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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 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   
14 May 2021.

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

Coronavirus Disease 2019 outbreak

The global COVID-19 outbreak initiated government-imposed travelling restrictions and controls as well as upended the normal way of living and economic activities. As a result, revenues of hotel business group significantly dropped by 82% compared to prior period. This is due to temporary operational closures during Q1’2021 for 2 months and resulted in 43% hotel booking cancellation in Q1’2021, a high season for hotel properties as well as previously suspended and currently diminished domestic and international travels.

In Q1’2021, the Group ceases applying 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). So, the Group access on the impairment of assets for cash-generating units of the hotel businesses and set up impairment loss on plant and equipment and right-of-use assets of hotel business based on the asset appraisal report from an independence appraiser amounting to Baht 1.32 million and Baht 60.94 million, respectively which has been disclosed in Note 11 and 12 totaling Baht 62.26 million. Related impairment loss was charged in the consolidated statement of comprehensive income.

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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 2020.

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 2020, except for the following:

As at 1 January 2021, the Group ceases applying the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COIVD-19) announced by The Federation of Accounting Professions (TFAC) which were effective for reporting periods ending between 1 January 2020 and 31 December 2020. The impact of the ceasing the guidance is included in the financial performance in the period ended 31 March 2021 which the material impact has been disclosed in Note 2

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2021 do not have significant impact on the Group.

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| **5 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 2020.

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| **6 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 three-month period ended** | **31 March** | **31 March** | | **31 March** | **31 March** | | **31 March** | **31 March** | | **31 March** | **31 March** | |
|  | **2021** | **2020** | | **2021** | **2020** | | **2021** | **2020** | | **2021** | **2020** | |
|  | **Baht** | **Baht** | | **Baht** | **Baht** | | **Baht** | **Baht** | | **Baht** | **Baht** | |
|  |  |  | |  |  | |  |  | |  |  | |
| Segment revenues | 795,119,122 | 743,158,298 | | 3,446,091 | 18,703,918 | | 155,854,342 | 146,033,815 | | 954,419,555 | 907,896,031 | |
| Less Inter-segment revenues | (73,614,391) | (66,095,983) | | (7,972) | (16,800) | | (32,413,391) | (34,096,024) | | (106,035,754) | (100,208,807) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Revenue from external customers** | 721,504,731 | 677,062,315 | | 3,438,119 | 18,687,118 | | 123,440,951 | 111,937,791 | | 848,383,801 | 807,687,224 | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Segment profit or loss** | 319,567,006 | 331,315,498 | | (9,138,358) | (4,890,541) | | 25,212,872 | 22,166,151 | | 335,641,520 | 348,591,108 | |
|  |  |  | |  |  | |  |  | |  |  | |
| (Loss) gain on exchange rate |  |  | |  |  | |  |  | | (2,203,805) | 5,849,654 | |
| Other income |  |  | |  |  | |  |  | | 1,467,614 | 3,484,743 | |
| Selling expenses |  |  | |  |  | |  |  | | (55,565,266) | (49,700,969) | |
| Administrative expenses |  |  | |  |  | |  |  | | (116,455,191) | (109,927,752) | |
| Impairment losses on assets |  |  | |  |  | |  |  | | (62,259,918) | - | |
| Net impairment losses on financial assets |  |  | |  |  | |  |  | | (2,267,015) | (7,071,743) | |
| Finance costs |  |  | |  |  | |  |  | | (3,304,860) | (4,595,438) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Profit before income tax** |  |  | |  |  | |  |  | | 95,053,079 | 186,629,603 | |
| Income tax |  |  | |  |  | |  |  | | (18,914,965) | (39,653,107) | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Profit for the period** |  |  | |  |  | |  |  | | 76,138,114 | 146,976,496 | |
|  |  |  | |  |  | |  |  | |  |  | | |
| **Timing of revenue recognition** |  |  | |  |  | |  |  | |  |  | |
| At a point in time | 721,504,731 | 677,062,315 | | 1,075,122 | 5,719,241 | | 121,775,507 | 110,438,523 | | 844,355,360 | 793,220,079 | |
| Over time | - | - | | 2,362,997 | 12,967,877 | | 1,665,444 | 1,499,268 | | 4,028,441 | 14,467,145 | |
|  |  |  | |  |  | |  |  | |  |  | |
| **Total revenue** | 721,504,731 | 677,062,315 | | 3,438,119 | 18,687,118 | | 123,440,951 | 111,937,791 | | 848,383,801 | 807,687,224 | |

During the period, the Group has a main external customer whose sales accounted to be 15% of total revenues from sales and rendering services respectively, which was domestic production and trading revenues. Total revenue from this customer was Baht 128,170,986. (For the three-month period ended 31 March 2020: a main external customer whose sales accounted to be 19% of total revenues from sales and rendering services respectively, which was domestic production and trading revenues. Total revenue from this customer was Baht 151,478,375).

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| **7 Trade and other receivables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade receivables - other companies | 902,073,014 | 815,552,695 | 625,728,339 | 579,226,370 |
| Trade receivables - related parties (Note 17) | - | - | 165,294,833 | 153,666,990 |
| Trade receivables - hotel business | 257,963 | 642,562 | - | - |
| Less Loss allowance | (33,360,625) | (31,062,081) | (28,734,812) | (26,895,654) |
|  |  |  |  |  |
| Total trade receivables | 868,970,352 | 785,133,176 | 762,288,360 | 705,997,706 |
| Advance payments | 45,688,803 | 32,817,414 | 24,975,954 | 26,701,779 |
| Prepayments | 18,060,644 | 18,427,768 | 7,534,210 | 5,756,411 |
| Other receivables from other companies | 12,595,456 | 11,642,046 | 4,916,882 | 4,916,882 |
| Other receivables from related parties (Note 17) | 218,860 | 36,100 | 14,731,748 | 13,269,994 |
| Accrued income | 2,621,447 | 1,880,088 | 2,518,784 | 1,803,003 |
| Less Loss allowance | (8,276,547) | (8,276,547) | (4,916,882) | (4,916,882) |
|  |  |  |  |  |
| Total trade and other receivables | 939,879,015 | 841,660,045 | 812,049,056 | 753,528,893 |

During three-month period ended 31 March 2021, total amounts of previous allowance for doubtful accounts of the Group are written-off to bad debt as uncollectible of the Group and the Company amounted to Baht 31,529 and Baht 8,952, respectively. (During three-month period ended 31 March 2020, the Group and the Company have no receivables written-off).

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Not yet due | 560,679,369 | 479,758,511 | 441,370,598 | 383,985,794 |
| Up to 3 months | 281,887,673 | 282,378,644 | 244,135,258 | 251,975,065 |
| 3 - 6 months | 18,670,622 | 10,633,715 | 39,411,177 | 26,191,876 |
| 6 - 12 months | 10,636,970 | 14,378,816 | 33,119,763 | 45,536,274 |
| Over 12 months | 30,456,343 | 29,045,571 | 32,986,376 | 25,204,351 |
|  |  |  |  |  |
|  | 902,330,977 | 816,195,257 | 791,023,172 | 732,893,360 |
| Less Loss allowance | (33,360,625) | (31,062,081) | (28,734,812) | (26,895,654) |
|  |  |  |  |  |
| Total | 868,970,352 | 785,133,176 | 762,288,360 | 705,997,706 |

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| **8 Inventories** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Finished goods | 389,617,015 | 361,229,977 | 259,274,314 | 239,170,253 |
| Raw materials | 338,768,103 | 312,382,652 | 152,609,804 | 133,965,248 |
| Packing materials | 58,547,682 | 54,388,202 | 46,287,841 | 42,862,282 |
| Supplies | 16,866,156 | 15,997,569 | 14,456,942 | 13,722,912 |
|  |  |  |  |  |
| Total | 803,798,956 | 743,998,400 | 472,628,901 | 429,720,695 |
| Less Allowances for decrease in value |  |  |  |  |
| of inventories | (6,397,915) | (4,243,616) | (3,809,397) | (3,105,608) |
| Less Allowances for inventory obsolescence | (35,189,547) | (27,131,436) | (23,313,954) | (18,826,788) |
|  |  |  |  |  |
| Total | 762,211,494 | 712,623,348 | 445,505,550 | 407,788,299 |
| Goods in transit | 82,677,802 | 41,708,891 | 74,380,917 | 41,435,745 |
|  |  |  |  |  |
| Total inventories - trading business | 844,889,296 | 754,332,239 | 519,886,467 | 449,224,044 |
|  |  |  |  |  |
| Food and beverages | 731,390 | 851,230 | - | - |
| Supplies | 1,769,558 | 1,803,053 | - | - |
|  |  |  |  |  |
| Total inventories - hotel business | 2,500,948 | 2,654,283 | - | - |
|  |  |  |  |  |
| Total inventories | 847,390,244 | 756,986,522 | 519,886,467 | 449,224,044 |

During three-month period ended 31 March 2021, the Group and the Company recognised the allowance for diminution in value of inventories amounting to Baht 2,154,299 and Baht 703,789 respectively. (During three-month period ended   
31 March 2020: the Group and the Company reversed their allowance for diminution in value of inventories to net realisable value amounting to Baht 13,351 and Baht 192,413 respectively) in the consolidated and separate statements of comprehensive income.

During three-month period ended 31 March 2021, the Group and the Company recognised their allowance for obsolete inventories amounting to Baht 8,058,111 Baht 4,487,166, respectively (During three-month period ended 31 March 2020: the Group and the Company recognised their allowance for obsolete inventories amounting to Baht 2,995,660 and Baht 157,857 respectively) in the consolidated and separate statements of comprehensive income.

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| **9 Investments in subsidiaries** |

|  |  |  |
| --- | --- | --- |
|  | **Separate financial information** | |
|  | **31 March** | **31 December** |
|  | **2021** | **2020** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening net book value | 758,113,624 | 756,023,624 |
| Adjustment on adoption of TFRS 9 on 1 January 2020 | - | 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 | - | (18,413,844) |
| Additions in investment in subsidiaries |  |  |
| - PT RBFood Manufaktur Indonesia | - | 2,090,000 |
| - R&B Food Supply (Singapore) Pte Ltd. | 1,207,100 | - |
| - RBJ Company Limited | 5,100,000 | - |
| - Maple Innovation Co., Ltd. | 16,958,700 | - |
|  |  |  |
| Closing book amount | 781,379,424 | 758,113,624 |

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** |  | **31 March** | **31 December** | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **Incorporation** | **Nature of** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| **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 | 100.00 | 100.00 | - | - | 38,368,932 | 38,368,932 |
| 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 |
| R&B Food Supply (Singapore) Pte Ltd. | Singapore | Trading | 100.00 | - | - | - | 1,207,100 | - |
| RBJ Company Limited | Thailand | Trading | 51.00 | - | 49.00 | - | 5,100,000 | - |
| Maple Innovation Co., Ltd. | Japan | Trading | 60.00 | - | 40.00 | - | 16,958,700 | - |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | 781,379,424 | 758,113,624 |

1. R&B Food Supply (Singapore) Pte Ltd.

On 6 April 2020, R&B Food Supply (Singapore) Pte Ltd. was incorporated in Singapore with registered capital ordinary shares of 1 million shares at par value of 1 Singapore Dollar, totalling Singapore Dollar 1 million. The Company owns 100% shareholding interests. R&B Food Supply (Singapore) Pte Ltd. called up for the first share payment of Baht 1.21 million and already paid on 20 January 2021. Its principal business operation is to laboratory for developing products.

1. RBJ Company Limited

On 2 November 2020, RBJ Company Limited was incorporated in Thailand with registered capital ordinary shares of 100,000 shares at par value of 100 Baht, totalling Baht 10 million. The Company owns 51% shareholding interests. RBJ Company Limited called up for the fully share payment in the portion of ownership of Baht 5.10 million and already paid on 22 March 2021. Its principal business operation is to trade, research and developing products.

1. Maple Innovation Co., Ltd.

On 19 November 2020, Maple Innovation Co., Ltd. was incorporated in Japan with registered capital ordinary shares of 198,000 shares at par value of Yen 500, totalling Yen 99 million. The Company owns 60% shareholding interests. Maple Innovation Company Limited called up payment in the portion of ownership totalling of Baht 16.96 million and already fully paid on 2 March 2021. Its principal business operation is to import, export and research and developing products.

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| **10 Investment property** |

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
| **For the three-month period ended 31 March 2021** | **Land** | **Land, building**  **and building improvements** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening net book amount | 67,126,009 | 100,102,036 |
| Depreciation | - | (998,697) |
|  |  |  |
| Closing net book amount | 67,126,009 | 99,103,339 |
|  |  |  |
| 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.

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| **11 Property, plant and equipment and intangible assets** |

The movement of property, plant and equipment and intangible assets for the three-month period ended 31 March 2021 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 | 1,377,783,207 | 4,473,745 | 844,041,143 | 2,088,456 |
| Additions | 50,270,868 | 399,831 | 48,502,208 | 388,130 |
| Disposals/Write-offs | (4,629) | - | (4,626) | - |
| Depreciation and amortisation | (44,356,750) | (491,620) | (28,517,873) | (186,394) |
| Impairment (Note 2) | (1,323,507) | - | - | - |
| Currency translation difference | 2,598,429 | - | - | - |
|  |  |  |  |  |
| Closing net book amount | 1,384,967,618 | 4,381,956 | 864,020,852 | 2,290,192 |

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| **12 Right-of-use assets** |

The movement of right-of-use assets for the three-month period ended 31 March 2021 is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening net book amount | 751,396,243 | 233,922,700 |
| Additions | 2,520,660 | 1,615,898 |
| Depreciation | (10,862,984) | (3,556,136) |
| Impairment (Note 2) | (60,936,411) | - |
| Lease modifications and reassessments | (606,924) | - |
|  |  |  |
| Closing net book amount | 681,510,584 | 231,982,462 |

|  |
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| **13 Trade and other payables** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade accounts payable - other companies | 327,936,621 | 240,014,386 | 259,507,250 | 187,968,587 |
| Trade accounts payable - related parties (Note 17) | - | - | 22,762,881 | 20,245,127 |
| Other payables - other companies | 48,918,975 | 50,657,096 | 35,510,932 | 39,055,157 |
| Other payables - related parties (Note 17) | - | - | 4,702,987 | 4,550,090 |
| Amounts due to director (Note 17) | 400,340 | 47,248 | 56,418 | 19,000 |
| Accrued expenses | 58,541,867 | 74,242,340 | 35,066,365 | 45,906,474 |
| Room booking deposits | 1,281,320 | 1,036,435 | - | - |
|  |  |  |  |  |
| Total trade and other payables | 437,079,123 | 365,997,505 | 357,606,833 | 297,744,435 |

|  |
| --- |
| **14 Employee benefit obligations** |

The movement in the defined benefit obligations for the three-month period ended 31 March 2021 is as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated**  **financial information** | **Separate**  **financial information** |
| **For the three-month period ended 31 March 2021** | **Baht** | **Baht** |
|  |  |  |
| At 1 January 2021 | 61,825,186 | 37,959,927 |
| Current service cost | 1,216,941 | 563,198 |
| Interest expense | 157,688 | 82,907 |
| Benefit paid | (99,600) | - |
|  |  |  |
| At 31 March 2021 | 63,100,215 | 38,606,032 |

|  |
| --- |
| **15 Income taxes** |

Income tax expense is recognised based on management’s estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 March 2021 of the Group and the Company are 19.90% and 17.84%, respectively, compared to 21.25% and 19.93%, respectively, for the three months ended 31 March 2020. The tax rate was higher in 2020 due to the Group and the Company applied additional deduction for investment in machinery under Royal Decree No. 690 and No. 695.

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| **16 Commitments** |

**Contingent liabilities**

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** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Not later than 1 year | 10,594,411 | 3,255,815 | 6,415,608 | 1,800,447 |
| Later than 1 year but not later than 5 years | 313,800 | 224,640 | 206,480 | 171,200 |
|  |  |  |  |  |
| Total | 10,908,211 | 3,480,455 | 6,622,088 | 1,971,647 |

|  |
| --- |
| **17 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 |
| R&B Food Supply (Singapore) Pte Ltd. | Subsidiary |
| RBJ Company Limited | Subsidiary |
| Maple Innovation Co., Ltd. | Subsidiary |

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** | **31 March** | **31 March** | **31 March** | **31 March** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
| Sale of goods to: |  |  |  |  |
| Subsidiaries | - | - | 78,686,210 | 81,367,146 |
|  |  |  |  |  |
|  | - | - | 78,686,210 | 81,367,146 |
|  |  |  |  |  |
| Property rental income from: |  |  |  |  |
| Subsidiaries | - | - | 2,511,420 | 2,511,420 |
|  |  |  |  |  |
|  | - | - | 2,511,420 | 2,511,420 |
|  |  |  |  |  |
| Service and other income from: |  |  |  |  |
| Subsidiaries | - | - | 8,638,298 | 8,599,649 |
|  |  |  |  |  |
|  | - | - | 8,638,298 | 8,599,649 |
|  |  |  |  |  |
| Interest income from: |  |  |  |  |
| Subsidiaries | - | - | 3,647,067 | 2,772,259 |
|  |  |  |  |  |
|  | - | - | 3,647,067 | 2,772,259 |

1. Purchases of goods and services

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period ended** | **31 March** | **31 March** | **31 March** | **31 March** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Purchase of goods from: |  |  |  |  |
| Subsidiaries | - | - | 24,107,170 | 17,600,511 |
|  |  |  |  |  |
|  | - | - | 24,107,170 | 17,600,511 |
|  |  |  |  |  |
| Purchases of property, plant |  |  |  |  |
| and equipment from: |  |  |  |  |
| Related parties | - | 1,428,066 | - | 1,428,066 |
|  |  |  |  |  |
|  | - | 1,428,066 | - | 1,428,066 |
|  |  |  |  |  |
| Service and other expenses to: |  |  |  |  |
| Subsidiaries | - | - | 9,995,903 | 8,590,135 |
| Related parties | - | 108,244 | - | - |
|  |  |  |  |  |
|  | - | 108,244 | 9,995,903 | 8,590,135 |
|  |  |  |  |  |
| Interest expense to: |  |  |  |  |
| Shareholders and key management | 2,959,016 | 3,754,218 | 2,156,361 | 2,178,628 |
|  |  |  |  |  |
|  | 2,959,016 | 3,754,218 | 2,156,361 | 2,178,628 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade receivables and other |  |  |  |  |
| receivables |  |  |  |  |
| Subsidiaries | - | - | 179,807,721 | 166,900,884 |
| Shareholders and key management | 218,860 | 36,100 | 218,860 | 36,100 |
|  |  |  |  |  |
| Total receivables from related parties | 218,860 | 36,100 | 180,026,581 | 166,936,984 |
|  |  |  |  |  |
| Trade payables and other payables |  |  |  |  |
| Subsidiaries | - | - | 27,465,868 | 24,795,217 |
| Shareholders and key management | 400,340 | 47,248 | 56,418 | 19,000 |
|  |  |  |  |  |
| Total payable from related parties | 400,340 | 47,248 | 27,522,286 | 24,814,217 |
|  |  |  |  |  |
| Lease obligations |  |  |  |  |
| Shareholders and key management | 286,789,409 | 286,293,727 | 153,180,964 | 152,859,295 |
|  |  |  |  |  |
| Total lease obligations | 286,789,409 | 286,293,727 | 153,180,964 | 152,859,295 |

1. Borrowings from related parties

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | | | |
|  | **31 March** | **31 December** | | **31 March** | **31 December** |
|  | **2021** | **2020** | | **2021** | **2020** |
|  | **Baht** | **Baht** | | **Baht** | **Baht** |
|  |  |  | |  |  |
| **Shareholders:** |  |  | |  |  |
| Beginning balance | - | 50,000,000 | | - | - |
| Borrowings repaid during the period/year | - | (50,000,000) | | - | - |
|  |  |  | |  |  |
| Ending balance | - | - | | - | - |

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** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Related parties** |  |  |  |  |
| Beginning balance | - | - | 365,791,359 | 285,498,875 |
| Adjustment on adoption of TFRS 9 |  |  |  |  |
| on 1 January 2020 | - | - | - | (15,747,961) |
| Loans made during the period/year | - | - | 2,987,000 | 165,499,923 |
| Loans repaid during the period/year | - | - | (20,458,800) | (87,044,200) |
| Currency differences | - | - | 2,148,274 | (702,141) |
| Effect of changes in interest rates on loan |  |  |  |  |
| agreements | - | - | - | 18,413,844 |
| Reversal (recognized) allowance for |  |  |  |  |
| impairment | - | - | 100,844 | (126,981) |
|  |  |  |  |  |
| Ending balance | - | - | 350,568,677 | 365,791,359 |

Loan terms and conditions are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Separate financial information** | | | | |
|  |  |  | **Amount repaid** |  |
|  | **Amount of** |  | **for the** |  |
|  | **loans as at** |  | **period ended** |  |
|  | **31 March 2021** |  | **31 March 2021** |  |
| **Company** | **Baht** | **Term** | **Baht** | **Interest rate** |
|  |  |  |  |  |
| Premium Foods Co., Ltd. | 165,698,060 | Unsecured and due in | 12,105,000 | 3.85 - 4.24 |
|  |  | 2023 – 2025 |  |  |
|  |  |  |  |  |
| Thai Flavour and Fragrance | 129,907,836 | Unsecured and due in | 7,753,800 | 3.85 - 4.24 |
| Co., Ltd. |  | 2023 and 2025 |  |  |
|  |  |  |  |  |
| Best Odour Co., Ltd. | 3,976,913 | Unsecured and due in 2022 | 600,000 | 3.85 |
|  |  |  |  |  |
| R&B Food Supply Vietnam | 17,201,425 | Unsecured and due in | - | 4.25 - 4.75 |
| Limited Liability Company |  | 2021 and 2026 |  |  |
|  |  |  |  |  |
| PT RBFood Manufaktur | 33,784,443 | Unsecured and due in | - |  |
| Indonesia |  | 2022 – 2027 |  | 3.75 - 4.75 |
|  |  |  |  |  |
|  | 350,568,677 |  | 20,458,800 |  |

Loans to related parties are normally given on commercial terms and conditions. Related interest income was Baht 3,647,067 (31 March 2020: Baht 2,772,259).

1. Key management compensation

Key management compensation of the Group for the three-month periods ended 31 March 2021 and 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period ended** | **31 March** | **31 March** | **31 March** | **31 March** |
|  | **2021** | **2020** | **2021** | **2020** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits | 9,258,110 | 8,847,589 | 7,673,076 | 7,279,922 |
| Post-employment benefits | 39,568 | 56,037 | 30,502 | 44,178 |
|  |  |  |  |  |
|  | 9,297,678 | 8,903,626 | 7,703,578 | 7,324,100 |

|  |
| --- |
| **18 Events after the reporting period** |

1. Dividend payment

At the Annual General Meeting of Shareholders no.1/2021 of the Company held on 23 April 2021, the Shareholders approved the dividend payment of the Company's 2020 operating results at Baht 0.15 per share, totalling Baht 300 million. The dividend payment scheduled on 19 May 2021.

1. Disposal of hotel properties

At the Annual General Meeting of Shareholders no.1/2021 of the Company held on 23 April 2021, approved the transactions to dispose of the two hotel businesses: Novotel Chumphon Beach Resort & Golf and Ibis Styles Chiang Mai Hotel. As at 31 March 2021, the net book value of cash-generating units of these hotels was Baht 252.68 million. Such resolution is for hotel asset disposal to the personal companies of major shareholders. The Board of Directors will consider and give opinions on such transactions based on the best interests of the Group and the Company's shareholders. Also, the Board is beginning to implement a plan to determine a reasonable selling price and engage external independent valuers to help as part of the disposal process.