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| **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, Bangkapi, Bangkok 10240.

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

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.

The interim consolidated and separate financial information are presented in Thai Baht, unless otherwise stated.

This interim consolidated and separate financial information were authorised for issue by the Board of Directors on   
13 November 2020.

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| **2 Significant events during the current period** |

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has adverse effects on operating results for the nine-month period ended 30 September 2020 particularly on the hotel businesses

The series of precautionary measures that continues to be implemented across regions including restrictions and controls over travelling resulted in 25% hotel booking cancellation during Q3’2020, a high season for hotel businesses. Consequently, revenue from hotel businesses for the nine-month period dropped by approximately Baht 27.94 million or 44% comparing to prior year. The Group is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing for effective solutions.

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| **3 Basis of preparation** |

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

An English version of these interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

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| **4 Accounting policies** |

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for the following:

1. the adoption of the new financial reporting standards together with the application of the relevant relief measures as described in Note 5; and
2. the following application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020.

**Reversal of deferred tax assets**

The Group has chosen to exclude information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it’s not probable that the future taxable profit will be available for utilising the deductible temporary differences.

**Impairment of assets**

The Group has chosen to exclude information related to COVID-19 as an indication of the impairment of assets particularly assets relating to hotel businesses.

**Fair value measurements of investment properties**

The Group has chosen not to take into account the information related to COVID-19 in its financial projections for the purpose of fair valuing property, plant and equipment, and investment properties. As of 30 September 2020, the fair value of the Group and the Company were Baht 126,800,000 and Baht 129,717,550, respectively.

**Lease liabilities adjustment**

The Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities in the same proportion of discounts in the lease payments. The differences between the reduction of the lease liabilities and the reversal of the expenses are recognised in other gains (losses) instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

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| **5 Adoption of new financial reporting standards and changes in accounting policies** |

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) retrospectively from 1 January 2020, but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **As at**  **31 December**  **2019**  **Previously reported** | **TAS 32 and TFRS 9**  **Reclassifications and adjustments** | **TFRS 16**  **Reclassifications and adjustments** | **As at**  **1 January**  **2020**  **Restated** |
| **Baht** | **Baht** | **Baht** | **Baht** |
| **Assets** |  |  |  |  |
|  |  |  |  |  |
| **Current assets** |  |  |  |  |
| Short-term investments | 6,088,762 | (6,088,762) | - | - |
| Trade and other receivables | 726,918,668 | (1,096,112) | - | 725,822,556 |
| Financial assets measured |  |  |  |  |
| at amortised cost | - | 6,088,762 | - | 6,088,762 |
|  |  |  |  |  |
| **Non-current assets** |  |  |  |  |
| Property, plant and equipment | 1,622,609,273 | - | (519,094,898) | 1,103,514,375 |
| Right-of-use assets | - | - | 773,175,190 | 773,175,190 |
| Deferred income tax | 32,870,268 | 219,222 | - | 33,089,490 |
|  |  |  |  |  |
| **Liabilities and equity** |  |  |  |  |
|  |  |  |  |  |
| **Current liabilities** |  |  |  |  |
| Trade and other payables | 311,767,892 | - | (4,782,825) | 306,985,067 |
| Current portion of lease liabilities | 71,554 | - | 5,454,976 | 5,526,530 |
|  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Lease liabilities | 35,081,539 | - | 253,408,141 | 288,489,680 |
|  |  |  |  |  |
| **Equity** |  |  |  |  |
| Retained earnings |  |  |  |  |
| Appropriated | 423,929,843 | (876,890) | - | 423,052,953 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial information** | | | |
|  | **As at**  **31 December**  **2019**  **Previously reported** | **TAS 32 and TFRS 9**  **Reclassifications and adjustments** | **TFRS 16**  **Reclassifications and adjustments** | **As at**  **1 January**  **2020**  **Restated** |
| **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Assets** |  |  |  |  |
|  |  |  |  |  |
| **Current assets** |  |  |  |  |
| Trade and other receivables | 634,200,304 | (1,096,112) | - | 633,104,192 |
| Current portion of long-term loans |  |  |  |  |
| to related parties | 58,308,000 | (4,476,665) | - | 53,831,335 |
|  |  |  |  |  |
| **Non-current assets** |  |  |  |  |
| Investments in subsidiaries | 756,023,624 | 13,740,367 | - | 769,763,991 |
| Long-term loans to related parties | 227,190,875 | (11,271,296) | - | 215,919,579 |
| Property, plant and equipment | 750,811,246 | - | (125,726,658) | 625,084,588 |
| Right-of-use assets | - | - | 247,991,282 | 247,991,282 |
| Deferred income tax | 12,492,344 | 620,741 | - | 13,113,085 |
|  |  |  |  |  |
| **Liabilities and equity** |  |  |  |  |
|  |  |  |  |  |
| **Current liabilities** |  |  |  |  |
| Trade and other payables | 256,321,887 | - | (3,068,498) | 253,253,389 |
| Current portion of lease liabilities | - | - | 4,477,227 | 4,477,227 |
|  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Lease liabilities | 32,835,396 | - | 120,855,895 | 153,691,291 |
|  |  |  |  |  |
| **Equity** |  |  |  |  |
| Retained earnings |  |  |  |  |
| Appropriated | 351,871,554 | (2,482,965) | - | 349,388,589 |

**The adoption of the new financial reporting standards and changes in accounting policies**

The adoption of the new financial reporting standards on financial instruments mainly affects the Group’s accounting treatment as follows;

Financial reporting standards relating to financial instruments (TFRS 9)

The Group has adopted the new financial reporting standards relating to financial instruments from 1 January 2020 by applying the modified retrospective approach.

Classification of financial assets

Reclassification of fixed deposits with financial institutions from short-term investments to financial assets measured at amortised cost.

Classification of loans to related parties

On adoption of TFRS 9, resulting in the Company has recognised loans to related parties at fair value as at 1 January 2020. The difference between the carrying amount and fair value of loans to related parties is recognised as an increment of investments in subsidiaries of Baht 13,740,367.

Impairment

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. As of 1 January 2020, the Company were recognised an increase in impairment losses of Baht 1,096,112 due to application of the simplified approach for trade receivables and an increase in impairment losses of Baht 2,007,594 due to application of the general approach for loans to related parties. The transition adjustments have been recognised as an adjustment to the opening balance of retained earnings.

Financial reporting standards relating to leases standard (TFRS 16)

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2020. The Group applied weighted average lessee’s incremental borrowing rate to the lease liabilities on 1 January 2020 was 3.75% - 4.75%.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

|  |  |  |
| --- | --- | --- |
|  | **Consolidated financial information** | **Separate financial information** |
|  | **Baht** | **Baht** |
|  |  |  |
| Operating lease commitments disclosed as at 31 December 2019 | 327,751,983 | 196,593,968 |
| (Less): Discounted using the lessee’s incremental borrowing  rate of at the date of initial application | (250,085,524) | (64,950,748) |
| Add: finance lease liabilities recognised as at 31 December 2019 | 35,153,093 | 32,835,396 |
| (Less): low-value leases recognised on a straight-line basis as expense | (406,150) | (179,190) |
| (Less): contracts reassessed as service agreements | (11,688,625) | (6,130,908) |
| Add: adjustments as a result of a different treatment of extension and  termination options | 193,279,630 | - |
| Add: current difference | 11,803 | - |
|  |  |  |
| **Lease liability recognised as at 1 January 2020** | 294,016,210 | 158,168,518 |
|  |  |  |
| Current lease liabilities | 5,526,530 | 4,477,227 |
| Non-current lease liabilities | 288,489,680 | 153,691,291 |

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of accrued lease payments relating to that lease recognised in the statement of financial position as at   
31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | | |
|  | **30 September**  **2020** | **1 January**  **2020** | | **30 September**  **2020** | **1 January**  **2020** |
|  | **Baht** | **Baht** | | **Baht** | **Baht** |
|  |  |  | |  |  |
| Properties | 755,606,597 | 768,428,800 | | 234,832,554 | 244,781,455 |
| Equipment | 1,245,386 | 1,015,243 | | 744,715 | 537,282 |
| Motor vehicles | 3,068,274 | 3,731,147 | | 1,726,375 | 2,672,545 |
|  |  |  | |  |  |
| **Total right-of-use assets** | 759,920,257 | 773,175,190 | | 237,303,644 | 247,991,282 |

In applying TFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

* the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
* reliance on previous assessments on whether leases are onerous
* the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
* the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
* the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
* elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

**Changes in account****ing policies from adoption of the financial reporting standards related to financial instruments and leases**

Investments and other financial assets

Classification and measurements

From 1 January 2020, the Group classified its financial assets instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset.

The Group reclassified fixed deposits with financial institutions to financial assets which measured at amortised cost due to the Group held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI). Interest income is included in other income using the effective interest method. Impairment losses are presented as separate line item.

Impairment

From 1 January 2020, the Group has assessed expected credit loss on a forward-looking basis for its financial assets carried amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade receivables, other receivables and lease receivables which the Group applies the simplified approach in determining its expected credit loss.

For the reporting periods ending between 1 January 2020 and 31 December 2020, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables, other receivables and lease receivables. As at 30 September 2020, the expected credit loss of Baht 32,430,755 and Baht 26,670,057 respectively was assessed based on historical credit loss together with the management’s judgement in estimating the expected credit loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value is recognised to other gains (losses).

Right-of-use assets and lease liabilities

The Group leases various land, offices, warehouses, equipment and cars. Lease contracts are typically made for fixed periods of 1 to 20 years and may have extension options. Before 2020 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

* fixed payments (including in-substance fixed payments), less any lease incentives receivable
* variable lease payment that are based on an index or a rate
* amounts expected to be payable by the lessee under residual value guarantees
* the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
* payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

* the amount of the initial measurement of lease liability
* any lease payments made at or before the commencement date less any lease incentives received
* any initial direct costs, and
* restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

During the reporting period, the Group received discounts in the lease payments from lessors due to the COVID-19 situation. The Group has chosen not to account for discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion of Baht 645,156 and Baht 1,150,848, respectively. The differences between the reduction of the lease liabilities and the reversal of the expenses of Baht 818,162 are recognised in administrative expenses instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

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| **6 Estimates** |

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

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| **7 Segment and revenue information** |

The Chief Financial Officer identifies reportable segments of its business to examine the Group’s performance by dividend follow the location of revenues as follows the revenues from domestic and overseas which include production and trading business and hotel business.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | | | | | | | | |
|  | **Domestic revenues** | | | | | **Overseas revenues** | | |  | | |
|  | **Production and trading** | | **Hotel Business** | | | **Production and trading** | | | **Total** | | |
| **For the nine-month period ended** | **30 September** | **30 September** | | **30 September** | **30 September** | | **30 September** | **30 September** | | **30 September** | **30 September** | |
|  | **2020** | **2019** | | **2020** | **2019** | | **2020** | **2019** | | **2020** | **2019** | |
|  | **Baht** | **Baht** | | **Baht** | **Baht** | | **Baht** | **Baht** | | **Baht** | **Baht** | |
|  |  |  | |  |  | |  |  | |  |  | |
| Segment revenues | 2,199,443,691 | 1,878,011,819 | | 35,586,934 | 63,527,193 | | 416,249,007 | 390,810,300 | | 2,651,279,632 | 2,332,349,312 | |
| Less Inter-segment revenues | (217,533,905) | (153,211,551) | | (24,100) | (27,230) | | (93,375,118) | (80,218,886) | | (310,933,123) | (233,457,667) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Revenue from external customers** | 1,981,909,786 | 1,724,800,268 | | 35,562,834 | 63,499,963 | | 322,873,889 | 310,591,414 | | 2,340,346,509 | 2,098,891,645 | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Segment profit or loss** | 932,420,790 | 774,312,101 | | (22,771,658) | (15,644,872) | | 63,346,624 | 56,452,181 | | 972,995,756 | 815,119,410 | |
|  |  |  | |  |  | |  |  | |  |  | |
| Other income |  |  | |  |  | |  |  | | 5,526,440 | 4,704,437 | |
| Selling expenses |  |  | |  |  | |  |  | | (139,480,324) | (140,234,500) | |
| Administrative expenses |  |  | |  |  | |  |  | | (318,773,414) | (340,337,200) | |
| Net impairment losses on financial assets |  |  | |  |  | |  |  | | (12,648,624) | - | |
| Finance costs |  |  | |  |  | |  |  | | (11,632,346) | (22,104,255) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Profit before income tax** |  |  | |  |  | |  |  | | 495,987,488 | 317,147,892 | |
| Income tax |  |  | |  |  | |  |  | | (99,907,305) | (63,947,751) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Net profit for the period** |  |  | |  |  | |  |  | | 396,080,183 | 253,200,141 | |
|  |  |  | |  |  | |  |  | |  |  | | |
| **Timing of revenue recognition** |  |  | |  |  | |  |  | |  |  | |
| At a point in time | 1,981,909,786 | 1,724,800,268 | | 10,643,202 | 20,683,710 | | 319,371,786 | 307,913,004 | | 2,311,924,774 | 2,053,396,982 | |
| Over time | - | - | | 24,919,632 | 42,816,253 | | 3,502,103 | 2,678,410 | | 28,421,735 | 45,494,663 | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Total revenue** | 1,981,909,786 | 1,724,800,268 | | 35,562,834 | 63,499,963 | | 322,873,889 | 310,591,414 | | 2,340,346,509 | 2,098,891,645 | |

During the period, the Group has two main external customers whose sales accounted to be 15% and 11% of total revenues from sales and rendering services respectively, which was domestic production and trading revenues. Total revenue from this customer was Baht 616,345,113. (For the nine-month period ended 30 September 2019: a main external customer whose sales accounted to be 17% of total revenues from sales and rendering services respectively, which was domestic production and trading revenues. Total revenue from this customer was Baht 338,373,873).

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| **8 Financial assets measured at amortised cost** |

As of 30 September 2020 and 31 December 2019, information relating to financial assets measured at amortised cost is as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | | | **Separate**  **financial information** | | |
|  | **30 September** | | **31 December** | | **30 September** | | **31 December** |
|  | **2020** | **2019** | | **2020** | | **2019** | |
|  | **Baht** | **Baht** | | **Baht** | | **Baht** | |
| **Fixed deposits with financial** |  |  | |  | |  | |
| **institutions** |  |  | |  | |  | |
| Short-term investments | - | 6,088,762 | | - | | - | |
| Financial assets measured at amortised cost | 500,090,777 | - | | 500,000,000 | | - | |
|  |  |  | |  | |  | |
| Total | 500,090,777 | 6,088,762 | | 500,000,000 | | - | |

Fixed deposits with financial institutions of the Group and the Company are due over three months to twelve months have the effective interest rates at 0.30% - 0.70% per annum and 0.65% - 0.70% per annum, respectively (31 December 2019: Fixed deposits with financial institutions of the Group have the effective interest rates at 1.00% - 1.30% per annum).

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| **9 Trade and other receivables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade receivables - other companies | 785,815,422 | 693,072,800 | 538,921,761 | 490,029,769 |
| Trade receivables - related parties (Note 24) | - | - | 144,159,252 | 114,128,028 |
| Trade receivables - hotel business | 727,915 | 1,748,186 | - | - |
| Less Allowance for doubtful accounts | - | (15,446,554) | - | (13,039,803) |
| Less Net impairment losses on financial assets | (24,154,208) | - | (21,753,175) | - |
|  |  |  |  |  |
| Trade receivables - net | 762,389,129 | 679,374,432 | 661,327,838 | 591,117,994 |
| Advance payments | 54,999,672 | 18,979,770 | 32,266,214 | 14,322,402 |
| Prepayments | 25,210,402 | 9,432,500 | 8,255,699 | 5,049,363 |
| Other receivables from other companies | 8,579,923 | 12,367,651 | 4,936,882 | 1,933,069 |
| Other receivables from related parties (Note 24) | 35,000 | - | 13,308,385 | 12,468,462 |
| Accrued income | 1,486,171 | 11,269,610 | 1,419,089 | 11,242,083 |
| Less Allowance for doubtful accounts | - | (4,505,295) | - | (1,933,069) |
| Less Net impairment losses on financial assets | (8,276,547) | - | (4,916,882) | - |
|  |  |  |  |  |
| Total trade and other receivables - net | 844,423,750 | 726,918,668 | 716,597,225 | 634,200,304 |

During nine-month period ended 30 September 2020, the Group and the Company have no receivables written-off. (During nine-month period ended 30 September 2019, the Group and the Company have a total amounts of receivables written-off amounted to Baht 20,897).

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Not yet due | 526,631,486 | 468,042,044 | 393,042,459 | 366,119,020 |
| Up to 3 months | 203,941,327 | 179,886,856 | 192,965,243 | 179,929,043 |
| 3 - 6 months | 22,786,661 | 20,100,898 | 42,348,001 | 36,141,634 |
| 6 - 12 months | 3,964,110 | 11,344,634 | 29,864,716 | 8,928,297 |
| Over 12 months | 29,219,753 | 15,446,554 | 24,860,594 | 13,039,803 |
|  |  |  |  |  |
|  | 786,543,337 | 694,820,986 | 683,081,013 | 604,157,797 |
|  |  |  |  |  |
| Less Allowance for doubtful accounts | - | (15,446,554) | - | (13,039,803) |
| Less Net impairment losses on financial assets | (24,154,208) | - | (21,753,175) | - |
|  |  |  |  |  |
| Total | 762,389,129 | 679,374,432 | 661,327,838 | 591,117,994 |

|  |
| --- |
| **10 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Finished goods | 369,002,615 | 380,792,754 | 248,196,321 | 248,045,894 |
| Raw materials | 318,081,748 | 236,457,242 | 145,607,721 | 102,172,695 |
| Packing materials | 50,567,449 | 43,340,733 | 39,415,000 | 32,869,302 |
| Supplies | 14,949,002 | 11,513,110 | 12,816,327 | 9,839,274 |
|  |  |  |  |  |
| Total | 752,600,814 | 672,103,839 | 446,035,369 | 392,927,165 |
| Less Allowances for decrease in value |  |  |  |  |
| of inventories | (4,336,659) | (3,367,350) | (3,819,233) | (2,803,764) |
| Less Allowances for inventory obsolescence | (23,647,352) | (32,588,762) | (16,091,976) | (15,996,116) |
|  |  |  |  |  |
| Total | 724,616,803 | 636,147,727 | 426,124,160 | 374,127,285 |
| Goods in transit | 66,707,701 | 43,400,046 | 54,634,952 | 38,076,181 |
|  |  |  |  |  |
| Total inventories - trading business - net | 791,324,504 | 679,547,773 | 480,759,112 | 412,203,466 |
|  |  |  |  |  |
| Food and beverages | 794,694 | 1,081,920 | - | - |
| Supplies | 1,839,613 | 1,883,320 | - | - |
|  |  |  |  |  |
| Total inventories - hotel business - net | 2,634,307 | 2,965,240 | - | - |
|  |  |  |  |  |
| Total inventories - net | 793,958,811 | 682,513,013 | 480,759,112 | 412,203,466 |

During nine-month period ended 30 September 2020, the Group and the Company recognised the allowance for diminution in value of inventories amounting to Baht 969,309 and Baht 1,015,469 respectively. (During nine-month period ended   
30 September 2019: the Group and the Company reversed their allowance for diminution in value of inventories to net realisable value amounting to Baht 1,486,396 and Baht 3,071,102, respectively) in the consolidated and separate statements of comprehensive income.

During nine-month period ended 30 September 2020, the Group reversed the allowance for obsolete inventories amounting to Baht 8,618,283 and the Company recognised the allowance for obsolete inventories amounting to Baht 95,860, respectively (During nine-month period ended 30 September 2019: the Group and the Company recognised their allowance for obsolete inventories amounting to Baht 3,008,634 and Baht 3,270,426, respectively) in the consolidated and separate statements of comprehensive income.

During nine-month period ended 30 September 2020, the Group reversed the allowance for obsolete inventories amounting to Baht 323,127 as the Company had destroyed and written-down those inventories at original cost.

During nine-month period ended 30 September 2020, the Group recognised loss on inventories destruction amounting to Baht 84,643.

|  |
| --- |
| **11 Investments in subsidiaries** |

|  |  |  |
| --- | --- | --- |
|  | **Separate financial information** | |
|  | **30 September** | **31 December** |
|  | **2020** | **2019** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening net book value | 756,023,624 | 756,023,624 |
| Adjustment on adoption of TFRS 9 on 1 January 2020 (Note 5) | 13,740,367 | - |
| Increase in investment in subsidiary by adjusted |  |  |
| fair value of loans to related parties | 4,673,477 | - |
| Effect of changes in interest rates on loan agreements (Note 24) | (18,413,844) | - |
|  |  |  |
| Closing net book value | 756,023,624 | 756,023,624 |

The investments of the Company and its subsidiaries as at the statements of financial position date are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Proportion of**  **ordinary shares**  **held by the Group** | | **Proportion of**  **ordinary shares held**  **by non-controlling**  **interests** | | **Amount of investments**  **in subsidiaries** | |
|  | **Country of** |  | **30 September** | **31 December** | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **Incorporation** | **Nature of** | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** |
| **Company** | **or registration** | **business** | **(%)** | **(%)** | **(%)** | **(%)** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |
| R&B Food Supply Vietnam | Vietnam | Manufacturing |  |  |  |  |  |  |
| Limited Liability Company |  | 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 | 36,278,932 |
| 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 | 100.00 | - | - | 13,366,913 | 13,366,913 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | 756,023,624 | 756,023,624 |

As of 1 March 2020, the Company had established R&B Food Supply (Singapore) with registered capital amounting to Singapore Dollar 1,000,000 and 100% of total registered share are held by the Company. The Company unpaid for these shares.

The Group has initially adopted the financial reporting standards related to financial instruments (TFRS 9), resulting in recognition of loans to related parties at fair value as at 1 January 2020. The difference between the carrying amount and fair value of loans to related parties is recognised as an increment of investments in subsidiaries in accordance with the amount of loans in each entity.

On 1 June 2020, the Company has changed the interest rates on long-term loans to related parties based on market rates. As a result, there was no difference between the carrying amount and fair value of long-term loans to related parties. Therefore, the Company has adjusted the effect of changes in investments in subsidiaries and loans to related parties.

|  |
| --- |
| **12 Investment property** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
| **For the nine-month period ended 30 September 2020** | **Land** | **Land, building**  **and building improvements** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening net book amount | 67,126,009 | 104,343,822 |
| Depreciation | - | (3,175,900) |
|  |  |  |
| Closing net book amount | 67,126,009 | 101,167,922 |
|  |  |  |
| Fair value | 126,800,000 | 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.

|  |
| --- |
| **13 Property, plant and equipment and intangible assets** |

The movement of property, plant and equipment and intangible assets for the nine-month period ended 30 September 2020 is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Property,**  **plant, and equipment** | **Intangible assets** | **Property,**  **plant, and equipment** | **Intangible assets** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Opening net book amount | 1,622,609,273 | 11,313,675 | 750,811,246 | 6,098,277 |
| Adjustment on adoption of TFRS 16 |  |  |  |  |
| on 1 January 2020 (Note 5) | (519,094,898) | - | (125,726,658) | - |
| Additions | 243,687,847 | 955,815 | 192,428,501 | 645,402 |
| Disposals/Write-offs | (848,280) | - | (812,665) | - |
| Depreciation and amortisation | (101,822,238) | (8,348,807) | (60,246,139) | (5,540,722) |
| Currency translation difference | 1,845,255 | - | - | - |
|  |  |  |  |  |
| Closing net book amount | 1,246,376,959 | 3,920,683 | 756,454,285 | 1,202,957 |

At 30 September 2020, the Group and the Company pledged its partial land and buildings as collateral against borrowings from financial institutions (Note 16).

|  |
| --- |
| **14 Right-of-use assets** |

The movement of right-of-use assets for the nine-month period ended 30 September 2020 is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening net book amount | - | - |
| Adjustment on adoption of TFRS 16 on 1 January 2020 (Note 5) | 773,175,190 | 247,991,282 |
| Additions | 23,525,269 | 1,278,826 |
| Depreciation | (36,745,034) | (11,931,296) |
| Lease modifications and reassessments | (35,168) | (35,168) |
|  |  |  |
| Closing net book amount | 759,920,257 | 237,303,644 |

|  |
| --- |
| **15 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade accounts payable - other companies | 246,490,326 | 193,138,658 | 187,210,041 | 160,939,903 |
| Trade accounts payable - related parties (Note 24) | - | - | 18,933,669 | 14,614,070 |
| Other payables - other companies | 55,330,790 | 41,723,396 | 39,930,933 | 26,885,565 |
| Other payables - related parties (Note 24) | - | 5,000 | 3,234,673 | 3,700,950 |
| Amounts due to director (Note 24) | 176,347 | 5,473,274 | 155,532 | 3,305,649 |
| Accrued expenses | 66,089,496 | 69,470,961 | 39,676,841 | 46,875,750 |
| Room booking deposits | 1,493,008 | 1,956,603 | - | - |
|  |  |  |  |  |
| Total trade and other payables | 369,579,967 | 311,767,892 | 289,141,689 | 256,321,887 |

|  |
| --- |
| **16 Borrowings** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Current** |  |  |  |  |
| Current portion of long-term borrowings |  |  |  |  |
| - Borrowings from financial institutions | - | 13,763,292 | - | - |
| - Borrowing from related party (Note 24) | - | 12,492,000 | - | - |
|  |  |  |  |  |
| Total current borrowings | - | 26,255,292 | - | - |
|  |  |  |  |  |
| **Non-current** |  |  |  |  |
| Borrowings from financial institutions | - | 40,326,020 | - | - |
| Borrowing from related party (Note 24) | - | 37,508,000 | - | - |
|  |  |  |  |  |
| Total non-current borrowings | - | 77,834,020 | - | - |
|  |  |  |  |  |
| **Total borrowings** | - | 104,089,312 | - | - |

The Group have no borrowings from financial institutions (2019: Borrowings of the Group from financial institutions of Baht 54,089,312 are secured over a part of the land and buildings of the Group and are guaranteed by the management (Note 13)).

Movements in borrowings from financial institutions is analysed as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidate**  **financial information** | **Separate**  **financial information** |
| **For the nine-month period ended 30 September 2020** | **Baht** | **Baht** |
|  |  |  |
| Opening book amount | 54,089,312 | - |
| Borrowings received during the period | - | - |
| Repayments made during the period | (54,089,312) | - |
|  |  |  |
| Closing book amount | - | - |

The Group and the Company have the following undrawn committed borrowing facilities:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Floating rates |  |  |  |  |
| - expiring within one year | 968,732,386 | 812,490,155 | 540,563,607 | 418,262,761 |
| - expiring beyond one year | - | 900,000 | - | - |
|  |  |  |  |  |
| Total borrowings | 968,732,386 | 813,390,155 | 540,563,607 | 418,262,761 |

The borrowing facilities of the Group and the Company which will expire within one year are subject to regularly review before maturity date.

|  |
| --- |
| **17 Lease liabilities** |

The maturity analysis of lease liabilities are aged as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
|  | **Baht** | **Baht** |
|  |  |  |
| Not later than 1 year | 10,319,970 | 3,713,783 |
| Later than 1 year but not later than 5 years | 29,206,356 | 15,366,645 |
| Later than 5 years | 270,959,596 | 139,394,865 |
|  |  |  |
| Total | 310,485,922 | 158,475,293 |

|  |
| --- |
| **18 Employee benefit obligations** |

The movement in the defined benefit obligations for the nine-month period ended 30 September 2020 is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
| **For the nine-month period ended 30 September 2020** | **Baht** | **Baht** |
|  |  |  |
| At 1 January 2020 | 54,383,772 | 35,054,436 |
| Current service cost | 2,706,937 | 1,518,689 |
| Interest expense | 728,343 | 445,224 |
| Benefit paid | (123,839) | - |
|  |  |  |
| At 30 September 2020 | 57,695,213 | 37,018,349 |

|  |
| --- |
| **19 Income taxes** |

Income tax expense for nine-month periods ended 30 September 2020 and 2019 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Current income tax | 100,588,450 | 65,592,974 | 77,042,013 | 55,117,289 |
| Deferred income tax | (681,145) | (1,645,223) | (3,171,083) | 1,367,362 |
|  |  |  |  |  |
| Total | 99,907,305 | 63,947,751 | 73,870,930 | 56,484,651 |

The interim income tax expense is accrued based on management’s estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate of the Group and the Company used is 20.14% and 19.00%, respectively. (The estimated tax rate of the Group and the Company for the prior interim period was 20.16% and 16.05%, respectively).

|  |
| --- |
| **20 Legal reserve** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
| **For the nine-month period ended/** | **2020** | **2019** | **2020** | **2019** |
| **for the year ended** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Beginning balance | 110,350,000 | 77,000,000 | 110,350,000 | 77,000,000 |
| Appropriation during the period/year | - | 33,350,000 | - | 33,350,000 |
|  |  |  |  |  |
| Ending balance | 110,350,000 | 110,350,000 | 110,350,000 | 110,350,000 |

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.

|  |
| --- |
| **21 Dividend** |

At the Board of Directors Meeting no.2/2020 of the Company held on 3 April 2020, the meeting approved the payment of interim dividend from net profit for year ended 31 December 2019 at Baht 0.15 per share, totalling Baht 300 million. The interim dividend was already distributed to the shareholders on 30 April 2020.

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.

|  |
| --- |
| **22 Earnings per share** |

Earnings per share is calculated by dividing the profit for the period attributable to shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period ended** | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Profit attributable to equity holders of parent (Baht) | 140,945,789 | 105,915,626 | 117,359,735 | 103,106,697 |
| Weighted average number of paid-up  ordinary shares in issue (Shares) | 2,000,000,000 | 1,480,000,000 | 2,000,000,000 | 1,480,000,000 |
|  |  |  |  |  |
| Basic earnings per share (Baht) | 0.07 | 0.07 | 0.06 | 0.07 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month period ended** | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Profit attributable to equity holders of parent (Baht) | 397,260,688 | 253,506,343 | 314,835,232 | 295,392,075 |
| Weighted average number of paid-up  ordinary shares in issue (Shares) | 2,000,000,000 | 1,480,000,000 | 2,000,000,000 | 1,480,000,000 |
|  |  |  |  |  |
| Basic earnings per share (Baht) | 0.20 | 0.17 | 0.16 | 0.20 |

|  |
| --- |
| **23 Commitments** |

**Lease and service commitments**

**a) Capital expenditure commitments**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Property, plant and equipment | 30,509,983 | - | - | - |
| Intangible assets | 1,004,104 | - | - | - |
|  |  |  |  |  |
| **Total** | 31,514,087 | - | - | - |

**b) Contingent liabilities**

From 1 January 2020, the Group and the Company has recognised right-of-use assets for these leases, except for   
short-term and low-value leases (Note 5) which practical expedients permitted by Financial reporting standards relating to leases standard (TFRS 16).

The Group and the Company have lease commitments which are short-term and low-value leases in respect of office equipment rental and service commitments which are security services in the ordinary course of business were made with third parties.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Not later than 1 year | 5,591,997 | 28,659,609 | 3,572,952 | 16,129,967 |
| Later than 1 year but not later than 5 years | 222,600 | 55,443,018 | 155,720 | 33,046,960 |
| Later than 5 years | - | 243,649,356 | - | 147,417,041 |
|  |  |  |  |  |
| Total | 5,814,597 | 327,751,983 | 3,728,672 | 196,593,968 |

Upon adoption of Financial reporting standards relating to leases standard (TFRS 16), the financial information for current and comparative period are incomparable.

|  |
| --- |
| **24 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., Sanathorn Ratanapoompinyo, M.D., together hold 71.62% of the Company's total ordinary shares.

Relationship of the Company and related parties is as follows:

|  |  |
| --- | --- |
| **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. | Company under common control at shareholders level |
| Translucence 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 period, the Group and the Company have entered into a number of transactions with its subsidiaries and related companies. The terms of such transactions are negotiated between the parties in the ordinary course of business and according to normal trade conditions.

|  |  |
| --- | --- |
|  | **Terms and basis** |
|  |  |
| Sales of goods | Cost plus margin according to type of products |
| Rental income | Contract price value by independent appraiser and is in line with market |
| Service income | Cost plus margin |
| Other income - Commissions | Contractual price which is based on percentage of sales |
| Interest income | Contractual price |
| Purchase 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 |
| Lease obligations | Contract price value by independent appraiser and is in line with market |
| Rental expenses | Contract price value by independent appraiser and is in line with market |
| Services expenses | Contractual price |
| Commission expense | Contractual price which is based on percentage of sales |
| Other expenses | Contractual price |
| Interest expense | Contractual price |

The following material transactions were carried out with related parties:

1. Sales of goods and service

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period ended** | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Sale of goods to: |  |  |  |  |
| Subsidiaries | - | - | 83,906,540 | 51,198,986 |
|  |  |  |  |  |
|  | - | - | 83,906,540 | 51,198,986 |
|  |  |  |  |  |
| Property rental income from: |  |  |  |  |
| Subsidiaries | - | - | 2,511,420 | 2,174,800 |
|  |  |  |  |  |
|  | - | - | 2,511,420 | 2,174,800 |
|  |  |  |  |  |
| Service and other income from: |  |  |  |  |
| Subsidiaries | - | - | 8,562,734 | 6,331,934 |
|  |  |  |  |  |
|  | - | - | 8,562,734 | 6,331,934 |
|  |  |  |  |  |
| Interest income from: |  |  |  |  |
| Subsidiaries | - | - | 3,738,715 | 1,213,011 |
|  |  |  |  |  |
|  | - | - | 3,738,715 | 1,213,011 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month period ended** | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Sale of goods to: |  |  |  |  |
| Subsidiaries | - | - | 246,088,761 | 193,946,473 |
|  |  |  |  |  |
|  | - | - | 246,088,761 | 193,946,473 |
|  |  |  |  |  |
| Sale of property, plant and equipment from: |  |  |  |  |
| Subsidiaries | - | - | - | 20,768,744 |
|  |  |  |  |  |
|  | - | - | - | 20,768,744 |
|  |  |  |  |  |
| Property rental income from: |  |  |  |  |
| Subsidiaries | - | - | 7,534,261 | 9,201,705 |
|  |  |  |  |  |
|  | - | - | 7,534,261 | 9,201,705 |
|  |  |  |  |  |
| Service and other income from: |  |  |  |  |
| Subsidiaries | - | - | 27,757,979 | 19,941,591 |
|  |  |  |  |  |
|  | - | - | 27,757,979 | 19,941,591 |
|  |  |  |  |  |
| Interest income from: |  |  |  |  |
| Subsidiaries | - | - | 10,744,447 | 3,659,189 |
|  |  |  |  |  |
|  | - | - | 10,744,447 | 3,659,189 |
|  |  |  |  |  |
| Dividend income from: |  |  |  |  |
| Subsidiaries | - | - | - | 65,785,029 |
|  |  |  |  |  |
|  | - | - | - | 65,785,029 |

1. Purchases of goods and services

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period ended** | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Purchase of goods from: |  |  |  |  |
| Subsidiaries | - | - | 19,833,326 | 13,418,434 |
|  |  |  |  |  |
|  | - | - | 19,833,326 | 13,418,434 |
|  |  |  |  |  |
| Purchases of property, plant |  |  |  |  |
| and equipment from: |  |  |  |  |
| Related parties | - | 2,899,065 | - | 2,899,065 |
|  |  |  |  |  |
|  | - | 2,899,065 | - | 2,899,065 |
|  |  |  |  |  |
| Land rental expenses to: |  |  |  |  |
| Shareholders and key management | - | 5,282,891 | - | 2,205,298 |
|  |  |  |  |  |
|  | - | 5,282,891 | - | 2,205,298 |
|  |  |  |  |  |
| Service and other expenses to: |  |  |  |  |
| Subsidiaries | - | - | 8,615,023 | 4,829,548 |
| Related parties | - | 63,084 | - | 63,084 |
|  |  |  |  |  |
|  | - | 63,084 | 8,615,023 | 4,892,632 |
|  |  |  |  |  |
| Interest expense paid to: |  |  |  |  |
| Company under common control  at shareholders level | - | 296,729 | - | - |
| Shareholders and key management | 2,509,633 | 2,526,045 | 2,167,616 | 2,228,408 |
|  |  |  |  |  |
|  | 2,509,633 | 2,822,774 | 2,167,616 | 2,228,408 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month period ended** | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Purchase of goods from: |  |  |  |  |
| Subsidiaries | - | - | 52,077,374 | 33,824,852 |
| Company under common control  at shareholders level | - | 7,528,151 | - | 7,528,151 |
|  |  |  |  |  |
|  | - | 7,528,151 | 52,077,374 | 41,353,003 |
|  |  |  |  |  |
| Purchases of property, plant |  |  |  |  |
| and equipment from: |  |  |  |  |
| Subsidiaries | - | - | 5,540,121 | - |
| Related parties | 1,428,066 | 15,203,223 | 1,428,066 | 15,203,223 |
|  |  |  |  |  |
|  | 1,428,066 | 15,203,223 | 6,968,187 | 15,203,223 |
|  |  |  |  |  |
| Land rental expenses to: |  |  |  |  |
| Shareholders and key management | - | 13,307,223 | - | 7,753,941 |
|  |  |  |  |  |
|  | - | 13,307,223 | - | 7,753,941 |
|  |  |  |  |  |
| Service and other expenses to: |  |  |  |  |
| Subsidiaries | - | - | 24,614,873 | 12,248,900 |
| Related parties | 119,092 | 1,335,747 | - | 120,794 |
|  |  |  |  |  |
|  | 119,092 | 1,335,747 | 24,614,873 | 12,369,694 |
|  |  |  |  |  |
| Interest expense paid to: |  |  |  |  |
| Company under common control  at shareholders level | - | 965,002 | - | - |
| Shareholders and key management | 9,930,125 | 9,163,790 | 6,519,396 | 8,284,372 |
|  |  |  |  |  |
|  | 9,930,125 | 10,128,792 | 6,519,396 | 8,284,372 |
|  |  |  |  |  |
| Dividend paid to: |  |  |  |  |
| Shareholders (Note 21) | 214,856,985 | 246,004,971 | 214,856,985 | 246,000,000 |
|  |  |  |  |  |
|  | 214,856,985 | 246,004,971 | 214,856,985 | 246,000,000 |

1. Outstanding balances arising from sales/purchases of goods and services

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade receivables and other |  |  |  |  |
| receivables |  |  |  |  |
| Subsidiaries | - | - | 157,432,637 | 126,596,490 |
| Shareholders and key management | 35,000 | - | 35,000 | - |
|  |  |  |  |  |
| Total receivables from related parties - net | 35,000 | - | 157,467,637 | 126,596,490 |
|  |  |  |  |  |
| Trade payables and other payables |  |  |  |  |
| Subsidiaries | - | - | 22,168,342 | 18,310,020 |
| Related party | - | 5,000 | - | 5,000 |
| Shareholders and key management | 176,347 | 5,473,274 | 155,532 | 3,305,649 |
|  |  |  |  |  |
| Total payable from related parties - net | 176,347 | 5,478,274 | 22,323,874 | 21,620,669 |
|  |  |  |  |  |
| Lease obligations |  |  |  |  |
| Shareholders and key management | 288,811,537 | 34,846,421 | 155,719,762 | 32,835,396 |
|  |  |  |  |  |
| Total lease obligations | 288,811,537 | 34,846,421 | 155,719,762 | 32,835,396 |

1. Borrowings from related parties

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | | | |
|  | **30 September** | **31 December** | | **30 September** | **31 December** |
|  | **2020** | **2019** | | **2020** | **2019** |
|  | **Baht** | **Baht** | | **Baht** | **Baht** |
|  |  |  | |  |  |
| **Company under common control**  **at shareholders level:** |  |  | |  |  |
| Beginning balance | - | 74,000,000 | | - | - |
| Borrowings repaid during the period/year | - | (74,000,000) | | - | - |
|  |  |  | |  |  |
| Ending balance | - | - | | - | - |
|  |  |  | |  |  |
| **Shareholders and key management:** |  |  | |  |  |
| Beginning balance | 50,000,000 | 498,780,000 | | - | 448,780,000 |
| Borrowings repaid during the period/year | (50,000,000) | (448,780,000) | | - | (448,780,000) |
|  |  |  | |  |  |
| Ending balance | - | 50,000,000 | | - | - |
|  |  |  | |  |  |
| **Total borrowings from related parties** | - | 50,000,000 | | - | - |

Borrowings from related parties and shareholders were unsecured and provided interest rate at 1.97% per annum.

1. Loans to related parties

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Related parties** |  |  |  |  |
| Beginning balance | - | - | 285,498,875 | 156,916,667 |
| Adjustment on adoption of TFRS 9 |  |  |  |  |
| on 1 January 2020 (Note 5) | - | - | (15,747,961) | - |
| Loans made during the period/year | - | - | 151,633,523 | 262,928,900 |
| Loans repaid during the period/year | - | - | (66,585,400) | (133,150,667) |
| Currency differences | - | - | 1,185,776 | (1,196,025) |
| Effect of changes in interest rates on loan |  |  |  |  |
| agreements (Note11) | - | - | 18,413,844 | - |
| Allowance for impairment | - | - | (760,968) | - |
|  |  |  |  |  |
| Ending balance | - | - | 373,637,689 | 285,498,875 |

Loan terms and conditions are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Separate financial information** | | | | |
|  |  |  | **Amount repaid** |  |
|  | **Amount of** |  | **for the** |  |
|  | **loans as at** |  | **period ended** |  |
|  | **30 September 2020** |  | **30 September 2020** |  |
| **Company** | **Baht** | **Term** | **Baht** | **Interest rate** |
|  |  |  |  |  |
| Premium Foods Co., Ltd. | 189,466,141 | Unsecured and due in 2025 | 28,455,000 | 3.85 - 4.24 |
|  |  |  |  |  |
| Thai Flavour and Fragrance | 145,094,516 | Unsecured and due in 2025 | 36,330,400 | 3.85 - 4.24 |
| Co., Ltd. |  |  |  |  |
|  |  |  |  |  |
| Best Odour Co., Ltd. | 5,161,754 | Unsecured and due in 2022 | 1,800,000 | 3.85 |
|  |  |  |  |  |
| R&B Food Supply Vietnam | 11,095,658 | Unsecured and due in 2026 | - | 4.75 |
| Limited Liability Company |  |  |  |  |
|  |  |  |  |  |
| PT RBFood Manufaktur |  |  |  |  |
| Indonesia | 22,819,620 | Unsecured and due in 2027 | - | 4.50 |
|  |  |  |  |  |
|  | 373,637,689 |  | 66,585,400 |  |

Loans to related parties are normally given on commercial terms and conditions. Related interest income was Baht 10,744,446 (30 September 2019: Baht 3,659,189).

1. Key management compensation

Key management compensation of the Group for the nine-month periods ended 30 September 2020 and 30 September 2019 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period ended** | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 8,237,797 | 8,580,863 | 6,793,545 | 7,159,650 |
| Post-employment benefits | 56,037 | 309,457 | 44,178 | 246,394 |
|  |  |  |  |  |
|  | 8,293,834 | 8,890,320 | 6,837,723 | 7,406,044 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month period ended** | **30 September** | **30 September** | **30 September** | **30 September** |
|  | **2020** | **2019** | **2020** | **2019** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 26,180,612 | 25,026,076 | 21,674,038 | 20,698,400 |
| Post-employment benefits | 168,112 | 5,705,177 | 132,533 | 4,854,681 |
|  |  |  |  |  |
|  | 26,348,724 | 30,731,253 | 21,806,571 | 25,553,081 |