

Independent Auditor's Report

To the shareholders and the Board of Directors of R&B Food Supply Public Company Limited

My opinion

In my opinion, the consolidated financial statements of R&B Food Supply Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Impairment of assets - plant and equipment of hotel businesses. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Key audit matter

Impairment of assets – plant and equipment of hotel businesses

Refer to Note 4 'Critical accounting estimates and judgments' and Note 14 'Property, plant and equipment' to the consolidated and separate financial statements.

The Group manufactures and trades in the food, beverage, and consumer product industries. The Group also operates two hotel properties.

Because the Group's two hotel properties had continued losses, the Thai Accounting Standard 36 required the recoverable amount of the assets to be measured because this is an indication that the assets may be impaired. The management determined that the plant and equipment of the two hotel properties were cash-generating units (CGUs) that were subject to impairment testing.

As at 31 December 2019, the Group's plant and equipment of the two hotel properties had a net book value of Baht 343.87 million after deducting a Baht 11.56 million provision for impairment. This value represents 7.79% of total assets in the consolidated financial statements.

The management engaged independent valuers who were qualified experts and held a relevant recognised professional qualification approved by the Securities and Exchange Commission ('independent valuers') to do the preliminary valuation of the assets. The discounted cash flow approach was applied to determine the recoverable amounts of the plant and equipment of the two hotel businesses based on value-in-use.

Key assumptions used in the discounted cash flow forecast prepared by the management:

1. average room rates
2. occupancy rates
3. revenue growth rates
4. expense to sales ratios
5. discount rates.

Based on the impairment testing, the management recorded the Baht 11.56 million impairment charge for the plant and equipment of the two hotel properties in the consolidated comprehensive income for the year 2019.

I focussed on the impairment of assets for the plant and equipment of the hotel businesses because their value is significant to the consolidated financial statements. Also, determining value-in-use requires significant management judgments of future performance results, and there's a lot of data and assumptions used in the discounted cash flow forecasts as listed above. The subjective changes may have a material impact on the value-in-use assessment, any resulting impairment charges and the resulting financial performance.

How my audit addressed the key audit matter

I performed the following key procedures:

- I assessed the appropriateness of management's identification of the Group's CGUs.
- I understood management's impairment models. My procedures included the evaluation of whether the assumptions had been applied appropriately and in line with the nature of the business.
- I obtained asset valuation reports prepared by the independent valuers. This included evaluating the valuers' competency, independence and objectivity.
- I assessed the appropriateness of management's key assumptions used in the cash flow forecasts provided to independent valuers:
 1. average room rates: compared them to historical results, the business plan and available industry data by analysing data from similar hotels in the nearby area
 2. occupancy rates: compared them to historical data, the business plan and available industry data
 3. revenue growth rates: compared them to historical data and available industry data by analysing data from similar hotels in the nearby area
 4. expense to forecast sales ratios: compared them to historical results
 5. reasonableness of discount rates applied in the discounted cash flow model: engaged an auditor's valuation expert to assess this, including testing the accuracy of the calculation by comparing it with independently obtained data from available public information from companies in the same industry. This is to check whether the discount rate used was within an acceptable range.
- I engaged an auditor's valuation expert to assess the reasonableness of using the discounted cash flow method and whether it was general practice in the industry.
- I tested the accuracy of the calculation of the valuation of assets.

I determined that the key assumptions used to ascertain the recoverable amounts of assets are reasonable based on the available evidences and that the discount rate applied in the discounted cash flow model was within an acceptable range.

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
21 February 2020

R&B FOOD SUPPLY PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019

R&B Food Supply Public Company Limited

Statement of Financial Position

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	1,234,416,297	249,418,066	1,091,584,267	92,832,321
Short-term investments	8	6,088,762	13,185,082	-	-
Trade and other receivables	9	726,918,668	636,121,711	634,200,304	483,120,804
Current portion of long-term loans					
to related parties	10,28	-	-	58,308,000	30,500,000
Inventories	11	682,513,013	746,038,948	412,203,466	483,741,742
Other current assets		9,236,859	3,389,613	1,054,560	1,910,468
Total current assets		2,659,173,599	1,648,153,420	2,197,350,597	1,092,105,335
Non-current assets					
Deposit at bank pledged as collateral		3,159,700	9,159,700	-	-
Investments in subsidiaries	12	-	-	756,023,624	715,465,045
Investment properties	13	67,126,009	-	104,343,822	76,576,127
Property, plant and equipment	14	1,622,609,273	1,721,618,375	750,811,246	809,307,338
Intangible assets	15	11,313,675	23,696,716	6,098,277	14,797,816
Deferred tax assets	16	32,870,268	30,405,192	12,492,344	13,490,672
Long-term loans to related parties	10,28	-	-	227,190,875	126,416,667
Other non-current assets		16,061,897	14,622,679	8,950,547	9,607,747
Total non-current assets		1,753,140,822	1,799,502,662	1,865,910,735	1,765,661,412
Total assets		4,412,314,421	3,447,656,082	4,063,261,332	2,857,766,747

.....Director

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	17	-	225,000,000	-	115,000,000
Trade and other payables	18	311,767,892	338,264,493	256,321,887	269,187,883
Current portion of long-term borrowings					
from financial institutions	17	13,763,292	27,787,306	-	14,640,000
Current portion of finance lease obligations	17	71,554	768,137	-	642,634
Current portion of long-term borrowings					
from related parties	17	12,492,000	34,345,854	-	10,945,854
Income tax payable		26,132,541	35,358,795	21,711,420	31,260,820
Other current liabilities		10,912,632	8,528,839	6,177,903	3,929,797
Total current liabilities		375,139,911	670,053,424	284,211,210	445,606,988
Non-current liabilities					
Long-term borrowings from					
financial institutions	17	40,326,020	74,267,078	-	20,160,000
Finance lease obligations	17	35,081,539	34,668,442	32,835,396	32,835,396
Long-term borrowings from related parties	17	37,508,000	538,434,146	-	437,834,146
Employee benefit obligations	19	54,383,772	38,479,660	35,054,436	24,364,512
Total non-current liabilities		167,299,331	685,849,326	67,889,832	515,194,054
Total liabilities		542,439,242	1,355,902,750	352,101,042	960,801,042

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2019

	Notes	Consolidated		Separate		
		financial statements		financial statements		
		2019	2018	2019	2018	
		Baht	Baht	Baht	Baht	
Equity						
Share capital						
Authorised share capital						
		Ordinary shares, 2,000,000,000 shares of par Baht 1 each	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Issued and paid-up share capital						
	20	Ordinary shares, 2,000,000,000 shares of paid-up Baht 1 each (2018: Ordinary shares, 1,480,000,000 shares of par Baht 1 each)	2,000,000,000	1,480,000,000	2,000,000,000	1,480,000,000
	20	Share premium account on issue of share	1,248,938,736	93,663,209	1,248,938,736	93,663,209
	20	Premium arising from business combination under common control	94,712,575	94,712,575	-	-
Retained earnings						
Appropriated						
	21	Legal reserve	110,350,000	77,000,000	110,350,000	77,000,000
		Unappropriated	423,929,843	350,502,734	351,871,554	246,302,496
		Other components of equity	(7,665,932)	(3,046,750)	-	-
Total equity attributable to owners						
		of the parent	3,870,265,222	2,092,831,768	3,711,160,290	1,896,965,705
		Non-controlling interests	(390,043)	(1,078,436)	-	-
Total equity						
			3,869,875,179	2,091,753,332	3,711,160,290	1,896,965,705
Total liabilities and equity						
			4,412,314,421	3,447,656,082	4,063,261,332	2,857,766,747

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited

Statement of Comprehensive Income

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenues from sales and rendering services	6	2,776,377,860	2,632,522,070	2,074,489,615	1,907,336,965
Revenues from hotel operations	6	88,275,697	105,723,489	-	-
Total revenue		2,864,653,557	2,738,245,559	2,074,489,615	1,907,336,965
Cost of goods sold and rendering services	25	(1,668,377,919)	(1,627,682,614)	(1,307,234,750)	(1,237,294,497)
Cost of rendering hotel services	25	(105,656,736)	(116,482,818)	-	-
Total cost		(1,774,034,655)	(1,744,165,432)	(1,307,234,750)	(1,237,294,497)
Gross profit		1,090,618,902	994,080,127	767,254,865	670,042,468
Dividend income	12	-	-	65,785,029	-
Other income	23	17,341,322	11,339,991	58,265,536	46,202,550
Selling expenses	6, 25	(182,013,584)	(191,181,304)	(128,663,246)	(130,501,671)
Administrative expenses	6, 25	(457,096,100)	(386,173,798)	(281,938,976)	(243,142,193)
Finance costs	24	(25,949,201)	(20,705,370)	(17,010,227)	(10,238,149)
Profit before income tax expense		442,901,339	407,359,646	463,692,981	332,363,005
Income tax expense	26	(89,365,146)	(86,244,910)	(78,773,923)	(67,970,121)
Profit for the period		353,536,193	321,114,736	384,919,058	264,392,884
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial gains (losses)		-	(6,679,018)	-	(9,398,302)
Income tax expense (income) relating to actuarial gains (losses)		-	1,335,804	-	1,879,660
Total items that will be not be reclassified subsequently to profit or loss		-	(5,343,214)	-	(7,518,642)
<i>Items that will be reclassified subsequently to profit or loss</i>					
Currency translation differences		(4,684,902)	(1,283,973)	-	-
Total items that will be reclassified subsequently to profit or loss		(4,684,902)	(1,283,973)	-	-
Other comprehensive income for the period		(4,684,902)	(6,627,187)	-	(7,518,642)
Total comprehensive income for the period		348,851,291	314,487,549	384,919,058	256,874,242

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Profit attributable to:					
Owners of the parent		352,777,109	323,752,163	384,919,058	264,392,884
Non-controlling interests		759,084	(2,637,427)	-	-
		<u>353,536,193</u>	<u>321,114,736</u>	<u>384,919,058</u>	<u>264,392,884</u>
Total comprehensive income attributable to:					
Owners of the parent		348,157,927	317,411,536	384,919,058	256,874,242
Non-controlling interests		693,364	(2,923,987)	-	-
		<u>348,851,291</u>	<u>314,487,549</u>	<u>384,919,058</u>	<u>256,874,242</u>
Earnings per share	27				
Basic earnings per share attributable to owners of the parent (Baht)		0.22	0.26	0.24	0.21

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

	Consolidated financial statements									
	Attributable to owners of the parent									
	Issued and paid-up share capital Baht	Share premium account Baht	Premium arising from business combination under common control Baht	Retained earnings		Other components of equity		Total owners of the parent Baht	Non controlling interests Baht	Total equity Baht
				Appropriated for legal reserve Baht	Unappropriated Baht	Other comprehensive income Translation of financial statements Baht				
Opening balance as at 1 January 2018	638,000,000	93,663,209	94,712,575	-	1,545,293,785	(2,049,337)	2,369,620,232	1,605,024	2,371,225,256	
Changes in equity for the year										
Proceeds from shared issued (Note 20)	842,000,000	-	-	-	-	-	842,000,000	-	842,000,000	
Increasing of non-controlling interest from subsidiary requests from shares subscription payment	-	-	-	-	-	-	-	240,527	240,527	
Appropriated for legal reserve (Note 21)	-	-	-	77,000,000	(77,000,000)	-	-	-	-	
Dividends (Note 22)	-	-	-	-	(1,436,200,000)	-	(1,436,200,000)	-	(1,436,200,000)	
Total comprehensive income for the year	-	-	-	-	318,408,949	(997,413)	317,411,536	(2,923,987)	314,487,549	
Closing balance as at 31 December 2018	1,480,000,000	93,663,209	94,712,575	77,000,000	350,502,734	(3,046,750)	2,092,831,768	(1,078,436)	2,091,753,332	
Opening balance as at 1 January 2019	1,480,000,000	93,663,209	94,712,575	77,000,000	350,502,734	(3,046,750)	2,092,831,768	(1,078,436)	2,091,753,332	
Changes in equity for the year										
Proceeds from shared issued (Note 20)	520,000,000	1,155,275,527	-	-	-	-	1,675,275,527	-	1,675,275,527	
Appropriated for legal reserve (Note 21)	-	-	-	33,350,000	(33,350,000)	-	-	-	-	
Dividends (Note 22)	-	-	-	-	(246,000,000)	-	(246,000,000)	(4,971)	(246,004,971)	
Total comprehensive income for the year	-	-	-	-	352,777,109	(4,619,182)	348,157,927	693,364	348,851,291	
Closing balance as at 31 December 2019	2,000,000,000	1,248,938,736	94,712,575	110,350,000	423,929,843	(7,665,932)	3,870,265,222	(390,043)	3,869,875,179	

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2019

	Notes	Separate financial statements				Total Baht
		Issued and paid-up share capital Baht	Share premium account Baht	Retained earnings		
				Appropriated for legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2018		638,000,000	93,663,209	-	1,502,628,254	2,234,291,463
Increase in ordinary share capital	20	842,000,000	-	-	-	842,000,000
Appropriated for legal reserve	21	-	-	77,000,000	(77,000,000)	-
Dividends	22	-	-	-	(1,436,200,000)	(1,436,200,000)
Total comprehensive income for the year		-	-	-	256,874,242	256,874,242
Closing balance as at 31 December 2018		<u>1,480,000,000</u>	<u>93,663,209</u>	<u>77,000,000</u>	<u>246,302,496</u>	<u>1,896,965,705</u>
Opening balance as at 1 January 2019		1,480,000,000	93,663,209	77,000,000	246,302,496	1,896,965,705
Increase in ordinary share capital	20	520,000,000	1,155,275,527	-	-	1,675,275,527
Appropriated for legal reserve	21	-	-	33,350,000	(33,350,000)	-
Dividends	22	-	-	-	(246,000,000)	(246,000,000)
Total comprehensive income for the year		-	-	-	384,919,058	384,919,058
Closing balance as at 31 December 2019		<u>2,000,000,000</u>	<u>1,248,938,736</u>	<u>110,350,000</u>	<u>351,871,554</u>	<u>3,711,160,290</u>

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		442,901,339	407,359,646	463,692,981	332,363,005
Adjustments for:					
Depreciation of building and building improvement from investment property	13, 25	-	-	4,797,513	2,693,289
Depreciation of building and equipment	14, 25	166,838,218	172,221,295	84,835,243	83,658,493
Amortisation expenses	15, 25	14,152,490	15,037,359	9,645,140	11,057,573
Impairment charge	14, 25	11,564,990	-	-	-
Reversal allowance for doubtful accounts	9, 25	(11,252,654)	(5,282,518)	(13,163,416)	(3,584,583)
Bad debts	9, 25	10,815	40,319	5,415	40,319
Reversal decrease in value of inventories	11	(2,043,249)	(2,024,048)	(2,359,596)	(1,307,518)
(Reversal) allowance for inventory obsolescence	11	(1,791,449)	17,154,068	(3,951,482)	11,539,904
Destruction of inventories	11	-	634,284	-	-
Loss (Gain) on disposals of equipment		397,156	(221,475)	(865,744)	(158,878)
Written off equipment		1,079,726	514,559	75,881	77,233
Employee benefit expenses	19, 25	16,110,512	3,461,473	10,689,924	1,931,638
Rental income from investment property	13	-	-	(11,713,125)	(10,140,408)
Expense from investment property	13	463,680	-	231,840	-
Dividends income		-	-	(65,785,029)	-
Interest income		(1,477,526)	(2,278,146)	(5,826,512)	(6,213,740)
Finance costs	24	25,949,201	20,705,370	17,010,227	10,238,149
Unrealised loss (gain) on exchange rate		(458,319)	(4,559,139)	4,601,224	(2,315,380)
Gain on sale of short-term investment		-	(22,080)	-	(22,080)
Changes in operating assets and liabilities					
- trade and other receivables		(81,668,831)	(6,514,249)	(133,174,590)	(12,497,153)
- inventories		67,360,633	(113,818,288)	77,849,354	(79,386,200)
- other current assets		(5,847,246)	1,659,230	855,908	999,997
- other non-current assets		(1,439,218)	(5,140,860)	657,200	(2,979,600)
- trade and other payables		(29,222,552)	(41,199,748)	(19,734,302)	(25,926,166)
- other current liabilities		2,383,793	(904,433)	2,248,106	(192,631)
Cash flows from operations		614,011,509	456,822,619	420,622,160	309,875,263
<u>Less</u> employee benefit paid	19	(206,400)	(232,560)	-	-
<u>Less</u> interest paid		(27,174,896)	(19,568,639)	(17,595,621)	(9,703,894)
<u>Less</u> income tax paid		(101,056,476)	(99,939,380)	(87,324,995)	(71,214,617)
Net cash flows generated from operating activities		485,573,737	337,082,040	315,701,544	228,956,752

.....Director

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flow from investing activities					
Purchases of property, plant and equipment		(145,340,065)	(322,357,857)	(72,617,173)	(239,957,137)
Proceeds from disposals of property, plant and equipment		39,974	1,388,201	15,576,558	158,879
Purchases of intangible assets		(1,780,629)	(3,427,206)	(945,601)	(677,825)
Purchases of short-term investments	8	(6,018,532)	(303,535)	-	(14)
Proceeds of short-term investments	8	13,114,852	30,661,653	-	30,140,444
Deposit at bank pledged as collateral		6,000,000	(501,700)	-	-
Short-term made to related parties		-	-	(28,000,000)	-
Proceeds on short-term loans to related parties	28	-	-	28,000,000	-
Long-term loans made to related parties		-	-	(234,928,900)	-
Proceeds on long-term loans to related parties	28	-	-	105,150,667	19,083,333
Acquisition of subsidiary, net of cash acquired	12	-	-	(40,558,579)	(27,541,836)
Proceeds of leases from investment property		-	-	10,809,702	10,140,408
Payment from investment property		(463,680)	-	(231,840)	-
Interest received		1,492,076	2,258,658	5,056,605	6,213,740
Dividends received	12	-	-	65,785,029	-
Net cash flows used in investing activities		(132,956,004)	(292,281,786)	(146,903,532)	(202,440,008)
Cash flows from financing activities					
Proceeds from capital increase	20	1,716,000,000	842,000,000	1,716,000,000	842,000,000
Payment for share issue costs	20	(40,724,473)	-	(40,724,473)	-
Proceeds from long-term borrowings					
from financial institutions	17	-	37,900,000	-	37,900,000
Payment on long-term borrowings					
from financial institutions	17	(47,965,072)	(65,321,805)	(34,800,000)	(21,350,000)
Proceeds from promissory notes		519,400,000	240,000,000	319,400,000	100,000,000
Payment from promissory notes		(744,400,000)	(106,890,000)	(434,400,000)	(16,890,000)
Proceeds from short-term borrowings from related parties	28	-	842,000,000	-	842,000,000
Proceeds from long-term borrowings from related parties	28	-	558,000,000	-	508,000,000
Payment on short-term borrowings from related parties	28	-	(852,000,000)	-	(842,000,000)
Payment on long-term borrowings from related parties	28	(522,780,000)	(75,620,000)	(448,780,000)	(59,220,000)
Payment on finance lease liabilities		-	(150,523)	-	-
Requests of shares subscription payment of subsidiary					
from non-controlling interests		-	240,527	-	-
Dividend paid	22	(246,004,971)	(1,436,200,000)	(246,000,000)	(1,436,200,000)
Net cash flows generated from (used in) financing activities		633,525,484	(16,041,801)	830,695,527	(45,760,000)

The accompanying notes are an integral part of these consolidated and company financial statements.

R&B Food Supply Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Net increase (decrease) in cash and cash equivalents		986,143,217	28,758,453	999,493,539	(19,243,256)
Opening balance of cash and cash equivalents		249,418,066	219,874,614	92,832,321	111,231,402
Opening balance of bank overdrafts		-	-	-	-
Exchange gains on cash and cash equivalents		(1,144,986)	784,999	(741,593)	844,175
Closing balance of cash and cash equivalents		<u>1,234,416,297</u>	<u>249,418,066</u>	<u>1,091,584,267</u>	<u>92,832,321</u>
Closing balance of cash and cash equivalents	7	1,234,416,297	249,418,066	1,091,584,267	92,832,321
Closing balance of bank overdrafts		-	-	-	-
Closing balance of cash and cash equivalents		<u>1,234,416,297</u>	<u>249,418,066</u>	<u>1,091,584,267</u>	<u>92,832,321</u>
Non-cash items					
Increase in accounts payable from property, plant and equipment purchased		2,696,906	6,035,747	6,266,066	2,160,588
(Decrease) Increase in accounts payable from intangible assets purchased		(11,180)	11,180	-	-
Purchases of property, plant and equipment from finance lease obligations		-	35,346,946	-	33,478,029
Transfers from building and building improvement to investment property	13, 14	67,126,009	-	32,565,208	76,576,127
Account receivable from selling machinery & equipment		-	-	5,192,185	-
Rental income on a straight line basis	13	-	-	903,423	-

.....Director

The accompanying notes are an integral part of these consolidated and company financial statements.

1 General information

R&B Food Supply Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

Head office: 3395 Soi Ladprao 101 (Wadbuengthonglang) Klongchan, Bangkok, Bangkok 10240.

The principal business operations of the Company and its subsidiaries (“the Group”) are manufacturing and trading of bread products, colour, fragrances and chemicals, which are used in food, beverage, consumer product industries and hotel business.

For reporting purpose, the Company and its subsidiaries are referred to as “the Group”.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 21 February 2020.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New and amended financial reporting standards that are relevant and have impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, *Construction contracts*, TAS 18, *Revenue* and related interpretations. The effect from this change in accounting policy does not have significant impact to the comparative financial statements.

The Group has applied the following standard for the current accounting period. The management assessed and reviewed that the impact of initial adoption has no significant impacts to the Group.

b) Thai Financial Reporting Standard no.2 (TFRS 2) (revised 2018), Share-based payment

The amendments made to TFRS 2 clarify:

- the measurement basis for cash-settled share-based payments; and
- the accounting for modifications that change an award from cash-settled to equity-settled.

They also introduce an exception to the classification principles in TFRS 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole amount will be treated as if it is equity-settled. Previously the tax portion was accounted for as cash-settled.

The Group has applied the following standard for the current accounting period. The management assessed and reviewed that the impact of initial adoption has no significant impacts to the Group.

c) Thai Accounting Standard no.40 (revised 2018), Investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The Group has applied the following standard for the current accounting period. The management assessed and reviewed that the impact of initial adoption has no significant impacts to the Group.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing and reviewing the impact of initial adoption of these standards.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

The Group's management is currently assessing and reviewing the impact of initial adoption of this standard.

c) Other new/amended standards

The new and amended financial reporting standards that will have impact on the Group are:

TAS 12	Income tax
TAS 23	Borrowing cost
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 23, Borrowing costs clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

TFRIC 23, Uncertainty over income tax treatments explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group's management is currently assessing the impact of initial adoption of these standards.

2.3 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

c) Intercompany transactions on consolidation

Intra-group transactions, balances, unrealised gains and losses on transactions are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of transferred to retained earnings.

2.5 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

2.6 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown within borrowing in current liabilities.

2.7 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

2.9 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.10 Investment properties

Investment properties, principally freehold land, factory building, office buildings and building improvement are held for long-term rental yields or for capital appreciation or both.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Building improvements	10 years or 15 years
Factory and office building	20 - 40 years

During the year 2019, the Group and the Company changed the estimated useful life of factory and office building of investment properties in Note 4.

2.11 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. Capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognized

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	5 years or 20 years
Building improvements	5 years to 20 years
Factory, office and hotel buildings	20 years to 55 years
Machinery and equipment	2 years to 10 years
Office equipment and furniture	5 years or 10 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

During the year 2019, the Group and the Company changed the estimated useful life of factory, office, and hotel buildings in Note 4.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Intangible assets

Computer software

Expenditure on acquired intangible assets is capitalised and the Group amortises the cost of intangible assets with finite useful lives using the straight-line method over their useful lives.

Computer software 3 years

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

The Group reviews impairment of intangible assets with indefinite useful lives annually and whenever there is an indication that the intangible asset may be impaired. The Group adjusts for impairment where it is considered necessary.

2.13 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.14 Leases

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.15 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take more than 12 months to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.18 Employee benefits

2.18.1) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

2.18.2) Defined contribution plan

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2.18.3) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense

2.20 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

2.21 Revenue and expense recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

The Group's policy is to sell its products to the end customer with a right of return within 1 month separated by type of customer. Therefore, a refund liability and a right to the returned goods are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level.

The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Hotel

Revenue from hotel ownership comprises amounts earned in respect of rental of rooms, food and beverage sales, and other ancillary services. Revenue is recognised over the period when rooms are occupied or services are performed. Revenue from the sale of food and beverages and goods is recognised at the point of sale when the food and beverages and goods are delivered to customers. Payment is due immediately when the hotel guest occupies the room and receives the services and goods.

Interest income and interest expense are recognised using the effective interest method.

Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements. Dividend income is recognised when the right to receive payment is established.

Expense is recognised on an accrual basis.

2.22 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Financial Officer that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

3.1.1 Foreign exchange risk

The Group has the subsidiaries in foreign countries and operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group's primary functional currency is Baht, while sales, purchases and borrowings transactions are primarily denominated in US dollar. The Group uses forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency. The Group treasury is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts. Such instruments are not recognised in the financial statements on inception. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period.

As at 31 December 2019, the Company has outstanding forward contract in foreign currencies with a commercial bank with notional amounting to Baht 2.34 million. The contract is due on 8 April 2020.

3.1.2 Interest rate risk

Interest rate risk is resulted from the fluctuation of the market interest rates. It will affect to the operation and cash flow of the Group. However, the Group's income and the operating cash flow are substantially independent of the changes in market interest rates. In addition, the Group has insignificant amount of borrowings from the external parties. So, the Group has not used interest derivatives for hedging against fluctuations of the interest rates.

3.1.3 Credit risk

Generally, the Group has no significant concentrations of credit risk. The Group has a few major customers. However, the Group has policies in place to ensure that sales of products and services are made to each of customers with an appropriate credit history.

3.1.4 Liquidity risk

The Group manages sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

3.2 Fair value estimation

The table below analyse financial instruments carried at the fair value, by valuation method, different as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of the Group's financial assets and liabilities approximate to their carrying amount except the fair value of loans to related parties and borrowings from related parties, which are disclosed in Note 10 and 17 and investment properties in Note 13, respectively:

- Cash and cash equivalents
- Short-term investments
- Trade and other receivables
- Short-term borrowings from financial institutions
- Trade and other payables
- Financial lease obligations

(a) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is trading investments by using net asset value from asset management company to value fair value at the end of reporting date.

Fair value of long term borrowing from financial institutions determined by discounting future cash flow with average rate of minimum loan rate (MLR) of commercial bank which registered in Thailand at the end of reporting period, announced by Bank of Thailand and adjusted with credit risk of loan agreement.

(b) Financial instruments in level 3

Long term loan to related parties and long-term borrowings from related parties

Long term loan to related parties and long-term borrowings from related parties are fair value by using discounted cash flow method (DCF). By discounted future cash flow per contract with average rate of minimum loan rate (MLR) of commercial bank which registered in Thailand at the end of reporting period, announced by Bank of Thailand and adjusted with individual credit risk of entities.

The main level 3 input used by the Group for fair value measurements

- Contractual cash flow of loan agreement
- The average rate of minimum loan rate (MLR) of commercial bank which registered in Thailand at the end of reporting period, announced by Bank of Thailand (2019: 6.93% : 2018: 6.99%)
- The adjusted individual credit risk. Management reference adjusted individual credit profile by reference with effective loan agreement with financial institution or historical loan agreement as benchmark for adjusting interest rate.

As at 31 December 2019, the Company applied discount rate for recalculation fair value of long-term loan to related parties with rate 4.00% to 10.20% per annum (2018: 4.99% to 5.99% per annum).

As at 31 December 2019, the Company did not have long term borrowings from related parties (2018: the Group applied discount rate for recalculation fair value of long term borrowings from related parties with rate 4.99% to 5.99% per annum).

Investment properties

The investment properties were valued at fair value for disclosure in financial statements. Management engaged independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

The valuer applied income approach which classified as fair value level 3 of fair value hierarchy as detail in note to financial statements no. 13.

There were no transfers between levels 1 and 2 during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Group's valuation processes

The Group's finance department performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates.

4 Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of receivables

The Group provides for an allowance for doubtful accounts to reflect the impairment of trade receivables from estimated loss resulting from the inability of customers to make required payments. The allowance for doubtful accounts is derived from the Group's assessment of future collectability, such assessment is based on the consideration of historical collection experience, known and identified instances of default and consideration of market trends.

Allowance for diminution in value of inventories

The Group has made allowance, where necessary, for diminution in value of inventories by estimating the net realisable value which was calculated from selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable value estimation is based on historical experience, management's knowledge of the industry and future market trend and the allowance for obsolescence and diminution in value of inventories are determined through a combination of analysis of inventories aging.

Allowances for inventory obsolescence

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. The assessment for the allowances for obsolete and slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to allowances. The level of the allowances was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected obsolete and slow-moving inventories.

Depreciation and residual values of plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Group's plant and equipment and to review estimate useful lives and residual values when there are any changes from the estimates made during the prior year, derecognition of the dilapidated asset or cease of usage from disposal or disused.

Retirement benefits

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for retirement benefits include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligation.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits 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 that have terms to maturity approximating the terms of the related retirement benefits liability.

Additional information of other key assumptions for retirement benefits obligations is disclosed in Note 19.

Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgments are required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

Impairment of investments in subsidiaries and impairment of assets

The Group tests whether investments in subsidiaries and cash generating unit have suffered any impairment when there is any indication of impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of management's estimation.

The Group assessed the impairment of hotel business from subsidiaries by using discounted cash flow method from the best estimate of the management. The performance of investments in subsidiaries will pay back and gain the profit in the future.

Change in estimates from prior report

In preparing the consolidated and separate financial statement for the year ended 31 December 2019, estimation on useful lives of factory, office and hotel buildings were changed from those that were applied for financial statements for the year ended 31 December 2018.

On 1 July 2019, the Group and the Company changed the estimated useful life of factory, office, and hotel buildings from 20 years to 20 - 55 years.

The Group and the Company recognised change in accounting estimates on prospective basis. The effects of change in accounting estimates to the consolidated financial statement and the separate financial statement as at 31 December 2019 are as follows;

	Consolidated financial statements		
	Previous book value	Current book value	Change
Statement of Financial Position			
Cost	659,378,608	659,378,608	-
<u>Less</u> Accumulated impairment losses	(6,008,775)	(6,008,775)	-
<u>Less</u> Accumulated depreciation	(219,755,151)	(211,278,561)	8,476,590
Closing net book amount	433,614,682	442,091,272	8,476,590
Statement of Comprehensive Income			
Depreciation charge	32,627,956	24,151,366	(8,476,590)
	Separate financial statements		
	Previous book value	Current book value	Change
Statement of Financial Position			
Cost	334,211,697	334,211,697	-
<u>Less</u> Accumulated depreciation	(129,405,908)	(126,575,969)	2,829,939
Closing net book amount	204,805,789	207,635,728	2,829,939
Statement of Comprehensive Income			
Depreciation charge	16,138,777	13,308,838	(2,829,939)

5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Segment information

The Group's Chief Operating Decision Makers identifies reportable segments of its business to examine the Group's performance by dividend follow the location of revenue as follows the revenues from domestic and overseas which include production and trading business and hotel business.

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

The Group's Chief Operating Decision Makers identifies reportable segments of its business to examine the Group's performance by dividend follow the location of revenue as follows the revenues from domestic and overseas which include production and trading business and hotel business.

	Consolidated financial statements							
	Domestic revenues				Overseas revenues			
	Production and trading		Hotel Business		Production and trading		Total	
	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht	31 December 2019 Baht	31 December 2018 Baht
Segment revenues	2,545,104,325	2,472,329,732	88,302,927	105,730,689	554,376,174	448,286,807	3,187,783,426	3,026,347,228
Less Inter-segment revenues	(212,889,170)	(219,496,074)	(27,230)	(7,200)	(110,213,469)	(68,598,395)	(323,129,869)	(288,101,669)
Revenue from external customers	2,332,215,155	2,252,833,658	88,275,697	105,723,489	444,162,705	379,688,412	2,864,653,557	2,738,245,559
Segment profit or loss	1,030,620,368	918,933,869	(17,381,039)	(10,759,329)	77,379,573	85,905,587	1,090,618,902	994,080,127
Other income							17,341,322	11,339,991
Selling expenses							(182,013,584)	(191,181,304)
Administrative expenses							(457,096,100)	(386,173,798)
Finance costs							(25,949,201)	(20,705,370)
Profit before income tax							442,901,339	407,359,646
Income tax							(89,365,146)	(86,244,910)
Net profit for the period							353,536,193	321,114,736
Timing of revenue recognition								
At a point in time	2,332,215,155	2,252,833,658	27,966,526	34,968,300	439,875,268	377,099,815	2,800,056,949	2,664,901,773
Over time	-	-	60,309,171	70,755,189	4,287,437	2,588,597	64,596,608	73,343,786
Total revenue	2,332,215,155	2,252,833,658	88,275,697	105,723,489	444,162,705	379,688,412	2,864,653,557	2,738,245,559

During the year 2019, the Group has a customer whose sales accounted to be 16% of total revenue from sales and rendering services, which was domestic production and trading revenues. Total revenue from this customer during the year was Baht 457,199,451 (2018: two main customers whose sales accounted to be 16% and 10% of the Group's total revenue from sales and rendering services or Baht 672,775,231).

Majority of non-current assets located in resident country. The Group's non-current assets located oversea was insignificant.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	1,019,950	1,361,430	330,000	250,000
Deposits held at call with banks	1,233,396,347	248,056,636	1,091,254,267	92,582,321
Cash and bank balances	1,234,416,297	249,418,066	1,091,584,267	92,832,321

The effective interest rates on Deposits held at call of the Group and the Company with banks are 0.05% - 0.50% per annum (2018: 0.05% - 0.50% per annum).

8 Short-term investments

Short-term investments comprise of matured fund that invested in debt instruments and over 3 months to 12 months fixed deposits. The movements in short-term investments during the years are as follows:

	Consolidated financial statements		
	Trading Baht	Held to maturity due within 1 year Baht	Total Baht
At 1 January 2018	30,117,292	13,403,828	43,521,120
Additions	-	303,535	303,535
Disposals	(30,087,935)	(522,281)	(30,610,216)
Change in fair value of trading securities	(29,357)	-	(29,357)
At 31 December 2018	-	13,185,082	13,185,082
Additions	-	6,018,532	6,018,532
Disposals	-	(13,114,852)	(13,114,852)
Change in fair value of trading securities	-	-	-
At 31 December 2019	-	6,088,762	6,088,762
	Separate financial statements		
	Trading Baht	Held to maturity due within 1 year Baht	Total Baht
At 1 January 2018	30,117,292	1,059	30,118,351
Additions	-	14	14
Disposals	(30,087,935)	(1,073)	(30,089,008)
Change in fair value of trading securities	(29,357)	-	(29,357)
At 31 December 2018	-	-	-
Additions	-	-	-
Disposals	-	-	-
Change in fair value of trading securities	-	-	-
At 31 December 2019	-	-	-

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

Summary of short-term investment is as follows:

	Consolidated financial statements		
	Trading Baht	Held to maturity due within 1 year Baht	Total Baht
As at 31 December 2018			
Fixed deposits - Book value	-	13,185,082	13,185,082
Fair value	-	13,185,082	13,185,082
As at 31 December 2019			
Fixed deposits - Book value	-	6,088,762	6,088,762
Fair value	-	6,088,762	6,088,762
	Separate financial statements		
	Trading Baht	Held to maturity due within 1 year Baht	Total Baht
As at 31 December 2018			
Fixed deposits - Book value	-	-	-
Fair value	-	-	-
As at 31 December 2019			
Fixed deposits - Book value	-	-	-
Fair value	-	-	-

Fixed deposits with financial institutions of over three months to twelve months have the effective interest rates at 1.00% per annum (2018: 1.00% - 1.30% per annum).

9 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables - other companies	693,072,800	626,820,494	490,029,769	424,294,693
Trade receivables from related parties (Note 28)	-	230,743	114,128,028	66,083,893
Trade receivables - hotel business	1,748,186	2,970,342	-	-
Less Allowance for doubtful accounts	(15,446,554)	(31,225,400)	(13,039,803)	(28,136,288)
Trade receivables - net	679,374,432	598,796,179	591,117,994	462,242,298
Advance payments	18,979,769	9,138,826	14,322,402	4,885,385
Prepayments	9,432,500	19,149,183	5,049,363	7,718,899
Other receivables from other companies	12,367,651	8,937,539	1,933,069	-
Other receivables from related parties (Note 28)	-	-	12,468,462	8,216,316
Accrued income	11,269,610	99,984	11,242,083	57,906
Less Allowance for doubtful accounts	(4,505,295)	-	(1,933,069)	-
Total trade and other receivables - net	726,918,667	636,121,711	634,200,304	483,120,804

During 2019, total amounts of receivables written-off as uncollectible of the Group and the Company amounted to Baht 10,815 and Baht 5,415, respectively. (2018: the Group and the Company have a total amounts of receivables written-off amounted to Baht 40,319).

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

During 2019, total amounts of previous allowance for doubtful accounts of the Group are written-off to bad debt as uncollectible of the Group amounted to Baht 20,897.

Outstanding trade accounts receivable from third parties and related parties and as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not yet due	468,042,044	436,063,688	366,119,020	320,510,600
Up to 3 months	179,886,856	155,108,334	179,929,043	129,009,065
3 - 6 months	20,100,898	6,434,281	36,141,634	10,542,526
6 - 12 months	11,344,634	2,668,759	8,928,297	3,191,391
Over 12 months	15,446,554	29,746,517	13,039,803	27,125,004
	694,820,986	630,021,579	604,157,797	490,378,586
<u>Less</u> Allowance for doubtful accounts	(15,446,554)	(31,225,400)	(13,039,803)	(28,136,288)
	679,374,432	598,796,179	591,117,994	462,242,298

10 Loans to related parties

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current				
Related parties				
- Current portion of long-term loans to related parties (Note 28)	-	-	58,308,000	30,500,000
Total short-term loans	-	-	58,308,000	30,500,000
Non-current				
Related parties				
- Long-term loans to related parties (Note 28)	-	-	227,190,875	126,416,667
Total long-term loans	-	-	227,190,875	126,416,667
Total loans to related parties	-	-	285,498,875	156,916,667

The fair values of loans to related parties are as follows:

	Separate financial statements	
	2019 Baht	2018 Baht
Loans to related parties	261,072,661	147,938,577

The fair values are based on discounted cash flows of the Company using a discount rate based upon the weighted average minimum loan rate of commercial banks registered in Thailand, announcement of Bank of Thailand, The State Bank of Vietnam and Bank Indonesia that adjusted with credit risk of borrowers at 4.00% to 10.20% per annum (2018: 4.99% to 5.99% per annum) and are within level 3 of the fair value hierarchy.

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Finished goods	380,792,754	411,648,222	248,045,894	270,173,779
Raw materials	236,457,242	266,416,496	102,172,695	149,497,067
Packing materials	43,340,733	40,209,208	32,869,302	33,095,297
Supplies	11,513,110	14,147,543	9,839,274	12,439,866
Total	672,103,839	732,421,469	392,927,165	465,206,009
<u>Less</u> Allowances for decrease in value of inventories	(3,367,350)	(5,410,599)	(2,803,764)	(5,163,360)
<u>Less</u> Allowances for inventory obsolescence	(32,588,762)	(34,636,964)	(15,996,116)	(19,947,598)
	636,147,727	692,373,906	374,127,285	440,095,051
Goods in transit	43,400,046	50,511,815	38,076,181	43,646,691
Total inventories - trading business, net	679,547,773	742,885,721	412,203,466	483,741,742
Food and beverages	1,081,920	1,167,528	-	-
Supplies	1,883,320	1,985,699	-	-
Total inventories - hotel business, net	2,965,240	3,153,227	-	-
Total inventories - net	682,513,013	746,038,948	412,203,466	483,741,742

During the year ended 31 December 2019 and 31 December 2018, amounts recognised as cost of sales in profit or loss are as follows

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of sales and cost of services	1,337,130,881	1,302,249,740	1,075,037,096	1,011,551,913
Allowances for inventory obsolescence	-	17,788,352	-	11,539,904
Reversal of allowances for inventory obsolescence	1,791,449	-	3,951,482	-
Reversal of write-down inventories to net realisable value	2,043,249	2,024,048	2,359,596	1,307,518

During 2019, the Group reversed of a previous allowance for obsolescence of Baht 256,753 as the Group has destroyed and written-down those inventories at original cost.

The Group sold inventory that was previously write-down to a customer at original cost. Therefore, the Group reversed the allowance for net realisable value during the year.

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

12 Investments in subsidiaries

As at 31 December 2019, the subsidiaries included in consolidated financial statement. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Company	Country of		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Amount of investments in subsidiaries	
	Incorporation or registration	Nature of business	2019	2018	2019	2018	2019	2018
			(%)	(%)	(%)	(%)	Baht	Baht
R&B Food Supply Vietnam Limited Liability Company	Vietnam	Manufacturing and trading	100.00	100.00	-	-	22,762,000	22,762,000
PT RBFood Supply Indonesia	Indonesia	Trading	60.00	60.00	40.00	40.00	14,894,570	14,894,570
PT RBFood Manufaktur Indonesia	Indonesia	Manufacturing and trading	80.00	80.00	20.00	20.00	36,278,932	9,087,266
Thai Flavour and Fragrance Co., Ltd.	Thailand	Manufacturing and trading	99.99	99.99	0.01	0.01	187,970,392	187,970,392
Premium Foods Co., Ltd.	Thailand	Manufacturing and trading	99.99	99.99	0.01	0.01	444,174,099	444,174,099
Best Odour Co., Ltd.	Thailand	Manufacturing and trading	99.97	99.97	0.03	0.03	36,576,718	36,576,718
Guanghzhou Thai Delicious Food Co., Ltd.	China	Trading	100.00	-	-	-	13,366,913	-
							756,023,624	715,465,045

The movement of investments in subsidiaries for the years ended 31 December 2019 and 2018 are as follows:

	Separate financial statements	
	2019 Baht	2018 Baht
Opening book amount	715,465,045	687,923,209
Additions in investment in subsidiaries		
- PT RBFood Supply Indonesia	-	7,044,570
- PT RBFood Manufaktur Indonesia	27,191,666	9,087,266
- R&B Food Supply Vietnam Co.,Ltd	-	11,410,000
- Guanghzhou Thai Delicious Food Co., Ltd.	13,366,913	-
Closing book amount	756,023,624	715,465,045

On 14 August 2019, the Company paid for outstanding shares at Guanghzhou Thai Delicious Food Co., Ltd. amounting to Baht 13,366,913.

At the Annual General Shareholders Meeting of Thai Flavour and Fragrance Co., Ltd., Premium Foods Co., Ltd, and Best Odour Co., Ltd on 24 April 2019, the shareholders approved the payment of annual dividend of each company from net profit for year ended 31 December 2018 at Baht 1.31 per share amounting to Baht 48 million, Baht 0.36 per share amounting to Baht 1.59 million, Baht 44.38 per share amounting to Baht 16.20 million, respectively. Total dividends are amounting to Baht 65.79 million. The dividends were distributed to the shareholders on 28 May 2019.

On 4 March 2019 and 23 April 2019, the Company paid for outstanding shares at PT RBFood Manufaktur Indonesia amounting to Baht 22,674,625 and Baht 4,517,041, respectively.

On 31 May 2018, the Company had established a wholly-owned subsidiary namely Guangzhou Thai Delicious Food Co., Ltd. with registered capital amounting to Chinese Yuan 3,000,000. The Company has not yet paid for these shares.

On 1 March 2018, the Company had established PT RBFood Manufaktur Indonesia with registered capital amounting to Rupiah 20,000,000,000 and 80% of total registered share are held by the Company. The Company paid for these shares of Baht 9,087,266.

As at 31 December 2019, the Group has no subsidiaries that has non-controlling interests which significant to the Group.

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

13 Investment properties

	Consolidated financial statements			
	Land Baht			
As at 1 January 2019				
Cost				-
Net book amount				-
For the year ended 31 December 2019				
Opening net book amount				-
Transferred in (Note 14)				67,126,009
Net book amount				67,126,009
As a 31 December 2019				
Cost				67,126,009
Net book amount				67,126,009
Fair value				126,800,000

	Separate financial statements			
	Land Baht	Factory, office and building Baht	Building improvements Baht	Total Baht
As at 1 January 2019				
Cost	-	93,261,960	8,370,018	101,631,978
Less Accumulated depreciation	-	(22,722,351)	(2,333,500)	(25,055,851)
Net book amount	-	70,539,609	6,036,518	76,576,127
For the year ended 31 December 2019				
Opening net book amount	-	70,539,609	6,036,518	76,576,127
Transferred in (Note 14)	32,565,208	-	-	32,565,208
Depreciation	-	(4,098,998)	(698,515)	(4,797,513)
Closing net book amount	32,565,208	66,440,611	5,338,003	104,343,822
As at 31 December 2019				
Cost	32,565,208	93,261,960	8,370,018	134,197,186
Less Accumulated depreciation	-	(26,821,349)	(3,032,015)	(29,853,364)
Net book amount	32,565,208	66,440,611	5,338,003	104,343,822
Fair value - Land				63,400,000
Fair value - Building and building improvement				66,317,550
Total fair value				129,717,550

The fair value of investment properties of the Group and the Company consist of land, building and building improvements. Land is assessed using market comparison approach. In addition, building and building improvements are assessed using income approach. The main input used by the Company pertains to the discount rate for investment property is estimated based on discounted cash flow projections, which reflects rental income at market rate. Net cash outflows that could be expected in respect of the property and discount rate is estimated based on a yield rate, considering capital structure and cost of fund of the company that are, in the opinion of the management, considered appropriate, including the appropriate risk premium and reflects current market assessments of the time value of money and risk adjusted which mainly are at the rates of 12% per annum.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental income	-	-	11,713,125	10,140,408
Direct operating expense arise from investment property that generated rental income	-	-	4,797,513	2,693,289
Direct operating expense arise from investment property that did not generated rental income	463,680	-	231,840	-

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

14 Property, plant and equipment

	Consolidated financial statements								
	Land Baht	Land improvements Baht	Factory, office and hotel buildings Baht	Building improvements Baht	Machineries and equipment Baht	Office equipment and furniture Baht	Vehicles Baht	Construction in-progress Baht	Total Baht
As 1 January 2018									
Cost	206,558,270	41,497,645	1,034,309,857	252,949,015	629,672,636	133,249,378	125,056,943	158,034,002	2,581,327,746
<u>Less</u> Accumulated depreciation	-	(22,589,272)	(333,196,036)	(108,828,645)	(375,985,885)	(103,111,831)	(105,835,672)	-	(1,049,547,341)
Net book amount	206,558,270	18,908,373	701,113,821	144,120,370	253,686,751	30,137,547	19,221,271	158,034,002	1,531,780,405
For the year ended 31 December 2018									
Opening net book amount	206,558,270	18,908,373	701,113,821	144,120,370	253,686,751	30,137,547	19,221,271	158,034,002	1,531,780,405
Additions	50,281,869	2,074,436	83,116,297	22,948,428	13,851,575	46,209,821	11,605,673	133,803,864	363,891,963
Disposals/ Write-offs	(957,869)	-	(157,129)	(42,175)	(350,931)	(19,997)	(153,184)	-	(1,681,285)
Transfer in (out)	8,519,215	552,920	79,273,731	41,716,926	67,676,860	972,736	4,048,710	(202,761,098)	-
Depreciation charge (Note 25)	-	(2,100,879)	(58,513,445)	(14,171,197)	(74,756,120)	(12,500,300)	(10,179,354)	-	(172,221,295)
Currency differences	-	-	-	(106,589)	(5,600)	(39,324)	100	-	(151,413)
Closing net book amount	264,401,485	19,434,850	804,833,275	194,465,763	260,102,535	64,760,483	24,543,216	89,076,768	1,721,618,375
As 31 December 2018									
Cost	264,401,485	44,125,001	1,196,511,496	317,410,218	704,365,089	180,168,604	138,851,223	89,076,768	2,934,909,884
<u>Less</u> Accumulated depreciation	-	(24,690,151)	(391,678,221)	(122,944,455)	(444,262,554)	(115,408,121)	(114,308,007)	-	(1,213,291,509)
Net book amount	264,401,485	19,434,850	804,833,275	194,465,763	260,102,535	64,760,483	24,543,216	89,076,768	1,721,618,375

At 31 December 2018, the Group pledged part of its land, factory and hotel building at net book value of Baht 231.35 million as collateral for borrowings and borrowing facilities from financial institutions (Note 17).

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

	Consolidated financial statements								
	Land Baht	Land improvements Baht	Factory, office and hotel buildings Baht	Building improvements Baht	Machineries and equipment Baht	Office equipment and furniture Baht	Vehicles Baht	Construction in-progress Baht	Total Baht
As 1 January 2019									
Cost	264,401,485	44,125,001	1,196,511,496	317,410,218	704,365,089	180,168,604	138,851,223	89,076,768	2,934,909,884
<u>Less</u> Accumulated depreciation	-	(24,690,151)	(391,678,221)	(122,944,455)	(444,262,554)	(115,408,121)	(114,308,007)	-	(1,213,291,509)
Net book amount	264,401,485	19,434,850	804,833,275	194,465,763	260,102,535	64,760,483	24,543,216	89,076,768	1,721,618,375
For the year ended 31 December 2019									
Opening net book amount	264,401,485	19,434,850	804,833,275	194,465,763	260,102,535	64,760,483	24,543,216	89,076,768	1,721,618,375
Additions	2,050,355	95,327	11,610,700	8,400,606	26,398,683	5,031,455	1,521,028	92,967,433	148,075,587
Disposals/ Write-offs	-	-	(1,340,246)	-	(156,686)	(19,924)	-	-	(1,516,856)
Transfer in (out)	-	-	9,609,533	7,591,993	36,705,034	607,949	-	(54,514,509)	-
Transfer out to investment Property (Note 13)	(67,126,009)	-	-	-	-	-	-	-	(67,126,009)
Depreciation charge (Note 25)	-	(2,130,716)	(53,935,194)	(16,676,752)	(68,998,880)	(16,723,585)	(8,373,091)	-	(166,838,218)
Impairment loss	-	(1,052,706)	(9,413,094)	(2,987)	(786,961)	(309,242)	-	-	(11,564,990)
Currency differences	-	-	-	(5,505)	(1,806)	(30,244)	(1,061)	-	(38,616)
Closing net book amount	199,325,831	16,346,755	761,364,974	193,773,118	253,261,919	53,316,892	17,690,092	127,529,692	1,622,609,273
As 31 December 2019									
Cost	199,325,831	43,167,622	1,205,700,641	333,495,957	765,964,674	185,165,404	140,370,836	127,529,692	3,000,720,657
<u>Less</u> Accumulated depreciation	-	(26,820,867)	(444,335,667)	(139,722,839)	(512,702,755)	(131,848,512)	(122,680,744)	-	(1,378,111,384)
Net book amount	199,325,831	16,346,755	761,364,974	193,773,118	253,261,919	53,316,892	17,690,092	127,529,692	1,622,609,273

At 31 December 2019, the Group pledged part of its land, factory and hotel building at net book value of Baht 204.24 million as collateral for borrowings and borrowing facilities from financial institutions (Note 17). Besides, the Group has transferred land held for a currently undetermined future use to investment property (Note 13).

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

	Separate financial statements								
	Land Baht	Land improvements Baht	Factory and office buildings Baht	Building improvements Baht	Machineries and equipment Baht	Office equipment and furniture Baht	Vehicles Baht	Construction in-progress Baht	Total Baht
As 1 January 2018									
Cost	101,782,878	-	322,498,436	206,659,696	341,735,901	34,210,773	73,039,756	110,905,199	1,190,832,639
Less Accumulated depreciation		-	(140,389,345)	(82,450,567)	(192,697,867)	(20,847,065)	(57,731,069)	-	(494,115,913)
Net book amount	101,782,878	-	182,109,091	124,209,129	149,038,034	13,363,708	15,308,687	110,905,199	696,716,726
For the year ended 31 December 2018									
Opening net book amount	101,782,878	-	182,109,091	124,209,129	149,038,034	13,363,708	15,308,687	110,905,199	696,716,726
Additions	38,602,495	1,798,786	54,554,640	15,119,751	8,615,379	28,484,571	8,242,494	120,177,638	275,595,754
Disposals/ Write-offs	-	-	-	-	(59,770)	(16,516)	(947)	-	(77,233)
Transfer in (out)	8,519,215	-	79,937,050	24,914,799	34,811,931	-	4,048,710	(152,231,705)	-
Transfer to investment property	-	-	(72,877,589)	(6,391,827)	-	-	-	-	(79,269,416)
Depreciation charge	-	(53,258)	(17,125,727)	(10,943,678)	(41,621,933)	(6,598,576)	(7,315,321)	-	(83,658,493)
Closing net book amount	148,904,588	1,745,528	226,597,465	146,908,174	150,783,641	35,233,187	20,283,623	78,851,132	809,307,338
As 31 December 2018									
Cost	148,904,588	1,798,786	363,728,166	238,324,226	384,209,418	62,557,162	83,834,659	78,851,132	1,362,208,137
Less Accumulated depreciation	-	(53,258)	(137,130,701)	(91,416,052)	(233,425,777)	(27,323,975)	(63,551,036)	-	(552,900,799)
Net book amount	148,904,588	1,745,528	226,597,465	146,908,174	150,783,641	35,233,187	20,283,623	78,851,132	809,307,338

At 31 December 2018, the Company pledged part of its land and factory buildings at net book value of Baht 81.20 million as collateral for borrowings and borrowing facilities from financial institutions (Note 17). Besides, the Company leased out factory, office buildings and building improvements to its subsidiaries under an operating lease. Therefore, the Group has transferred these assets to investment property (Note 13).

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

	Separate financial statements								Total Baht
	Land Baht	Land improvements Baht	Factory and office buildings Baht	Building improvements Baht	Machineries and equipment Baht	Office equipment and furniture Baht	Vehicles Baht	Construction in-progress Baht	
As 1 January 2019									
Cost	148,904,588	1,798,786	363,728,166	238,324,226	384,209,418	62,557,162	83,834,659	78,851,132	1,362,208,137
Less Accumulated depreciation	-	(53,258)	(137,130,701)	(91,416,052)	(233,425,777)	(27,323,975)	(63,551,036)	-	(552,900,799)
Net book amount	148,904,588	1,745,528	226,597,465	146,908,174	150,783,641	35,233,187	20,283,623	78,851,132	809,307,338
For the year ended 31 December 2019									
Opening net book amount	148,904,588	1,745,528	226,597,465	146,908,174	150,783,641	35,233,187	20,283,623	78,851,132	809,307,338
Additions	2,050,355	95,327	6,291,963	8,283,268	20,124,018	2,746,194	1,521,028	37,771,086	78,883,239
Disposals/ Write-offs	-	-	-	-	(65,545)	(10,335)	-	(19,903,000)	(19,978,880)
Transfer in (out)	-	-	7,795,292	365,987	27,496,673	510,321	-	(36,168,273)	-
Transfer to investment property (Note 13)	(32,565,208)	-	-	-	-	-	-	-	(32,565,208)
Depreciation charge (Note 25)	-	(92,290)	(16,203,071)	(11,768,955)	(41,152,162)	(8,695,285)	(6,923,480)	-	(84,835,243)
Closing net book amount	118,389,735	1,748,565	224,481,649	143,788,474	157,186,625	29,784,082	14,881,171	60,550,945	750,811,246
As 31 December 2019									
Cost	118,389,735	1,894,113	377,815,422	246,973,483	431,635,981	65,575,729	85,355,687	60,550,945	1,388,191,095
Less Accumulated depreciation	-	(145,548)	(153,333,773)	(103,185,009)	(274,449,356)	(35,791,647)	(70,474,516)	-	(637,379,849)
Net book amount	118,389,735	1,748,565	224,481,649	143,788,474	157,186,625	29,784,082	14,881,171	60,550,945	750,811,246

At 31 December 2019, the Company pledged part of its land and factory building at net book value of Baht 61.88 million as collateral for borrowings and borrowing facilities from financial institutions. Besides, the Company has transferred land held for a currently undetermined future use to investment property (Note 13).

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

Details of depreciation recognised in the statement of comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of sales and rendering services	83,790,179	77,200,855	49,781,695	53,643,505
Cost of hotel operations	32,882,805	38,949,957	-	-
Selling expenses and administrative expenses	50,165,234	56,070,483	35,053,548	30,014,988
Total	166,838,218	172,221,295	84,835,243	83,658,493

Leased assets included above, where the Group is a lessee under a finance lease, comprise buildings, building improvements and vehicles:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost - capitalised finance leases	857,619,734	858,085,985	222,148,043	222,148,043
<u>Less</u> Accumulated depreciation	(327,882,807)	(292,463,389)	(96,421,385)	(87,696,667)
<u>Less</u> Impairment loss	(10,468,495)	-	-	-
Net book amount	519,268,432	565,622,596	125,726,658	134,451,376

At 31 December 2018, borrowing costs of Baht 654,615, arising from general borrowing entered into construction in progress, were capitalised during the year and are included in 'additions'. A capitalisation rate of 3.04%.

15 Intangible assets

	Consolidated financial statements
	Software Baht
At 1 January 2018	
Cost	61,148,813
<u>Less</u> Accumulated amortisation	(25,853,125)
Net book amount	35,295,688
For the year ended 31 December 2018	
Opening net book amount	35,295,688
Additions	3,438,387
Amortisation charge (Note 25)	(15,037,359)
Closing net book amount	23,696,716
At 31 December 2018	
Cost	64,587,200
<u>Less</u> Accumulated amortisation	(40,890,484)
Net book amount	23,696,716
For the year ended 31 December 2019	
Opening net book amount	23,696,716
Additions	1,769,449
Amortisation charge (Note 25)	(14,152,490)
Closing net book amount	11,313,675
At 31 December 2019	
Cost	66,358,933
<u>Less</u> Accumulated amortisation	(55,045,258)
Net book amount	11,313,675

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

	Separate financial statements
	Software Baht
At 1 January 2018	
Cost	40,447,366
<u>Less</u> Accumulated amortisation	<u>(15,269,802)</u>
Net book amount	<u>25,177,564</u>
For the year ended 31 December 2018	
Opening net book amount	25,177,564
Additions	677,825
Amortisation charge (Note 25)	<u>(11,057,573)</u>
Closing net book amount	<u>14,797,816</u>
At 31 December 2018	
Cost	41,125,191
<u>Less</u> Accumulated amortisation	<u>(26,327,375)</u>
Net book amount	<u>14,797,816</u>
For the year ended 31 December 2019	
Opening net book amount	14,797,816
Additions	945,601
Amortisation charge (Note 25)	<u>(9,645,140)</u>
Closing net book amount	<u>6,098,277</u>
At 31 December 2019	
Cost	42,073,076
<u>Less</u> Accumulated amortisation	<u>(35,974,799)</u>
Net book amount	<u>6,098,277</u>

Details of amortisation charge recognised in the statement of comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of sales and rendering services	106,378	196,833	93,915	158,912
Selling expenses and administrative expenses	14,046,112	14,840,526	9,551,225	10,898,661
Total	<u>14,152,490</u>	<u>15,037,359</u>	<u>9,645,140</u>	<u>11,057,573</u>

16 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	11,290,333	14,284,170	6,772,907	10,716,507
Deferred tax assets to be recovered after 12 months	23,102,521	18,315,217	7,221,271	4,914,676
	34,392,854	32,599,387	13,994,178	15,631,183
Deferred tax liabilities:				
Deferred tax liabilities to be recovered within 12 months	-	-	-	-
Deferred tax liabilities to be recovered after 12 months	(1,522,586)	(2,194,195)	(1,501,834)	(2,140,511)
	(1,522,586)	(2,194,195)	(1,501,834)	(2,140,511)
Deferred income tax (net)	32,870,268	30,405,192	12,492,344	13,490,672

The movement in deferred tax assets during the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	30,405,192	25,178,550	13,490,672	9,609,100
Currency differences	109	(707,416)	-	-
Charged/(credited) to profit or loss (Note 26)	2,464,967	4,598,254	(998,328)	2,001,912
Charged to other comprehensive income	-	1,335,804	-	1,879,660
At 31 December	32,870,268	30,405,192	12,492,344	13,490,672

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements										
	Allowances for doubtful accounts Baht	Post retirement benefits Baht	Allowance for inventory obsolescence Baht	Allowances for decrease in value of inventory Baht	Different depreciation charges between tax and accounting Baht	Different rental expenses between tax and accounting Baht	Finance lease Baht	Provision Baht	Tax losses Baht	Impairment Baht	Total Baht
Deferred income tax assets											
At 1 January 2018	7,301,584	5,714,346	3,496,580	1,486,929	8,896,260	-	48,031	-	669,934	-	27,613,664
Charged/(credited) to profit or loss	(1,056,504)	645,782	3,430,814	(404,809)	1,657,972	-	17,022	67,058	-	-	4,357,335
Charged to other comprehensive income	-	1,335,804	-	-	-	-	-	-	-	-	1,335,804
Currency difference	-	-	-	-	-	-	-	-	(707,416)	-	(707,416)
At 31 December 2018	6,245,080	7,695,932	6,927,394	1,082,120	10,554,232	-	65,053	67,058	(37,482)	-	32,599,387
At 1 January 2019	6,245,080	7,695,932	6,927,394	1,082,120	10,554,232	-	65,053	67,058	(37,482)	-	32,599,387
Charged/(credited) to profit or loss	(2,254,710)	3,180,822	(358,290)	(408,650)	(878,600)	-	171,975	(9,669)	37,482	2,312,998	1,793,358
Currency difference	-	-	-	-	109	-	-	-	-	-	109
At 31 December 2019	3,990,370	10,876,754	6,569,104	637,470	9,675,741	-	237,028	57,389	-	2,312,998	34,392,854
Deferred income tax liabilities											
At 1 January 2018	-	-	-	-	(2,317,701)	(30,796)	(86,617)	-	-	-	(2,435,114)
(Credited) to profit or loss	-	-	-	-	117,191	30,796	32,932	-	-	-	240,919
At 31 December 2018	-	-	-	-	(2,140,510)	-	(53,685)	-	-	-	(2,194,195)
At 1 January 2019	-	-	-	-	(2,140,510)	-	(53,685)	-	-	-	(2,194,195)
Charged to profit or loss	-	-	-	-	638,677	-	32,932	-	-	-	671,609
At 31 December 2019	-	-	-	-	(1,501,833)	-	(20,753)	-	-	-	(1,522,586)
Deferred tax, net as at 31 December 2018	6,245,080	7,695,932	6,927,394	1,082,120	8,413,722	-	11,368	67,058	(37,482)	-	30,405,192
Deferred tax, net as at 31 December 2019	3,990,370	10,876,754	6,569,104	673,470	8,173,908	-	216,275	57,389	-	2,312,998	32,870,268

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

	Separate financial statements							
	Allowances for doubtful accounts Baht	Post retirement benefits Baht	Allowance for inventory obsolescence Baht	Allowances for decrease in value of inventory Baht	Different depreciation charges between tax and accounting Baht	Finance lease Baht	Provision Baht	Total Baht
Deferred income tax assets								
At 1 January 2018	6,344,174	2,606,914	1,681,538	1,294,176	-	-	-	11,926,802
Charged to profit or loss	(716,916)	386,328	2,307,981	(261,504)	-	41,774	67,058	1,824,721
Charged to other comprehensive income	-	1,879,660	-	-	-	-	-	1,879,660
At 31 December 2018	5,627,258	4,872,902	3,989,519	1,032,672	-	41,774	67,058	15,631,183
At 1 January 2019	5,627,258	4,872,902	3,989,519	1,032,672	-	41,774	67,058	15,631,183
Charged/(credited) to profit or loss	(2,632,683)	2,137,985	(790,296)	(471,919)	-	168,610	(48,702)	(1,637,005)
Charged to other comprehensive income	-	-	-	-	-	-	-	-
At 31 December 2019	2,994,575	7,010,887	3,199,223	560,753	-	210,384	18,356	13,994,178
Deferred income tax liabilities								
At 1 January 2018	-	-	-	-	(2,317,702)	-	-	(2,317,702)
(Credited) to profit or loss	-	-	-	-	177,191	-	-	177,191
At 31 December 2018	-	-	-	-	(2,140,511)	-	-	(2,140,511)
At 1 January 2019	-	-	-	-	(2,140,511)	-	-	(2,140,511)
Charged to profit or loss	-	-	-	-	638,677	-	-	638,677
At 31 December 2019	-	-	-	-	(1,501,834)	-	-	(1,501,834)
Deferred tax, net as at 31 December 2018	5,627,258	4,872,902	3,989,519	1,032,672	(2,140,511)	41,774	67,058	13,490,672
Deferred tax, net as at 31 December 2019	2,994,575	7,010,887	3,199,223	560,753	(1,501,834)	210,384	18,356	12,492,344

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

17 Borrowings

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current				
Promissory note	-	225,000,000	-	115,000,000
Current portion of long-term borrowings				
- Borrowings from financial institutions	13,763,292	27,787,306	-	14,640,000
- Finance lease obligation	71,554	768,137	-	642,634
- Borrowing from related party (Note 28)	12,492,000	34,345,854	-	10,945,854
Total current borrowings	26,326,846	287,901,297	-	141,228,488
Non-current				
Borrowings from financial institutions	40,326,020	74,267,078	-	20,160,000
Finance lease obligation	35,081,539	34,668,442	32,835,396	32,835,396
Borrowing from related party (Note 28)	37,508,000	538,434,146	-	437,834,146
Total non-current borrowings	112,915,559	647,369,666	32,835,396	490,829,542
Total borrowings	139,242,405	935,270,963	32,835,396	632,058,030

At 2018, Short-term borrowings from financial institutions are three-month unsecured promissory notes for operations. The promissory notes carry the interest rate at 2.40% - 4.75% per annum.

Borrowings of the Group from financial institutions of Baht 54,089,312 (2018: Borrowings of the Group and the Company from financial institutions of Baht 102,054,384 and Baht 34,800,000, respectively) are secured over a part of the land and buildings of the Group (Note 14) and are guaranteed by the management.

The fair value of current borrowings nearly their carrying amount, as the impact of discounting is not significant.

The interest rate exposure on the borrowings of the Group and the Company are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings				
- at fixed rates	-	-	-	-
- at floating rates	139,242,405	935,270,963	32,835,396	632,058,030
Total borrowings	139,242,405	935,270,963	32,835,396	632,058,030

The effective interest rates at the statement of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2019 per annum	2018 per annum	2019 per annum	2018 per annum
Promissory note	-	2.40 - 4.75	-	2.40 - 3.55
Borrowing from financial institutions	4.00 - 4.75	4.25 - 6.25	-	4.25 - 6.25
Finance lease liabilities	1.39 - 10.50	1.39 - 10.50	10.50	10.50
Borrowing from related parties	1.97	1.70 - 1.97	-	1.70 - 1.97

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Long-term borrowings from financial institutions	54,089,312	102,054,384	53,376,407	100,393,087
Long-term borrowings from related party	50,000,000	572,780,000	46,136,616	525,460,001
	104,089,312	674,834,384	99,513,023	625,853,088
	Separate financial statements			
	Carrying amounts		Fair values	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Long-term borrowings from financial institutions	-	34,800,000	-	34,356,368
Long-term borrowings from related party	-	448,780,000	-	410,422,664
	-	483,580,000	-	444,779,032

The fair value of current borrowings nearly their carrying amount, as the impact of discounting is not significant.

The fair value of long-term borrowings from financial institutions and long-term borrowings from related party calculated based on future cash flow and discounted with interest rate are as follows;

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	per annum	per annum	per annum	per annum
Long-term borrowings from financial institutions	4.93 - 5.43	4.99 - 6.99	-	5.49 - 6.99
Long-term from related parties	5.93	4.99 - 5.99	-	5.49

The fair value of long-term borrowings from financial institutions and long-term borrowings from related party are classified as fair value level 2 and 3 of fair value hierarchy, respectively.

The movement of long-term borrowings from financial institutions is shown as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Opening book amount	102,054,384	129,476,189	34,800,000	18,250,000
Additions during the year	-	37,900,000	-	37,900,000
Repayment during the year	(47,965,072)	(65,321,805)	(34,800,000)	(21,350,000)
Closing book amount	54,089,312	102,054,384	-	34,800,000

Maturity of long-term borrowings from financial institution is as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Not later than 1 year	13,763,292	27,787,306	-	14,640,000
Later than 1 year but not later than 2 years	14,407,380	19,652,432	-	5,890,000
Later than 2 years	25,918,640	54,614,646	-	14,270,000
	54,089,312	102,054,384	-	34,800,000

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

Majority finance lease liabilities are lease building agreement with shareholders. The Minimum lease payments of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	3,478,390	4,303,400	3,192,190	3,990,236
Later than 1 year but not later than 5 years	15,442,029	14,492,671	14,396,765	13,726,407
Later than 5 years	64,859,523	68,722,070	61,226,011	65,088,558
<u>Less</u> Future finance charges on finance leases	(48,626,849)	(52,081,562)	(45,979,570)	(49,327,171)
Present value of finance lease liabilities	35,153,093	35,436,579	32,835,396	33,478,030
Representing lease liabilities:				
- Current	71,554	768,137	-	642,634
- Non-current	35,081,539	34,668,442	32,835,396	32,835,396
Present value of finance lease liabilities	35,153,093	35,436,579	32,835,396	33,478,030

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	71,554	768,137	-	642,634
Later than 1 year but not later than 5 years	1,075,823	302,687	833,028	286,703
Later than 5 years	34,005,716	34,365,755	32,002,368	32,548,693
	35,153,093	35,436,579	32,835,396	33,478,030

Building lease agreement with shareholders offered renewal lease agreement 10 year per time but not exceed 3 times at market rate as of renewal contracts date.

Borrowing facilities

The Group has the following undrawn committed borrowing facilities as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Floating rate				
- expiring within one year	812,490,155	219,719,483	418,262,761	47,700,000
- expiring beyond one year	900,000	900,000	-	-

The borrowing facilities of the Group and the Company expire within one year and it is subject to further reviews when expire on various dates during the year.

18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts payable - other companies	193,138,658	204,456,627	160,939,903	168,746,317
Trade accounts payable - related parties (Note 28)	-	23,009,240	14,614,070	31,044,202
Other payables - other companies	41,723,396	30,133,845	26,885,565	18,261,617
Other payables - related parties (Note 28)	5,000	3,959,162	3,700,950	3,543,335
Amounts due to director (Note 28)	5,473,274	1,311,296	3,305,649	689,423
Accrued expenses	69,470,961	73,441,381	46,875,750	46,902,989
Room booking deposits	1,956,603	1,952,942	-	-
Total trade and other payables	311,767,892	338,264,493	256,321,887	269,187,883

19 Employee benefit obligations

The Company operates an unfunded defined benefit plan for eligible employees in Thailand. Under the plan, the employees are entitled to legal severance payment benefits under the labour laws ranging from 30 days to 400 days of final salary upon retirement. The present values of defined benefits obligations are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Statement of financial position: Retirement benefits	54,383,772	38,479,660	35,054,436	24,364,512
Liability in the statement of financial position	54,383,772	38,479,660	35,054,436	24,364,512
Profit or loss charge included in operating profit for: Retirement benefits	16,110,512	3,461,473	10,689,924	1,931,638
	16,110,512	3,461,473	10,689,924	1,931,638
Remeasurement for: Retirement benefits	-	6,679,018	-	9,398,302
	-	6,679,018	-	9,398,302

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	38,479,660	28,571,729	24,364,512	13,034,572
Current service cost	4,868,293	2,921,725	2,513,886	1,664,984
Past service cost	10,027,206	-	7,389,196	-
Interest expense	1,215,013	539,748	786,842	266,654
Remeasurements:				
Loss from change in demographic assumption	-	152,217	-	307,298
(Gain) from change in financial assumption	-	(122,130)	-	(148,021)
Experience loss	-	6,648,931	-	9,239,025
Benefit payment	(206,400)	(232,560)	-	-
At 31 December	54,383,772	38,479,660	35,054,436	24,364,512

Total charge of the Group and the Company are Baht 16,110,512 and Baht 10,689,924, respectively (2018: Baht 3,461,473 and Baht 1,931,638, respectively) which are included in 'cost of goods sold and rendering services, selling expenses and administrative expenses' in financial statements.

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate (%)	1.76 - 4.38	1.76 - 4.38	3.19	3.19
Salary growth rate (%)	4.00 - 8.50	4.00 - 8.50	4.00 - 8.50	4.00 - 8.50
Inflation rate (%)	2.50	2.50	2.50	2.50
Turnover rate (%)	5.00 - 40.00	5.00 - 40.00	5.00 - 40.00	5.00 - 40.00
Retirement age (year)	60 and 65	60 and 65	65	65

The sensitivity analyses are as follows:

	Consolidate financial statement					
	Change in assumption		Impact on defined benefit obligation			
	2019	2018	Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Discount rate	1%	1%	Decrease by 8.58%	Decrease by 8.90%	Increase by 10.56%	Increase by 10.90%
Salary growth rate	1%	1%	Increase by 10.79%	Increase by 10.47%	Decrease by 8.91%	Decrease by 8.75%
Turnover rate	20%	20%	Decrease by 9.00%	Decrease by 8.35%	Increase by 11.70%	Increase by 10.73%

	Separate financial statement					
	Change in assumption		Impact on defined benefit obligation			
	2019	2018	Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Discount rate	1%	1%	Decrease by 8.42%	Decrease by 8.84%	Increase by 10.43%	Increase by 10.91%
Salary growth rate	1%	1%	Increase by 10.62%	Increase by 10.48%	Decrease by 8.72%	Decrease by 8.70%
Turnover rate	20%	20%	Decrease by 8.14%	Decrease by 7.59%	Increase by 10.47%	Increase by 9.67%

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not significant change compared to the previous period.

Through its defined benefit retirement benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The weighted average duration of the defined benefit obligation is 34.94 years and the weighted average duration of the defined benefit obligation for the group is 34.60 years.

Expected maturity analysis of undiscounted retirement is as follows:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2019					
Retirement benefits	89,450	2,043,505	1,638,757	182,905,980	186,677,692
Total	89,450	2,043,505	1,638,757	182,905,980	186,677,692
At 31 December 2018					
Retirement benefits	19,336,641	875,640	2,203,140	156,564,372	178,979,793
Total	19,336,641	875,640	2,203,140	156,564,372	178,979,793
	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2019					
Retirement benefits	-	1,329,990	854,261	112,355,827	114,540,078
Total	-	1,329,990	854,261	112,355,827	114,540,078
At 31 December 2018					
Retirement benefits	12,345,259	267,112	1,471,335	85,767,091	99,850,797
Total	12,345,259	267,112	1,471,335	85,767,091	99,850,797

20 Share capital and share premium

	Number of Shares Shares	Ordinary Shares Baht	Share Premium Baht	Total Baht
At 1 January 2018	638,000,000	638,000,000	93,663,209	731,663,209
Issue of shares	842,000,000	842,000,000	-	842,000,000
At 31 December 2018	1,480,000,000	1,480,000,000	93,663,209	1,573,663,209
Issue of shares	520,000,000	520,000,000	1,196,000,000	1,716,000,000
Less: Share issue costs	-	-	(40,724,473)	(40,724,473)
At 31 December 2019	2,000,000,000	2,000,000,000	1,248,938,736	3,248,938,736

On 24 October 2019, the Company initial public offered its ordinary shares of 520,000,000 shares, with the par value of Baht 1 per share. The offering price of these shares was Baht 3.30 per share, totalling Baht 1,716 million. The Company recorded expenses in respect of shares distribution of Baht 40.72 million (net of tax benefits) as a deduction to the share premium.

On 29 August 2018, the Extraordinary Meeting of shareholders of the Company has approved to change in its par value from Baht 100 per share to be Baht 1 per share resulting in the increase in ordinary shares from 14,800,000 shares to 1,480,000,000 shares and increase in authorised ordinary share capital from Baht 1,480 million (divided into 1,480,000,000 ordinary shares at Baht 1 par value) to Baht 2,000 million (divided into 2,000,000,000 ordinary shares at Baht 1 par value) for initial public offering ('IPO') when the Company registers with the Stock Exchange of Thailand. The Company registered the change in par value and the increase in authorised share capital with the Ministry of Commerce on 3 September 2018.

On 10 April 2018, the ordinary shareholders meeting of the Company has approved to increase authorized share capital from Baht 638 million (divided into 6,380,000 ordinary shares at Baht 100 par value) to Baht 1,480 million (divided into 14,800,000 ordinary shares at Baht 100 par value). All issued shares are fully paid. The Company registered the increase in authorised share capital with the Ministry of Commerce on 11 April 2018.

Premium arising from business combination under common control

The difference of acquisitions from entities under common control, which is higher of the carrying amount of the acquired net assets than the consideration transferred is recognized as premium from business combinations under common control in shareholder's equity. The discount will be included in the consolidated financial statements until control ceases of the subsidiaries acquired.

21 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	77,000,000	-	77,000,000	-
Appropriation during the year	33,350,000	77,000,000	33,350,000	77,000,000
At 31 December	110,350,000	77,000,000	110,350,000	77,000,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

22 Dividends

At the Annual General Shareholders Meeting of the Company held on 8 May 2019 and the Board of Director Meeting of the Company held on 5 October 2019, the meetings approved the payment of annual dividend from net profit for year ended 31 December 2018 at Baht 0.17 per share, totalling Baht 246 million.

At the Annual General Shareholders Meeting of the Company held on 10 April 2018, the meetings approved the payment of annual dividend from net profit for year ended 31 December 2017 at Baht 2.25 per share, totalling Baht 1,436 million.

23 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental income	-	-	11,713,125	10,140,408
Interest income	1,477,526	2,278,146	5,826,512	6,213,740
Other income	15,863,796	9,061,845	40,725,899	29,848,402
Total	17,341,322	11,339,991	58,265,536	46,202,550

24 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings from financial institutions	12,944,493	11,490,633	6,323,412	2,977,891
Borrowings from related parties	9,455,496	8,049,726	7,339,213	6,424,351
Finance lease	3,549,212	1,165,011	3,347,602	835,907
Total finance costs	25,949,201	20,705,370	17,010,227	10,238,149

25 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Change in finished goods and work-in-process	(30,855,468)	60,893,387	(22,127,885)	72,432,921
Raw material and supplies used	1,367,986,349	1,241,356,353	1,097,164,981	939,118,992
Services charge from hotel operations	7,809,669	9,526,980	-	-
Staff costs	462,736,644	426,868,412	290,712,966	260,344,210
Employee benefit (Note 19)	16,110,512	3,461,473	10,689,924	1,931,638
Selling, advertising and publicity	16,907,759	19,726,582	10,483,449	13,600,349
(Reversal of) Doubtful accounts (Note 9)	(11,252,654)	(5,282,518)	(13,163,416)	(3,584,583)
Bad debt expense (Note 9)	10,815	40,319	5,415	40,319
Depreciation (Note 13, 14)	166,838,218	172,221,295	89,632,756	86,351,782
Amortisation (Note 15)	14,152,490	15,037,359	9,645,140	11,057,573
Transportation costs	65,550,935	63,526,157	55,186,061	55,995,949
Water and electricity expenses	80,373,186	70,770,699	48,203,381	45,541,681
Consultation and professional fee	44,798,069	45,198,555	23,309,255	24,408,432
Repair and maintenance	25,239,973	28,047,404	14,210,079	17,916,899
Rental expense	27,241,852	24,568,432	12,727,506	11,554,185
Traveling expenses	13,095,038	14,001,100	7,891,765	7,069,762
Insurance expenses	7,395,811	6,594,006	4,475,442	3,521,227
Gas	8,977,049	17,493,690	7,108,964	6,980,290
Impairment loss (Note 14)	11,564,990	-	-	-
Other expense	118,463,102	107,470,849	71,681,189	56,656,735
Total	2,413,144,339	2,321,520,534	1,717,836,972	1,610,938,361

26 Income tax

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax on profits for the year	91,830,113	90,843,164	77,775,595	69,972,033
(Increase) decrease in deferred tax assets (Note 16)	(2,464,967)	(4,598,254)	998,328	(2,001,912)
Income tax expenses	89,365,146	86,244,910	78,773,923	67,970,121

The tax on the Company's profit before tax differs from the tax amount for filing purposes as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit before income tax	442,901,339	407,359,646	463,692,981	332,363,005
Tax calculated at the tax rate of 20%	88,580,268	81,471,930	92,738,596	66,472,601
Tax effect of:				
Income not subject to tax	-	-	(13,157,006)	-
Expenses not deductible for tax purposes	2,003,771	5,437,390	1,198,644	3,460,066
Additional expense deductible for tax purposes	(2,342,991)	(2,285,817)	(2,006,311)	(1,962,546)
Tax losses for which no deferred income tax asset was recognised	1,124,098	1,621,407	-	-
Tax charge	89,365,146	86,244,910	78,773,923	67,970,121

The weighted average applicable tax rate of the Group and the Company used is 20.18% and 16.99%, respectively. (2018: The weighted average applicable tax rate of the Group and the Company used is 21.17% and 20.45%, respectively).

Further information about deferred income tax is presented in Note 16.

27 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Basic earnings per share				
From continuing operations attributable to the ordinary shareholders of the Company	352,777,109	323,752,163	384,919,058	264,392,884
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,582,575,300	1,251,621,900	1,582,575,300	1,251,621,900
Basic earnings per share (Baht per share)	0.22	0.26	0.24	0.21

28 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Ratanapoompinyo's family. Major shareholders includes Mr.Somchai Ratanapoompinyo, Mrs.Petchara Ratanapoompinyo, Janjida Ratanapoompinyo, M.D., and Sanathom Ratanapoompinyo, M.D., together hold 73.88% of the Company's total ordinary shares. (2018: 99.99%)

Related parties	Relationship
R&B Food Supply Vietnam Limited Liability Company	Subsidiary
PT RBFood Supply Indonesia	Subsidiary
Thai Flavour and Fragrance Co., Ltd.	Subsidiary
Premium Food Co., Ltd.	Subsidiary
Best Odour Co., Ltd.	Subsidiary
PT RBFood Manufaktur Indonesia	Subsidiary
Guangzhou Thai Delicious Food Co., Ltd.	Subsidiary
JPS Holding Co., Ltd.	Company under common control at shareholders level
Port Plus Co., Ltd.	Company under common control at shareholders level
Global Triumph Co., Ltd. (Formerly Global taste Co., Ltd.)	Company under common control at shareholders level
Translucence Co., Ltd. (Formerly Taste and scent Co., Ltd)	Company under common control at shareholders level
Daphne Co., Ltd	Company under common control at shareholders level
Botanic delight Co., Ltd.	Related party
Petch Perm Sinn Co., Ltd.	Related party

During the year, the Group and the Company entered into a number of transactions with its subsidiaries and related companies. The terms and basis of such transactions are negotiated between the parties in the ordinary course of business and according to normal trade conditions.

	Terms and basis
Revenues from sales of goods	Cost plus margin according to type of products
Revenues from sales of property, plant and equipment	Cost plus margin
Rental income	Contract price value by independent appraiser and is in line with market
Service and other income	Cost plus margin
Other income - Commissions	Price is agreed in contract which is based on percentage of sales
Interest income	Price is agreed in contract
Purchases of goods	Cost plus margin according to type of products
Purchases of property, plant and equipment	Contract price value by independent appraiser and is in line with market
Finance lease obligations	Contract price value by independent appraiser and is in line with market
Land and factory building rental expenses	Contract price value by independent appraiser and is in line with market
Services expenses	Price is agreed in contract
Commissions	Price is agreed in contract which is based on percentage of sales
Other expenses	Price is agreed in contract
Interest expense	Price is agreed in contract

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

The following transactions were carried out with related parties:

a) Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenues from sales of goods				
Subsidiaries	-	-	267,858,448	216,867,189
Companies under common control at shareholders level	-	8,945,683	-	215,648
Related party	-	3,115	-	3,115
	-	8,948,798	267,858,448	217,085,952
Revenues from sales of property, plant and equipment				
Subsidiaries	-	-	20,768,744	-
	-	-	20,768,744	-
Rental income				
Subsidiaries	-	-	11,713,125	10,140,408
	-	-	11,713,125	10,140,408
Service and other income				
Subsidiaries	-	-	26,992,019	22,563,987
	-	-	26,992,019	22,563,987
Interest income				
Subsidiaries	-	-	5,165,094	5,755,737
	-	-	5,165,094	5,755,737
Dividend income				
Subsidiaries	-	-	65,785,029	-
	-	-	65,785,029	-

b) Purchase of goods

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Purchases of goods				
Subsidiaries	-	-	48,397,492	62,377,679
Companies under common control at shareholders level	7,528,151	40,263,145	7,528,151	35,615,905
	7,528,151	40,263,145	55,925,643	97,993,584
Purchases of property, plant and equipment				
Subsidiaries	-	-	-	170,000
Companies under common control at shareholders level	-	59,086,750	-	-
Related parties	20,314,812	21,389,681	20,314,812	21,389,681
Shareholders and key management	-	12,045,000	-	12,045,000
	20,314,812	92,521,431	20,314,812	33,604,681
Land and factory building rental expenses				
Shareholders and key management	17,539,780	14,153,029	10,202,331	9,151,283
	17,539,780	14,153,029	10,202,331	9,151,283
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Service and other expenses				
Subsidiaries	-	-	20,104,178	15,905,302
Related parties	1,259,812	733,065	120,794	733,065
	1,259,812	733,065	20,224,972	16,638,367
Interest expense				
Companies under common control at shareholders level	1,131,283	1,576,800	-	-
Shareholders and key management	10,160,242	7,355,498	9,035,248	7,260,258
	11,291,525	8,932,298	9,035,248	7,260,258
Dividend paid				
Shareholders and key management	246,004,971	1,436,200,000	246,000,000	1,436,200,000
	246,004,971	1,436,200,000	246,000,000	1,436,200,000

c) Outstanding balances arising from sales and purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables and other receivables				
Subsidiaries	-	-	126,596,490	74,069,466
Companies under common control at shareholders level	-	230,743	-	230,743
Total receivables from related parties, net	-	230,743	126,596,490	74,300,209
Advance payments				
Shareholders and key management	-	67,500	-	67,500
Total advance payments	-	67,500	-	67,500
Prepayments				
Shareholders and key management	-	6,740,612	-	4,153,875
Total prepayments	-	6,740,612	-	4,153,875
Trade payables and other payables				
Subsidiaries	-	-	18,310,020	13,068,273
Companies under common control at shareholders level	-	26,843,342	-	21,394,204
Related party	5,000	125,060	5,000	125,060
Shareholders and key management	5,473,274	1,311,296	3,305,649	689,423
Total payable from related parties, net	5,478,274	28,279,698	21,620,669	35,276,960
Accrued expenses				
Shareholders and key management	-	1,762,773	-	415,010
Total accrued expenses	-	1,762,773	-	415,010
Finance lease obligations				
Shareholders and key management	34,846,421	35,346,947	32,835,396	33,478,030
Total finance lease obligations	34,846,421	35,346,947	32,835,396	33,478,030

d) **Borrowings from related parties**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Companies under common control at shareholders level:				
Beginning balance	74,000,000	100,400,000	-	-
Borrowings received during the year	-	-	-	-
Borrowings repaid during the year	(74,000,000)	(26,400,000)	-	-
Ending balance	-	74,000,000	-	-
Shareholders:				
Beginning balance	498,780,000	-	448,780,000	-
Borrowings received during the year	-	1,400,000,000	-	1,350,000,000
Borrowings repaid during the year	(448,780,000)	(901,220,000)	(448,780,000)	(901,220,000)
Ending balance	50,000,000	498,780,000	-	448,780,000
Total borrowings from related parties	50,000,000	572,780,000	-	448,780,000

As at 31 December 2019, borrowings from shareholder were provided interest rate at 1.97% per annum with unsecured, and there was specified repayment date within 5 years in 2024.

e) **Loans to related parties**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Related parties				
Beginning balance	-	-	156,916,667	176,000,000
Loans made during the year	-	-	262,928,900	-
Loans repaid during the year	-	-	(133,150,667)	(19,083,333)
Currency differences	-	-	(1,196,025)	-
Ending balance	-	-	285,498,875	156,916,667

R&B Food Supply Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

Loan terms and conditions are as follows:

Company	Amount of loans as at 31 December 2019	Term	Amount repaid for the period ended 31 December 2019	Interest rate
	Baht		Baht	
Premium Foods Co., Ltd.	137,925,000	Unsecured and due in 2024	65,575,000	1.60% - 3.30%
Thai Flavour and Fragrance Co., Ltd.	118,541,000	Unsecured and due in 2025	59,375,667	1.60% - 3.30%
Best Odour Co., Ltd.	7,000,000	Unsecured and due in 2022	8,200,000	1.60%
R&B Food Supply Vietnam Limited Liability Company	10,641,729	Unsecured and due in 2026	-	3.70%
PT RBFood Manufaktur Indonesia	11,391,146	Unsecured and due in 2026	-	3.70%
	285,498,875		133,150,667	

Loans to related parties are normally given on commercial terms and conditions. Related interest income was Baht 5,165,094 (31 December 2018: Baht 5,755,737).

f) Key management compensation

The compensation paid or payable to key management for employee services for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term employee benefits	33,755,787	30,849,039	27,925,825	25,440,000
Post-employee benefits	6,014,635	61,480	5,101,076	22,617
	39,770,422	30,910,519	33,026,901	25,462,617

29 Commitments

Capital expenditure commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Property plant and equipment - new office building	-	2,777,620	-	2,232,760
Total	-	2,777,620	-	2,232,760

Operating lease commitments

The Group and the Company have operating lease commitments in respect of land rental, office rental, office equipment rental, security services and service contracts in the ordinary course of business of the Group and the Company.

The future aggregate minimum payments under non-cancellable operating commitments are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	28,659,609	23,732,529	16,129,967	12,557,253
Later than 1 year but not later than 5 years	55,443,018	63,129,456	33,046,960	37,381,905
Later than 5 years	243,649,356	276,046,240	147,417,041	176,248,517
Total	327,751,983	362,908,225	196,593,968	226,187,675

During the year 2019, the Group and the Company amended the land rental agreement.

30 Bank guarantees

As at 31 December, the Group and the Company have the following guarantees in respect of bank arising in the ordinary course of business as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Bank guarantees	4,636,200	5,107,200	1,376,500	1,847,500
Import Letter of Credit	5,173,958	-	3,401,352	-
Export bill under L/C - Collection	1,035,887	415,966	1,035,887	415,966
Import bill for collection (B/C)	-	35,422,169	-	35,422,169

31 Events after the reporting period

At the Annual General Shareholders Meeting of the Company held on 21 February 2020, the meetings approved the payment of annual dividend from net profit for year ended 31 December 2019 at Baht 0.15 per share, totalling Baht 300 million.