chaired by Air Chief Marshall Prajin Juntong, Vice Prime Minister and Minister of Justice. S&P has provided assistance in renovating the kitchen, canteen, kitchen appliances and also gave away 5,000 fish and scholarships of 50,000 baht to support a better quality of life in terms of food and wellbeing for students and school personnel at Ban Khok Mai Na Yom School, Khon Kaen Province on 28 February 2019. The Company also received a honorary plaque from Air Chief Marshall Prajin Juntong, Vice Prime Minister and Minister of Justice, at the plaque and certificating presenting ceremony held at Santi Maitree Building, Government House on 7 May 2019.



S&P Kitchen For Kids Campaign

S&P Syndicate PCL organized the 11th S&P Kitchen for Kids by renovating the kitchen and presenting kitchen appliances for clean and safe to promote good health and well-being for the society and improvement of students' quality of life in a sustainable way. In 2019, S&P has renovated kitchens and presented appliances to 2 schools which are Ban Thumhin Border Patrol Police School, Ratchaburi Province and Rajaprajanugroh 19 School, Nakhon Si Thammarat Province. The experts from the Company also shared knowledge on hygiene to create an awareness in waste sorting to cooks and students. The Company also presented 3-colored garbage bins; yellow, green and blue, to create good awareness and also presented plant seeds, animal feed and agricultural tools to the school to support studies on agriculture and to be ingredients in school cooking. The "Favorite dishes for students" cookbooks made by the Company to promote good nutrient for students and to be an idea for various dishes for students to enjoy were also presented.



"S&P Great Food Good Health" event

S&P Syndicate PLC held "S&P Great Food Good Health 2019" for the second year. Anorma "Meji" Cook, an inspiring health influencer, was invited to join and tell her experience and conduct a workshop to pass on knowledge of proper eating behavior, concentration while exercising on basic exercises at Suan Plern Market, Rama 4 Road on 13 July 2019.



S&P passes on kindness

S&P Syndicate PLC has given 9,194 pieces of Golden Dragon mooncakes worth of 1,022,491 baht to Krob Krua Kao 3 Foundation to help those suffering from flooding crisis at Maleenont Tower on 19 September 2019.



S&P gives support to flooding crisis

S&P Syndicate PLC, on behalf on the executives and staff, presented money to help people suffering from flooding in Ubon Ratchathani through MCOT. Mr. Kematat Paladesh, MCOT President, received 266,000 baht and presented it to Office of the Prime Minister on 23 September 2019.



S&P presents mooncakes to Royal Thai Army

S&P presented 4,667 pieces of mooncakes worth 497,444 baht to Major General Wichan Suksong and his crew at the Royal Thai Army Headquarters on Ratchadamnoen Road on 15 November 2019 as an appreciation and encouragement to Royal Thai Army for their dedication for the country.



S&P School Tour 2019

S&P Syndicate PLC has organized “S&P School Tour 2019” for the 14th year. The Company passed on happiness to students with cake decoration activity and teaching them through cartoon characters in various contexts of today society. In 2019, the Company presented “The Sea Guardian” highlighting waste problem that is harmful to the environment and marine animals, the reduction of use of plastic bags and sorting of trash. These activities aimed to create an environmental awareness for sustainable development. The activities were held for students in grade 3 in the leading schools in the Greater Bangkok area.

Report of the Board of Directors' Responsibilities for Financial Statements

The financial Statements of S&P Syndicate Public Company Limited and 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. 2560), regarding “Presentation of Financial Statements”, which has enforced for the financial statement for the fiscal year starting from or after 1 January 2018 onward and in accordance with the Regulation of the Stock Exchange of Thailand dated October 2nd, 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”, in compliance with the Notification of the Department of Business Development dated October 11st, 2016 regarding “ The Brief Particulars in the Financial Statements (No. 2) B.E. 2559”, and in accordance with the consolidated interim financial statements and the separate interim financial statements which have been prepared in Thai Baht and in accordance with Thai Accounting Standard No. 34 (revised B.E.2561), regarding “Interim Financial Reporting including sufficient disclosure of important information in the notes to the financial statements”.

The Board of Directors has appointed the Audit Committee, comprising of independent Directors, to be responsible for controlling the correctness and sufficiency of the financial statements, and assessing the appropriateness and efficiency of the internal control system and the independency of the internal audit. This is to assure that the account records have been booked, accurately, completely, and on time to prevent fraud or misconduct. The opinions of the Audit Committee have been presented in the Annual report.

The Board of Directors has an opinion that the audited financial statements, noted to the financial statements, statements of financial position, operating results and cash flows of the Company have been fairly presented their correctness in accordance with the Generally Accepted Accounting Principles. Besides, the Company has provided the corporate governance and internal control system that reasonably assure material correctness.



(Patara Sila-On)

Chairperson



(Vitoon Sila-on)

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. Cattleya Saengsastra, as head of the Audit Committee, Ms. Sophavadee Uttamobol, and Mr. Piya Sosothikul, an audit director, and Mrs.Chirley 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 2019, 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 2019. The main points are as follows.

1. Quarterly financial audit and 2019 fiscal budget

The Audit Committee has reviewed the quarterly financial budget and 2019 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, the Audit Committee has discussed the observation of the auditors and new auditors' report as well as asking and being informed of important reports from the accounting and finance executives and auditors. The Committee suggested the adjustment of entries according to the mutually-agreed audit observation to report credible financial statement with adequate disclosure of information. The Audit Committee and auditors mutually agreed that such financial report is accurate in accordance with generally accepted accounting principles.

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. In 2019, the Audit Committee has suggested to revise the authority the operational standards to ensure that the Company's internal control is proceeded in a strict and effective manner.

3. Operation review and internal review development

The Audit Committee has reviewed the operation in accordance with the approved plan and ensured the operation was in accordance with the specified vision which included creative review to create added value within the organization in accordance with the good governance principles as well as taking in account of comments from the audited agencies for the improvement of audit quality. In 2019, it was found that the audit result has exceeded the specified target and has led to the setting of measures to ensure effectiveness in the operation.

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. 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 2019, 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.

6. Promotion of good governance

The Audit Committee has promoted and ensured that the Company's operation was in accordance with the good governance principles and supported the anti-corruption policy and guidelines. The Company hence was accepted by other Thai private agencies in fighting against corruption for the second year. The Committee also supported and encouraged the executives and staff to comply with the policy, regulation and work ethics to ensure that the Company's operation was transparent and accountable. In 2019, the anti-corruption measure and whistleblower has continuously been communicated to encourage the staff to comply and not neglect when the compliance of regulations and ethics of the organization is being overlooked.

7. 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. It would be proposed for approval by the board before the general shareholder assembly.

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.



(MS. Cattleya Saengsastra)
Chairperson of the Audit Committee

Report of The Independent Certified Public Accountant

TO THE SHAREHOLDER 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, 2019, 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, 2019, 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 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 Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and separate financial statements of the current period.

This matter was 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 this matter.

| Key Audit Matter | Audit Responses |
|--|---|
| <p>Valuation of investment in a subsidiary in the separate financial statements and valuation of investment in a joint venture entity and valuation fixed assets of a subsidiary in the consolidated financial statements</p> <p>A domestic subsidiary, overseas joint venture and overseas subsidiary have incurred material retained deficit which is an indication that the carrying amounts of investments in such domestic subsidiary in the separate financial statements and the carrying amounts of investment in a joint venture entity and fixed assets of the overseas subsidiary in the consolidated financial statements may exceed the recoverable amounts. Therefore, the investments of a domestic subsidiary and a joint venture entity and fixed assets of such overseas subsidiary may have incurred impairment.</p> <p>The consideration of impairment of investment in a subsidiary in the separate financial statements and investment in a joint venture entity and fixed assets of the overseas subsidiary in the consolidated financial statements is depended on the judgements and assumptions used by management in estimating the recoverable amounts.</p> <p>Accounting policies for impairment of assets, impairment of investments and details of investments in a subsidiary and a joint venture entity and fixed assets of an overseas subsidiary were disclosed in the Notes 3.10, 3.21, 10 and 12, to the financial statements.</p> | <p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the impairment consideration process and related internal control procedures relating to recognition of loss from impairment • Reviewing the design and implementation of the internal control procedures for such matter • Involving our internal specialist to assist with: <ul style="list-style-type: none"> - 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. - Validating the assumptions used to calculate the discount rates and recalculating these rates. • 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. • Subjecting the key assumptions to sensitivity analysis. • 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. • Comparing between the recoverable amounts and the carrying amounts. |

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 Group.

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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities: 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)

Registration No. 4325

BANGKOK

February 25, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., Ltd.

S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

UNIT : BAHT

| Asset | Notes | Consolidated Financial Statements | | Seperate Financial Statements | |
|---|-----------|--------------------------------------|---------------|----------------------------------|---------------|
| | | 2019 | 2018 | 2019 | 2018 |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 4.1 | 674,337,699 | 782,984,447 | 542,549,529 | 579,473,967 |
| Temporary investments | 5 | 327,556,526 | 205,153,889 | 327,542,343 | 205,139,879 |
| Trade and other current receivables | 6 and 26 | 323,532,424 | 343,935,438 | 343,763,393 | 358,551,512 |
| Short-term loans to related parties | 7 and 26 | 2,940,541 | 2,974,477 | 9,000,000 | 12,228,480 |
| Current portion of loans to related parties | 11 | - | - | - | 2,042,120 |
| Inventories | 8 | 300,396,464 | 307,026,782 | 286,467,844 | 294,221,248 |
| Other current assets | | 23,348,643 | 22,594,364 | 15,916,860 | 15,397,166 |
| Total Current Assets | | 1,652,112,297 | 1,664,669,397 | 1,525,239,969 | 1,467,054,372 |
| NON-CURRENT ASSETS | | | | | |
| Deposits used as collateral | 9 | 808,660 | 15,583,660 | 783,660 | 15,583,660 |
| Investments in an associate | 10 and 26 | 67,410,118 | 56,186,239 | 4,997,000 | 4,997,000 |
| Investments in subsidiaries | 10 and 26 | - | - | 220,750,669 | 260,365,939 |
| Investments in joint venture entities | 10 and 26 | 260,200,769 | 275,868,380 | 35,000,000 | 35,000,000 |
| Loans to related parties | 11 | - | - | 50,951,302 | 51,086,046 |
| Property, plant and equipment | 12 | 1,514,948,782 | 1,616,202,578 | 1,396,306,519 | 1,470,305,928 |
| Leasehold rights | 13 | 28,636,218 | 43,703,538 | 18,551,312 | 31,805,827 |
| Intangible asset | 14 | 29,413,042 | 36,149,142 | 29,004,144 | 35,710,340 |
| Deferred tax assets | 15 | 51,478,183 | 49,952,469 | 50,181,393 | 42,988,065 |
| Long-term deposits | | 277,994,867 | 271,016,681 | 252,171,430 | 243,555,323 |
| Other non-current assets | | 8,398,792 | 10,237,468 | 3,654,612 | 5,431,131 |
| Total Non-current Assets | | 2,239,289,431 | 2,374,900,155 | 2,062,352,041 | 2,196,829,259 |
| TOTAL ASSETS | | 3,891,401,728 | 4,039,569,552 | 3,587,592,010 | 3,663,883,631 |

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, 2019

UNIT : BAHT

| Liabilities and Shareholders' Equity | Notes | Consolidated Financial Statements | | Seperate Financial Statements | |
|---|-----------|-----------------------------------|---------------|-------------------------------|---------------|
| | | 2019 | 2018 | 2019 | 2018 |
| CURRENT LIABILITIES | | | | | |
| Trade and other current payables | 16 and 26 | 833,244,190 | 904,997,695 | 731,719,070 | 788,386,561 |
| Current portion of long-term borrowings from financial institutions | 19 | 38,529,674 | 38,529,674 | 33,857,160 | 37,901,760 |
| Current portion of long-term borrowings from a related party | 20 | - | 1,215,974 | - | - |
| Short-term borrowing from a related party | 17 | - | - | - | 8,572,000 |
| Current income tax payable | | 27,327,944 | 46,704,820 | 27,021,246 | 45,214,322 |
| Current provision for employee benefits | 21 | 4,718,159 | 6,607,532 | 4,574,916 | 6,223,236 |
| Other current assets | 18 | 47,304,562 | 50,395,207 | 34,424,378 | 35,622,348 |
| Total Current Assets | | 946,452,015 | 1,048,450,902 | 831,596,770 | 921,920,227 |
| NON-CURRENT LIABILITIES | | | | | |
| Deferred gain from sales of fixed assets to a joint venture entity | 33 | 25,275,167 | 26,679,343 | - | - |
| Long-term borrowings from financial institutions | 19 | 121,892,810 | 156,761,120 | 121,892,810 | 156,761,120 |
| Long-term borrowing from a related party | 20 | 3,032,479 | 2,054,289 | - | - |
| Non-current provision for employee benefits | 15 | 199,300,742 | 153,204,593 | 184,774,839 | 149,270,245 |
| Other non-current assets | 21 | 59,382,418 | 63,150,813 | 49,278,165 | 47,895,915 |
| Total Non-current Assets | 22 | 408,883,616 | 401,850,158 | 355,945,814 | 353,927,280 |
| TOTAL LIABILITIES | | 1,355,335,631 | 1,450,301,060 | 1,187,542,584 | 1,275,847,507 |

S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

UNIT : BAHT

| | Notes | Consolidated Financial Statements | | Seperate Financial Statements | |
|--|-------|--------------------------------------|---------------|----------------------------------|---------------|
| | | 2019 | 2018 | 2019 | 2018 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED) | | | | | |
| 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 SURPLUS ON GAIN FROM TRANSFER OF BUSINESS | | 689,980,549 | 689,980,549 | 689,980,549 | 689,980,549 |
| TO A JOINT VENTURE ENTITY | 33 | 79,905,178 | 79,905,178 | - | - |
| RETAINED EARNINGS | | | | | |
| Appropriated | | | | | |
| Legal reserve | 23 | 52,343,137 | 52,343,137 | 52,343,137 | 52,343,137 |
| Unappropriated | | 1,197,689,561 | 1,236,383,613 | 1,124,632,241 | 1,129,041,362 |
| OTHER COMPONENTS OF SHAREHOLDERS' EQUITY | | (20,486,804) | (27,687,959) | 42,685,134 | 26,262,711 |
| TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT | | 2,489,839,986 | 2,521,332,883 | 2,400,049,426 | 2,388,036,124 |
| NON-CONTROLLING INTERESTS | | 46,226,111 | 67,935,609 | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | 2,536,066,097 | 2,589,268,492 | 2,400,049,426 | 2,388,036,124 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| | | 3,891,401,728 | 4,039,569,552 | 3,587,592,010 | 3,663,883,631 |

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, 2019

UNIT : BAHT

| | Notes | Consolidated Financial Statements | | Seperate Financial Statements | |
|---|-------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Revenues from sales | | 7,312,369,387 | 7,608,375,101 | 6,670,769,445 | 6,782,225,377 |
| Cost of sales | | (4,220,422,468) | (4,274,048,116) | (3,987,972,790) | (4,007,793,401) |
| Gross profit | | 3,091,946,919 | 3,334,326,985 | 2,682,796,655 | 2,774,431,976 |
| Other income | 25 | 72,535,700 | 98,374,429 | 161,173,686 | 142,712,941 |
| Selling expenses | | (2,017,947,414) | (2,102,726,792) | (1,692,690,720) | (1,691,025,714) |
| Administrative expenses | | (741,167,736) | (823,235,379) | (669,545,303) | (636,227,196) |
| Management benefit expenses | 26 | (56,593,563) | (57,729,112) | (56,593,563) | (56,523,705) |
| Impairment loss on investments in a subsidiary | 10 | - | - | (39,615,270) | (65,000,000) |
| Loss from sale of investments in subsidiaries | 2.6 | - | (6,970,736) | - | - |
| Net gain (loss) on exchange rates | | (4,565,556) | 191,825 | (2,255,818) | (1,523,292) |
| Finance costs | | (8,080,043) | (7,337,695) | (7,731,348) | (7,080,250) |
| Share of profit (losses) from investments in an associate and joint venture entities | 26 | 4,550,868 | 3,191,703 | - | - |
| Profit before income tax expense | | 340,679,175 | 438,085,228 | 375,538,319 | 459,764,760 |
| Income tax expense | 15 | (36,412,585) | (61,241,017) | (26,853,417) | (57,302,044) |
| PROFIT FOR THE YEAR | | 304,266,590 | 376,844,211 | 348,684,902 | 402,462,716 |

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, 2019

UNIT : BAHT

| | Notes | Consolidated Financial Statements | | Seperate Financial Statements | |
|---|--------|--------------------------------------|--------------|----------------------------------|-------------|
| | | 2019 | 2018 | 2019 | 2018 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | | |
| Items that may be reclassified to profit or loss | | | | | |
| Actuarial gain on defined employee benefit plan - net of tax | | 13,511,118 | 27,538,681 | 16,422,423 | 26,262,711 |
| Exchange differences on translation of financial statements | | (7,926,934) | (7,673,868) | - | - |
| TOTAL OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR - NET OF TAX | | 5,584,184 | 19,864,813 | 16,422,423 | 26,262,711 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 309,850,774 | 396,709,024 | 365,107,325 | 428,725,427 |
| PROFIT (LOSS) ATTRIBUTABLE TO: | | | | | |
| Owners of the Parent | | 314,399,971 | 400,209,465 | 348,684,902 | 402,462,716 |
| Non-controlling interests | | (10,133,381) | (23,365,254) | - | - |
| | | 304,266,590 | 376,844,211 | 348,684,902 | 402,462,716 |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: | | | | | |
| Owners of the Parent | | 321,601,126 | 421,321,732 | 365,107,325 | 428,725,427 |
| Non-controlling interests | | (11,750,352) | (24,612,708) | - | - |
| | | 309,850,774 | 396,709,024 | 365,107,325 | 428,725,427 |
| BASIC EARNINGS PER SHARE | BAHT | 0.64 | 0.81 | 0.71 | 0.82 |
| WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES | SHARES | 490,408,365 | 490,408,365 | 490,408,365 | 490,408,365 |

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, 2019 CONSOLIDATED FINANCIAL STATEMENTS**

| | Notes | Equity attributable to owners of the parent | | | | | | | | | | Non-controlling interests | Total shareholders' equity | UNIT : BAHT |
|---|-------|---|----------------------------|---|-------------------|----------------|---|---|-----------------------------------|--|--|---------------------------|----------------------------|-------------|
| | | 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 components of shareholders' equity | Total attributions to owners of the parent | | | |
| | | | | | Appropriated | Unappropriated | Exchange differences on translation of financial statements | Gain on remeasurment of defined benefit plan - net of tax | Other comprehensive income (loss) | | | | | |
| | | | | | | | | | | | | | | |
| BEGINNING BALANCE AS AT JANUARY 1, 2018 | | 490,408,365 | 689,980,549 | 79,905,178 | 52,343,137 | 1,253,021,258 | (48,800,226) | - | - | (48,800,226) | 2,516,858,261 | 107,831,553 | 2,624,689,814 | |
| Profit (loss) for the year | | - | - | - | - | 400,209,465 | - | - | - | 400,209,465 | 400,209,465 | (23,365,254) | 376,844,211 | |
| Other comprehensive income (loss) for the year | | - | - | - | - | - | (6,239,501) | 27,351,768 | - | 21,112,267 | 21,112,267 | (1,247,454) | 19,864,813 | |
| Total comprehensive income (loss) for the year | | - | - | - | - | 400,209,465 | (6,239,501) | 27,351,768 | - | 21,112,267 | 421,321,732 | (24,612,708) | 396,709,024 | |
| Decrease in non-controlling interests resulting from sale of investment in subsidiaries | | - | - | - | - | - | - | - | - | - | - | (15,283,236) | (15,283,236) | |
| Dividends paid | 24 | - | - | - | - | (416,847,110) | - | - | - | (416,847,110) | - | - | (416,847,110) | |
| ENDING BALANCE AS AT DECEMBER 31, 2018 | | 490,408,365 | 689,980,549 | 79,905,178 | 52,343,137 | 1,236,383,613 | (55,039,727) | 27,351,768 | - | (27,687,959) | 2,521,332,883 | 67,935,609 | 2,589,268,492 | |
| | | | | | | | | | | | | | | |
| BEGINNING BALANCE AS AT JANUARY 1, 2019 | | 490,408,365 | 689,980,549 | 79,905,178 | 52,343,137 | 1,236,383,613 | (55,039,727) | 27,351,768 | - | (27,687,959) | 2,521,332,883 | 67,935,609 | 2,589,268,492 | |
| Profit (loss) for the year | | - | - | - | - | 314,399,971 | - | - | - | 314,399,971 | 314,399,971 | (10,133,381) | 304,266,590 | |
| Other comprehensive income (loss) for the year | | - | - | - | - | - | (6,293,868) | 13,495,023 | - | 7,201,155 | 7,201,155 | (1,616,971) | 5,584,184 | |
| Total comprehensive income (loss) for the year | | - | - | - | - | 314,399,971 | (6,293,868) | 13,495,023 | - | 7,201,155 | 321,601,126 | (11,750,352) | 309,850,774 | |
| Dividends paid | 24 | - | - | - | - | (353,094,023) | - | - | - | (353,094,023) | (353,094,023) | (9,959,146) | (363,053,169) | |
| ENDING BALANCE AS AT DECEMBER 31, 2019 | | 490,408,365 | 689,980,549 | 79,905,178 | 52,343,137 | 1,197,689,561 | (61,333,595) | 40,846,791 | - | (20,486,804) | 2,489,839,986 | 46,226,111 | 2,536,066,097 | |

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, 2019 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 | Gain on remeasurement of defined benefit plan - net of tax | |
| BEGINNING BALANCE AS AT JANUARY 1, 2018 | | 490,408,365 | 689,980,549 | 52,343,137 | 1,143,425,756 | 2,376,157,807 |
| Profit for the year | | - | - | - | 402,462,716 | 402,462,716 |
| Other comprehensive income for the year | | - | - | - | - | 26,262,711 |
| Total comprehensive income for the year | | - | - | - | 402,462,716 | 428,725,427 |
| Dividends paid | 24 | - | - | - | (416,847,110) | (416,847,110) |
| ENDING BALANCE AS AT DECEMBER 31, 2018 | | 490,408,365 | 689,980,549 | 52,343,137 | 1,129,041,362 | 2,388,036,124 |
| BEGINNING BALANCE AS AT JANUARY 1, 2019 | | 490,408,365 | 689,980,549 | 52,343,137 | 1,129,041,362 | 2,388,036,124 |
| Profit for the year | | - | - | - | 348,684,902 | 348,684,902 |
| Other comprehensive income for the year | | - | - | - | - | 16,422,423 |
| Total comprehensive income for the year | | - | - | - | 348,684,902 | 365,107,325 |
| Dividends paid | 24 | - | - | - | (353,094,023) | (353,094,023) |
| ENDING BALANCE AS AT DECEMBER 31, 2019 | | 490,408,365 | 689,980,549 | 52,343,137 | 1,124,632,241 | 2,400,049,426 |

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, 2019

UNIT : BAHT

| | Notes | CONSOLIDATED | | SEPARATE | |
|---|-----------|--------------|-------------|--------------|--------------|
| | | 2019 | 2018 | 2019 | 2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit before income tax expense | | 340,679,175 | 438,085,228 | 375,538,319 | 459,764,760 |
| Adjustments: | | | | | |
| Depreciation and amortization | | 341,802,298 | 381,974,061 | 300,355,591 | 328,212,518 |
| Unrealized loss on exchange rates | | 3,727,106 | 3,237,385 | 1,878,018 | 878,885 |
| Unrealized gain on revaluation of trading securities | | (1,355,267) | (639,174) | (1,355,267) | (639,174) |
| Reversal of allowance for doubtful account | | (632,224) | - | - | (25,000,000) |
| Share of profit from investments in an associate and joint venture entities | | (4,550,868) | (3,191,703) | - | - |
| Loss on impairment of fixed assets | | 4,825,000 | 2,113,534 | 4,825,000 | 3,148,962 |
| Reversal of provision for cost of dismantling, removing and restoring the site | | (8,373,160) | (2,546,837) | (1,287,835) | (2,546,837) |
| Loss on write-off of fixed assets and intangible asset | | 15,388,714 | 17,699,643 | 10,117,070 | 3,852,454 |
| Gain from compensation from the early termination of the lease agreement received from the lessor | | - | (1,703,572) | - | - |
| Gain on sales of temporary investments | | (1,047,197) | (989,292) | (1,047,197) | (977,254) |
| Impairment loss on investments in a subsidiary | | - | - | 39,615,270 | 65,000,000 |
| Gain on sales of fixed assets | | (1,080,430) | (4,574,105) | (931,247) | (3,976,754) |
| Gain on sales of fixed assets to a joint venture entity | 25 และ 33 | (1,404,176) | (1,404,176) | - | - |
| Employee benefit obligation expense | | 68,868,230 | 24,509,705 | 61,657,585 | 23,052,736 |
| Expense from customer loyalty program | | 1,907,998 | 698,868 | 1,907,998 | 698,868 |
| Dividend income | | - | - | (62,001,964) | (35,457,306) |

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

S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

| | Notes | CONSOLIDATED | | SEPARATE | |
|---|-------|--------------|--------------|--------------|--------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Interest income | | (2,566,959) | (2,580,955) | (4,667,142) | (4,843,642) |
| Interest expense | | 8,080,043 | 7,337,695 | 7,731,348 | 7,080,250 |
| Profit from operations before changes in operating assets and liabilities | | 764,268,283 | 858,026,305 | 732,335,547 | 818,248,466 |
| Operating assets (increase) decrease | | | | | |
| Trade and other receivables | | 19,897,248 | 18,001,789 | 13,701,260 | (9,673,079) |
| Inventories | | 6,630,318 | 10,500,038 | 7,753,404 | 7,227,836 |
| Other current assets | | (754,279) | (5,789,039) | (519,694) | (1,432,428) |
| Deposits used as collateral | | 14,775,000 | 469,200 | 14,800,000 | - |
| Long-term deposits | | (6,978,186) | 9,091,149 | (8,616,107) | (19,870,591) |
| Other non-current assets | | 1,838,676 | 2,891,088 | 1,776,519 | 1,648,518 |
| Operating liabilities increase (decrease) | | | | | |
| Trade and other payables | | (77,356,259) | (17,809,747) | (62,618,458) | 10,790,232 |
| Other current liabilities | | (4,514,351) | (11,230,076) | (2,621,677) | (2,496,220) |
| Cash paid for employee benefit obligations | | (7,773,557) | (3,883,065) | (7,273,283) | (3,883,065) |
| Other non-current liabilities | | 1,340,107 | (129,676) | 1,340,107 | 15,408 |
| Cash received from operations | | 711,373,000 | 860,137,966 | 690,057,618 | 800,575,077 |
| Cash received from interest | | 1,902,439 | 7,752,540 | 4,002,496 | 10,016,022 |
| Cash paid for interest | | (7,350,450) | (6,886,061) | (7,604,285) | (6,830,878) |
| Cash paid for income tax | | (60,463,811) | (66,229,341) | (56,345,426) | (63,903,147) |
| Net cash provided by operating activities | | 645,461,178 | 794,775,104 | 630,110,403 | 739,857,074 |

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

S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

| | Notes | CONSOLIDATED | | SEPARATE | |
|---|-------|---------------|---------------|---------------|---------------|
| | | 2019 | 2018 | 2019 | 2018 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Cash payments for loans to related parties | | - | (3,020,000) | (6,000,000) | (9,468,798) |
| Cash received from short-term loan to a related party | | - | - | 3,228,480 | 6,621,279 |
| Cash received from long-term loans to related parties | | - | - | 8,176,864 | 31,479,842 |
| Cash payments for purchases of temporary investments | | (400,000,000) | (391,000,000) | (400,000,000) | (380,000,000) |
| Proceeds from sales of temporary investments | | 280,000,000 | 363,560,798 | 280,000,000 | 352,548,947 |
| Cash payments for purchases of investment in a joint venture entity | | - | (29,469,020) | - | - |
| Cash payment for purchase of investment in a subsidiary | | - | - | - | (30,000,000) |
| Cash payments for purchases of fixed assets, intangible asset and leasehold rights | 4.2.1 | (243,528,419) | (500,692,226) | (212,988,662) | (441,095,592) |
| Proceeds from compensation from the early termination of the lease agreement received from the lessor | | - | 15,314,843 | - | - |
| Cash received from sales of fixed assets | | 3,120,044 | 5,654,031 | 1,858,400 | 4,994,043 |
| Dividends received | | 8,994,600 | 4,997,000 | 62,001,964 | 33,057,786 |
| Net cash used in investing activities | | (351,413,775) | (534,654,574) | (263,722,954) | (431,862,493) |

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

S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

| | Notes | CONSOLIDATED | | SEPARATE | |
|--|-------|---------------|---------------|---------------|---------------|
| | | 2019 | 2018 | 2019 | 2018 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Cash received from long-term borrowings from financial institutions | 4.2.3 | - | 200,729,850 | - | 192,157,850 |
| Cash repayments for long-term borrowings from financial institutions | 4.2.3 | (39,540,825) | (39,906,332) | (38,912,910) | (18,994,970) |
| Cash received from long-term borrowing from a related party | 4.2.3 | - | 4,000,000 | - | 8,572,000 |
| Cash repayment for long-term borrowing from a related party | 4.2.3 | (237,784) | (729,737) | (8,572,000) | - |
| Cash repayments for finance lease liabilities | 4.2.1 | (2,643,746) | (2,403,522) | (2,643,746) | (2,403,522) |
| Dividends paid | 4.2.2 | (363,015,864) | (416,824,367) | (353,056,718) | (416,824,367) |
| Net cash used in financing activities | | (405,438,219) | (255,134,108) | (403,185,374) | (237,493,009) |
| | | | | | |
| Unrealized exchange loss of cash and cash equivalents | | (1,736,716) | (1,492,527) | (126,513) | (1,242,976) |
| Exchange rate differences from translation of financial statements | | 4,480,784 | (16,930,518) | - | - |
| Increase (decrease) in cash and cash equivalents | | (108,646,748) | (13,436,623) | (36,924,438) | 69,258,596 |
| Cash and cash equivalents as at January 1, | | 782,984,447 | 796,421,070 | 579,473,967 | 510,215,371 |
| CASH AND CASH EQUIVALENTS AS AT DECEMBER 31, | 4.1 | 674,337,699 | 782,984,447 | 542,549,529 | 579,473,967 |

S&P Syndicate Public Company Limited and Subsidiaries

Notes to The Financial Statements for The Year Ended December 31, 2019

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 into Public Company Limited on April 20, 1994. The address of its head office is at ItalThai Tower, 23rd and 24th 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 businesses are 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 their accounting records in Thai Baht and prepare their statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and Generally Accepted Accounting Principles 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 2018) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2019, 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 adopted by the Company may not be in conformity with accounting principles generally accepted in other countries because the financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and accounting 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 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's financial statements

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

2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. 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 Group's management will adopt the relevant TFRS in the preparation of Group's financial statements when they become effective. The Group's management has assessed the impact of the TFRS and considered that the adoption of the TFRS does not have any significant impact on the financial statements of the Group in the period of initial application.

The following TASs and TFRSs have been revised or added with an additional paragraph and accounting guidance:

Thai Accounting Standards (“TAS”)

Thai Accounting Standard No. 12 “Income Taxes”

This revised accounting standard clarifies about the recognition of the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. An entity shall apply those amendments to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period. Earlier application is permitted.

Thai Accounting Standard No. 19 “Employee Benefits”

This revised accounting standard clarifies that the past service cost or the gain or loss on settlement is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment or curtailment or settlement but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). This accounting standard requires the application of the prospective method for such amendment. It applies only to plan amendment, curtailment or settlement that occurs on or after the beginning of the annual period in which it is first applied. Earlier application is permitted.

Thai Accounting Standard No. 23 “Borrowing Costs”

This revised accounting standard clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This accounting standard requires the application of the prospective method for such amendment. Earlier application is permitted.

Thai Accounting Standard No. 28 “Investments in Associates and Joint Ventures”

This revised accounting standard clarifies about the application of TFRS 9, including its impairment requirements, to long-term interests. An entity does not take into account adjustments to their carrying amount required by TAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with TAS 28). This accounting standard requires the application of the retrospective method for such amendment. Earlier application is permitted.

Thai Financial Reporting Standards (“TFRS”)

Thai Financial Reporting Standard No. 3 “Business Combinations”

This revised financial reporting standard clarifies that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest in the joint operation at fair value. The previously held interest to be remeasured includes any unrecognized assets or liabilities and goodwill relating to the joint operation. This revised financial reporting standard requires the application of the prospective method for such amendment. Earlier application is permitted.

Thai Financial Reporting Standard No. 11 “Joint Arrangements”

This revised financial reporting standard clarifies that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint control, the entity does not remeasure its previously held interest in the joint operation. This revised financial reporting standard requires the application of the prospective method for such amendment. Earlier application is permitted.

The following new TFRSs have material change in key concepts:

Groups of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon their effective date.

The Group's management is in the process of assessing the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standards No. 16 "Leases"

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No. 17 "Leases", Thai Accounting Standard Interpretation No. 15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No. 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No. 4 "Determining Whether an Arrangement Contains a Lease".

For lessee accounting, there are significant changes in lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term-leases and leases of low-value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group's management is in the process of assessing the impact of this TFRS on the financial statements of the Group in the period of initial application

2.6 Basis for preparation of consolidated financial statements

The consolidated financial statements for the years ended December 31, 2019 and 2018 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, | |
|--|---|-------------------------|---|--------|
| | | | 2019 | 2018 |
| 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 Delivery Co., Ltd. (formerly S&P Asset Co., Ltd.) | Food delivery (started its operation during 2019) | Thailand | 99.93 | 99.93 |
| S&P International Foods (Cambodia) Co., Ltd. ⁽²⁾ | Restaurant | Cambodia | 99.99 | 99.99 |
| 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. | Training for employees | Thailand | 99.98 | 99.98 |

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 management and technical assistance to overseas Thai food restaurants. Those subsidiaries are as follows:

| | Business type | Country of registration | Percentage of shareholdings (%) As at December 31, | |
|--|---------------|-------------------------|---|------|
| | | | 2019 | 2018 |

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 International Restaurant Management (Beijing) Co., Ltd. ⁽¹⁾ | Restaurant | The People's Republic of China | 96.82 | 96.11 |
| Patara Restaurant, Vienna GmbH | Restaurant | Austria | 52.25 | 52.25 |

Indirectly invested through S&P Restaurant Limited

| | | | | |
|--------------------------------|------------|---------|-------|-------|
| Patara Restaurant, Vienna GmbH | Restaurant | Austria | 40.80 | 40.80 |
|--------------------------------|------------|---------|-------|-------|

Indirectly invested through SK Catering Pte. Ltd.

| | | | | |
|-----------------------|----------------------------------|----------|---|---|
| Bangkok Jam Sdn. Bhd. | Restaurant (Ceased operation) | Malaysia | - | - |
|-----------------------|----------------------------------|----------|---|---|

Indirectly invested through Patara International Restaurant Management (Beijing) Co., Ltd.

| | | | | |
|--|------------|--------------------------------|-------|-------|
| Shanghai Yueshi Restaurant Management Limited ⁽²⁾ | Restaurant | The People's Republic of China | 57.29 | 49.02 |
|--|------------|--------------------------------|-------|-------|

(1) On May 21, 2019, the Board of Directors' Meeting of Patara International Restaurant Management (Beijing) Co., Ltd. passed a resolution to approve the increase of its authorized share capital from RMB 9 million (equivalent to Baht 45.74 million) to RMB 11 million (equivalent to Baht 54.57 million) by issuing additional 2,000,000 ordinary shares of RMB 1 each, totalling RMB 2 million (equivalent to Baht 8.83 million). S&P Global Co., Ltd. purchased all newly issued shares. As a result, shares held directly by S&P Global Co., Ltd. increased from 96.11% to 96.82% of shares of such subsidiary.

(2) On May 21, 2019, the Board of Directors' Meeting of Shanghai Yueshi Restaurant Management Co., Ltd. passed a resolution to approve the increase of its authorized share capital from RMB 8 million (equivalent to Baht 41.37 million) to RMB 9.60 million (equivalent to Baht 48.45 million) by issuing additional 1,600,000 ordinary shares of RMB 1 each, totalling RMB 1.60 million (equivalent to Baht 7.08 million). Patara International Restaurant Management (Beijing) Co., Ltd. purchased all newly issued shares. As a result, shares held indirectly by S&P Global Co., Ltd. increased from 49.02% to 57.29% of shares of such subsidiary.

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

On October 1, 2018, S&P Global Co., Ltd. entered into an agreement to sell the entire ordinary shares of SK Catering Pte. Ltd. and Patara Fine Thai Cuisine Pte. Ltd. to Creative Eateries Pte. Ltd. which is the another shareholder of such company and transferred the shares on October 1, 2018. Therefore, the consolidated statement of financial position as at December 31, 2018, excluded the statements of financial position of those two subsidiaries including 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, which included the results of operations of such subsidiaries until October 1, 2018 in the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2018.

2.7 Details of non-wholly owned subsidiaries

Details of non-wholly owned subsidiaries of the Group are as follows:

| UNIT : THOUSAND BAHT | | | | | | |
|---|--|------|--|----------|---|--------|
| Company's name | Proportion of ownership interests and voting rights held by non-controlling interests(%) As at December 31, | | Profit (loss) allocated to non-controlling interests For the years ended December 31, | | Accumulated non-controlling interests As at December 31, | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| SK Catering Pte., Ltd. | - | - | - | (5,417) | - | - |
| Patara Fine Thai Cuisine Pte., Ltd. | - | - | - | 230 | - | - |
| S&P Restaurant Ltd. | 4 | 4 | (28) | (601) | 10,090 | 10,118 |
| Individually immaterial subsidiaries with non-controlling interests | | | (11,723) | (18,825) | 46,095 | 57,818 |
| | | | (11,751) | (24,613) | 56,185 | 67,936 |

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

SK CATERING PTE., LTD.

| UNIT : THOUSAND BAHT | |
|------------------------------|---|
| | As at December 31, 2018 ⁽¹⁾ |
| Current assets | - |
| Non-current assets | - |
| Current liabilities | - |
| Total attributions to owners | - |
| Non-controlling interests | - |

| UNIT : THOUSAND BAHT | |
|----------------------|---|
| | For the period from January 1, 2018 to October 1, 2018 ⁽¹⁾ |
| Revenue | 133,897 |
| Expenses | (144,730) |
| Profit for the year | (10,833) |

| | |
|---------------------------|----------|
| Loss attributable to: | |
| Owners of the Parent | (5,417) |
| Non-controlling interests | (5,417) |
| | (10,834) |

| | |
|---|----------|
| Total comprehensive loss attributable to: | |
| Owners of the Parent | (5,417) |
| Non-controlling interests | (5,417) |
| | (10,834) |

PATARA FINE THAI CUISINE PTE., LTD.**UNIT : THOUSAND BAHT**

| | As at December 31, |
|------------------------------|---------------------|
| | 2018 ⁽¹⁾ |
| Current assets | - |
| Non-current assets | - |
| Current liabilities | - |
| Non-current Liabilities | - |
| Total attributions to owners | - |
| Non-controlling interests | - |

UNIT : THOUSAND BAHT

| | For the period from January 1, 2018 to October 1, 2018 ⁽¹⁾ |
|---------------------|---|
| Revenue | 24,352 |
| Expenses | (23,892) |
| Profit for the year | 460 |

Profit attributable to:

| | |
|---------------------------|-----|
| Owners of the Parent | 230 |
| Non-controlling interests | 230 |
| | 460 |

Total comprehensive loss attributable to:

| | |
|---------------------------|-----|
| Owners of the Parent | 230 |
| Non-controlling interests | 230 |
| | 460 |

(1) On September 25, 2018, the Board of Director's Meeting No. 2/2018 of S&P Global Co., Ltd., a subsidiary of the Company, passed a resolution to approve the selling of the entire ordinary shares held in SK Catering Pte. Ltd. and Patara Fine Thai Cuisine Pte. Ltd. to Creative Eateries Pte. Ltd., which is the another shareholder. On October 1, 2018, S&P Global Co., Ltd. completely transferred the shares. The consolidated financial statements as at December 31, 2018 thus excluded the financial information of such companies.

S&P RESTAURANT LTD.
UNIT : THOUSAND BAHT

| | As at December 31, | |
|------------------------------|---------------------------|-------------|
| | 2019 | 2018 |
| Current assets | 244,468 | 306,328 |
| Non-current assets | - | 116 |
| Current liabilities | 55,275 | 53,485 |
| Total attributions to owners | 179,103 | 242,840 |
| Non-controlling interests | 10,090 | 10,118 |

UNIT : THOUSAND BAHT

| | For the years ended | |
|---------------------|----------------------------|-------------|
| | 2019 | 2018 |
| Revenue | 153,849 | 177,456 |
| Expenses | (154,563) | (192,479) |
| Profit for the year | (714) | (15,023) |

Loss attributable to:

| | | |
|---------------------------|-------|----------|
| Owners of the Parent | (686) | (14,422) |
| Non-controlling interests | (28) | (601) |
| | (714) | (15,023) |

Total comprehensive loss attributable to:

| | | |
|---------------------------|-------|----------|
| Owners of the Parent | (686) | (14,422) |
| Non-controlling interests | (28) | (601) |
| | (714) | (15,023) |

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 deposits at financial institutions used as collateral.

3.2 Temporary investments

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

Investments in trading securities are carried at fair value. Realized gain and loss 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-sale securities are carried at fair value. Differences between the cost value and the fair value of available-for-sale 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 is based on the Company's and its 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 costs of inventories of the Company and its three subsidiaries are calculated by using the weighted average cost method and the other six subsidiaries' are calculated by using the first-in, first-out method.

3.5 Investments in an associate, subsidiaries and joint ventures

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

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

In cases where impairment of investment occurs, the impairment loss of investment is recognized as an 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, which 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 cases where impairment of property, plant and equipment occurs, the loss on impairment will be charged as an expense to the statement of profit or loss and other comprehensive income.

Dismantling, moving and renovating an asset's location to which the Company is obligated when receiving such asset are recognized at the cost of the asset and depreciated.

3.8 Intangible asset

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

Amortization is calculated by the straight-line method, based on the estimated useful life of the asset of 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 indication exists, the recoverable amount of an 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 amount which is either 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 the 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 impairment loss as an expense in the statement of profit or loss and other comprehensive income.

Reversal of impairment loss

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

3.11 Contract liabilities - customer loyalty programme

The Group operates a loyalty programme through which customers accumulate points on purchases of goods entitling customers to the right to purchase products at a discount or a reward that can be redeemed for free products on future purchases. (the customers would not receive these points without purchasing the goods.) The promise to provide a discount or reward to the customer is therefore a separate performance obligation.

The transaction price is allocated between the product, and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and adjusted by the likelihood of redemption, as evidenced by the Group's historical experience. A contract liability is recognized as revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognized when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognized in proportion to the pattern of rights exercised by customers.

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 buildings 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 of "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 the 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 the United Kingdom and 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 parties 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 the 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 obligations

- 3.14.1 The contributions paid by the Company and its domestic subsidiaries to the provident funds of employees are recognized as expenses in the statement of profit or loss and other comprehensive income when the transactions occurred.
- 3.14.2 The Company and its subsidiaries recorded post-employment benefit obligations for employees under the Labor Protection Act using the Projected Unit Credit Method. Such provision was calculated by an independent actuary based on actuarial assumptions as at the statement of financial position date and various factors including assessment of the average age and employment period of its employees, employee turnover rate and assumption of future salary increases. The employee benefit obligations are discounted to the present values as at the statement of financial position date.

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

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

The actuarial gain (loss) is recognized in other comprehensive income and transferred in full amount to the retained earnings in the period in which it arises.

3.15 Leases

Operating leases

Long-term leases for assets which a significant portion of the risks and rewards of ownership is 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 expenses to the statement of profit or loss and other comprehensive income on a straight-line basis over the periods of the leases.

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

Finance leases

Leases in which substantially all the risks and rewards of ownership, except legal title are transferred to the Company are accounted for as finance leases. The Company capitalized the assets and recorded the liabilities in the statements of financial position of the lessee in the amount at the lower of the 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. Interest or financial charge is calculated by the effective interest rate method over the terms of the 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 that 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. Gain or loss on retranslation is recognized as an 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:

- a. Assets and liabilities are retranslated at the closing rates at the statements of financial position date.
- b. Shareholders' equity is retranslated at the rates prevailing on the transaction dates.
- c. Revenues and expenses are retranslated at the average rates during the year.

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

3.17 Recognition of revenues and expenses

Revenue from sales of foods and beverages at restaurants and bakery shops is recognized when the control of the goods has been transferred, being at the point the customer purchases the goods at the restaurant and the bakery shop. Payment of the consideration transaction price is due immediately at the point the customer purchases the goods. Sales are presented by deducting value-added tax and trade discounts.

Revenues from sales of packed food and bakery trading business are recognized when the control of the goods has been transferred to the customer, being at the point which the goods are delivered to the customer. Sales are presented by deducting discounts, purchase volume discounts and goods return.

Revenues from dividends from investments are recognized as income when the dividends are 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 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 the 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 amounts of deferred tax assets are reviewed at each of the end of the 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. Such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the asset is recognized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the 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 an income or expense and included in profit or loss for the period.

Income tax expense related to profit or loss from normal activities is presented in the statement of profit or loss except for current and deferred taxes of related items that are 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 purposes

The Company and its subsidiaries regularly review significant unobservable inputs and valuation adjustments. If third parties' information, such as brokers' quotes or pricing services, is used to measure fair values, then the Company and its subsidiaries will 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 estimates and sources of estimation uncertainty

(1) Use of management's judgment

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Group's management to exercise various judgment 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 amount which is either the asset's fair value less cost to sell or its value in use. The Company and the Group determine the value in use by estimating the present value of the 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 amounts 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 the estimated future cash flows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and 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 significant accounting 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 Flow 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 | |
| | 2019 | 2018 | 2019 | 2018 |
| Cash on hand | 10,832 | 11,343 | 7,970 | 8,000 |
| Bank deposits - savings and current accounts | 603,323 | 767,536 | 480,958 | 569,155 |
| Time deposits with maturity of not more than 3 months (interest rates between 0.45% - 0.95% per annum in 2019 and interest rates between 0.38% - 1.25% per annum in 2018) | 60,183 | 4,105 | 53,622 | 2,319 |
| | 674,338 | 782,984 | 542,550 | 579,474 |

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 | |
| | 2019 | 2018 | 2019 | 2018 |
| Liabilities incurred from acquisition of fixed assets, intangible asset and leasehold rights as at January 1, | 34,605 | 52,999 | 33,348 | 44,514 |
| <u>Add</u> Purchases of fixed assets, intangible asset and leasehold rights during the years | 253,601 | 482,564 | 222,265 | 434,715 |
| <u>Less</u> Provision for costs of dismantling, removing and restoring the site | (3,981) | 2,887 | (2,046) | (1,633) |
| Liabilities under finance lease agreements | (1,183) | (3,153) | (1,183) | (3,153) |
| Cash payments | (243,528) | (500,692) | (212,989) | (441,095) |
| Liabilities incurred from acquisition of fixed assets, intangible asset and leasehold rights as at December 31, | 39,514 | 34,605 | 39,395 | 33,348 |
| 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, | 6,154 | 5,404 | 6,154 | 5,404 |
| <u>Add</u> Liabilities under finance lease agreements | 1,183 | 3,153 | 1,183 | 3,153 |
| <u>Less</u> Cash payments | (2,644) | (2,403) | (2,644) | (2,403) |
| Balance as at December 31, | 4,693 | 6,154 | 4,693 | 6,154 |
| Future lease payments under finance lease agreements as at December 31, 2019 and 2018 | | | | |
| Not later than 1 year | 1,814 | 2,299 | 1,814 | 2,299 |
| Later than 1 year but not later than 5 years | 2,879 | 3,855 | 2,879 | 3,855 |
| | 4,693 | 6,154 | 4,693 | 6,154 |

4.2.2 Accrued dividends as at December 31, consist of:

| UNIT : THOUSAND BAHT | | | | |
|---|--------------------------------------|-----------|----------------------------------|-----------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Accrued dividends as at January 1, | 375 | 352 | 375 | 352 |
| <u>Add</u> Dividends declared during the year | 363,053 | 416,847 | 353,094 | 416,847 |
| <u>Less</u> Paid during the year | (363,016) | (416,824) | (353,057) | (416,824) |
| Accrued dividends as at December 31, | 412 | 375 | 412 | 375 |

4.2.3 Movements of interest-bearing liabilities arising from financing activities for the year ended December 31, are as follows:

| UNIT : THOUSAND BAHT | | | | | |
|--|-----------------------------------|--------------------------------------|--|---------------|---|
| As at December 31, 2019 | Consolidated financial statements | | | | Balance as at changes December 31, 2019 |
| | Balance as at January 1, 2019 | Cash flows from financial activities | Non-cash changes | | |
| | | | Differences on translation of financial statements | Other changes | |
| Long-term borrowings from financial institutions | 195,291 | (39,541) | - | - | 155,750 |
| Long-term borrowings from a related party | 3,270 | (238) | - | - | 3,032 |
| Liabilities under finance lease agreements | 6,154 | (2,644) | - | 1,183 | 4,693 |
| Total | 204,715 | (42,423) | - | 1,183 | 163,475 |

| UNIT : THOUSAND BAHT | | | | | |
|--|-----------------------------------|--------------------------------------|--|---------------|---|
| As at December 31, 2018 | Consolidated financial statements | | | | |
| | Balance as at January 1, 2018 | Cash flows from financial activities | Non-cash changes | | Balance as at changes December 31, 2018 |
| | | | Differences on translation of financial statements | Other changes | |
| Long-term borrowings from financial institutions | 34,467 | 160,824 | - | - | 195,291 |
| | - | 3,270 | - | - | 3,270 |
| Liabilities under finance lease agreements | 5,404 | (2,403) | - | 3,153 | 6,154 |
| Total | 39,871 | 161,691 | - | 3,153 | 204,715 |

UNIT : THOUSAND BAHT

| As at December 31, 2019 | Separate financial statements | | | | Balance as at changes December 31, 2019 |
|--|-------------------------------|--------------------------------------|--|---------------|---|
| | Balance as at January 1, 2019 | Cash flows from financial activities | Non-cash changes | | |
| | | | Differences on translation of financial statements | Other changes | |
| Long-term borrowings from financial institutions | 194,663 | (38,913) | - | - | 155,750 |
| Long-term borrowings from a related party | 8,572 | (8,572) | - | - | - |
| Liabilities under finance lease agreements | 6,154 | (2,644) | - | 1,183 | 4,693 |
| Total | 209,389 | (50,129) | - | 1,183 | 160,443 |

UNIT : THOUSAND BAHT

| As at December 31, 2018 | Separate financial statements | | | | |
|--|-------------------------------|--------------------------------------|--|---------------|---|
| | Balance as at January 1, 2018 | Cash flows from financial activities | Non-cash changes | | Balance as at changes December 31, 2018 |
| | | | Differences on translation of financial statements | Other changes | |
| Long-term borrowings from financial institutions | 21,500 | 173,163 | - | - | 194,663 |
| Long-term borrowings from a related party | - | 8,572 | - | - | 8,572 |
| Liabilities under finance lease agreements | 5,404 | (2,403) | - | 3,153 | 6,154 |
| Total | 26,904 | 179,332 | - | 3,153 | 209,389 |

4.2.4 S&P International Foods (Cambodia) Co., Ltd., a subsidiary of the Company, increased the registered share capital amounting to USD 1.54 million, from USD 0.46 million to USD 2.00 million. In July 2018, such company called and received a share subscription in the amount of USD 1 million (equivalent to Baht 33.49 million) by conversing its debts owed to the Company to equity.

5. Temporary Investments

Temporary investments as at December 31, consist of:

| UNIT : THOUSAND BAHT | | | | |
|---|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Time deposits with maturity of more than 3 months but not more than 1 year (interest rate of 1.25% per annum) | 14 | 14 | - | - |
| Trading securities | | | | |
| - Fixed income open-ended funds | 303,400 | 181,302 | 303,400 | 181,302 |
| - Private funds | 24,142 | 23,838 | 24,142 | 23,838 |
| Total temporary investments | 327,556 | 205,154 | 327,542 | 205,140 |

Additional details of temporary investments in the consolidated financial statements are as follows:

As at December 31, 2019

| UNIT : THOUSAND BAHT | | | |
|---------------------------------|---|---|--|
| | Cost value As at December 31, 2019 | Unrealized gain on revaluation of temporary investments | Fair value As at December 31, 2019 |
| Trading securities | | | |
| - Fixed income open-ended funds | 302,349 | 1,051 | 303,400 |
| - Private funds | 23,838 | 304 | 24,142 |

As at December 31, 2018

| UNIT : THOUSAND BAHT | | | |
|---------------------------------|---|---|---|
| | Cost value As at December 31, 2018 | Unrealized gain on revaluation of temporary investments | Fair value As at December 31, 2019 |
| Trading securities | | | |
| - Fixed income open-ended funds | 180,904 | 398 | 181,302 |
| - Private funds | 23,597 | 241 | 23,838 |

Additional details of temporary investments in the separate financial statements are as follows:

As at December 31, 2019

| UNIT : THOUSAND BAHT | | | |
|---------------------------------|---|--|---|
| | Cost value As at December 31, 2019 | Unrealized gain on revaluation of temporary investments | Fair value As at December 31, 2019 |
| Trading securities | | | |
| - Fixed income open-ended funds | 302,349 | 1,051 | 303,400 |
| - Private funds | 23,838 | 304 | 24,142 |

As at December 31, 2018

| UNIT : THOUSAND BAHT | | | |
|---------------------------------|--|--|--|
| | Cost value As at December 31, 2018 | Unrealized gain on revaluation of temporary investments | Fair value As at December 31, 2018 |
| Trading securities | | | |
| - Fixed income open-ended funds | 180,904 | 398 | 181,302 |
| - Private funds | 23,597 | 241 | 23,838 |

6. Trade and Other Receivables

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

| UNIT : THOUSAND BAHT | | | | |
|--|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade receivables - other companies | 257,640 | 277,872 | 238,506 | 257,550 |
| Trade receivables - related parties | 24,005 | 17,017 | 53,388 | 45,690 |
| | 281,645 | 294,889 | 291,894 | 303,240 |
| <u>Less</u> Allowance for doubtful accounts | - | (2,152) | - | (2,152) |
| Total trade receivables | 281,645 | 292,737 | 291,894 | 301,088 |
| Advance payments to related parties | - | - | 13,175 | 13,723 |
| Other receivables - other companies | 15,932 | 19,215 | 5,147 | 5,762 |
| Accrued income - related parties | 6,098 | 5,910 | 14,938 | 9,364 |
| Accrued dividend - related parties | - | - | - | 2,400 |
| Prepaid expenses | 19,857 | 26,074 | 18,609 | 26,215 |
| Total trade and other current receivables | 323,532 | 343,936 | 343,763 | 358,552 |

Trade receivables as at December 31, 2019 and 2018 are classified by aging as follows:

| UNIT : THOUSAND BAHT | | | | |
|---|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade receivables | | | | |
| Third parties | | | | |
| Current | 132,335 | 148,104 | 113,201 | 127,782 |
| Overdue | | | | |
| 3 months or less | 121,763 | 122,590 | 121,763 | 122,590 |
| Over 3 months up to 6 months | 1,882 | 1,587 | 1,882 | 1,587 |
| Over 6 months up to 12 months | 1,014 | 1,495 | 1,014 | 1,495 |
| Over 12 months | 646 | 4,096 | 646 | 4,096 |
| Total | 257,640 | 277,872 | 238,506 | 257,550 |
| Related parties | | | | |
| Current | 7,648 | 10,789 | 6,735 | 6,109 |
| Overdue | | | | |
| 3 months or less | 1,253 | 1,164 | 10,566 | 9,939 |
| Over 3 months up to 6 months | 875 | 856 | 6,831 | 9,829 |
| Over 6 months up to 12 months | 643 | 1,515 | 19,988 | 12,225 |
| Over 12 months | 13,586 | 2,693 | 9,268 | 7,588 |
| Total | 24,005 | 17,017 | 53,388 | 45,690 |
| | 281,645 | 294,889 | 291,894 | 303,240 |
| <u>Less</u> Allowance for doubtful accounts | - | (2,152) | - | (2,152) |
| Trade receivables | 281,645 | 292,737 | 291,894 | 301,088 |

7. Short-Term Loan to Related Parties

Short-term loans to related parties as at December 31, consist of:

| UNIT : THOUSAND BAHT | | | | | |
|---|---------------------------------|--------------------------------------|-------|----------------------------------|--------|
| | Interest rate % per annum | Consolidated Financial Statements | | Separate Financial Statements | |
| | | 2019 | 2018 | 2019 | 2018 |
| Short-term loans to related parties | | | | | |
| Subsidiaries | | | | | |
| S&P Global Co., Ltd. | 3.0 | - | - | 9,000 | 9,000 |
| S&P International Foods (Cambodia) Co., Ltd. | 3.5 | - | - | - | 3,228 |
| | | | | | |
| S&P Restaurant Limited granted a loan to | | | | | |
| MSP Property Limited | 4.5 | 2,941 | 2,974 | - | - |
| | | 2,941 | 2,974 | 9,000 | 12,228 |

On April 12, 2018, the Company granted a loan to S&P International Foods (Cambodia) Co., Ltd. in the form of a promissory note in the amount of USD 200,000, and on June 1, 2018, the Company granted an additional loan in the amount of USD 100,000, totalling USD 300,000 (equivalent to Baht 9.90 million). Such loan is unsecured and payable on December 31, 2018. Subsequently, on July 31, 2018, S&P International Foods (Cambodia) Co., Ltd. increased the share capital and partly converted debts to equity in the amount of USD 44,928 (equivalent to Baht 1.48 million). On November 1, 2018, the Company received the repayment in the amount of USD 155,072 (equivalent to Baht 5.0 million). On February 11, 2019, the Company fully received the remaining amount of USD 100,000 (equivalent to Baht 3.23 million).

In 2018, S&P Restaurant Limited granted a loan to MSP Property Co., Ltd., a joint venture, in the amount of GBP 74,403.20 (equivalent to Baht 2.94 million on December 31, 2019 and Baht 2.97 million on December 31, 2018). Such loan is unsecured and is callable on demand.

On December 31, 2019 and 2018, the Company granted a loan to S&P Global Co., Ltd. in the form of a promissory note in the amount of Baht 9 million. The loan carries fixed interest at the rate of 3.0 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 | |
| | 2019 | 2018 | 2019 | 2018 |
| Finished goods | 123,052 | 120,447 | 122,588 | 120,041 |
| Work in process | 1,460 | 1,248 | 1,460 | 1,248 |
| Raw materials | 117,267 | 117,851 | 107,218 | 108,985 |
| Packaging materials | 47,912 | 55,368 | 47,329 | 54,730 |
| Spare parts and supplies | 10,705 | 12,078 | 7,873 | 9,217 |
| Goods in transit | - | 35 | - | - |
| Total inventories | 300,396 | 307,027 | 286,468 | 294,221 |

For the years ended December 31, 2019 and 2018, the costs of inventories recognized as expenses during the years in the consolidated financial statements are Baht 4,212 million and Baht 4,275 million, respectively, and in the separate financial statements, Baht 3,979 million and Baht 4,008 million, respectively.

9. Deposits used as Collateral

- 9.1 As at December 31, 2018, cash at banks of the Company of Baht 15 million was used as collateral for a long-term loan to S&P Global Co., Ltd., a subsidiary. On May 30, 2019, the Company already redeemed such collateral. (As at December 31, 2019 : Nil)
- 9.2 As at December 31, 2019 and 2018, 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.
- 9.3 As at December 31, 2019, cash at banks of the Company of Baht 0.20 million and a subsidiary of Baht 0.03 million were used as collateral for online and direct sales business to Office of the Consumer Protection Board (OCPB).

10. Investments in an Associate, Subsidiaries and Joint Ventures

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 | |
| | | 2019 | 2018 | 2019 | 2018 | (at cost method) | (at equity method) |
| An associate: | | | | | | | |
| Shares held by S&P Syndicate Public Company Limited | | | | | | | |
| Foodhouse Catering Services Co., Ltd. | Food services | 10,000 | 10,000 | 49.97 | 49.97 | 67,410 | 56,186 |
| Total investments in an associate | | | | | | 67,410 | 56,186 |
| | | | | | | | |
| Joint ventures: | | | | | | | |
| Shares held by S&P Syndicate Public Company Limited | | | | | | | |
| MSC Thai Cuisine Co., Ltd. | Culinary School | 80,000 | 80,000 | 43.75 | 43.75 | 25,358 | 25,079 |
| Shares held by S&P Development Holding Co., Ltd. | | | | | | | |
| Patara Fine Thai Cuisine Limited | Restaurant | GBP 13.7 million | GBP 13.7 million | 50.00 | 50.00 | 234,843 | 250,789 |
| Total investments in joint ventures | | | | | | 260,201 | 275,868 |

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, | |
| | | | | | | | | | |
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Shares held by S&P Syndicate Public Co., Ltd. | | | | | | | | | |
| An associate: | | | | | | | | | |
| Foodhouse Catering Services Co., Ltd. | Food services | 10,000 | 10,000 | 49.97 | 49.97 | 4,997 | 4,997 | 8,994 | 4,997 |
| Total investments in an associate | | | | | | 4,997 | 4,997 | | |

| | | | | | | |
|--|------------------------------|-----------|-----------|-------|-------|--------|
| Shares held by S&P Syndicate Public Co., Ltd. | | | | | | |
| Subsidiaries: | | | | | | |
| S&P Global Co., Ltd. | Investing in other companies | 50,000 | 50,000 | 80.00 | 80.00 | 39,830 |
| S&P Delivery Co., Ltd. (formerly S&P Asset Co., Ltd.) | Food delivery | 1,000 | 1,000 | 99.93 | 99.93 | 7,195 |
| S&P International Foods Co., Ltd. | Restaurant | 50,000 | 50,000 | 99.99 | 99.99 | - |
| Umenohana S&P Co., Ltd. | Restaurant | 25,000 | 25,000 | 59.99 | 59.99 | - |
| S&P International Foods (Cambodia) Co., Ltd. | Restaurant | 1,457,500 | 1,457,500 | 99.99 | 99.99 | - |

| 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, | |
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | | |
| S&P Development Holding Co., Ltd. | Investing in other companies | 170,000 | 170,000 | 99.99 | 99.99 | 170,000 | 170,000 | - | |
| S&P Training Co., Ltd. | Training for employees | 1,000 | 1,000 | 99.98 | 99.98 | 1,000 | 1,000 | 23,265 | |
| | | | | | | 325,366 | 325,366 | | |
| Less Allowance for impairment loss on investment in a subsidiary | | | | | | (104,615) | (65,000) | | |
| Total investments in subsidiaries | | | | | | 220,751 | 260,366 | | |
| Shares held by S&P Syndicate Public Co., Ltd. | | | | | | | | | |
| Joint venture: | | | | | | | | | |
| MSC Thai Cuisine Co., Ltd. | Culinary School | 80,000 | 80,000 | 43.75 | 43.75 | 35,000 | 35,000 | - | |
| Total investments in joint venture | | | | | | 35,000 | 35,000 | | |
| Total dividend income | | | | | | | | 62,001 | 35,457 |

S&P Development Holding Co., Ltd., a subsidiary of the Company, has loss from operation and as at December 31, 2019 and 2018, the retained deficit amounts are Baht 87.62 million and Baht 71.55 million, respectively (the carrying amount of investment in the separate financial statements amounting to Baht 170 million). The loss of such subsidiary is an indication of impairment of such subsidiary's investment, which the Company estimated the recoverable amounts by estimating the values in use and noted that the values in use of such investment are lower than the carrying amounts amounting to Baht 39.62 million and Baht 65 million, respectively, recognized as loss on impairment of investments in a subsidiary in the separate statements of profit or loss and other comprehensive income as at December 31, 2019 and 2018.

Details of a material associated company

The summarized financial information of the material associated company represents the 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 | | |
|---|----------|----------|
| | 2019 | 2018 |
| As at December 31, | | |
| Assets | 155,761 | 127,952 |
| Liabilities | (48,780) | (43,432) |
| For the years ended December 31, | | |
| Revenue | 476,878 | 387,873 |
| Gain from continuing operations | 87,280 | 65,611 |
| Profit for the year | 40,461 | 25,648 |

Reconciliation of the above summarized financial information to the carrying amount of the interest in Foodhouse Catering Services Co., Ltd. recognized in the consolidated financial statements, is as follows:

| UNIT: THOUSAND BAHT | | |
|---|--------------------|--------|
| | As at December 31, | |
| | 2019 | 2018 |
| Net assets of the associate company | 106,981 | 84,520 |
| 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. | 53,458 | 42,235 |

Aggregate information of an associated company that is not individually material

| UNIT : THOUSAND BAHT | | |
|--|--------|--------|
| | 2019 | 2018 |
| The Group's share of profits for the years ended December 31, | 20,218 | 12,816 |
| Aggregate carrying amount of the Group's interests in this associated company as at December 31, | 67,410 | 56,186 |

Details of a material joint venture

The summarized financial information of the material joint venture represents the 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, is as follows:

PATARA FINE THAI CUISINE LIMITED

SUMMARIZED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31,

| UNIT : THOUSAND BAHT | | |
|---------------------------------------|---------|---------|
| | 2019 | 2018 |
| Current assets | | |
| Cash and cash equivalents | 13,081 | 17,805 |
| Other current assets (excluding cash) | 66,501 | 58,887 |
| Total current assets | 79,582 | 76,692 |
| Non-current assets | 428,062 | 473,955 |
| Total assets | 507,644 | 550,647 |

PATARA FINE THAI CUISINE LIMITED

SUMMARIZED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31,

UNIT : THOUSAND BAHT

| | 2019 | 2018 |
|--|------------------|------------------|
| Current liabilities | | |
| Other current liabilities (including trade payables) | (76,634) | (74,675) |
| Non-current liabilities | (38,849) | (40,017) |
| Total liabilities | (115,483) | (114,692) |
| Net assets | 392,161 | 435,955 |

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

UNIT : THOUSAND BAHT

| | 2019 | 2018 |
|--|-----------------|-----------------|
| Revenue | 239,215 | 268,927 |
| Cost of sale | (47,890) | (55,552) |
| Staff cost | (74,762) | (84,442) |
| Administration expense | (152,700) | (153,675) |
| Loss from continuing operations | (36,137) | (24,742) |
| Income tax expense | 4,244 | (491) |
| Post-tax loss from continuing operations | (31,893) | (25,233) |
| Net loss | (31,893) | (25,233) |

Patara Fine Thai Cuisine Ltd., a joint venture of the Company, has loss from operation and as at December 31, 2019 and 2018, the retained deficit amounts are Baht 164.52 million and Baht 138.27 million, respectively (as at December 31, 2019 and 2018 the carrying amount of investment in the consolidated financial statements amounting to Baht 234.84 million and Baht 250.79 million, respectively). The loss of such joint venture is an indication of impairment of such joint venture's investment, which the Company estimated the recoverable amounts by estimating the values in use and noted that the values in use of such investment are higher than carrying amounts.

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

| UNIT : THOUSAND BAHT | | |
|---|---------|---------|
| | 2019 | 2018 |
| Net assets of the joint venture | 392,161 | 435,955 |
| Adjustment to exchange differences on translation of financial statements | 77,525 | 65,623 |
| | 469,686 | 501,578 |
| 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 | 234,843 | 250,789 |

Aggregate information of a joint venture that is not individually material is as follow:

| UNIT : THOUSAND BAHT | | |
|---|--------|---------|
| | 2019 | 2018 |
| The Group's share of gain (loss) for the years ended December 31, | 279 | (1,963) |
| Aggregate carrying amount of the Group's interests in this joint venture as at December 31, | 25,358 | 25,079 |

11. Loans to Related Parties

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

| UNIT : THOUSAND BAHT | | | | |
|---|--------------------------------------|------|----------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Loans to related parties | | | | |
| Subsidiaries | | | | |
| Patara Restaurant, Vienna GmbH | - | - | 38,712 | 45,952 |
| Umenohana S&P Co., Ltd. | - | - | 4,239 | 5,176 |
| S&P Delivery Co., Ltd. | - | - | 4,000 | - |
| S&P Global Co., Ltd. | - | - | 4,000 | 2,000 |
| Total loans to related parties | - | - | 50,951 | 53,128 |
| | | | | |
| Current portion of loans to related parties - presented in current assets | - | - | - | 2,042 |
| Loans to related parties - presented in non-current assets | - | - | 50,951 | 51,086 |
| | - | - | 50,951 | 53,128 |

- 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 is callable on demand. Subsequently, on September 6, 2019, the Company partly received the installment from Patara Restaurant, Vienna GmbH in the amount of Baht 7.24 million.

As at December 31, 2019 and 2018, the Company anticipated that the remaining loan to Patara Restaurant, Vienna GmbH. would be collectible after 12 months from the date of the reporting period, therefore, the loan was presented as non-current assets.

- On August 25, 2017, the Company granted a loan to S&P Global Co., Ltd. Such subsidiary issued a promissory note in the amount of Baht 2.00 million to the Company. Such loan is unsecured and is callable on demand. Subsequently, on September 16, 2019, the Company additionally granted a loan. Such subsidiary issued a promissory note in the amount of Baht 2.00 million to the Company. Such loan is unsecured and is callable on demand.

As at December 31, 2019 and 2018, the Company anticipated that the loan to S&P Global Co., Ltd. would be collectible after 12 months from the date of the reporting period, therefore, the loan was presented as non-current assets.

- On November 27, 2017, the Company granted a loan to Umenohana S&P Co., Ltd. in the amount of Baht 6.00 million. Such loan is unsecured and payable on a 3-month basis, totalling 16 installments.

During 2019, the Company received the installment in the amount of Baht 0.94 million. On June 30, 2019, the Company changed the payment period to be on a 1-month basis, totalling 60 installments and the first repayment is on January 31, 2021.

- On January 28, 2019, the Company granted a loan to S&P Delivery Co., Ltd. in the amount of Baht 4.00 million. Such loan is unsecured and payable on a 3-month basis, totalling 8 installments.

12. Property, Plant and Equipment

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

AS AT DECEMBER 31, 2019

UNIT : THOUSAND BAHT

| | Consolidated Financial Statements | | | | | |
|-------------------------------------|-----------------------------------|-----------|-----------|----------------------------|--|---------------------------------|
| | Balance as at January 1, 2019 | Additions | Disposals | Transfer in (Transfer out) | Differences on Translation of Financial Statements | Balance as at December 31, 2019 |
| Cost | | | | | | |
| Land | 474,503 | - | - | - | - | 474,503 |
| Buildings and building improvements | 86,544 | 925 | - | - | (2,308) | 85,161 |
| Factory buildings | 200,131 | - | - | - | - | 200,131 |
| Machinery and equipment | 1,137,767 | 40,495 | (20,402) | 42,351 | (4,527) | 1,195,684 |
| Furniture and equipment | | | | | | |
| - Offices and factories | 965,306 | 21,035 | (24,401) | 7,759 | - | 969,699 |
| - Restaurants and bakery shops | 1,874,119 | 89,380 | (118,981) | 79,071 | (14,533) | 1,909,056 |
| Vehicles | 62,065 | 147 | (3,290) | 1,643 | (48) | 60,517 |
| Total cost | 4,800,435 | 151,982 | (167,074) | 130,824 | (21,416) | 4,894,751 |
| Accumulated depreciation | | | | | | |
| Buildings and building improvements | (55,247) | (1,790) | - | - | 1,198 | (55,839) |
| Factory buildings | (149,429) | (4,319) | - | - | - | (153,748) |
| Machinery and equipment | (896,590) | (77,868) | 18,880 | - | 2,614 | (952,964) |

AS AT DECEMBER 31, 2019 (continued)
UNIT : THOUSAND BAHT

| | Consolidated Financial Statements | | | | | |
|--|--|-----------|-----------|----------------------------------|---|---|
| | Balance as at January 1, 2019 | Additions | Disposals | Transfer in (Transfer out) | Differences on Translation of Financial Statements | Balance as at December 31, 2019 |
| Furniture and equipment | | | | | | |
| - Offices and factories | (612,700) | (73,971) | 23,908 | - | - | (662,763) |
| - Restaurants and bakery shops | (1,481,826) | (152,769) | 103,567 | - | 8,162 | (1,522,866) |
| Vehicles | (51,511) | (3,887) | 3,290 | - | 48 | (52,060) |
| Total accumulated depreciation | (3,247,303) | (314,604) | 149,645 | - | 12,022 | (3,400,240) |
| Building improvements and equipment under construction and installation | 69,381 | 95,800 | - | (130,824) | (2,784) | 31,573 |
| <u>Less</u> Allowance for impairment - building improvements and equipment | (6,310) | (11,857) | 7,032 | - | - | (11,135) |
| Property, plant and equipment | <u>1,616,203</u> | | | | | <u>1,514,949</u> |

| Consolidated Financial Statements | | | | | | | | |
|-------------------------------------|-------------------------------|-----------|-----------|----------------------------|--|-----------------------------------|--|---------------------------------|
| | Balance as at January 1, 2018 | Additions | Disposals | Transfer in (Transfer out) | Differences on Translation of Financial Statements | Disposal of Subsidiaries | | Balance as at December 31, 2018 |
| | | | | | | Disposal of Sub-sidiaries' Assets | Differences on Translation of Financial Statements | |
| Cost | | | | | | | | |
| Land | 279,483 | - | - | 195,020 | - | - | - | 474,503 |
| Buildings and building improvements | 89,773 | - | - | - | (3,229) | - | - | 86,544 |
| Factory buildings | 200,131 | - | - | - | - | - | - | 200,131 |
| Machinery and equipment | 1,145,104 | 46,478 | (63,133) | 13,086 | (3,768) | - | - | 1,137,767 |
| Furniture and equipment | | | | | | | | |
| - Offices and factories | 855,531 | 82,206 | (26,958) | 54,527 | - | - | - | 965,306 |
| - Restaurants and bakery shops | 2,040,111 | 40,057 | (99,415) | 14,721 | (5,650) | (113,526) | (2,179) | 1,874,119 |
| Vehicles | 63,048 | 17 | (4,617) | 3,707 | (90) | - | - | 62,065 |
| Total cost | 4,673,181 | 168,758 | (194,123) | 281,061 | (12,737) | (113,526) | (2,179) | 4,800,435 |
| Accumulated depreciation | | | | | | | | |
| Buildings and building improvements | (53,831) | (2,511) | - | - | 1,095 | - | - | (55,247) |
| Factory buildings | (144,893) | (4,536) | - | - | - | - | - | (149,429) |
| Machinery and equipment | (864,978) | (91,587) | 58,037 | - | 1,938 | - | - | (896,590) |

| Consolidated Financial Statements | | | | | | | | |
|---|-------------------------------|-----------|-----------|----------------------------|--|-----------------------------------|--|---------------------------------|
| | Balance as at January 1, 2018 | Additions | Disposals | Transfer in (Transfer out) | Differences on Translation of Financial Statements | Disposal of Subsidiaries | | Balance as at December 31, 2018 |
| | | | | | | Disposal of Sub-sidiaries' Assets | Differences on Translation of Financial Statements | |
| Furniture and equipment | | | | | | | | |
| - Offices and factories | (582,153) | (56,824) | 26,277 | - | - | - | - | (612,700) |
| - Restaurants and bakery shops | (1,489,308) | (195,466) | 96,100 | - | 4,653 | 100,332 | 1,863 | (1,481,826) |
| Vehicles | (51,792) | (4,351) | 4,541 | - | 91 | - | - | (51,511) |
| Total accumulated depreciation | (3,186,955) | (355,275) | 184,955 | - | 7,777 | 100,332 | 1,863 | (3,247,303) |
| Building improvements and equipment under construction and installation | 50,264 | 301,377 | - | (281,061) | (1,199) | - | - | 69,381 |
| Less Allowance for impairment - building improvements and equipment | (7,242) | (5,365) | 6,833 | - | (536) | - | - | (6,310) |
| Property, plant and equipment | 1,529,248 | | | | | | | 1,616,203 |
| | | | | | | | | |
| Depreciation for the years ended December 31, | | | | | | | | |
| 2019 | | | | | | | Thousand Baht | 314,604 |
| 2018 | | | | | | | Thousand Baht | 355,275 |
| | | | | | | | | |
| Gross carrying amount of fully depreciated fixed assets that is still in use as at December 31, | | | | | | | | |
| 2019 | | | | | | | Thousand Baht | 2,477,543 |
| 2018 | | | | | | | Thousand Baht | 2,240,062 |

As at December 31, 2019, an overseas subsidiary has loss from operation. The carrying amount of fixed assets in the consolidated financial statements amounting to Baht 9.71 million. The loss of such subsidiary is an indication of impairment of such subsidiary's fixed assets, which the Company estimated the recoverable amounts by estimating the values in use and noted that the values in use of such investment are higher than carrying amounts.

AS AT DECEMBER 31, 2019

UNIT : THOUSAND BAHT

| | Separate Financial Statements | | | | |
|-------------------------------------|--|-----------|-----------|-------------------------------------|--|
| | Balance as at January 1, 2019 | Additions | Disposals | Transfer in (Transfer out) | Balance as at December 31, 2019 |
| Cost | | | | | |
| Land | 474,503 | - | - | - | 474,503 |
| Buildings and building improvements | 38,184 | - | - | - | 38,184 |
| Factory buildings | 200,131 | - | - | - | 200,131 |
| Machinery and equipment | 1,045,741 | 34,330 | (16,374) | 42,351 | 1,106,048 |
| Furniture and equipment | | | | | |
| - Offices and factories | 965,219 | 21,010 | (24,361) | 7,759 | 969,627 |
| - Restaurants and bakery shops | 1,596,645 | 68,569 | (94,905) | 75,126 | 1,645,435 |
| Vehicles | 61,268 | 147 | (3,290) | 1,644 | 59,769 |
| Total cost | 4,381,691 | 124,056 | (138,930) | 126,880 | 4,493,697 |
| Accumulated depreciation | | | | | |
| Buildings and building improvements | (36,400) | (643) | - | - | (37,043) |
| Factory buildings | (149,430) | (4,319) | - | - | (153,749) |
| Machinery and equipment | (829,915) | (70,115) | 15,461 | 89 | (884,480) |

AS AT DECEMBER 31, 2019 (continued)

UNIT : THOUSAND BAHT

| | Separate Financial Statements | | | | |
|---|--|-----------|-----------|-------------------------------------|--|
| | Balance as at January 1, 2019 | Additions | Disposals | Transfer in (Transfer out) | Balance as at December 31, 2019 |
| Furniture and equipment | | | | | |
| - Offices and factories | (612,686) | (73,929) | 23,948 | - | (662,667) |
| - Restaurants and bakery shops | (1,292,604) | (121,999) | 85,186 | (89) | (1,329,506) |
| Vehicles | (50,711) | (3,887) | 3,290 | - | (51,308) |
| Total accumulated depreciation | (2,971,746) | (274,892) | 127,885 | - | (3,118,753) |
| Building improvements and equipment under construction and installation | 65,726 | 92,707 | - | (126,880) | 31,553 |
| <u>Less</u> Allowance for impairment - building improvements and equipment | (5,365) | (11,857) | 7,032 | - | (10,190) |
| Property, plant and equipment | <u>1,470,306</u> | | | | <u>1,396,307</u> |

AS AT DECEMBER 31, 2018
UNIT : THOUSAND BAHT

| | Separate Financial Statements | | | | |
|--|--|-----------|-----------|----------------------------------|--|
| | Balance as at January 1, 2018 | Additions | Disposals | Transfer in (Transfer out) | Balance as at December 31, 2018 |
| Cost | | | | | |
| Land | 279,483 | - | - | 195,020 | 474,503 |
| Buildings and building improvements | 38,184 | - | - | - | 38,184 |
| Factory buildings | 200,131 | - | - | - | 200,131 |
| Machinery and equipment | 1,029,953 | 34,893 | (31,910) | 12,805 | 1,045,741 |
| Furniture and equipment | | | | | |
| - Offices and factories | 855,299 | 82,157 | (26,764) | 54,527 | 965,219 |
| - Restaurants and bakery shops | 1,675,940 | 11,045 | (96,855) | 6,515 | 1,596,645 |
| Vehicles | 61,900 | 17 | (4,357) | 3,708 | 61,268 |
| Total cost | 4,140,890 | 128,112 | (159,886) | 272,575 | 4,381,691 |
| Accumulated depreciation | | | | | |
| Buildings and building improvements | (35,614) | (786) | - | - | (36,400) |
| Factory buildings | (144,894) | (4,536) | - | - | (149,430) |
| Machinery and equipment | (780,967) | (80,234) | 31,286 | - | (829,915) |
| Furniture and equipment | | | | | |
| - Offices and factories | (581,986) | (56,789) | 26,089 | - | (612,686) |
| - Restaurants and bakery shops | (1,229,194) | (156,769) | 93,359 | - | (1,292,604) |
| Vehicles | (50,642) | (4,351) | 4,282 | - | (50,711) |
| Total accumulated depreciation | (2,823,297) | (303,465) | 155,016 | - | (2,971,746) |
| Building improvements and equipment under construction and installation | 40,487 | 297,814 | - | (272,575) | 65,726 |
| <u>Less</u> Allowance for impairment - building improvements and equipment | (2,216) | (5,365) | 2,216 | - | (5,365) |
| Property, plant and equipment | 1,355,864 | | | | 1,470,306 |

| | | |
|---|------------------|---------|
| Depreciation for the years ended December 31, | | |
| 2019 | Thousand Baht | 274,892 |
| 2018 | Thousand Baht | 303,465 |

| | | |
|---|------------------|-----------|
| Gross carrying amount of fully depreciated fixed assets that is still in use as at December 31, | | |
| 2019 | Thousand Baht | 2,413,187 |
| 2018 | Thousand Baht | 2,199,492 |

As at December 31, 2019 and 2018, the assets under financial leases are as follows:

| UNIT : THOUSAND BAHT | | | | |
|--------------------------------------|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Cost of assets - vehicles | 7,739 | 13,067 | 7,739 | 13,067 |
| <u>Less</u> Accumulated depreciation | (2,318) | (4,427) | (2,318) | (4,427) |
| Carrying amount | 5,421 | 8,640 | 5,421 | 8,640 |

13. Leasehold Rights

Leasehold rights as at December 31, consist of:

AS AT DECEMBER 31, 2019

| UNIT : THOUSAND BAHT | | | | | |
|---------------------------------|-------------------------------------|-----------|-----------|--|---------------------------------------|
| | Consolidated Financial Statements | | | | |
| | Balance as at January 1, 2019 | Additions | Disposals | Differences on translation of financial statements | Balance as at December 31, 2019 |
| Cost | | | | | |
| Leasehold rights | 214,892 | - | - | (113) | 214,779 |
| Total cost | 214,892 | - | - | (113) | 214,779 |
| Accumulated amortization | | | | | |
| Leasehold rights | (171,188) | (14,964) | - | 9 | (186,143) |
| Total accumulated amortization | (171,188) | (14,964) | - | 9 | (186,143) |
| Leasehold rights | <u>43,704</u> | | | | <u>28,636</u> |

AS AT DECEMBER 31, 2018

| UNIT : THOUSAND BAHT | | | | | |
|---------------------------------|-------------------------------------|-----------|-----------|--|---------------------------------------|
| | Consolidated Financial Statements | | | | |
| | Balance as at January 1, 2018 | Additions | Disposals | Differences on translation of financial statements | Balance as at December 31, 2018 |
| Cost | | | | | |
| Leasehold rights | 252,343 | 3,150 | (39,669) | (932) | 214,892 |
| Total cost | 252,343 | 3,150 | (39,669) | (932) | 214,892 |
| Accumulated amortization | | | | | |
| Leasehold rights | (182,466) | (15,300) | 26,057 | 521 | (171,188) |
| Total accumulated amortization | (182,466) | (15,300) | 26,057 | 521 | (171,188) |
| Leasehold rights | <u>69,877</u> | | | | <u>43,704</u> |

Amortization for the years ended December 31,

| | | |
|------|---------------|---------------|
| 2019 | Thousand Baht | <u>14,964</u> |
| 2018 | Thousand Baht | <u>15,300</u> |

AS AT DECEMBER 31, 2019
UNIT : THOUSAND BAHT

| | Separate Financial Statements | | | |
|---------------------------------|-------------------------------------|-----------|-----------|---------------------------------------|
| | Balance as at January 1, 2019 | Additions | Disposals | Balance as at December 31, 2019 |
| Cost | | | | |
| Leasehold rights | 197,473 | - | - | 197,473 |
| Total cost | 197,473 | - | - | 197,473 |
| Accumulated amortization | | | | |
| Leasehold rights | (165,667) | (13,255) | - | (178,922) |
| Total accumulated amortization | (165,667) | (13,255) | - | (178,922) |
| Leasehold rights | 31,806 | | | 18,551 |

AS AT DECEMBER 31, 2018
UNIT : THOUSAND BAHT

| | Separate Financial Statements | | | |
|---------------------------------|-------------------------------------|-----------|-----------|---------------------------------------|
| | Balance as at January 1, 2018 | Additions | Disposals | Balance as at December 31, 2018 |
| Cost | | | | |
| Leasehold rights | 197,473 | - | - | 197,473 |
| Total cost | 197,473 | - | - | 197,473 |
| Accumulated amortization | | | | |
| Leasehold rights | (152,266) | (13,401) | - | (165,667) |
| Total accumulated amortization | (152,266) | (13,401) | - | (165,667) |
| Leasehold rights | 45,207 | | | 31,806 |

Amortization for the years ended December 31,

| | | |
|------|---------------|--------|
| 2019 | Thousand Baht | 13,255 |
| 2018 | Thousand Baht | 13,401 |

14. Intangible Assets

Intangible asset as at December 31, consists of:

AS AT DECEMBER 31, 2019

| UNIT : THOUSAND BAHT | | | | | |
|-------------------------------------|-----------------------------------|-----------|-----------|--|---------------------------------|
| | Consolidated Financial Statements | | | | |
| | Balance as at January 1, 2019 | Additions | Disposals | Differences on translation of financial statements | Balance as at December 31, 2019 |
| Cost | | | | | |
| Computer software development costs | 82,931 | 5,819 | - | (62) | 88,688 |
| Total cost | 82,931 | 5,819 | - | (62) | 88,688 |
| Accumulated amortization | | | | | |
| Computer software development costs | (46,782) | (12,234) | - | (259) | (59,275) |
| Total accumulated amortization | (46,782) | (12,234) | - | (259) | (59,275) |
| Intangible asset | <u>36,149</u> | | | | <u>29,413</u> |

AS AT DECEMBER 31, 2018

| UNIT : THOUSAND BAHT | | | | | |
|---|-----------------------------------|-----------|-----------|--|---------------------------------|
| | Consolidated Financial Statements | | | | |
| | Balance as at January 1, 2018 | Additions | Disposals | Differences on translation of financial statements | Balance as at December 31, 2018 |
| Cost | | | | | |
| Computer software development costs | 73,669 | 9,278 | (25) | 9 | 82,931 |
| Total cost | 73,669 | 9,278 | (25) | 9 | 82,931 |
| Accumulated amortization | | | | | |
| Computer software development costs | (35,139) | (11,400) | 25 | (268) | (46,782) |
| Total accumulated amortization | (35,139) | (11,400) | 25 | (268) | (46,782) |
| Intangible asset | <u>38,530</u> | | | | <u>36,149</u> |
| Amortization for the years ended December 31, | | | | | |
| 2019 | | | | Thousand Baht | <u>12,234</u> |
| 2018 | | | | Thousand Baht | <u>11,400</u> |

AS AT DECEMBER 31, 2019

UNIT : THOUSAND BAHT

| | Separate Financial Statements | | | |
|-------------------------------------|-------------------------------------|-----------|-----------|---------------------------------------|
| | Balance as at January 1, 2019 | Additions | Disposals | Balance as at December 31, 2019 |
| Cost | | | | |
| Computer software development costs | 81,840 | 5,503 | - | 87,343 |
| Total cost | 81,840 | 5,503 | - | 87,343 |
| Accumulated amortization | | | | |
| Computer software development costs | (46,130) | (12,209) | - | (58,339) |
| Total accumulated amortization | (46,130) | (12,209) | - | (58,339) |
| Intangible asset | <u>35,710</u> | | | <u>29,004</u> |

AS AT DECEMBER 31, 2018

UNIT : THOUSAND BAHT

| | Separate Financial Statements | | | |
|-------------------------------------|-------------------------------------|-----------|-----------|---------------------------------------|
| | Balance as at January 1, 2018 | Additions | Disposals | Balance as at December 31, 2018 |
| Cost | | | | |
| Computer software development costs | 73,076 | 8,789 | (25) | 81,840 |
| Total cost | 73,076 | 8,789 | (25) | 81,840 |
| Accumulated amortization | | | | |
| Computer software development costs | (34,809) | (11,346) | 25 | (46,130) |
| Total accumulated amortization | (34,809) | (11,346) | 25 | (46,130) |
| Intangible asset | <u>38,267</u> | | | <u>35,710</u> |

Amortization for the years ended December 31,

| | | |
|------|---------------|---------------|
| 2019 | Thousand Baht | <u>12,209</u> |
| 2018 | Thousand Baht | <u>11,346</u> |

15. Deferred Income Tax and Income Tax Expenses

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

| UNIT : THOUSAND BAHT | | | | |
|----------------------|--------------------------------------|--------|----------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Deferred tax assets | 51,478 | 49,952 | 50,181 | 42,988 |

The movements of deferred tax assets and liabilities for the years ended December 31, 2019 and 2018 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

| UNIT : THOUSAND BAHT | | | | |
|--|---|---------------------------------|---|---|
| | Balances as at January 1, 2019 | Recognized in profit or loss | Recognized in other comprehensive income | Balances as at December 31, 2019 |
| Deferred tax assets resulted from | | | | |
| Revaluation of trading securities | 78 | 188 | - | 266 |
| Allowance for doubtful accounts | 431 | (431) | - | - |
| Buildings and equipment - difference of depreciation rate | 968 | 1,415 | - | 2,383 |
| Contract liabilities - customer loyalty programme | 140 | 381 | - | 521 |
| Unearned revenues | 5,078 | (1,270) | - | 3,808 |
| Provision for employee benefits | 37,822 | 10,675 | - | 48,497 |
| Actuarial gain on defined employee benefit plan | (6,522) | - | (4,106) | (10,628) |
| Provision for costs of dismantling, removing and restoring the site | 5,465 | 1,013 | - | 6,478 |
| Unused tax losses | 6,492 | (6,339) | - | 153 |
| Deferred tax assets | 49,952 | 5,632 | (4,106) | 51,478 |

CONSOLIDATED FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2018

UNIT : THOUSAND BAHT

| | Balances as at January 1, 2018 | Recognized in profit or loss | Recognized in other comprehensive income | Balances as at December 31, 2018 |
|---|---|---------------------------------|---|---|
| Deferred tax assets resulted from | | | | |
| Revaluation of trading securities | (2,427) | 2,505 | - | 78 |
| Allowance for doubtful accounts | 481 | (50) | - | 431 |
| Buildings and equipment - difference of depreciation rate | 399 | 569 | - | 968 |
| Contract liabilities - customer loyalty programme | - | 140 | - | 140 |
| Unearned revenues | 4,686 | 392 | - | 5,078 |
| Provision for employee benefits | 33,988 | 3,834 | - | 37,822 |
| Actuarial gain on defined employee benefit plan | 44 | - | (6,566) | (6,522) |
| Provision for costs of dismantling, remov- ing and restoring the site | 5,058 | 407 | - | 5,465 |
| Unused tax losses | 6,973 | (481) | - | 6,492 |
| Deferred tax assets | 49,202 | 7,316 | (6,566) | 49,952 |
| Deferred tax liabilities resulted from | | | | |
| Buildings and equipment - difference of depreciation rate ⁽¹⁾ | (1,722) | 1,722 | - | - |
| Deferred tax liabilities | (1,722) | 1,722 | - | - |

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

SEPARATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

UNIT : THOUSAND BAHT

| | Balances as at January 1, 2019 | Recognized in profit or loss | Recognized in other comprehensive income | Balances as at December 31, 2019 |
|--|---|---------------------------------|---|---|
| Deferred tax assets resulted from | | | | |
| Revaluation of trading securities | 78 | 188 | - | 266 |
| Allowance for doubtful accounts | 431 | (431) | - | - |
| Buildings and equipment - difference of depreciation rate | 790 | 541 | - | 1,331 |
| Unearned revenues | 5,078 | (1,270) | - | 3,808 |
| Contract liabilities for customer loyalty programme | 140 | 381 | - | 521 |
| Provision for employee benefits | 37,620 | 10,877 | - | 48,497 |
| Actuarial gain on defined employee benefit plan | (6,522) | - | (4,106) | (10,628) |
| Provision for costs of dismantling, removing and restoring the site | 5,373 | 1,013 | - | 6,386 |
| Deferred tax assets | 42,988 | 11,299 | (4,106) | 50,181 |

AS AT DECEMBER 31, 2018

UNIT : THOUSAND BAHT

| | Balances as at January 1, 2018 | Recognized in profit or loss | Recognized in other comprehensive income | Balances as at December 31, 2018 |
|--|---|------------------------------------|---|---|
| Deferred tax assets resulted from | | | | |
| Revaluation of trading securities | (2,427) | 2,505 | - | 78 |
| Allowance for doubtful accounts | 431 | - | - | 431 |
| Buildings and equipment - difference of depreciation rate | 275 | 515 | - | 790 |
| Unearned revenues | 4,686 | 392 | - | 5,078 |
| Contract liabilities - customer loyalty programme | - | 140 | - | 140 |
| Provision for employee benefits | 33,786 | 3,834 | - | 37,620 |
| Actuarial gain on defined employee benefit plan | 44 | - | (6,566) | (6,522) |
| Provision for costs of dismantling, removing and restoring the site | 4,942 | 431 | - | 5,373 |
| Deferred tax assets | 41,737 | 7,817 | (6,566) | 42,988 |

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

| UNIT : THOUSAND BAHT | | | | |
|---|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Current tax | 44,933 | 67,226 | 41,040 | 62,066 |
| Prior year's adjustment to income tax | (2,888) | 3,053 | (2,888) | 3,053 |
| Deferred tax expenses relating to the origination and reversal of temporary differences | (5,632) | (9,038) | (11,299) | (7,817) |
| Income tax expense per the statements of profit or loss and other comprehensive income | 36,413 | 61,241 | 26,853 | 57,302 |

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

| UNIT : THOUSAND BAHT | | | | |
|--|--------------------------------------|-----------|----------------------------------|----------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Accounting profit before income tax | 340,679 | 438,085 | 375,538 | 459,765 |
| Applicable corporate income tax rates | 8.5 - 25% | 8.5 - 25% | 20% | 20% |
| Current income tax | 84,970 | 95,325 | 75,108 | 91,953 |
| Prior year's adjustment to income tax | (2,888) | 3,053 | (2,888) | 3,053 |
| Tax effect of non-deductible expenses (benefits) | (45,669) | (37,137) | (45,367) | (37,704) |
| Income tax expense per the statements of profit or loss and other comprehensive income | 36,413 | 61,241 | 26,853 | 57,302 |

The Company and its 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 a tax rate of each country at the rates of 8.5% - 25%.

16. Trade and Other Current Payables

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

| UNIT : THOUSAND BAHT | | | | |
|--|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade payables - other companies | 434,390 | 484,474 | 403,284 | 413,116 |
| Trade payables - related parties | 1,234 | 61 | 11,052 | 607 |
| Advance received from related parties | - | - | 16 | 92 |
| Accounts payable - acquisition of fixed assets | 39,514 | 34,605 | 39,395 | 33,348 |
| Unearned revenues | 44,381 | 37,794 | 43,237 | 36,790 |
| Other payables - other companies | 73,309 | 56,875 | 45,639 | 66,341 |
| Other payables - related parties | 31,160 | 25,303 | 1,814 | - |
| Accrued expenses | 209,256 | 265,886 | 187,282 | 238,093 |
| | 833,244 | 904,998 | 731,719 | 788,387 |

17. Short-Term Borrowing from a Related Party

On September 11, 2018, the Company entered into a loan agreement with S&P Restaurant Limited, a subsidiary, in the amount of GBP 0.20 million (equivalent to Baht 8.57 million). The loan carries fixed interest at the rate of 3.5 percent per annum. Such loan is unsecured and is callable on demand. On November 29, 2019, the Company fully paid such loan in the amount of GBP 0.20 million.

18. Other Non-Current Assets

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

| UNIT : THOUSAND BAHT | | | | |
|-------------------------|--------------------------------------|--------|----------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Value-added-tax payable | 37,305 | 38,363 | 26,452 | 29,045 |
| Others | 10,000 | 12,032 | 7,972 | 6,577 |
| | 47,305 | 50,395 | 34,424 | 35,622 |

19. Long-Term Borrowing from Financial Institutions

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

| UNIT : THOUSAND BAHT | | | | | | |
|--|----------------------|--|--|---|----------|---|
| Borrower | Credit limit | Interest rate (% p.a.) | Repayment term | Consolidated Financial Statements As at December 31, | | Separate Financial Statements As at December 31, |
| | | | | 2019 | 2018 | 2018 |
| S&P Syndicate Public Company Limited ⁽¹⁾ | | | | | | |
| Loan from a local commercial bank | Baht 30 million | Bank base rate 4.25% | Repayable on a monthly basis of Baht 500,000 per installment from July 22, 2016 to July 21, 2021 | 9,500 | 15,500 | 15,500 |
| | Baht 195 million | MLR - 2% | Repayable on a monthly basis of Baht 2,321,430 per installment from April 23, 2018 to March 23, 2024 | 146,250 | 174,107 | 174,107 |
| | Baht 5.73 million | MLR - 2.45% | Repayable on a monthly basis of Baht 337,050 per installment from November 12, 2018 to March 31, 2020 | - | 5,056 | 5,056 |
| S&P Global Co., Ltd. ⁽²⁾ | | | | | | |
| Loan from a local commercial bank | Baht 15 million | Bank saving account rate + 1.00% | Repayable on a monthly basis of Baht 625,000 per installment from January 18, 2017 to January 17, 2019 | - | 628 | - |
| | | | | 155,750 | 195,291 | 194,663 |
| | | | | (33,857) | (38,530) | (37,902) |
| Less Current portion of long-term borrowings from financial institutions | | | | 121,893 | 156,761 | 156,761 |

(1) Such loan is unsecured. In addition, the Company has to maintain its debt to equity ratio as specified in the loan agreement.

(2) The loan uses its savings bank account as collateral. Under the loan agreement, such subsidiary has to maintain its debt to equity ratio as specified in the loan agreement.

20. Long-Term Borrowing from a Related Party

Long-term borrowing from a related party as at December 31, is as follows:

| UNIT : THOUSAND BAHT | | | | | | | |
|---|----------------|---------------------------|---|-----------------------------------|--------------|-------------------------------|--------------|
| Borrower | Credit limit | Interest rate (% p.a.) | Repayment term | Consolidated Financial Statements | | Separate Financial Statements | |
| | | | | Balance 2019 | Balance 2018 | Balance 2019 | Balance 2018 |
| Umenohana S&P Co., Ltd. | | | | | | | |
| Loan from Umenohana Co., Ltd. | Baht 4 million | Bank base rate 4.5% | Repayable on a quarterly basis of Baht 274,575 per installment from April 10, 2018 to November 21, 2021 | 3,032 | 3,270 | - | - |
| <u>Less</u> Current portion of long-term borrowing from a related party | | | | - | (1,216) | - | - |
| | | | | 3,032 | 2,054 | - | - |

Umenohana S&P Co., Ltd. was in the process of negotiation regarding the loan repayment waiver with Umenohana Co., Ltd. which is the shareholder of such company. As of December 31, 2019, the negotiation had been finalized and is in the process of a revision of the loan repayment schedule attached in the loan agreement. Therefore, Umenohana S&P Co., Ltd. classified the outstanding loan as a long-term borrowing from a related party in the financial statements. Such loan is unsecured.

21. Employee Benefit Obligations

The Company and its subsidiaries recorded 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, 2019 and 2018 are as follows

| UNIT : THOUSAND BAHT | | | | |
|--|-----------------------------------|--------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Current service cost | 25,064 | 21,106 | 20,599 | 19,741 |
| Interest cost | 4,205 | 3,406 | 3,488 | 3,312 |
| Past service cost | 39,599 | - | 37,570 | - |
| Expenses recorded in the statements of profit or loss and other comprehensive income | 68,868 | 24,512 | 61,657 | 23,053 |

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 | |
| | 2019 | 2018 | 2019 | 2018 |
| Balance of present value of defined benefit obligation as at January 1, | 159,813 | 173,289 | 155,494 | 169,152 |
| Current service cost | 25,064 | 21,106 | 20,599 | 19,741 |
| Interest cost | 4,205 | 3,406 | 3,488 | 3,312 |
| Past service cost | 39,599 | - | 37,570 | - |
| Actuarial gain on defined employee benefit plan | (16,889) | (34,105) | (20,528) | (32,828) |
| | 211,792 | 163,696 | 196,623 | 159,377 |
| <u>Less</u> Benefits paid during the year | (7,773) | (3,883) | (7,273) | (3,883) |
| Balance of present value of defined benefit obligation as at December 31, | 204,019 | 159,813 | 189,350 | 155,494 |
| <u>Less</u> Current provision for employee benefits | (4,718) | (6,608) | (4,575) | (6,223) |
| Non-current provision for employee benefits | 199,301 | 153,205 | 184,775 | 149,271 |

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to the postemployment benefit plan. The Company and its subsidiaries will reflect the effect of such change by recognizing past service cost as an expense in the consolidated and separate statements of profit or loss and other comprehensive income for the years ended December 31, 2019 in the amounts of Baht 39.60 million and Baht 37.57 million, respectively.

For the year ended December 31, 2019, the Company recognized the actuarial gain in the consolidated and separate statements of profit or loss and other comprehensive income in the amounts of Baht 16.89 million and Baht 20.53 million, respectively. Such actuarial gain mainly resulted from the decrease in the salary increase rate and the increase in the employee turnover rate in some ranges according to the actuarial assumption.

For the year ended December 31, 2018, the Company recognized the actuarial gain in the consolidated and separate statements of profit or loss and other comprehensive income in the amounts of Baht 34.11 million and Baht 32.83 million, respectively. Such actuarial gain mainly resulted from the increase in the employee turnover rate in the old age range according to the actuarial assumption.

The key actuarial assumptions used to calculate the defined benefit obligations as at December 31, 2019 and 2018 are as follows:

| | Consolidated Financial Statements | | Separate Financial Statements | |
|------------------------|--------------------------------------|------------------------------|----------------------------------|------------------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Discount rate (% p.a.) | 1.49% - 2.84% | 2.14% - 2.87% | 1.49% | 2.43% |
| Mortality rate | Thai Mortality Table 2017 | Thai Mortality Table 2017 | Thai Mortality Table 2017 | Thai Mortality Table 2017 |
| Normal retirement age | 60 years | 60 years | 60 years | 60 years |
| Salary increase rate | 0% - 4% | 4% | 0% - 3% | 4% |
| Employee turnover rate | 0% - 48% | 0% - 49% | 0% - 41% | 0% - 41% |

The sensitivity analysis of the above actuarial assumptions impacting on increase (decrease) in the present value of the employee benefit obligations as at December 31, 2019 and 2018 is as follows:

| UNIT : MILLION BAHT | | | | |
|---|--------------------------------------|---------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Discount rate | | | | |
| Discount rate, decrease of 1 percent | 17.21 | 15.95 | 15.07 | 15.43 |
| Discount rate, increase of 1 percent | (15.08) | (13.88) | (13.78) | (13.44) |
| Salary growth rates | | | | |
| Salary growth rates, increase of 1 percent | 16.81 | 15.32 | 15.37 | 14.83 |
| Salary growth rates, decrease of 1 percent | (14.26) | (13.61) | (12.99) | (13.19) |
| Life expectancy | | | | |
| Life expectancy, increase of 1 year | 0.80 | 0.73 | 0.74 | 0.71 |
| Life expectancy, decrease of 1 year | (0.80) | (0.73) | (0.73) | (0.71) |
| Employee turnover rate | | | | |
| Employee turnover rate, decrease of 1 percent | 9.81 | 9.90 | 9.36 | 9.71 |
| Employee turnover rate, increase of 1 percent | (16.27) | (14.98) | (14.88) | (14.51) |

22. Other Non-Current Liabilities

Other non-current liabilities as at December 31, 2019 and 2018 consist of:

| UNIT : THOUSAND BAHT | | | | |
|---|-----------------------------------|--------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Provision for costs of dismantling, removing and restoring the site | 52,954 | 57,086 | 42,850 | 41,831 |
| Others | 6,428 | 6,065 | 6,428 | 6,065 |
| | 59,382 | 63,151 | 49,278 | 47,896 |

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 Dividends

On April 20, 2018, the Annual General Shareholders' Meeting of the Company passed a resolution to approve the dividends from the operations of the year 2017 at Baht 0.87 per share for 490,408,365 shares, totalling Baht 426.65 million and as the Company already distributed the interim dividends at Baht 0.07 per share, totalling Baht 34.32 million in September 2017, therefore, the Company paid the remaining dividends of Baht 0.80 per share, totalling Baht 392.33 million which were paid on May 2, 2018.

On August 10, 2018, the Board of Directors' Meeting of the Company passed a resolution to distribute the interim dividends from the operations of the six-month period ended June 30, 2018 for 490,408,365 shares at Baht 0.05 per share, totalling approximately Baht 24.52 million which were paid on September 10, 2018.

On April 26, 2019, the Annual General Shareholders' Meeting of the Company passed a resolution to approve the dividends from the operations of the year 2018 at Baht 0.73 per share for 490,408,365 shares, totalling Baht 357.99 million and as the Company already distributed the interim dividends at Baht 0.05 per share, totalling Baht 24.52 million in September 2018, therefore, the Company paid the remaining dividends of Baht 0.68 per share, totalling Baht 333.48 million which were paid on May 13, 2019.

On August 8, 2019, the Board of Directors' Meeting of the Company passed a resolution to distribute the interim dividends from the operations of the six-month period ended June 30, 2019 for 490,408,365 shares at Baht 0.04 per share, totalling approximately Baht 19.62 million which were paid on September 6, 2019.

Subsidiaries

The Board of Directors' Meetings of the subsidiaries passed resolutions to distribute interim dividends to ordinary shareholders as follows:

For the year ended December 31, 2019

| Company's name | Board of Directors' resolutions date | Dividends (Baht per share) | Amount Baht | Dividend payment date |
|------------------------|--------------------------------------|----------------------------|-------------|-----------------------|
| S&P Global Co., Ltd. | June 13, 2019 | 99.58 | 49,787,500 | June 20, 2019 |
| | | | 49,787,500 | |
| S&P Training Co., Ltd. | March 30, 2019 | 3,000.00 | 3,000,000 | April 25, 2019 |
| | April 3, 2019 | 23.00 | 230,000 | May 29, 2019 |
| | June 28, 2019 | 500.00 | 5,000,000 | July 25, 2019 |
| | September 30, 2019 | 495.00 | 4,950,000 | October 25, 2019 |
| | | | 13,180,000 | |
| Total | | | 62,967,500 | |

For the year ended December 31, 2018

| Company's name | Board of Directors' resolutions date | Dividends (Baht per share) | Amount Baht | Dividend payment date |
|------------------------|--------------------------------------|----------------------------|-------------|-----------------------|
| S&P Asset Co., Ltd. | March 30, 2018 | 600.00 | 6,000,000 | May 18, 2018 |
| | April 10, 2018 | 120.00 | 1,200,000 | June 18, 2018 |
| | | | 7,200,000 | |
| S&P Training Co., Ltd. | March 30, 2018 | 400.00 | 4,000,000 | May 2, 2018 |
| | March 30, 2018 | 850.00 | 8,500,000 | May 2, 2018 |
| | April 10, 2018 | 50.00 | 500,000 | May 2, 2018 |
| | June 30, 2018 | 540.00 | 5,400,000 | July 11, 2018 |
| | September 30, 2018 | 247.00 | 2,470,000 | October 10, 2018 |
| | December 30, 2018 | 240.00 | 2,400,000 | January 25, 2019 |
| | | | 23,270,000 | |
| Total | | | 30,470,000 | |

25. Other Income

Significant other income for the years ended December 31, 2019 and 2018 is as follows:

| UNIT : THOUSAND BAHT | | | | |
|--|--------------------------------------|--------|----------------------------------|---------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Unrealized gain on revaluation of trading securities | 1,355 | 639 | 1,355 | 639 |
| Interest income | 2,567 | 2,581 | 4,667 | 4,844 |
| Management fee income | 2,617 | 3,651 | 14,455 | 16,314 |
| Building and equipment rental income | 3,782 | 4,618 | 9,948 | 11,645 |
| Card membership fee income | 24,771 | 24,196 | 24,771 | 24,196 |
| Revenue from sales of scraps | 4,126 | 4,021 | 931 | 3,977 |
| Gain on sales of fixed assets to a joint venture entity (see Note 33) | 1,404 | 1,404 | - | - |
| Dividend income | - | - | 62,002 | 35,457 |
| Other income | 31,914 | 57,264 | 43,045 | 45,641 |
| | 72,536 | 98,374 | 161,174 | 142,713 |

26. Transactions With Related Parties

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

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

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

| | | UNIT : THOUSAND BAHT | | |
|--|-----------------------------------|----------------------|-------------------------------|--------|
| Accounts/Related Parties | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Trade receivables | | | | |
| Subsidiaries | - | - | 50,001 | 43,358 |
| Associate | 296 | 269 | 296 | 269 |
| Joint venture | 20,688 | 14,685 | 70 | - |
| Related parties | 3,021 | 2,063 | 3,021 | 2,063 |
| | 24,005 | 17,017 | 53,388 | 45,690 |
| Advance payments to related parties | | | | |
| Subsidiaries | - | - | 13,175 | 13,723 |
| Accrued income - related parties | | | | |
| Subsidiaries | - | - | 8,840 | 3,454 |
| Associate | 212 | 86 | 212 | 86 |
| Joint venture | 5,886 | 5,824 | 5,886 | 5,824 |
| | 6,098 | 5,910 | 14,938 | 9,364 |
| Accrued income - related party (dividend) | | | | |
| Subsidiary | - | - | - | 2,400 |

UNIT : THOUSAND BAHT

| Accounts/Related Parties | Consolidated Financial Statements | | Separate Financial Statements | |
|---|--------------------------------------|---------|----------------------------------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| Short-term loans to related parties (Interest rate per annum) | | | | |
| Subsidiaries (3.0% - 3.5%) | - | - | 9,000 | 12,228 |
| Joint venture (4.5%) | 2,941 | 2,974 | - | - |
| | 2,941 | 2,974 | 9,000 | 12,228 |
| Investments | | | | |
| Associate | 67,410 | 56,186 | 4,997 | 4,997 |
| Subsidiaries | - | - | 325,366 | 325,366 |
| <u>Less</u> Allowance for impairment loss on investment in a subsidiary | - | - | (104,615) | (65,000) |
| | - | - | 220,751 | 260,366 |
| Joint ventures | 260,201 | 275,868 | 35,000 | 35,000 |
| Loans to related parties | | | | |
| Subsidiaries (See Note 11) | - | - | 50,951 | 53,128 |
| Trade payables | | | | |
| Subsidiaries | - | - | 9,818 | 546 |
| Joint ventures | 281 | - | 281 | - |
| Related parties | 953 | 61 | 953 | 61 |
| | 1,234 | 61 | 11,052 | 607 |
| Advance received from related parties | | | | |
| Subsidiaries | - | - | 16 | 92 |

| UNIT : THOUSAND BAHT | | | | |
|--|--------------------------------------|--------|----------------------------------|-------|
| Accounts/Related Parties | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Other payables | | | | |
| Subsidiaries | - | - | 1,814 | - |
| Joint ventures | 31,160 | 25,303 | - | - |
| | 31,160 | 25,303 | 1,814 | - |
| Short-term borrowing from a related party | | | | |
| Subsidiary (Interest rate at 3.5% per annum) | - | - | - | 8,572 |
| Long-term borrowing from a related party | | | | |
| Related party (Interest rate at 4.5% per annum) | 3,032 | 3,270 | - | - |

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

| UNIT : THOUSAND BAHT | | | | |
|---|--------------------------------------|------|----------------------------------|---------|
| Related Parties/ Accounts | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Subsidiaries | | | | |
| Revenue from sales | - | - | 41,677 | 42,107 |
| Rental income - buildings and equipment | - | - | 6,166 | 7,027 |
| Interest income | - | - | 2,008 | 2,506 |
| Other income | - | - | 25,642 | 15,894 |
| Dividend income | - | - | 53,007 | 30,460 |
| Purchases of goods | - | - | 3,652 | 3,378 |
| Rental and other expenses | - | - | 92,423 | 55,218 |
| Service expenses | - | - | 15,422 | - |
| Interest expense | - | - | 274 | 92 |
| | - | - | 240,271 | 156,682 |

UNIT : THOUSAND BAHT

| Related Parties/ Accounts | Consolidated Financial Statements | | Separate Financial Statements | |
|---------------------------|--------------------------------------|------|----------------------------------|------|
| | 2019 | 2018 | 2019 | 2018 |

Associate

| | | | | |
|---|--------|--------|--------|-------|
| Revenue from sales | 539 | 769 | 539 | 769 |
| Other income | 485 | 515 | 485 | 515 |
| Dividend income | 8,995 | 4,997 | 8,995 | 4,997 |
| Share of profit from investment in an associate | 20,218 | 17,771 | - | - |
| | 30,237 | 24,052 | 10,019 | 6,281 |

Joint ventures

| | | | | |
|--|----------|----------|-------|-------|
| Rental income - buildings and equipment | 1,900 | 3,000 | 1,900 | 3,000 |
| Interest income | 125 | 126 | - | - |
| Other income | 3,185 | 1,814 | 714 | 1,814 |
| Purchases of goods | 3,799 | 40 | 2,529 | 40 |
| Share of loss from investments in joint ventures | (15,668) | (14,579) | - | - |
| | (6,659) | (9,599) | 5,143 | 4,854 |

Common directors

| | | | | |
|---------------------------|-------|-------|-------|-------|
| Rental and other expenses | 1,487 | 1,517 | 1,487 | 1,517 |
| Service expenses | 7,931 | 7,671 | 7,931 | 7,671 |
| | 9,418 | 9,188 | 9,418 | 9,188 |

Directors

| | | | | |
|---------------------------|-------|-------|-------|-------|
| Rental and other expenses | 1,320 | 1,320 | 1,320 | 1,320 |
|---------------------------|-------|-------|-------|-------|

| UNIT : THOUSAND BAHT | | | | |
|------------------------------------|--------------------------------------|---------|----------------------------------|---------|
| Accounts/Related Parties | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Related parties | | | | |
| Revenue from sales | 94,553 | 100,622 | 94,553 | 100,622 |
| Purchases of goods | 161 | 1,426 | 161 | 1,426 |
| Rental and other expenses | 5,948 | 5,642 | 5,948 | 5,642 |
| Service expenses | 4,583 | 2,973 | 4,583 | 2,973 |
| Interest expense | 134 | 131 | - | - |
| | 105,379 | 110,794 | 105,245 | 110,663 |
| Management benefit expenses | | | | |
| Short-term benefits | 55,541 | 56,213 | 55,541 | 55,008 |
| Long-term benefits | 1,052 | 1,516 | 1,052 | 1,516 |
| | 56,593 | 57,729 | 56,593 | 56,524 |

27. Expenses by Nature

Significant expenses by nature for the years ended December 31, 2019 and 2018 are as follows:

| UNIT : THOUSAND BAHT | | | | |
|--|--------------------------------------|-----------|----------------------------------|-----------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Changes in inventories of finished goods and work in process - increase (decrease) | 2,817 | (1,351) | 2,759 | (1,251) |
| Raw materials and consumables used | 2,494,164 | 2,527,438 | 2,316,655 | 2,317,904 |
| Cost of finished goods purchased | 85,539 | 87,666 | 84,910 | 87,156 |
| Depreciation and amortization | 341,802 | 381,975 | 300,356 | 328,213 |
| Employee expenses | 2,057,411 | 2,037,404 | 1,781,506 | 1,767,623 |
| Transportation expenses | 167,434 | 221,049 | 199,480 | 213,697 |
| Advertising and marketing expenses | 230,118 | 262,355 | 217,340 | 238,285 |
| Management benefit expenses | 56,594 | 57,429 | 56,594 | 56,524 |
| Building and office rental expenses | 445,157 | 504,152 | 360,973 | 355,911 |
| Service charge expenses | 487,075 | 465,638 | 458,519 | 438,270 |
| Loss on impairment of fixed assets | 11,857 | 3,262 | 11,857 | 3,262 |
| Loss on write-off of fixed assets | 11,262 | 3,941 | 10,117 | 3,852 |
| Doubtful debts (reversal) | (626) | 1,378 | 6 | 1,378 |

28. Provident Fund

The Company and its 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 funds' regulations, the members contribute 2% of their monthly salaries to the funds and the Company and the subsidiaries contribute 2% of such monthly salaries. The funds will be paid to the employees upon termination in accordance with the rules of the provident funds.

For the years ended December 31, 2019 and 2018, the Company's contributions and subsidiaries' contributions to the provident funds which were recorded as expenses in the consolidated statements of profit or loss and other comprehensive income were Baht 20.67 million and Baht 19.57 million, respectively.

For the years ended December 31, 2019 and 2018, the Company's contributions to the provident funds which were recorded as expenses in the separate statements of profit or loss and other comprehensive income were Baht 19.72 million and Baht 18.97 million, respectively.

29. Capital Management

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 their capital whilst managing their capital to be sufficient for their working capital by, for instance, issuing new shares or adjusting the amount of dividends paid to shareholders, according to the prevailing situations.

30. Disclosure of Financial Instrument Information

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 an counterparty defaults on its trading terms and conditions resulting in collection loss of the Company and subsidiaries. Concentrations of credit risk are limited since the Company and its subsidiaries have adopted the policy of dealing with creditworthy counterparties 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 an interest rate which will have an adverse effect on the Company and its subsidiaries in the current reporting periods and future periods. The Company and its subsidiaries do not expect any material incremental effect on their interest expense because the loans of the Company and its subsidiaries are immaterial amounts.

30.3 Foreign exchange risk

Foreign exchange risk arises from the potential for a change in a foreign exchange rate which will have an adverse effect on the Company and its subsidiaries in the current reporting period and future periods. The Company and its subsidiaries do not expect any 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 have a material effect on the 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 the estimation of the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current exchange market. 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 the estimation of the fair value of the financial instrument.

Financial assets and liabilities measured at fair value

Certain financial assets of the Company and its subsidiaries are measured at fair value in the statements of financial position at the end of the 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 : '000) | | Fair value (Baht : '000) | | | |
| | As at December 31, 2019 | As at December 31, 2018 | As at December 31, 2019 | As at December 31, 2018 | | |
| Trading securities | Fixed income open-ended funds = 303,400 - Private funds = 24,142 | - Fixed income open-ended funds = 181,302 - Private funds = 23,838 | Fixed income open-ended funds = 303,400 - Private funds =24,142 | - Fixed income open-ended funds = 181,302 - Private funds = 23,838 | Level 2 | Fair valued measured using a Net Asset Valuation (“NAV”) approach as at period end date. The data is publicly available on the Thai Bond Market Association, which is calculated by the fund manager of the mutual fund. |

Financial assets and liabilities not measured at fair value

For the 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 periods to maturity.

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

For long-term borrowings from financial institutions bearing floating interest rates, the carrying values approximate their fair values.

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

| UNIT : THOUSAND BAHT | | | |
|-------------------------------|-----------------|------------|----------------------|
| | Carrying amount | Fair value | Fair value hierarchy |
| As at December 31, 2019 | | | |
| Separate financial statements | | | |
| Financial assets | | | |
| Loans to related parties | 59,951 | 62,340 | Level 3 |
| | 59,951 | 62,340 | |
| As at December 31, 2018 | | | |
| Separate financial statements | | | |
| Financial assets | | | |
| Loans to related parties | 65,357 | 66,310 | Level 3 |
| | 65,357 | 66,310 | |

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

31. Financial Information by Segment

Financial information is divided by 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, 2019 and 2018 is as follows:

| Unit: Thousand Baht | | | | | | |
|---|---------------------------------------|---|----------------------|---------|-----------|------------------------------|
| | Domestic restaurants and bakery shops | Packaged food and bakery trading business | Overseas restaurants | Others | Total | Elimination of inter-segment |
| Consolidated statement of profit or loss and other comprehensive income | | | | | | |
| For the year ended December 31, 2019 | | | | | | |
| Segment revenues | 6,060,239 | 809,631 | 455,046 | 141,166 | 7,466,082 | (153,713) |
| Segment profit (loss) from external customers | 901,899 | 102,239 | 5,378 | 497 | 1,010,013 | (66,664) |
| Unallocated income (expenses): | | | | | | |
| Other income | | | | | 72,536 | |
| Central selling and administrative expenses | | | | | (610,516) | |
| Management benefits | | | | | (56,594) | |
| Net loss on exchange rates | | | | | (4,566) | |
| Finance costs | | | | | (8,080) | |
| Share of profit from investment in an associate and joint ventures | | | | | 4,551 | |
| Profit before income tax expense | | | | | 340,680 | |
| Income tax expense | | | | | (36,413) | |
| Profit for the year | | | | | 304,267 | |
| Total other comprehensive income for the year - net of tax | | | | | 5,584 | |
| Total comprehensive income and other comprehensive income for the year | | | | | 309,851 | |

| Unit: Thousand Baht | | | | | | |
|---|---------------------------------------|---|----------------------|---------|-----------|------------------------------|
| | Domestic restaurants and bakery shops | Packaged food and bakery trading business | Overseas restaurants | Others | Total | Elimination of inter-segment |
| Consolidated statement of profit or loss and other comprehensive income For the year ended December 31, 2018 | | | | | | |
| Segment revenues | 6,184,030 | 819,039 | 620,187 | 85,880 | 7,709,136 | (100,761) |
| Segment profit (loss) from external customers | 990,387 | 109,368 | (31,390) | (4,191) | 1,064,174 | (65,436) |
| Unallocated income (expenses): | | | | | | |
| Other income | | | | | 98,374 | |
| Central selling and administrative expenses | | | | | (590,373) | |
| Management benefits | | | | | (57,729) | |
| Loss on sale of investment in subsidiaries | | | | | (6,971) | |
| Net gain on exchange rates | | | | | 192 | |
| Finance costs | | | | | (7,338) | |
| Share of profit from investment in an associate and joint ventures | | | | | 3,192 | |
| Profit before income tax expense | | | | | 438,085 | |
| Income tax expense | | | | | (61,241) | |
| Profit for the year | | | | | 376,844 | |
| Total other comprehensive income for the year - net of tax | | | | | 19,865 | |
| Total comprehensive income and other comprehensive income for the year | | | | | 396,709 | |

| Unit: Thousand Baht | | | | | | | |
|---------------------------------------|---------------------------------------|---|----------------------|--------|---------|------------------------------|-----------|
| | Domestic restaurants and bakery shops | Packaged food and bakery trading business | Overseas restaurants | Others | Total | Elimination of inter-segment | Total |
| Statements of financial position | | | | | | | |
| As at December 31, 2019 | | | | | | | |
| Trade and other current receivables | 72,496 | 172,674 | 192,835 | 4,560 | 442,565 | (229,716) | 212,849 |
| Inventories | 106,096 | 21,748 | 7,986 | 1,784 | 137,614 | - | 137,614 |
| Property, plant and equipment | 511,285 | 863 | 96,136 | 3,375 | 611,659 | (4,933) | 606,726 |
| Leasehold rights | 25,598 | - | 2,403 | - | 28,001 | - | 28,001 |
| Assets under common use | | | | | | | |
| - Trade and other current receivables | | | | | | | 110,684 |
| - Inventories | | | | | | | 162,782 |
| - Property, plant and equipment | | | | | | | 908,223 |
| - Leasehold rights | | | | | | | 635 |
| - Others | | | | | | | 1,723,888 |
| Total assets | | | | | | | 3,891,402 |

| Unit: Thousand Baht | | | | | | |
|---------------------------------------|---------------------------------------|---|----------------------|--------|---------|------------------------------|
| | Domestic restaurants and bakery shops | Packaged food and bakery trading business | Overseas restaurants | Others | Total | Elimination of inter-segment |
| Statements of financial position | | | | | | |
| As at December 31, 2018 | | | | | | |
| Trade and other current receivables | 72,332 | 195,514 | 190,610 | 788 | 459,244 | (212,787) |
| Inventories | 108,297 | 23,662 | 5,785 | 2,178 | 139,922 | - |
| Property, plant and equipment | 484,513 | 1,239 | 120,227 | 3,575 | 609,554 | (5,744) |
| Leasehold rights | 40,847 | - | 2,774 | - | 43,621 | - |
| Assets under common use | | | | | | |
| - Trade and other current receivables | | | | | | 97,478 |
| - Inventories | | | | | | 167,105 |
| - Property, plant and equipment | | | | | | 1,012,392 |
| - Leasehold rights | | | | | | 83 |
| - Others | | | | | | 1,728,702 |
| Total assets | | | | | | 4,039,570 |

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 |
| Revenues | | | |
| For the year ended December 31, 2019 | | | |
| Revenue from external customers | 6,762,230 | 455,047 | 7,217,277 |
| Segment assets | | | |
| As at December 31, 2019 | | | |
| Non-current assets | 2,125,252 | 114,037 | 2,239,289 |
| Revenues | | | |
| For the year ended December 31, 2018 | | | |
| Revenue from external customers | 6,886,797 | 620,187 | 7,506,984 |
| Segment assets | | | |
| As at December 31, 2018 | | | |
| Non-current assets | 2,238,299 | 136,601 | 2,374,900 |

32. Commitments and Letters of Guarantee

As at December 31, 2019 and 2018, the Company and its subsidiaries had commitments and letters of guarantee as follows:

32.1 Commitments to pay rental and service fees under long-term leases as at December 31, are as follows:

Domestic office rental and service expenses

| UNIT : THOUSAND BAHT | | |
|--|-----------|-----------|
| Payment period | 2019 | 2018 |
| Not later than 1 year | 550,978 | 548,940 |
| Later than 1 year but not later than 5 years | 1,193,887 | 1,186,896 |
| Later than 5 years | 49,152 | 74,454 |

Overseas subsidiary rental and service expenses

| UNIT : THOUSAND BAHT | | |
|--|---------|---------|
| Payment period | 2019 | 2018 |
| Not later than 1 year | 63,009 | 61,416 |
| Later than 1 year but not later than 5 years | 173,927 | 331,133 |
| Later than 5 years | 98,622 | 11,201 |

For the years ended December 31, 2019 and 2018, the Company paid rental expenses under space lease and service agreements and recorded as expenses in the consolidated statements of profit or loss and other comprehensive income amounting to Baht 932.23 million and Baht 969.79 million, respectively.

For the years ended December 31, 2019 and 2018, the Company paid rental expenses under space lease and service agreements and recorded as expenses in the separate statements of profit or loss and other comprehensive income amounting to Baht 819.49 million and Baht 794.18 million, respectively.

32.2 As at December 31, 2019 and 2018, the Company and its subsidiaries have outstanding capital commitments relating to the construction of the new branches, shops and information technology system of Baht 45.42 million and Baht 43.28 million, respectively.

32.3 As at December 31, 2019 and 2018, the Company and its subsidiaries have letters of guarantee issued by a bank to guarantee the electricity usage of the Company and its subsidiaries of Baht 79.45 million and Baht 71.18 million, respectively. Such amount included the letters of guarantee of Baht 1.05 million which a deposit at bank of the Company was used as collateral.

32.4 S&P International Foods Co., Ltd., a subsidiary, 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 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 the use of the trademark and production know-how.

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

33. Transfer of a Subsidiary's Businesses 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 the United Kingdom and employees and other related assets to SUDA Limited, the subsidiary of S&P Restaurant Limited, by exchanging them 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 the 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 business transfer, 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 the account of “Surplus on gain from transfer of business to a joint venture entity” under shareholders’ equity in the consolidated statement of financial position as at 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 the 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 a 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 the payment 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 the liability section in the account of “Deferred gain on sales of fixed assets to a joint venture entity” as at 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 the 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.

For the years ended December 31, 2019 and 2018, the Company recognized deferred gain from sales of fixed assets to a joint venture entity amounting to Baht 1.40 million as income in the consolidated statements of profit or loss and other comprehensive income. As a result, deferred gain from sales of fixed assets to a joint venture entity remaining as at December 31, 2019 amounted Baht 25.28 million and Baht 26.68 million, respectively.

34. Event After the Reporting Period

On February 25, 2020, the Board of Directors’ Meeting of the Company passed a resolution to distribute annual dividends from the operations of the year 2019 for 490,408,365 shares at Baht 0.56 per share, totalling Baht 274.63 million. The dividends consist of interim dividends at Baht 0.04 per share, totalling Baht 19.62 million which was paid on September 6, 2019 and additional dividends of 490,408,365 shares at Baht 0.52 per share, totalling Baht 255.01 million, which will be paid on May 12, 2020. The dividends will be paid in stock dividends and cash dividends as follows:

- The Company will pay the stock dividends by issuing 9,808,167 newly issued ordinary shares of the Company, with a par value of Baht 1.00 per share, to the Company’s shareholders, at the ratio of 50 existing shares for 1 stock dividend, in the total amount of Baht 9,808,167.03 or equivalent to the dividend payment at the rate of Baht 0.02 per share. In case where there is fraction of share, the Company will pay such share dividend in cash at Baht 0.02.
- The Company will pay cash dividends at the rate of Baht 0.50 per share or in the total amount of Baht 245.20 million. The Board of Directors will propose to the shareholders at the Annual General Shareholders’ Meeting to obtain an approval for the dividends payment.

35. Approval of the Financial Statements

These financial statements were approved for issue by the Board of directors of the Company on February 25, 2020.

Management Discussion and Analysis

Summary of 2019 Operating Performance

Revenue from Sales and Services

In 2019, the Company and its subsidiaries generated revenues of THB 7,312 million from the sales and services, which is decreased from the previous year in the amount of THB 296 million or equivalent to a decrease of 3.9 percent as a result of the operating results of Domestic restaurant and bakery business and overseas restaurant business that the company has opened a total of 547 branches.

In terms of revenue from domestic restaurant and bakery business decreased by 2.1 percent or 128 million baht, with the same store sales of domestic restaurant and bakery under the S&P brand 447 branches out of a total of 500 branches decreased by 3.8 percent. However, company has opened 24 new branches in strategic locations in 2019 to drive sales.

Food and Bakery wholesales business revenue was 768 million baht, a decrease of 5 million baht or 0.7 percent due to the decrease of sales of the ready to eat foods in convenience stores and modern trade channels, but still growing in term of original equipment manufacturer (OEMs)'s products to compensate.

For the overseas restaurant business, revenues from the sales and services decreased from the same period of the previous year in the amount of THB 165 million or equivalent to the decrease of 26.6 percent which came from the disposal of all shares held in Patara Fine Thai Cuisine Pte. Ltd. ("Patara") and SK Catering Pte. Ltd. ("SKC") totaling 11 Thai restaurants in Singapore in Q4 2018. The sales growth of restaurants business in Cambodia continue to increase by 31.0 percent from the total of 6 branches, including 1 new branch opened in November 2019.

| Revenues Classified by Distribution Channels | 2019 | | 2018 | | Increase/ (Decrease) % |
|--|--------|-------|--------|-------|------------------------|
| | Amount | % | Amount | % | |
| Domestic Restaurant and Bakery Business | 6,056 | 82.8 | 6,184 | 81.3 | (2.1) |
| Food and Bakery Wholesales Business | 768 | 10.5 | 773 | 10.2 | (0.7) |
| Overseas Restaurant Business | 455 | 6.2 | 620 | 8.1 | (26.6) |
| Others | 33 | 0.5 | 31 | 0.4 | 6.1 |
| Total | 7,312 | 100.0 | 7,608 | 100.0 | (3.9) |

Earnings before interest, taxes, depreciation, and amortization (EBITDA)

In 2019, the Company has earnings before interest payable, tax, and depreciation (EBITDA) pursuant to the Financial Statements in the amount of THB 691 million, which decreased by 16.5 percent comparing to last year mainly due to the sale decreased of domestic restaurant and bakery business and overseas restaurant business under the economic condition downturn, including the company has cost of sales and cost of services in the amount of THB 4,220.4 million, representing 57.7 percent of sales revenue and 1.5 percent higher than last year, mainly due to raw material cost which is higher by 1.5 percent. However, the selling and administration expenses consists of employee benefits, rental, depreciation and marketing expenses were THB 2,759 million decreased by THB 167 million or 5.7 percent from last year.

In addition, company had acknowledged of the past service cost for employee benefit in accordance with the Labor Protection Act (No. 7) B.E. 2562, which announced in the Royal Gazette on April 5th, 2019. This Labor Protection Act stipulates that the severance pay not less than the wage for the work performed in the last 400 days will be eligible to employees who worked for an uninterrupted period of twenty years or more and their employment were terminated due to retirement. This caused a onetime expense in the amount of THB 39.60 million in Q2 2019. As a result, the Company's EBITDA margin to total revenues decreased from 10.7 percent to 9.4 percent.

| Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) | 12 Months 2018 | 12 Months 2017 | Variation THB | % |
|---|----------------|----------------|---------------|--------|
| EBITDA pursuant to the Financial Statements | 691 | 827 | (136) | (16.5) |
| EBITDA Profit Margin per Total Revenues (percentage) | 9.4 | 10.7 | - | (1.3) |
| EBITDA pursuant to the Operation | 730 | 827 | (97) | (11.8) |
| EBITDA Profit Margin per Total Revenues (percentage) | 9.9 | 10.7 | - | (0.8) |

Net profit

In 2019, the Company and its subsidiaries earn the net profit pursuant to the financial statements in the amount of THB 314 million, which is decreased from the previous year by THB 86 million, equivalent to 21.4 percent which resulted from the declining in revenue from the Domestic and Overseas restaurant business. Although, there was a cost control in better management, decreased in depreciation for the year 2019 and the acknowledgement of the past service cost for employee benefit in accordance with the Labor Protection Act (No. 7) B.E. 2562, which announced in the Royal Gazette on April 5th, 2019. This caused a onetime expense in the amount of THB 39.60 million in Q2 2019. As a result, The Company's net profit margin to total revenue increased from 5.2 percent last year to 4.3 percent this year.

| Net Profit | 12 Months 2018 | 12 Months 2017 | Variation THB | % |
|---|----------------|----------------|---------------|--------|
| Net Profit pursuant to the Financial Statements | 314 | 400 | (86) | (21.4) |
| Net Profit Margin to Total Revenues (percentage) | 4.3 | 5.2 | - | (0.9) |
| Net Profit pursuant to the Operation | 354 | 400 | (46) | (11.5) |
| Net Profit Margin per Total Revenues (percentage) | 4.8 | 5.2 | - | (0.4) |

Statements of Financial Position and Statements of Cash Flows

At the end of 2019, the Company and its subsidiaries have the total assets in the amount of THB 3,891 million, which decreased from the previous year by THB 148 million from decreasing of current assets THB 13 million, while the non-current assets were decreased THB 136 million, which were mainly caused by :

1. Trade and other current receivables were decreased by 20 million due to improved debt collection process.
2. Property, plant, and equipment was decreased by 101 million mainly from land property disposal and depreciation of the year.
3. Leasehold and intangible assets was decreased by 15 million and 6 million respectively from amortization.

Total liabilities in 2019 was THB 1,355 million, decreased by 95 MB compared to the end of the prior year. As a result of current liabilities decreased THB 102 million while and non-current liabilities increased amount of THB 7 mainly came from

1. Decrease of Trade and Other Current Payable THB 72 million
2. Decrease of corporate income tax payable THB 19 million
3. Decrease of Long-term borrowings from financial institutions THB 39 million
4. Increase of Non-current provisions for employee benefits THB 44 million

The shareholders' equity of the company has decreased in the amount of THB 53 million from THB 2,589 million at the end of the year 2018 to THB 2,536 million at the end of the year 2019, which mainly resulted from the dividend payment in the amount of THB 363 million.

The Company and its subsidiaries have the cash flow from operating activities in the amount of THB 645 million, which decreased by THB 149 million from the previous year resulting from Operating profit before changes in operating assets and liabilities decreased THB 93 million and decrease of account payable amount of THB 59 million.

The Company and its subsidiaries have the net cash used in investing activities in the amount of THB 351 million as a result cash paid for purchasing fixed assets, intangible assets, and leasehold rights in the amount of THB 243 million. And cash paid for short term investment of THB 120 million.

The Company and its subsidiaries have the net cash used in financing activities in the amount of THB 405 million, which mainly from cash paid for long-term borrowings from a financial institution amount of THB 40 million and dividend payment amount of THB 363 million.

Financial Ratio Analysis

| Financial Ratio | 31 Dec 19 | 31 Dec 18 |
|-------------------------------------|-----------|-----------|
| Profitability ratio | | |
| Gross Profit Margin (%) | 42.3 | 43.8 |
| Net Profit Margin (%) | 4.3 | 5.2 |
| Net Profit from Operation (%) | 4.3 | 5.2 |
| Activity Ratio | | |
| Return on Asset (%) | 7.9 | 10.0 |
| Return on Equity (%) | 12.3 | 15.4 |
| Account Receivable Turnover (Times) | 27.4 | 27.8 |
| Average Collection Period (Days) | 13.3 | 13.1 |
| Fixed Asset Turnover (Times) | 4.6 | 4.6 |
| Account Payable Turnover (Times) | 9.1 | 8.8 |
| Average Payment Period (Days) | 40.0 | 41.7 |
| Inventory Turnover (Times) | 13.7 | 13.7 |
| Total Asset Turnover (Times) | 1.9 | 1.9 |
| Liquidity ratio | | |
| Current Ratio (Times) | 1.7 | 1.6 |
| Quick Ratio (Times) | 1.4 | 1.3 |
| Leverage Ratio | | |
| Debt to Equity Ratio (Times) | 0.5 | 0.6 |
| Interest Coverage Ratio (Times) | 43.2 | 60.7 |

In 2019 the company has the gross profits decreased from 43.8 percent in 2018 to 42.3 percent mainly due to the increasing of cost of raw material that used for production and the higher of direct labor cost. The net profit rate from financial statement was decreased from 5.3 percent to 4.3 percent primarily due to declining in revenue from the Domestic and Overseas restaurant business. Although, there was a cost control in better management, decreased in depreciation for the year 2019 and the acknowledgement of the past service cost for employee benefit in accordance with the Labor Protection Act (No. 7) B.E. 2562, which announced in the Royal Gazette on April 5th, 2019. This Labor Protection Act stipulates that the severance pay not less than the wage for the work performed in the last 400 days will be eligible to employees who worked for an uninterrupted period of twenty years or more and their employment were terminated due to retirement. This caused a onetime expense in the amount of THB 39.60 million in Q2 2019.

The return on equity for full year comparison decreased from 15.4 percent in 2018 to 12.3 percent in 2019 as well as the return on assets decreased from 10.0 percent in 2018 to 7.9 percent in 2019.

The current ratio in 2019 has improved from the previous year at 1.7 times. The liabilities versus the shareholders' equity decreased from 0.6 times in 2018 to 0.5 times in 2019. This mainly resulted from repayment Trade accounts payable and long term loan from financial institution.

Company's Operation Plans for 2020

In the midst of current challenging, uncertain macroeconomic conditions, from the pandemic of Covid-19 and the overall economic slowdown. The company raised the highest awareness for this special situation, in order to ensure the utmost safety to our customers and hygiene of our products and service staff. The company is taking precautions of the highest standard from our production facilities down to all our stores. The company continues to develop the sustainable future growth for Thai restaurant with the highest standard and largest network in Thailand aiming to be in high potential areas. With our determination to improve product quality and response to various customer needs, the company strives to develop new product enhance customer experience including superior ambience and services.

Furthermore, the company also provides food online business via the website www.snp1344.com or the S&P Delivery application to expand delivery channels beyond the service via the Call Center number 1344 in order to respond to the needs of today's consumers in a fast-paced world. The company has a goal and still focuses on the importance of service and enhanced customer relationship management through the Joy Card membership program to create the engagement based on the customers' lifestyles and encourage the purchase repeat. It is also used in the strategy of retaining our existing customers and adding new customers in the future.

The company strives to improve its production and distribution capacities by investing in new warehouses and distribution centers which are expected to be ready in Q4/2020. This is to enhance logistic management and transportation cost control. Moreover, the Warehouse Management System (WMS) and other technologies will be installed to enhance inventory management and to accelerate distribution capability.

In recognition of the importance of human resources, the company endeavor to develop its employee skills and knowledge by providing training and development programs such as Leadership Skill, Cross Functional Skill, Technical Skill and etc. to staff of all levels to ensure all employee are equipped with necessary skills and prompt to compete in business dynamic situation in both domestic and international sections.

The company has driven the business forward in parallel with social, community, economy and environment responsibility policy in order to ensure sustainable growth in order to make the S&P Brand and other affiliate companies "To be the most trusted brand of Thai Restaurant & Bakery".

Dividend Payment Policy

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

The Board of Directors' Meeting no 1/2020 held on February 25th, 2020 had passed resolution to proposed to the Annual General Meeting of Shareholders 2020 which will be scheduled on April 27, 2020, to adopt the interim dividend payment of 0.04 baht per share paid on September 6, 2019, and to approve the dividend payment for 2019's operating result of 0.56 baht per share, or the remaining dividend payment of 0.52 baht per share by dividing the dividends payment into stock dividend and cash as follows:

1. stock dividend at the payout ratio of 50 existing shares to 1 dividend share or equivalent to the rate of dividend payment at the rate of 0.02 Baht per share, in the number of 490,408,365 shares, totaling in the amount of 9,808,167.30 Baht. In case there is an indivisible share, the Company will pay by cash instead of stock dividend at the rate of 0.02 bath per share.
2. dividends at the rate of 0.50 bath per share for 490,408,365 shares, equivalent to 245,204,182.50 Baht, with a part of dividend at the rate of 0.002 Baht per share which will be used to pay the withholding tax for the stock dividend payment at the rate required by law.

In case of the Meeting of Shareholders approves the dividend payment as proposed, the dividend payment ratio of the Company shall be 87.35 % of the net profit.

Details of dividend payment for operating year 2019 compared with previous year.

| Dividend Details | 2019 | 2018 |
|--|-------------|-------------|
| 1. Net Profit (Million Baht) | 314.40 | 400.21 |
| 2. Number of Shares (Shares) | 490,408,365 | 490,408,365 |
| 3. Dividend Paid per Share (Baht/Shares) | 0.56 | 0.73 |
| 3.1 Interim Dividend (Baht/Shares) | 0.04 | 0.05 |
| 3.2 Additional Dividend (Baht/Shares) by dividing into | 0.52 | 0.68 |
| • Stock Dividend | 0.02 | - |
| • Cash | 0.50 | 0.68 |
| 4. Total Dividend Paid (Million Baht) | 274.63 | 358.00 |
| 4.1 Interim Dividend (Million Baht) | 19.62 | 24.52 |
| 4.2 Additional Dividend (Million Baht) | 255.01 | 333.48 |
| 5. Dividend Payout Ratio (%) | 87.35 | 89.45 |

*Will propose for approval from the Annual General Meeting of Shareholders 2020 on April 27, 2020.

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 | |
| S&P Syndicate Public Company Limited Ital Thai Tower, 23 rd – 24 th 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 | | | |
| S&P Development Holding Pte. Ltd. 80 Robinson Road # 02-00 Singapore (068898) Tel : - Fax : - | Operate Thai restaurant domestically and internationally, also hold shares in other companies. | 1 | 1 | 100 |
| S&P Development Holding Co., Ltd. Ital Thai Tower, 23 rd 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 |
| S&P International Foods Company Limited Ital Thai Tower, 23 rd 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 |
| S&P International Foods (Cambodia) Company Limited 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 | 200,000 | 199,980 | 99.99 |

| Names/Location | Type of Business | No. of common share | | % Holding |
|---|--|---------------------|---------------------------------|-----------|
| | | Total Share | No. of Shares held by S&P Group | |
| S&P Training Co., Ltd. 1/2 Soi Attakravi1, 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 |
| S&P Delivery Co., Ltd.* Ital Thai Tower, 23 rd Floor, No. 2034 New Petchburi Road, Bangkapi, Huay Kwang, Bangkok Tel : +66 (0) 2785 4000 Fax : - | Operate land product transport | 10,000 | 9,993 | 99.93 |
| S&P Global Co., Ltd. Ital Thai Tower, 23 rd 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 |
| Umenohana S&P Co., Ltd. Ital Thai Tower, 23 rd 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 |
| Foodhouse Catering Services Co., Ltd. 234 Soi Sukhvit 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 hospitals, factories and schools. | 10,000 | 4,997 | 49.97 |

| Names/Location | Type of Business | No. of common share | | % Holding |
|---|---|---------------------|---------------------------------|-----------|
| | | Total Share | No. of Shares held by S&P Group | |
| M.S.C Thai Cuisine Co., Ltd. (Former names “The Thai Cuisine Co.,Ltd.”/ The Thai Cuisine Co.,Ltd.) No. 99 Beril Jucker House 16 th Floor, SoiRubia, Sukhumvit 42 Road, Phraknong, Klongtoey, 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 | 43.75 |
| S&P Restaurant Company Limited** 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 |
| Patara (Geneva) SA** 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 |
| Patara International Restaurant Management (Beijing) Co., Ltd.* 6 th Floor, Jinbao Place, 88 Jinbao Street, Dongcheng District, Beijing, China Tel : (8610) 852-21678 Fax : - | Operate Thai restaurants under "Patara" brand in China | 11,000,000 | 10,650,200 | 96.82 |
| Patara Restaurant, Vienna GmbH** 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 | 1,137,000 | 94.75 |
| Shanghai Yueshi Restaurant Management Co., Ltd.**** Sky Mall, No.5001, Dushi Road, Room 07/08/09, 4 th Floor, Xinzhuang, Minhang District, Shanghai, China Tel : (8610) 021-3468-7591 Fax : - | Operate restaurants under "Vanilla" brand. in Shanghai China | 9,600,000 | 5,680,000 | 59.17 |

| Names/Location | Type of Business | No. of common share | | % Holding |
|--|---|---------------------|---------------------------------|-----------|
| | | Total Share | No. of Shares held by S&P Group | |
| Patara Fine Thai Cuisine Limited ***** 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 | 13,700,000 | 6,850,000 | 50.00 |
| Suda Limited ***** Sutherland House, 1795 London Road, Leigh on Sea, Essex SS9 2RZ, UK Te : + 44(0) 20 8874 6503 Fax : - | Operate Thai restaurant under “Patara” and “Suda” brands in England | 4,100,000 | 2,050,000 | 50.00 |
| MSP Property Limited ***** 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. in Thailand. |
| | ** | Indicates a company in which shares are owned by S&P Global Co., Ltd. and 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 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

1. Revenues and Expenses between the Company, Subsidiaries and Related Parties

(1) Revenues

| Company/ Related Parties | Relationship | Type of Transactions | Amount (Million Baht) | |
|--|--------------------------------------|--|--------------------------|-------|
| | | | 2019 | 2018 |
| S&P Global Co.,Ltd. | Subsidiary | Rental income - Building and Equipment | 0.68 | 0.68 |
| | | Revenue from services | 2.40 | 2.40 |
| | | Revenue from sales | 0.12 | 0.14 |
| | | Interest Income | 0.35 | 0.33 |
| | | Interest received | 39.83 | - |
| S&P Restaurants Co.,Ltd. | Subsidiary of S&P Global Co.,Ltd. | Interest Income | - | 0.23 |
| Patara Restaurants, Vienna GmbH | | Interest Income | 1.30 | 1.50 |
| S&P International Foods Co.,Ltd. | Subsidiary | Revenue from services | 1.19 | 0.74 |
| | | Rental income - Building and Equipment | 0.79 | 0.79 |
| | | Revenue from sales | 39.62 | 37.07 |
| | | Interest received | - | - |
| S&P Delivery Co., Ltd. | Subsidiary | Revenue from services | 1.20 | 0.05 |
| | | Revenue from sales | 6.53 | - |
| | | Dividend | - | 7.20 |
| | | Interest Income | 0.13 | - |
| S&P International Foods (Cambodia) Co.,Ltd. | Subsidiary | Revenue from services | 3.70 | 2.85 |
| | | Revenue from sales | - | - |
| | | Interest received | 0.01 | 0.17 |
| Umenohana S&P Co.,Ltd. | Subsidiary | Revenue from services | 0.92 | 2.93 |
| | | Rental income - Building and Equipment | 0.30 | 0.83 |
| | | Revenue from sales | 2.82 | 4.70 |
| | | Interest received | 0.21 | 0.28 |
| S&P Development Holding Co.,Ltd. | Subsidiary | Revenue from services | 0.02 | 0.02 |

| Company/ Related Parties | Relationship | Type of Transactions | Amount (Million Baht) | |
|--------------------------------------|--|--|--------------------------|-------|
| | | | 2019 | 2018 |
| Patara Fine Thai Cuisine Co., Ltd. | Shares held by S&P Development Co.,Ltd. | Franchise payment | 0.24 | - |
| S&P Training Co., Ltd. | Subsidiary | Revenue from services | 2.40 | 2.40 |
| | | Rental income - Building and Equipment | 4.39 | 4.72 |
| | | Revenue from sales | 6.16 | 4.69 |
| | | Dividend | 13.18 | 23.27 |
| Foodhouse Catering Services Co.,Ltd. | Associate | Revenue from sales | 0.54 | 0.77 |
| | | Revenue from services | 0.49 | 0.52 |
| | | Dividend | 8.99 | 5.00 |
| MSC Thai Cuisine Co.,Ltd. | Joint venture | Rental income - Building and Equipment | 1.90 | 3.00 |
| | | Revenue from sales | 0.48 | 0.55 |
| | | Interest received | - | - |
| | | | | |
| The Minor Food Group Plc. | Subsidiary of Minor International Plc. | Revenue from sales | 23.58 | 27.33 |
| Minor DQ Limited | Subsidiary of The Minor Food Group Plc. | Revenue from sales | 24.41 | 24.27 |
| Minor Dairy Limited | | Revenue from sales | - | - |
| Swensen's (Thai) Limited | | Revenue from sales | 36.56 | 41.34 |
| SLRT Limited | | Revenue from sales | 2.43 | 1.67 |
| The Coffee Club (Thailand) Limited | | Revenue from sales | 0.96 | 0.87 |
| BMP (Thailand) Co., Ltd. | | Revenue from sales | - | 0.14 |
| Select Service Partner Co.,Ltd. | | Revenue from sales | 6.62 | 0.32 |
| | | | 94.56 | 95.94 |

(2) Purchases of Goods and Services

| Company/ Related Parties | Relationship | Type of Transactions | Amount (Million Baht) | |
|--------------------------------------|--|---|--------------------------|-------|
| | | | 2019 | 2018 |
| S&P Global Co., Ltd. | Subsidiary | Purchase of goods | - | 0.02 |
| S&P Restaurants Co., Ltd. | Subsidiary of S&P Global Co.,Ltd. | Interest Expenses | 0.27 | - |
| S&P Delivery Co., Ltd. | Subsidiary | Shipping costs and services | 55.48 | - |
| S&P International Foods Co., Ltd. | Subsidiary | Purchase of goods | 2.71 | 2.96 |
| Umenohana S&P Co., Ltd. | Subsidiary | Purchase of goods | 1.19 | 0.84 |
| S&P Training Co., Ltd. | Subsidiary | Revenue from services | 52.12 | 54.78 |
| MSC Thai Cuisine Co., Ltd. | Joint venture | Revenue from services | 2.53 | 0.04 |
| The Company Director | The Company Director | Rental payment for branch office and storage | 1.32 | 1.32 |
| Seacon Development Plc. | The Company Director | Rental payment for building and services | 9.42 | 9.19 |
| | | | | |
| Royal Garden Plaza Co., Ltd. | Subsidiary of Minor International Plc. | Rental payment for building and services | 3.67 | 3.51 |
| Chao Phraya Resort Co., Ltd. | | Rental payment for building and services | 3.83 | 3.72 |
| The Minor Food Group Plc. | | Service Payment | 3.03 | 1.39 |
| Minor Cheese Co., Ltd. | Subsidiary of The Minor Food Group Plc. | Purchase of goods | - | 1.09 |
| Minor Dairy Co., Ltd. | | Purchase of goods | 0.16 | 0.33 |
| | | 10.69 | 10.04 | |

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

(1) Accounts Receivable

| Company/ Related Parties | Relationship | Type of Transactions | Amount (Million Baht) | |
|--|---|-----------------------------|--------------------------|-------|
| | | | 2019 | 2018 |
| S&P Global Co., Ltd. | Subsidiary | Sales of goods and services | 0.91 | 7.73 |
| S&P Restaurants Co., Ltd. | Subsidiary of S&P Global Co.,Ltd. | Interest received | - | - |
| Patara Restaurant, Vienna GmbH Co., Ltd. | | Interest received | 1.00 | 0.39 |
| S&P International Foods Co.,Ltd. | Subsidiary | Sales of goods and services | 51.07 | 47.28 |
| Umenohana S&P Co.,Ltd. | Subsidiary | Sales of goods and services | 4.71 | 0.96 |
| S&P Delivery Co., Ltd. | Subsidiary | Sales of goods and services | 6.55 | - |
| S&P international Foods (Cambodia) Co.,Ltd. | Subsidiary | Sales of goods and services | 5.14 | 1.82 |
| S&P Training Co., Ltd. | Subsidiary | Sales of goods and services | 2.53 | 4.75 |
| S&P Development Holding Co., Ltd. | Subsidiary | Sales of goods and services | - | - |
| Patara Fine Thai Cuisine Co., Ltd. | Shares held by S&P Development Co.,Ltd. | Franchise payment | 5.89 | 5.82 |
| Foodhouse Catering and Services Co.,Ltd. | Associate | Revenue from sales | 0.51 | 0.36 |
| MSC Thai Cuisine Co., Ltd. | Joint venture | Service Payment | 0.07 | - |
| | | | | |
| The Minor Food Goup Plc. | Subsidiary of Minor International Plc. | Revenue from sales | 1.03 | 1.04 |
| Minor DQ Co., Ltd. | Subsidiary of The Minor Food Group Plc. | Revenue from sales | 1.63 | 0.68 |
| Swensen's (Thai) Co., Ltd. | | Revenue from sales | 0.20 | - |
| SLRT Limited Co., Ltd. | | Revenue from sales | 0.11 | 0.18 |
| The Coffe Club (Thailand) Co., Ltd. | | Revenue from sales | 0.05 | 0.16 |
| | | | 3.02 | 2.06 |

(2) Accounts Payable

| Company/ Related Parties | Relationship | Type of Transactions | Amount (Million Baht) | |
|----------------------------------|--|-----------------------------|--------------------------|------|
| | | | 2019 | 2018 |
| S&P Global Co.,Ltd. | Subsidiary | Purchase of goods | - | 0.01 |
| S&P Restaurants Co., Ltd. | Subsidiary of S&P Global Co.,Ltd. | Interest Expenses | - | 0.09 |
| S&P Delivery Co., Ltd. | Subsidiary | Shipping costs and services | 2.72 | - |
| S&P International Foods Co.,Ltd. | Subsidiary | Purchase of goods | 0.51 | 0.31 |
| Umenohana S&P Co.,Ltd. | Subsidiary | Purchase of goods | 1.45 | 0.02 |
| S&P Training Co., Ltd. | Subsidiary | Service Payment | 5.15 | 0.21 |
| MSC Thai Cuisine Co., Ltd. | Joint venture | Service Payment | 0.28 | - |
| | | | | |
| The Minor Food Group Co., Ltd. | Subsidiary of Minor International Plc. | Service Payment | 0.93 | - |
| Minor Cheese Limited | Subsidiary of The Minor Food Group Plc. | Purchase of goods | - | - |
| Minor Dairy Limited | | Purchase of goods | 0.02 | 0.06 |
| | | | 0.95 | 0.06 |

(3) Loans to Related Parties

| Company/ Related Parties | Relationship | Type of Transactions | Amount (Million Baht) | |
|---|--------------------------------------|----------------------|--------------------------|--------------|
| | | | 2019 | 2018 |
| S&P Global Co.,Ltd. | Subsidiary | Short-Term Loan | 13.00 | 11.00 |
| S&P Restaurants Co.,Ltd. (3%) | Subsidiary of S&P Global Co.,Ltd. | Short-Term Loan | - | - |
| Patara Restaurant, Vienna GmbH (3%) | | Short-Term Loan | 38.71 | 45.95 |
| Less: Reserve for Bad Debt | | | - | - |
| | | | 38.71 | 45.95 |
| | | | | |
| S&P Internatioanl Food (Cambodia) Co.,Ltd. (40%) | Subsidiary | Short-Term Loan | - | 3.22 |
| Umenohana S&P Co., Ltd. (4.5%) | Subsidiary | Short-Term Loan | 4.24 | 5.18 |
| S&P Delivery Co., Ltd. (3.5%) | Subsidiary | Short-Term Loan | 4.00 | - |

4. Loans from Related Parties

| Company/ Related Parties | Relationship | Type of Transactions | Amount (Million Baht) | |
|----------------------------------|--------------------------------------|----------------------|--------------------------|------|
| | | | 2019 | 2018 |
| S&P Restaurants Co., Ltd. (3.5%) | Subsidiary of S&P Global Co.,Ltd. | Short-Term Loan | - | 8.57 |

Risk Factors

According to industrial environments, competition, consumer behavior and information technology that have been rapidly changed, together with the new rules and standards being put into places to the Operations, they have caused the higher increase in risk factors over the time, both inside and outside the Company. However, the Company has always been focusing on risk management and has assigned Executive Committee and Risk Management Committee to be in charges for evaluating, overseeing, controlling and managing all operation related risk as per their responsibilities, authorities and duties as assigned by the Board of Directors.

The Risk Management Committee has set up policies and considered the risk management of all departments in the organization in accordance to the responsibility assigned by the Board of Directors, including assessing risk in material projects related to high investment costs. The assessments are in collaboration with the Executive Committee, especially investments in new business which the Company has never been involved before and/or the investments and commitments that may materially affect the financial position of the Company. The steps have been set that the Investment Projects must be submitted through the Executive Committee before submitting to Risk Management Committee for risk reviews. Then, the risk Management Committee will assess risk, effects and returns. If agreed, then the projects will be proposed to the Board of Directors for further approval.

The Executive Committee and Risk Management Committee have considered and agreed about main risk exposures of the Operations of the Company and how to manage them as follows:

1. Strategic Risk

Strategic Planning is an important tool in determining the company's direction towards achieving its stated objectives and goals. Therefore, the Board of Directors has put in place the strategic and budgetary plans in order to define the strategy for business operation in both short term and long term, through which the feasibility and the factors affecting business operation, such as the internal and external factors, the changed customer behavior, the rapid technology development, the local and international economic environment (especially the countries where the company operates its business), the industrial environment, and the competition, as well as the opportunity to expand its business overseas are analyzed. At present, the company has established the Office of Strategy to be responsible for the company's strategy work and presenting the investment projects to management and the Executive Committee. The Risk Management Committee will consider and advise about the potential effects to the Company for the projects that need approval authorizer(s) above the amount that could be approved by the Executive Committee, before submitting to the Board of Directors for further consideration.

2. Operational Risk

In the real operations, how each work units proceed their work assignments are crucial factors to drive the Company to reach its targets and achieve its objectives. The Company has been expanding branches, adding more service points, including new product launches, capturing other businesses, e.g. Japanese Restaurants, expanding our investments abroad and recruiting more employee work force. If the staffs were not capable to achieve their assignments, there will be negative effects to the pace and performances of the Company and the Group, i.e. slow movement and ineffectiveness. The Board of Directors and Management have well realized of such effects and, therefore, have arranged for various trainings to implant understandings to staffs at all levels, set up work manuals/ procedures for major important activities, segregating assignments for more control and reviews and set up systematic reporting and follow up procedures. In addition, guidelines for work improvements are given for more effectiveness, timeliness, accuracy and better controls of costs, management and services. Furthermore, the Company has put in place an Internal Audit Office to be responsible for audits and reviews. In addition, all main work unit Managers must evaluate their own units risk through their Control Self-Assessment) to improve the internal control and reduce the operational risk. The Audit Committee, together with the Risk Management Committee, jointly perform their reviews and consideration of the operational risk, including the effects to the Company, possibility to occur and how to prevent and manage the risk.

3. Financial Risk

The company's financial management is taking into account the liquidity risk, credit risk and market risk such as the foreign exchange fluctuation or the movements of interest rates. So the Company has properly prepared financial projection, management guideline, monitoring procedures and standards to follow, such as the appropriate debt to equity ratio, short-term assets or reserved funds, for the financial risk management. As for the risk in foreign exchange rate, since the investment in overseas branches is a long term investment, the revenue and expense are also handled mainly in the same currency. Moreover the dividend payments are not frequently incurred, therefore, the Company has no need to opt for forward contract for the time being.

4. Information and Communication Technology Risk

As the company expands its business, such as the increase of its branches and points of sales, ICT plays an important role in supporting the efficient operation of each business unit. Linkage between various sub-systems, data security, information accessibility, and data transmission to support various types of reports for unit heads and management, would all help towards efficient information management. The company has put in place an ICT work unit to be responsible for overseeing systems and ensuring the organization's readiness to support new technological innovations. An ICT master plan has been prepared to correspond to the company's business plans, which includes an ICT security plan to prevent the cyber attack, continuous business plans and contingency plans to support the ICT work. There are regular reports being summited and follow-up of such operation plans by Management.

In addition, the change and the development of digital technology or other social media cause the company to make changes in a timely manner and take this opportunity to enhance the efficiency of the services and the communication to the customers, and the increase of the business expansion channels by using the technology as well as securing the personal data of the customers pursuant to Personal Data Protection Act B.E. 2562 coming into force in May 2020.

5. Natural Catastrophe and Political Risk

The company is aware of natural catastrophe which may cause negative effect to the normal business, such as flood, epidemic disease and political instability. The company thus has prepared plans to cope up with them, including training our staffs to encounter them, not only natural disasters but also man-made incidents such as fire, demonstrations, and others. Such plans have been identified for emergency incidents while the Company need to continue its business operations through its Business Continuity Plan (BCP) in short term period, and also plans for medium and long-term periods to restrain or relieve the effects to business and to the staffs who are on duties in such incidents to their minimum impacts. The BCP must be regularly reviewed by the Risk Management Committee and if the emergency cases occurred, the Risk Management Committee will evaluate the results related to such risk management and find ways to improve the plans to be more effectively managed in the future

6. Other risks

As the company is in the integrated food business in both a manufacturer, distributor and manage the store. Therefore, there are some risks that may occur at any time and that is a direct risk of this industry specific risk, which is both highly competitive, fluctuation of raw material prices, labor shortage, changes to the rules or standards of government agencies such as the Food and Drug Administration (FDA) or the private sector such as HACCP, GMP, including the change in consumer behavior, such as giving more health importance (Health Conscious) or using social media and digital technology in everyday life which the management team will have a system guidelines for managing and controlling these risks. If any matter is likely to significantly affect the business the Risk Management Committee will join in the consultation.

Shareholder and Management Structure

Shareholder Structure

Share Capital

The Company's securities comprise ordinary shares. As of December 31, 2019, 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 February 13, 2020 are as follows:

| | Group of Shareholders | Number of Shares | Percent |
|----|--|--------------------|--------------|
| 1 | The Sila-On and Raiva Groups | 215,494,900 | 43.94 |
| 2 | Minor International Public Company Limited | 176,112,020 | 35.82 |
| 3 | Mrs. Supapan Pichaironarongsongkram | 17,345,000 | 3.54 |
| 4 | Mr. Aryuth Charnsethikul | 7,825,000 | 1.60 |
| 5 | Bangkok Bank Public Company Limited | 6,956,000 | 1.42 |
| 6 | Mr.Chalee Valaisathien | 5,519,900 | 1.13 |
| 7 | Mrs. Parinya Khancharoensuk | 5,212,310 | 1.06 |
| 8 | Mr. Niti Osathanukruea | 4,800,500 | 0.98 |
| 9 | Mr. Phithak Phisethsith | 4,150,000 | 0.85 |
| 10 | Prospect International Co.Ltd. | 4,093,500 | 0.83 |
| | Total | 447,509,130 | 91.26 |

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 January 6, 2020, 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 2019 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 | Nomination and remuneration Committee | Total Attendances /Total number of the meeting | Risk Management Committee* Allowance | Total Attendances /Total number of the meeting | Executive Committee Allowance | |
| 1. Mrs Patara Sila-On Chairperson of the Board of Directors | 4/5 | 700,000 | - | - | - | - | - | - | - | - | 700,000 |
| 2. Mr Pravesvudhi Raiva** Chairman of the Executive Committee | 5/5 | 470,000 | - | - | - | - | - | - | 11/12 | - | 470,000 |
| 3. Mrs. Kessuda Raiva** Chairperson of the Executive Committee, Nomination and Remuneration's Committee | 5/5 | 470,000 | - | - | 3/3 | - | 0/1 | - | 11/12 | - | 470,000 |
| 4. Mr. Vitoon Sila-On ** Chief Executive Officer, Executive Committee, Risk Management Committee | 5/5 | 470,000 | - | - | - | - | 2/2 | - | 11/12 | - | 470,000 |

| 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 | Nomination and remuneration Committee | Total Attendances /Total number of the meeting | Risk Management Committee* Allowance | Total Attendances /Total number of the meeting | Executive Committee Allowance | |
| 5. Ms. Cattleya Saengsastra Independent Director, Chairperson of the Audit Committee | 5/5 | 595,000 | 6/6 | 495,000 | - | - | - | - | - | - | 1,090,000 |
| 6. Ms. Sophavadee Uttamobol Independent Director, Audit Committee | 5/5 | 595,000 | 6/6 | 330,000 | - | - | - | - | - | - | 925,000 |
| 7. Mr. Piya Sosothikul ** Independent Director, Audit Committee, Nomination and Remuneration's Committee, Chairperson of Risk Management Committee | 5/5 | 595,000 | 6/6 | 330,000 | 3/3 | 60,000 | 2/2 | 37,500 | - | - | 1,022,500 |
| 8. Mr. Teeranun Srihong ** Independent Director, Chairperson of Nomination and Remuneration's Committee | 4/4 | 381,009.13 | - | - | - | - | - | - | - | - | 381,009.13 |
| 9. Mr. Kachorndej Raiva Director, Executive Committee | 5/5 | 470,000 | - | - | - | - | - | - | 11/12 | - | 470,000 |
| 10. Mr. Kamtorn Sila-On President Production & Finance, Executive Committee, Risk Management Committee | 4/5 | 470,000 | - | - | - | - | 2/2 | - | 11/12 | - | 470,000 |

| 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 | Nomination and remuneration Committee | Total Attendances /Total number of the meeting | Risk Management Committee* Allowance | Total Attendances /Total number of the meeting | Executive Committee Allowance | |
| 11. Lerssak Boonsongsup * Director | 1/1 | 69,166.67 | - | - | - | - | - | - | - | - | 69,166.67 |
| 12. Mr. Chaiyapat Paitoon * ** Director Risk Management Committee | 1/1 | 69,166.67 | - | - | - | - | 0/1 | - | - | - | 69,166.67 |
| Mrs. Patamawalai Ratanapol * ** Director, Executive Director, Nomination and Remuneration's Committee | 4/4 | 520,000 | - | - | 3/3 | 45,000 | - | - | 6/11 | 100,000 | 665,000 |
| Mr. John Scott Heinecke * ** Director, Executive Director, Chairperson of Risk Management Committee | 3/4 | 495,000 | - | - | - | - | - | - | 5/9 | 125,000 | 620,000 |
| Mr. Aviruth Wongbuddhapitak * ** | - | 153,549.95 | - | - | - | - | - | - | - | - | 153,549.95 |
| Total | 6,522,892.42 | 1,155,000 | 105,000 | 37,500 | 225,000 | 8,045,392.42 | | | | | |

***Note 1 Directors hold positions and resigned from the position as follows:**

- Mr. Aviruth Wongbuddhapitak resigned from the position of the Director and Independent Director on February 1st, 2019
- Director No. 8 (Mr. Teeranun Srihong) became a Director on February 27th, 2019 in the replacement of Mr. Aviruth Wongbuddhapitak, the resigned director.
- Director No. 11 (Mr. Lerssak Boonsongsup) became a Director on November 8th, 2019 in the replacement of Mrs. Patamawalai Ratanapol, the resigned director.
- Director No. 12 (Mr. Chaiyapat Paitoon) became a Director on November 8th, 2019 in the replacement of Mr. John Scott Heinecke, the resigned director.
- Mrs. Patamawalai Ratanapol resigned from the position of the Director, Nomination and Remuneration Committee and Executive Committee on November 1st, 2019
- Mr. John Scott Heinecke resigned from the position of the Director, Chairperson of the Risk Committee and Executive Committee on November 1st, 2019

****Note 2 There were changes of director in subcommittee and position of subcommittee as follows:**

1. Nomination and Remuneration Committee

- 1.1 Director No. 7 (Mr. Piya Sosoithikul) became a Chairperson of the Nomination and Remuneration Committee on February 27th, 2019 in the replacement of Mr. Aviruth Wongbuddhapitak, which resigned from the Chairperson of the Nomination and Remuneration Committee on February 1st, 2019.
- 1.2 Director No. 7 (Mr. Piya Sosoithikul) resigned from the position of the Chairperson of the Nomination and Remuneration Committee on November 8th, 2019 and Director No.8 (Mr. Teeranun Srihong) became a Chairperson of the Nomination and Remuneration Committee on November 8th, 2020 instead.

2. Risk Management Committee

- 2.1 Director No. 3 (Mrs. Kessuda Raiva) resigned from the Risk Management Committee on November 8th, 2019
- 2.2 Director No. 4 (Mr. Viton Sila-On) resigned from the position of the Chairperson of the Risk Management Committee on February 27th, 2019 and Mr. John Scott Heinecke became a Chairperson of the Risk Management Committee on February 27th, 2019.
- 2.3 Mr. John Scott Heinecke resigned from the position of the Risk Management Committee on November 1st, 2019 and Director No.7 (Mr. Piya Sosoithikul) was in the position of the Chairperson of the Risk Management Committee on November 8th, 2019 instead.
- 2.4 Director No. 12 (Mr. Chaiyapat Paitoon) was in a position of Risk Management Committee on November 8th, 2019.

3. Executive Committee

- 3.1 Mrs. Patamawalai Ratanapol resigned from the position of the Executive Committee on November 1st, 2019. and back to the position of the Executive Committee on November 8th, 2019.
- 3.2 Mr. John Scott Heinecke resigned from the position of the Executive Committee on November 1st, 2019.

Note 3 The remunerations received from holding the position of director are as follows;

- Gratuity was fixed at 250,000 baht for the chairperson of the board and 170,000 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 2019 held on April 26th, 2019 which specified that the resolution will be effected from May 2019 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:

Denition 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 2018, 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. 2/2019 held on May 13rd, 2019, 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 23 February 2017, approved the appointment of the same Risk Management Committee, which is due for 3 years, to be re-appointed for another term. To perform internal risk management within the organization because the current business environment is constantly changing which the Risk Management Committee has been appointed for another term and the Board of Directors shall nominate one member of the Risk Management Committee as the Chairman of the Risk Management Committee. The Risk Management Committee will proceed to comply with the Charter of the Risk Management Committee in order to propose to the Board of Directors' meeting 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 Directors and Executives

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 23rd, 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 not less than one third of the number of directors must be independent directors and not less than 3 persons. 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 Company 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. 4/2019 on 8th September 2019, at which Mrs. Patamawalai Ratanapol, 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 2019 General Shareholders Meeting, held on April 26th, 2019, resolved to approve the directors' remuneration divided into the following:

| Meeting Allowance (Baht/person/time) | 2019 | | |
|---|--------------------------------|-----------------------|---------------------------|
| | 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 |

| Fixed Remuneration (Baht/person/time) | 2019 | | |
|--|-------------|--------------------|------------------------|
| | Chairperson | Executive Director | Non-Executive Director |
| 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 2019 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 2019 was fixed at 250,000 baht for the Chairperson of the board, and 170,000 baht each for the 11 directors of the Company. The gratuity amounts in total to 2,120,000 baht, and shall be paid in accordance to the period of holding their position.

The comparison of director's remuneration in 2019 and 2018 are as follows;

| Remuneration | 2019 | | 2018 | |
|---|--------|------------------|--------|------------------|
| | Person | Baht | Person | Baht |
| Regular Remuneration for Non-Executive Director | 15 | 4,345,000 | 12 | 4,380,000 |
| Meeting Allowance | 8 | 1,592,500 | 6 | 1,860,000 |
| Gratuity | 13 | 2,107,890 | 12 | 2,430,000 |
| Total | | 8,045,390 | | 8,670,000 |

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 2019 and 2018 are as follows;

| Remuneration | 2019 | | 2018 | |
|--|--------|-------------------|--------|-------------------|
| | Person | Baht | Person | Baht |
| Salaries | 9 | 43,204,667 | 8 | 38,787,000 |
| Bonuses, special rewards and travel expenses | 9 | 8,530,594 | 8 | 9,271,899 |
| Total | | 51,735,260 | | 48,058,899 |

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 2018, 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 2019 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 of Shareholders

The Director 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 2019 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 2020 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.

- **Investors and shareholders:** The Company is always aware of transparent business operations. Dedicated to continuous growth and good returns for shareholders in the long run.
- **Government Organizations and Regulatory Agencies :** The Company strictly complies with the rules, regulations, laws and social framework and national. Including studying the concepts of good and innovative nutrition at the United Nations level to be adopted act as a leader in the Thai food and bakery business.
- **Customers / Consumer:** The Company is determined to develop the quality and standard of the products to be tasty, safe and with good nutrition. To be suitable as it is trusted as a product for the family and strive to create responsible marketing through sales channels of products and services at S&P stores, online media and applications. As well as attentive, friendly customer service for the maximum satisfaction of customers, including an agency that is responsible for receiving customer complaints in order to expedite the process for customers as soon as possible and to maintain the privacy of customers.
- **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.
- **Suppliers:** The Company will treat its suppliers fairly and equally by taking mutual benefits into consideration.
- **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.
- **Independent organization** It is a stakeholder in creating value for the economy Mass media and groups of and society by helping to publicize news and facts influencers online Transparent information disclosure.

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 or via the email address presidentoffice@snpfood.com.

2. Principles of Corporate Governance

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

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

3. Remuneration for Directors and Executives

The directors' remuneration is in accordance with a principle and policy specified by the Board of Directors, and it is connected with the Company's operation results. Refer to the heading "Remuneration for 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 3 years each, and 1 secretary. Their names are as follows:

| | |
|-------------------------------|------------------------------|
| (1) Miss Cattleya Saengsastra | Chairperson, Audit Committee |
| (2) Miss 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 2019, 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 director
- 4 independent directors, equal to one-third of the whole Board

3. Combination or Separation of Positions

- The Board Chairperson is the representative of the group of majority shareholders, who, in 2019, hold in aggregate of 43.94 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 director, 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

S&P’s core business principles are quality, value, morality and a vision to be a leader in the Thai restaurant business bakery and food products that has been loved all over the world by paying attention to controlling quality products and services at every step, aiming to create value for customers and society to achieve maximum satisfaction and future sustainability Including cultivating a good culture within the organization for all employees at all levels to behave morally on the right, both for themselves, customers, business partners, communities, society and the environment.

Therefore, the company has pay attention to the internal control system that is suitable for the business operation and has reviewed the operations at both the management and operation levels for efficiency and effectiveness. Having the Audit Committee to responsible for overseeing an operations, internal control and internal audits in accordance with the standards of modern and international operating. There is a clearly written of the obligation, authority of the operator, executives as well as continuous evaluation of internal control. There is also an internal control related to the financial system, with the company having a financial reporting system that has accurate, complete and sufficient information to propose to the responsible line manager. Including requiring employees to evaluate of Control Self-Assessment (CSA) proposes to the department supervisors for using it as a guideline for regularly self-assessment in order to prevent or reduce defects of not knowing, unintentional, or fraud.

Internal Audit

The Audit Committee supervises the operation of the internal audit office by adhering to professional internal auditing practices in accordance with international standards. There is independence, fairness and ethics by having a charter of The Audit Committee and the office of internal audit which established the mission, scope of operation, authority and duty, responsibility, including clearly operating guidelines, in consistent with the vision, mission, strategy, and annual plan. And reviewed annually to be suitable. Apart from the risk based audit planning, the office of internal audit has developed audit work with emphasis on the creation of preventive systems aside from providing confidence and give advice, including the assessment of fraud risk in accordance with the policy on clues, offenses and fraud. The investigation and protection of informants in order to be efficient and effective, the internal quality assurance has been established by the inspection department compare with the assessments of the office of internal auditors in order to consider the differences and analyze the causes which will take the opinions of the auditing agencies into consideration as appropriate.

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 2019, 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 2019, the Board of Directors held 4 meetings in total. The Chairperson of the board always attaches importance to the participation of the Board of Directors at all times but because of illness therefore absence 1 meeting. 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.

In the year 2019, the Board of Directors has set a policy regarding the minimum quorum as at the time when the directors will vote in the meeting, the committee must have at least two-thirds of the total number of directors. Without counting the number of the directors which has a conflict of interest and that no right to attend and vote in such meeting. At every previous board meeting, the number of directors attending the meeting will be more than two-thirds of the total number of directors every time.

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 2019. 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.1/2020 held on February 17th, 2020 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. 1/2020 held on February 25th, 2020 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 2019, 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 that are extremely important. Learning and developing employees are very important factors. Success in employee development will increase the ability of employees and increase the ability to compete for the organization. At the same time, it also creates an employee engagement with the organization. In the year 2019, the company has organized the system and curriculum for human resource development in the following areas:

- 1) Providing an e-learning system for management level and employees who teach courses in restaurants through mobile phone screen application with testing through application after learning in order to enable learning to be streamlined and spread more widely than to study at a central training center;
- 2) Managing Employee Performance (MEP) course to improve the capability of managers and supervisors with important training content such as the role of supervisor, problems encountered with subordinates and supervisors. MEP principles which is the management chart of employee performance and performance improvement;

- 3) Professional Selling Skill Program to develop salesperson potential to have a good attitude (Mindset) to be a professional salesman. By focusing on principles of selling products, customer analysis to find customer needs, negotiating sales with customers including closing the sale, sales pressure to be able to create sales that meet the target set;
- 4) Food quality course, safety and nutrition such as safety, occupational health and working environment, GMP / HACCP system, ISO22000: 2005, Food Safety Culture for factory employees;
- 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;
- 6) Responsible marketing courses such as Sustainable Packaging, How to Create and Design Sustainable Packaging, Creating Value through Innovation: Launching Ideas to Market;
- 7) Curriculum development for operational staff to comply with Functional Competency and Technical Competency, for example, the standard course of operation for all levels of staff in the shop and bakery shop. Both standard courses and high level operational courses, such as various kinds of sandwich making courses, coffee basics, baking courses, cooking courses level 1-2, raw material supervision courses and course on system administration techniques and manage the store etc.;

In addition, the Company has developed the knowledge of directors and executives in the areas related to the corporate governance, including Modern Thai-Chinese Leadership Science (Wor.Tore.Jor), Board Reporting Program, Advance Business Analysis Program, Course to build Big Data System to enhance the potential of intelligent production and Digital Marketing Course for Modern Managers Digital Marketing for Entrepreneur.

S&P has a strategy for creating people under operation through "S&P Learning Center" which was founded on the basic idea that "Everyone should be developed to the fullest potential". Teaching and development of learning centers began to develop steadily step by step. The goal is to develop employees in the network and produce personnel who want to work in the food and service business. As a result of the equal opportunity for employees to receive educational and development opportunities. Contribute to enhance the work potential of the employees and increase the productivity and income of the company for sustainable growth

Learning Center S&P Syndicate Public Company Limited, first opened in the academic year 2007 according to the National Education Act 1999 Section 12 has been certified by the Ministry of Education. Open teaching at the vocational certificate level (vocational certificate) in retail business and branches of food and nutrition with the objective to be used as an educational institution in an establishment in order to give knowledge and develop academic skills Which is a basic education needed for employees and or underprivileged education. From the beginning, the concept of knowledge enhancement for staff in 2002 and teaching in non-formal education (Kor.Sor.Nor). At that time, almost half of the staff have only secondary education. In 2006, the Learning Center Therefore initiated the education in the form of a learning center project basic education Section 12 can be considered as the first generation of schools in the workplace. By teaching and learning in line with the bilateral teaching of vocational education enrolling students from other provinces that lack funds to receive scholarships at the level of vocational certificate in order to expand the organization's intention to support the creation of good people to have a career and produce quality people into the Thai society sustainably.

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 | 2019 | | 2018 | |
|------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| | Number of employee | Remuneration (Million Baht) | Number of employee | Remuneration (Million Baht) |
| Local Offices | 807 | 436.5 | 862 | 413.20 |
| Branch Operation Dept. | 5,017 | 968.70 | 5,053 | 947.08 |
| Factories | 1,769 | 411.30 | 1,760 | 441.33 |
| Total | 7,593 | 1,816 | 7,675 | 1,801.60 |

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 the internal control system to be efficient and effective. To allow shareholders and stakeholders to have confidence in the internal control of the company. The Board of Directors therefore appointed the Audit Committee consisting of 3 independent directors who are fully qualified according to the regulations and rules of the Capital Market Supervisory Board and the Stock Exchange of Thailand is responsible for reviewing financial reports to be accurate and reliable. The connected transactions or transactions that may cause conflicts of interest to be reasonable and is the most beneficial to the business of the company including evaluating the adequacy of the risk management system, good and effective corporate governance of the company pursuant to the Securities and Exchange Act and laws related to the business of the company as proposed by the Audit Committee in the annual report.

The Audit Committee has assigned the Audit Office of the Company which is an agency that is independent from the management to inspect and review the operations of various departments within the company and its subsidiaries to ensure that those units are in compliance with the internal control system set forth and evaluating the adequacy and appropriateness of the internal control system by the Board of Director. 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:

The Board of Directors is of the opinion that the internal control system of the company is appropriate and effective enough to enable the company to achieve efficient and effective operations including reliable financial reporting and compliance with relevant laws and regulations.

1. Organization and Environment

The company promotes and supports a good internal control environment by specifying the corporate governance policy and business ethics in writing. There is communication for employees at all levels to be aware and strictly comply, including penalties for violations. And the organization structure is in line with the business plan and is constantly updated to be suitable for the operations. There is a chain of command separated according to the line of work in accordance with the strategy of operation and corporate governance so that the management and operation of employees can be efficiently monitored and evaluated the operation clearly. There is an internal audit department that is independent and directly to the audit committee to inspect and review the operation to support a good internal control environment.

In this year 2019, no significant change in the company environment. There is still a suitable business operation to have a good and sufficient internal control system.

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.

This year, the objectives have been reviewed. There is an opinion that the said objective has covered the business operations appropriately enough to achieve good efficiency.

3. Risk Management Policy

The company has established a risk management system with the Risk Management Committee working group responsible for determining the policy framework including systematic risk management having all departments assess risk factors in various aspects, impacts, opportunities for organization and the environment, risk management plan to be in line with changes in both internal and external risks Including the determination of risk management measures to remain at a clearly acceptable level. As well as managing the risks faced quickly and effective and every quarter, the risk management committee's performance will be reported to the audit committee for evaluation and comments to the board of directors. In addition, internal auditors have followed up to ensure that risk mitigation measures are implemented to ensure that the company's risks are at an acceptable and manageable level.

In 2019, various risk factors have not changed significantly from 2018. And monitoring and mitigating risks affecting operations to acceptable and satisfactory levels.

4. Event identification

The company has identified various indicators of events or risk factors which may cause damage to objectives at the organization level and the operational level of the company according to the plan appropriately systematically. Including specifying potential events that are sufficiently favorable for the positive and negative objectives by considering external and internal risk factors and with regular follow to ensure that the company has specified. Risk factors that cover sufficient and appropriate changes in each level Including reporting to executives or related persons for acknowledgment to be correct, complete and continuous.

This year, there are still no significant changes in various risk factors and is constantly updated

5. Risk assessment

The company gives importance to risk management by requiring all departments to assess internal and external risk factors that have a direct and indirect impact on the company including the determination of risk management measures to remain at an acceptable level including the management of the risks facing quickly and efficiently. There is a report on the operations of the Risk Management Committee to the Board of Directors. In addition, the internal auditor follow up and review to ensure that risk mitigation measures are implemented to ensure that the company's risks are at an acceptable and manageable level including specifying and evaluating significant changes that may cause an impact on the internal control system with consideration of changes in laws and regulations, economy and environment.

This year, the responsible person for risk assessment is of the opinion that the specified risk management has implemented sufficient measures and well managed. No important factor damage

6. Controlling Activities

The company has clear and appropriate internal control activities with performance indicators as a tool for planning and control. There are "Work Regulations and Ethics" as well as good corporate governance policies for employees to follow. All employees will be informed of the guidelines from the orientation for new employees. The company has separated the duties and responsibilities of various tasks clearly and can verify the accuracy between each other to reduce the risk of fraud or inappropriate behavior by having the authority to conduct business and the level of approval for various types of transactions of executives in writing in "The Internal Control Regulations and Business Authorization" including information technology systems. There is a separate function for controlling access to information at each level, assigning passwords and storing data that can be retroactively validated. The company has clear procedures for making connected transactions or transactions that may cause conflicts of interest being transparent and taking into account the best interests of the company. And have the having the internal audit department to inspect and review the adequacy and appropriateness of the control system on a regular basis by specifying that the audit plan covers important operational processes.

This year, the controlled activities mentioned above is still a satisfactory practice. Resulting in various operations having an appropriate controls suitable for today's business environment.

7. Information and Communication

The company gives importance to information and communication systems by having both internal and external communication channels in order to make a decision of shareholders stakeholders, directors, and management of the company are based on information that is accurate, sufficient, reliable, and timely. The important and general information will be disclosed in the annual report, annual information disclosure form (56-1), via website www.snpfood.com, as well as information disclosure through the Stock Exchange of Thailand including the intranet system for communicating to employees to understand the company's policies, regulations and orders and important information clearly. And also have Whistleline @snpfood.com as a way to receive complaints from employees. As well in the Board of Directors meeting, a meeting invitation letter, the agenda and supporting documents will be sent in advance within the period specified by law so that the directors have sufficient time to consider the information before attending the meeting. And in each meeting, a meeting minutes was prepared record questions of directors, opinions or observations of the directors regarding the matters completely considered, including the various systems that are efficiency and effectiveness controlled by a computer system.

8. Monitoring

The company has continuously followed up the performance from the operational performance indicators, whether it was in accordance with the plan or not, and analyzed the cause in the event that the operations did not go according to the plan by having the internal audit office, which is an independent unit, to review and inspect the operation under the internal control system by emphasizing the audit to cover the operational process with significant risks, various issues detected will report the audit results directly to the Audit Committee as well as following up on the corrective actions from the agencies that have been continuously inspected. And the Audit Committee submits the report to the Board of Directors every quarter. In addition, the Audit Committee also have a meeting with the auditor to assess the adequacy and effectiveness of the internal control system.

In the year 2019, the Audit Committee agreed with the auditor that no significant defects were found. The company has an internal control system that is sufficient for business operations and all departments following up with the established procedures and regulations. And the inspected issues have been improved and amended. There is a follow-up to see whether they can be practiced or there are problems or obstacles that need to be formulated and revised. There were no significant defects in the internal control system.

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

Details of All Directors and Executives

(As of December 31, 2019)

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5-year experience | |
|---|-------------|--|---------------------------------|--------|---------------------------------|-------------------------------------|--|--|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mrs. Patara Sila-On Chairperson of the Board of Directors | 77 | 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 | 42,327,645 (equal to 8.63 %) | - | 42,327,645 (equal to 8.63 %) | Eldest sister | <ul style="list-style-type: none"> - Past 5 years / Chairperson of the Board of Directors - 1990 - Present / Chairperson of the Board of Directors - 1975 - Present / Director - 1987 - Present / Director | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd. Food and Beverage Business - S&P Global Co., Ltd. Operate Restaurant Business abroad - Triparada Co., Ltd. Consulting Service Business - SR Estate Co., Ltd. Real Estate Business |
| Mr. Pravesvudhi Raiva Vice Chairperson/Chairman of the Executive Committee | 68 | BBA Political Science University of Indiana, USA MMP - Modern Management Program MMM- Modern Marketing Management Chulalongkorn University Training Program Director Certification Program Certificate (DCP) Class of 135 th Director Accreditation Program Certificate (DAP) Role of The Chairman Program Certificate Class of 42 nd Thai Institute of Directors Association (IOD) Poom Palung Pandin Program, Class of 2 nd Chulalongkorn University Top Executive Program in Commerce and Trade (TEPCoT), Class of 8 th 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 | <ul style="list-style-type: none"> - 2016 – Present/ Vice Chairperson - 2015 – December 31, 2018 / 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 - 1990 – Present / Executive Director - 1987 – Present / Executive Director | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd. Food and Beverage Business - Charnissara Development Public Co., Ltd. Property Development Business - S&P Global Co., Ltd. Operate Restaurant Business abroad - SR Estate Co., Ltd. Real Estate Business |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5–year experience | |
|---|-------------|--|--------------------------------|--------|--------------------------------|-------------------------------------|---|---|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr Pravesvudhi Raiva (Continue) | | | | | | | <ul style="list-style-type: none"> - 2006 - Present / Executive Director - 2012 - Present / Executive Director - 2014 - Present / Director - 2015 - Present / Director - 2017 – Present / Director | <ul style="list-style-type: none"> - S&P Delivery Co., Ltd. Land Transportation Service Business - S&P International Food Co., Ltd. Restaurant Business - MSC Thai Cuisine Co., Ltd. Thai Culinary School named “The Thai Cuisine” - S&P Development Holding Co., Ltd. Provide service support for the business of affiliated company and restaurant business - S&P Training Co., Ltd. Training business for skill development for employees of S&P Syndicate PLC and affiliates |
| Mr Kachorndej Raiva Executive Committee Director | 69 | 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 | <ul style="list-style-type: none"> - Past 5 years / Executive Committee Director, Director - 1990 – Present Executive Director - 1987 – Present Executive Director | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd. Food and Beverage Business - S&P Global Co., Ltd. Restaurant Business - SR Estate Co., Ltd. Real Estate Business |
| Mrs Kessuda Raiva Chairperson of the Executive Committee / Nomination and Remuneration Committee | 65 | 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) | 37,973,550 (equal to 7.74%) | - | 37,973,550 (equal to 7.74%) | Spouse of Mr. Pravesvudhi Raiva | <ul style="list-style-type: none"> - 2019 – Present/ Chairperson of the Executive Committee - 2017 – December 31, 2018 / Chief Executive officer, - 2017 – 2019 / Risk Management Committee - 2015 - 2016 / President - 2013 - Present / Nomination and Remuneration Committee | <ul style="list-style-type: none"> - 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 2019 | Change | End of 2019 | | Period / position | Company |
| Mrs Kessuda Raiva (Continue) | | Director Accreditation Program Certificate (DAP) 45/2005 Role of The Chairman Program Certificate Class of 36 th Thai Institute of Directors Association (IOD) Capital Market Academy Leader Program 10/2010 Capital Market Academy Top Executive of the Country Program “Poom Palung Pandin”, Class of 1 st Chulalongkorn University Top Executive Program in Commerce and Trade, Class of 6 th (TEPCoT) Commerce Academy, University of the Thai Chamber of Commerce Top Executive Program in Energy Technology, Class of 6 th Thailand Energy Academy Top Executive Program in Industrial Business Development and Investment, Class of 1 st Institute of Business and Industrial Development Business Revolution and Innovation Network Program (BRAIN), Class of 2 nd The Federation of Thai Industries Director Certification Program Certificate (DCP) Class of 251/2018 th Thai Institute of Directors Association (IOD) Health Ambassador Certificate Class 1 Chulabhorn Royal Academy | | | | | - 2008 - 2015 / Executive Vice President - 1994 – Present / Executive Committee Director, Director - 1990 – Present / President, Director - 1987 – Present Executive Director - 2014 – Present Executive Director - 2006 – Present / Executive Director - 2013 – Present / Director - 2014 – Present / Director | - S&P Global Co., Ltd. Operate Restaurant Business abroad - SR Estate Co., Ltd. Real Estate Business - S&P Delivery Co., Ltd. Land Transportation Service Business - S&P International Foods Company Limited Restaurant Business - Umenohana S&P Co., Ltd. Restaurant Business - MSC Thai Cuisine Co., Ltd. Thai Culinary Scholl named “The Thai Cuisine” - S&P Development Holding Co., Ltd. Provide service support for the business of affiliated company and restaurant business - S&P Training Co., Ltd. Training business for skill development for employees of S&P Syndicate PLC and affiliates |
| | | | | | | | - 2015 – Present / Director | |
| | | | | | | | - 2017 – Present / Director | |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5-year experience | |
|--|-------------|---|--------------------------------|-----------------------------|--------------------------------|---|--|--|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr Vitoon Sila-On Chief Executive Officer / Executive Committee / Risk Management Committee | 51 | 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) Thal Institute of Directors Association (IOD) Capital Market Academy Program Class of 23 th Capital Market Academy Thai-Chinese Leadership Studies (WorToriJor) Class 2 Huachiew Chalermprakiet University | 7,815,000 (equal to 1.59%) | - | 7,815,000 (equal to 1.59%) | First Son of Mrs. Patara Sila-On | <ul style="list-style-type: none"> - 2019 – Present / Chief Executive Officer - 2019 – Present / Risk Management Committee - 2012 – 2019 / Chairperson of Risk Management Committee - 2017 – December 31, 2018 / Operation and Human Resource - 2010 – Present / Executive Committee Director, Director - 2008 – 2016 / Senior Vice President Domestic Operations - 2008 – Present / Director - 2012 – Present / Director - 2013 – Present / Director - 2014 – Present / Director - November 2018 – Present / Director - 2017 – Present / Director | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd. Food and Beverage Business - Food House Catering Services Co., Ltd. Nutrition Service Business - S&P International Foods Company Limited Restaurant Business - Umenohana S&P Co., Ltd. Restaurant Business - Triparada Co., Ltd. Consulting Service Business - S&P Delivery Co., Ltd. Land and transportation Service Business - S&P Training Co., Ltd. Training business for skill development for employees of S&P Syndicate PLC and affiliates |
| Mr Kamtom Sila-on President – Production and Finance / Executive Committee Director / Risk Management Committee | 49 | 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) | 7,393,700 (equal to 1.507%) | 4,700 (equal to 0.0009%) | 7,398,400 (equal to 1.509%) | 2 nd Son of Mrs. Patara Sila-On | <ul style="list-style-type: none"> - 2017 – Present / President – Production and Finance - 2016 – Present / Director - 2015 – Present / Risk Management Committee - 2015 – 2016 / Senior Vice President - Production & Supply Chain | <ul style="list-style-type: none"> - 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 2019 | Change | End of 2019 | | Period / position | Company |
| Mr Kamtom Sila-on (Continue) | | Director Certification Program Certificate (DCP) Thai Institute of Directors Association (IOD) TLCA Executive Development Program (EDP) Class 2 Thai Listed Companies Association Top Executive Program in Commerce and Trade (TEPCoT) Commerce Academy, University of the Thai Chamber of Commerce | | | | | - 2014 - Present / Executive Committee Director | - Precious Shipping Public Co., Ltd. Transportation & Logistic Business |
| | | | | | | | - 2014 - 2015 / Vice President - Production & Supply Chain | |
| | | | | | | | - 2011 - Present / Chairperson of Remuneration Committee, Chairperson of Audit Committee, Nomination Committee, Independence Director | |
| | | | | | | | - 2011 - 2014 / Deputy Managing Director, Head of Private Client Investment Management | |
| | | | | | | | - 2004 - 2011 / Deputy Managing Director, Co-head of Investment Banking | |
| | | | | | | | - 2014 - Present / Director | |
| | | | | | | | - 2015 - Present / Director | |
| | | | | | | | - Triparada Co., Ltd. Consulting Service Business | |
| | | | | | | | - S&P Development Holding Co., Ltd. Provide service support for the business of affiliated company and restaurant business | |
| | | | | | | | | |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5-year experience | |
|--|-------------|---|-----------------------------|--------|-----------------------------|-------------------------------------|--|--|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr Kamtorn Sila-on (Continue) | | | | | | | <ul style="list-style-type: none"> - 2015 - Present / Director - November 2018 – Present / Director - 2017 – Present / Director | <ul style="list-style-type: none"> - Chao Phraya Express Boat Co., Ltd. River transportation service Business - S&P Delivery Co., Ltd. Land Transportation Service Business - S&P Training Co., Ltd. Training business for skilldevelopment for employees of S&P Syndicate PLC and affiliates |
| Ms Cattleya Saengsatra Independent Director / Chairperson of the Audit Committee | 71 | BBA Accounting (Hons.) Chulalongkorn University Controllorship 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 | <ul style="list-style-type: none"> - Past 5 years / Independent Director, Chairperson of the Audit committee - 1994 - Present / Director and Company Secretary - 2018 - Present / Company Secretary | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd. Food and Beverage Business - Dynasty Ceramic Public Co., Ltd. Construction Materials Business - Royal Ceramic Industry Public Co., Ltd. Construction Materials Business |
| Ms Sophavadee Uttamobol Independent Director / Audit Committee Director | 59 | 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 | <ul style="list-style-type: none"> - Past 5 years / Independent Director, Audit Committee Director - 2001 – Present / Independent Director, Audit Committee Director - 2017 – Present / Limited Partnership | <ul style="list-style-type: none"> - 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 |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5–year experience | |
|---|-------------|--|-----------------------------|--------|-------------|-------------------------------------|--|---|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr. Piya Sosothikul Independent Director / Audit Committee / Nomination and Remuneration Committee Chairperson of Risk Management Committee | 48 | MBA Business Administration Harvard University, U.S.A. ME Chemical Engineering Massachusetts Institute of Technology (MIT) U.S.A. BE Chemical Engineering Massachusetts Institute of Technology (MIT) U.S.A. BA Economics Massachusetts Institute of Technology (MIT) U.S.A. Director Accreditation Program Certificate (DAP) Class 35 Year 2005 Corporate Governance for Capital Market Intermediaries (CG) Class 4/2015 Thai Institute of Directors Association (IOD) | - | - | - | None | <ul style="list-style-type: none"> - 2019 – Present Chairperson of Risk Management Committee - 2012 – 2019/ Risk Management Committee - 2011 – Present / Independent Director, Audit Committee, Nomination and Remuneration Committee - 2017 – Present Director - 2016 – Present / Executive Committee - 2015 – Present / Executive Committee - 2012 – Present / Executive Committee - 2011 – Present / Executive Committee - 2011 – Present / Director - 2011 – Present / Director - 2011 – Present / Executive Committee - 2011 – Present / Consultant of Managing Director Department | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd. - Food and Beverage Business - Boonruksa Holding Co., Ltd. - Real Estate Business - Gris T Co., Ltd. - Cosmetic Business - The One Enterprise Co., Ltd. - Entertainment Business - Siam Housing Co., Ltd. - Real Estate Business - Taichuros Co., Ltd. - Food Flavor Enhancer Business - Nanyang Marketing Co., Ltd. - Shoes Business - Nanyang Industry Co., Ltd. - Shoes Business - Seacon Development PLC - Space Rental Business - Bangkok Bank PLC. - Banking Business |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5–year experience | |
|---|-------------|---|-----------------------------|--------|-------------|-------------------------------------|---|---|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr. Piya Sosothikul (Continue) | | | | | | | <ul style="list-style-type: none"> - 2010 - Present / Director / Managing Director - 2007 – Present / Director/ Executive Committee - 2004 - Present / Director | <ul style="list-style-type: none"> - Erawana Co., Ltd. Real Estate Developing Business - Bualuang Securities PLC. Finance & Securities - Seacon Co., Ltd. Construction Business |
| Mr. Teeranun Srihong Independent Director / Chairperson of Nomination and Remuneration Committee | 54 | Advance Management Program Harvard Business School MBA Michigan University Bachelor Degree of Engineering Chulalongkorn University | - | - | - | None | <ul style="list-style-type: none"> - 2019 – Present Director / Chairperson of Nomination and Remuneration Committee - 2018 – Present / Director - 2018 – Present / Director - 2018 – Present / Director | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd. Food and Beverage Business - Arcel Capital Company Limited/ Management consulting business - The Mall Group Co., Ltd. / Retail businesses - The Mall Shopping Complex Co., Ltd. / Rental and operating business related to real estate that is their own or rented from someone other than a residence - Thai Agro Exchange Co., Ltd. / Rental and operate on self owned or leased real estate other than as a residence - Advance Power Conversion Co.,Ltd. / Business of construction of public utility power plant project and communication cable |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5-year experience | |
|------------------------------------|-------------|-------------------------|-----------------------------|--------|-------------|-------------------------------------|--|---|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr. Teeranun Srihong (Continue) | | | | | | | - April 2017 – Present / Director | - Celar Consulting Co., Ltd./ Other management consulting business which is not classified elsewhere |
| | | | | | | | - July 2017 – December 2019 /Director/ Executive Committee | - Thanachart Insurance PCL / Casualty insurance business |
| | | | | | | | - 2018 – 2019 / Director | - Thanachart Capital Public Co., Ltd./ Holding business |
| | | | | | | | - 2019 /Chairperson of Risk Committee | that mainly invests in financial business |
| | | | | | | | - January 2019 - Present / Executive Committee | - Phuket Deep Sea Port Co., Ltd./ Cargo handling business |
| | | | | | | | - 2017 – Present / Director | - National Reform Steering Assembly Committee to support changes in Thailand 4.0 policy / Bureaucratic reform and develop new forms of innovation |
| | | | | | | | - June 2018 – Present / Chairperson | - Thailand Management Association / Enhance professional management |
| | | | | | | | | Increase knowledge and experience in business management to meet international standards |
| | | | | | | | - April 2018 – 2019 / Chairperson | - Digital Strategy for Capital Market Subcommittee / |
| | | | | | | | | Process and adjust the structure establish a foundation in the capital market to support digitalization |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5–year experience | |
|------------------------------------|-------------|---|-----------------------------|--------|-------------|-------------------------------------|--|---|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr. Teeranun Srihong (Continue) | | | | | | | - April 2018 – Present / Director | - Steering Committee for Policy Implementation to Utilize Big Data, Data Center and Cloud Computing / Big Data Development for quality and modern |
| | | | | | | | - April 2018 – Present / Director | - BKT Holdings Co., Ltd. / Kitchenware products export business |
| | | | | | | | - 2018 – Present / Director | - Northern Railway Park Co., Ltd. / Water transport business |
| | | | | | | | - December 2019 – Present / Independent Director and Chairperson of Risk Committee | - TMB Bank Public Company Limited / Commercial Banking Business |
| | | | | | | | - 17 January 2020 – Present / Chairperson of the Information Technology Commission and the Nomination, Compensation and Corporate Governance Committee | - Thanachart Bank Public Company Limited / Commercial Banking Business |
| Mr. Lersak Boonsongsup Director | 51 | Master Degree of Chemical Engineering Oregon State University Director Certificate Program (DCP) Year 2015 Thai Institute of Directors Association (IOD) | - | - | - | None | - 2019 – Present / Director | - S&P Syndicate Public Co., Ltd. / Food and Beverage Business |
| | | | | | | | - 2014 – Present / Chief Supply Chain Officer | - The Minor Food Group PLC / Food and Beverage Business |
| | | | | | | | - 2018 - Present / Director | - Pecan Deluxe (Thailand) Co., Ltd. Food Conditment Manufacturer |
| | | | | | | | - 2018 - Present / Director | - Art of Baking Co., Ltd. / Manufacturing and distribution business of frozen and ready to eat bakery product |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5–year experience | |
|---|-------------|--|-----------------------------|--------|-------------|-------------------------------------|--|--|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr. Leissak Boonsongsup (Continue) | | | | | | | <ul style="list-style-type: none"> - 2019 – Present / Director - 2019 – Present / Director - 2019 – Present / Director - 2016 – Present / Director | <ul style="list-style-type: none"> - Select Service Partner Co., Ltd. / Food and Beverage Business in airport - Minor Daily Co., Ltd. / Ice-Cream and Topping Manufacturer - Minor Cheese Co., Ltd. / Cheese Factory - Minor Food Myanmar Co., Ltd. Food and Beverage Business in Myanmar |
| Mr. Chaiyapat Paitoon Director / Risk Management Committee | 48 | Master Degree of Finance & International Business University of Notre Dame Commerce and Accountancy Chulalongkorn University Chief Financial Officer Certificate Program Class 20/2016 Federation of Accounting Professions Under the Royal Patronage of His Majesty the King TLCA Executive Development Program (EDP) Class 12/2013 Security Stock Exchange of Thailand, Thai Listed Companies Association and Capital Market Academy Director Certificate Program (DCP) Class 176/2013 Thai Institute of Directors Association (IOD) | - | - | - | None | <ul style="list-style-type: none"> - 2019 – Present / Director / Risk Management Committee - 2012 - Present / Director - 2016 - Present / Director - 2016 - Present / Director - 2016 - Present / Director - 2016 - Present / Director - 2016 - Present / Director - 2016 - Present / Director | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd./ Food and Beverage Business - Chao Phaya Resort Co., Ltd. / Hotel and Department Store Business - Star Traveller Co., Ltd. / Tourism management business - Minor Supply Chain Solutions / Procurement management business - Phuket Beach Club Owner Limited / Business management - Minor Consultant and Service Co., Ltd. / Distribution business - Amin Systems Limited / Distribution business |

| Name – surname / position | Age (years) | Academic qualifications | Equity stake (share number) | | | Family relations between Executives | Previous 5-year experience | |
|-------------------------------------|-------------|-------------------------|-----------------------------|--------|-------------|-------------------------------------|-----------------------------|---|
| | | | Beginning of 2019 | Change | End of 2019 | | Period / position | Company |
| Mr. Chalyapat Paitoon (Continue) | | | | | | | - 2016 - Present / Director | - Minor Lifestyle Company Limited Distribution business |
| | | | | | | | - 2016 - Present / Director | - Samui Beach Club Owner Limited / Hotel and real estate rental business |
| | | | | | | | - 2016 - Present / Director | - Minor Sky Rider Limited / Entertainment business |
| | | | | | | | - 2016 - Present / Director | - Minor Development / Property development business |
| | | | | | | | - 2016 - Present / Director | - Navasri Manufacturing Co.,Ltd. / Consumer product manufacturing business |
| | | | | | | | - 2016 – Present / Director | - Minor Hotel Group Co., Ltd. / Hotel management business |
| | | | | | | | - 2018 – Present / Director | - Minor Food Group (Singapore) Pte. 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 2019 | Change | End of 2019 | | Period / position | Company |
| Mr. Arth Prakhunhungsit Chief Operating Officer | 54 | Master Degree of Business Management Chulalongkorn University Bachelor Degree of Journalism and Mass Communication Thammasat University | - | - | - | None | <ul style="list-style-type: none"> - 16 August 2019 – Present / Chief Operating Officer - 2003 – 2019 / Chief Operating Officer | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd./ Food and Beverage Business - The Minor Food Group PLC / Food and Beverage Business |
| Mr. Somjit Kitteerakul Vice President-Bakery Manufacturing | 57 | M.S. Art Ramkhamhaeng University B.S. Biotechnology Kasetsart University | - | - | - | None | <ul style="list-style-type: none"> - Past 5 years / Vice President-Bakery Manufacturing | <ul style="list-style-type: none"> - S&P Syndicate Public Co., Ltd. / Food and Beverage Business |
| Mr. Chongchana Chantamas Vice President-Food Manufacturing | 54 | B.S. Food Science and Technology Kasetsart University | - | - | - | None | <ul style="list-style-type: none"> - 2015 – Present / Vice President – Food Manufacturing - 2013 – 2014 / Vice President Trade - 2008 – 2014 / Vice President for Food Operations | <ul style="list-style-type: none"> - 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, 23rd - 24th Floor, New Petchburi Bangkapi, 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, 23rd – 27th Floor South Sathon Road, Yannawa, Sathorn, Bangkok 10120 Thailand Telephone (02) 034-0000 Fax: (02) 034-0100 |

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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