

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the interim consolidated financial information of R&B Food Supply Public Company Limited and its subsidiaries, and the interim separate financial information of R&B Food Supply Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 September 2019, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Paiboon Tunkoon

Certified Public Accountant (Thailand) No. 4298

Bangkok

11 November 2019

R&B FOOD SUPPLY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)**

30 SEPTEMBER 2019

R&B Food Supply Public Company Limited
Statement of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 2019

	Consolidated financial information (Unaudited)							Non controlling interests Baht
	Attributable to owners of the parent					Other components of equity		
	Issued and paid-up share capital Baht	Share premium account Baht	Premium arising from business combination under common control Baht	Retained earnings		Translation of financial statements Baht	Total owners of the parent Baht	
				Appropriated for legal reserve Baht	Unappropriated Baht			
Opening balance as at 1 January 2018	638,000,000	93,663,209	94,712,575	-	1,545,293,785	(2,049,337)	2,369,620,232	1,605,024
Proceeds from shares issued (Note 19)	842,000,000	-	-	-	-	-	842,000,000	-
Increasing of non-controlling interest from subsidiary requests from shares subscription payment	-	-	-	-	-	-	-	240,527
Appropriated for legal reserve	-	-	-	63,800,000	(63,800,000)	-	-	-
Dividends	-	-	-	-	(1,436,200,000)	-	(1,436,200,000)	-
Total comprehensive income for the period	-	-	-	-	231,943,963	(25,783)	231,918,180	(1,691,658)
Closing balance as at 30 September 2018	1,480,000,000	93,663,209	94,712,575	63,800,000	277,237,748	(2,075,120)	2,007,338,412	153,893
Opening balance as at 1 January 2019	1,480,000,000	93,663,209	94,712,575	77,000,000	350,502,734	(3,046,750)	2,092,831,768	(1,078,436)
Appropriated for legal reserve (Note 20)	-	-	-	13,500,000	(13,500,000)	-	-	-
Dividends (Note 21)	-	-	-	-	(246,000,000)	-	(246,000,000)	(4,971)
Total comprehensive income for the period	-	-	-	-	253,506,343	(5,254,274)	248,252,069	(357,949)
Closing balance as at 30 September 2019	1,480,000,000	93,663,209	94,712,575	90,500,000	344,509,077	(8,301,024)	2,095,083,837	(1,441,356)

The accompanying notes are an integral part of this interim financial information

Total equity

Baht

2,371,225,256

842,000,000

240,527

-

(1,436,200,000)

230,226,522

2,007,492,305

2,091,753,332

-

(246,004,971)

247,894,120

2,093,642,481

1 General information

R&B Food Supply Public Company Limited (“the Company”) is incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

Head office: 3395 Soi Ladprao 101 (Wadbuengthonglang) Klongchan, Bangkok, 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 has been reviewed, not audited.

This interim consolidated and separate financial information were authorised for issue by the Board of Directors on 11 November 2019.

2 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 2018.

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.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3 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 2018, except as described in note 4.

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

Financial reporting standards effective on 1 January 2020

a) Financial instruments

The new financial reporting standards relate to financial instruments are:

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

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

b) **TFRS 16, Leases**

TFRS 16 will result in almost all leases where the Group and the company is a lessee being recognised on the balance sheet as the distinction between operating and finance lease is removed. An asset (the right to use the leased item) and financial liability to pay rentals are recognised, with exception on short-term and low-value leases.

The Group has not early adopted the new and amended Thai Financial Reporting Standards and is currently assessing the impacts from these standards.

4 Change in accounting policies

TFRS 15, Revenue from contracts with customers

The Group and the company has adopted the new Thai Financial Reporting Standards (TFRS) no. 15, Revenue from contracts with customers from 1 January 2019 under the modified retrospective approach and the comparative figures have not been restated. However, the management assessed that the above change in accounting policy do not have significant impact to the Group and did not restate the beginning balance of retained earnings.

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 2018.

Change in estimates from prior report

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

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

The Group and the Company recognised change in accounting estimates on prospective basis. The effects of change in accounting estimates to the interim consolidated financial information and the interim separate financial information as at 30 September 2019 are as follows;

	Consolidated financial information		
	Previous book value	Current book value	Change
Statement of Financial Position			
Cost	588,635,647	588,635,647	-
Less Impairment charge	(6,002,708)	(6,002,708)	-
Less Depreciation charge	(219,577,426)	(218,056,350)	1,521,076
Closing net book amount	364,605,587	366,126,663	1,521,076
Statement of Comprehensive Income			
Depreciation charge	18,498,425	16,977,349	(1,521,076)
Separate financial information			
	Previous book value	Current book value	Change
Statement of Financial Position			
Cost	261,334,108	261,334,108	-
Less Depreciation charge	(121,403,400)	(120,270,389)	1,133,011
Closing net book amount	139,930,708	141,063,719	1,133,011
Statement of Comprehensive Income			
Depreciation charge	8,181,355	7,048,344	(1,133,011)

R&B Food Supply Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2019

6 Segment and revenue information

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

	Consolidated financial information							
	Domestic revenues				Overseas revenues		Total	
	Production and trading		Hotel Business		Production and trading			
	30 September 2019 Baht	30 September 2018 Baht	30 September 2019 Baht	30 September 2018 Baht	30 September 2019 Baht	30 September 2018 Baht	30 September 2019 Baht	30 September 2018 Baht
For the nine-month period ended								
Segment revenues	1,878,011,819	1,839,259,771	63,527,193	77,127,386	390,810,300	313,340,361	2,332,349,312	2,229,727,518
<u>Less</u> Inter-segment revenues	(153,211,551)	(166,080,379)	(27,230)	(7,200)	(80,218,886)	(47,972,598)	(233,457,667)	(214,060,177)
Revenue from external customers	1,724,800,268	1,673,179,392	63,499,963	77,120,186	310,591,414	265,367,763	2,098,891,645	2,015,667,341
Segment profit or loss	774,312,101	667,776,674	(15,644,872)	(10,231,909)	56,452,181	62,174,556	815,119,410	719,719,321
Other income							4,704,437	8,350,661
Selling expenses							(140,234,500)	(142,701,449)
Administrative expenses							(340,337,200)	(282,733,652)
Finance costs							(22,104,255)	(12,823,974)
Profit before income tax							317,147,892	289,810,907
Income tax							(63,947,751)	(59,134,696)
Net profit for the period							253,200,141	230,676,211
Timing of revenue recognition								
At a point in time	1,724,800,268	1,673,179,392	20,683,710	26,385,902	307,913,004	263,526,066	2,053,396,982	1,963,091,360
Over time	-	-	42,816,253	50,734,284	2,678,410	1,841,697	45,494,663	52,575,981
Total revenue	1,724,800,268	1,673,179,392	63,499,963	77,120,186	310,591,414	265,367,763	2,098,891,645	2,015,667,341

During the period, the Group has 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. (For the nine-month period ended 30 September 2018: Two main customers whose sales accounted to be 15% and 10% of the Group's total revenue from sales and rendering services, respectively or Baht 498,446,229).

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

7 Fair value

The Group and the Company had no outstanding balance of financial instruments carried at the fair value as at 30 September 2019 and 31 December 2018.

8 Short-term investments

As of 30 September 2019, information relating to short-term investments is as follows:

	Consolidated financial information			
	As of 30 September 2019		As of 31 December 2018	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments				
Deposits	6,070,230	6,070,230	13,185,082	13,185,082
Total short-term investments	6,070,230	6,070,230	13,185,082	13,185,082

During the nine-month period ended 30 September 2019, the movement of short-term investments is as follows:

	Consolidated financial information	
	Deposits Baht	
Opening net book amount		13,185,082
Addition		6,000,000
Disposal		(13,114,852)
Ending net book amount		6,070,230

Fixed deposits with financial institutions due over three months to twelve months have the effective interest rates at 1.00% per annum (31 December 2018: 1.00% - 1.30% per annum).

9 Trade and other receivables

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Trade receivables - other companies	612,445,674	626,820,494	444,596,413	424,294,693
Trade receivables from related parties (Note 23)	-	230,743	87,090,951	66,083,893
Trade receivables - hotel business	1,635,778	2,970,342	-	-
<u>Less</u> Allowance for doubtful accounts	(17,783,248)	(31,225,400)	(15,092,736)	(28,136,288)
Trade receivables - net	596,298,204	598,796,179	516,594,628	462,242,298
Advance payments	21,754,321	9,138,826	15,543,198	4,885,385
Prepayments	22,949,308	19,149,183	5,785,470	7,718,899
Other receivables from related parties (Note 23)	4,005,288	-	19,111,315	8,216,316
Other receivables from other companies	15,179,224	8,937,539	-	-
Accrued income	259,677	99,984	204,497	57,906
Total trade and other receivables - net	660,446,022	636,121,711	557,239,108	483,120,804

During nine-month period ended 30 September 2019, total amounts of receivables written-off during the period as uncollectible of the Group were Baht 20,897 (During nine-month period ended 30 September 2018: the Group and the Company have a total amounts of receivables written-off amounted to Baht 40,319).

R&B Food Supply Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2019

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

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Not yet due	381,331,981	436,063,688	303,533,772	320,510,600
Up to 3 months	190,945,242	155,108,334	182,593,600	129,009,065
3 - 6 months	22,153,941	6,434,281	27,462,826	10,542,526
6 - 12 months	1,865,392	2,668,759	3,004,430	3,191,391
Over 12 months	17,784,896	29,746,517	15,092,736	27,125,004
	614,081,452	630,021,579	531,687,364	490,378,586
<u>Less</u> Allowance for doubtful accounts	(17,783,248)	(31,225,400)	(15,092,736)	(28,136,288)
	596,298,204	598,796,179	516,594,628	462,242,298

10 Loans to related parties

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Current				
Related parties				
- Current portion of long-term loans to related parties (Note 23)	-	-	24,500,000	30,500,000
- Short-term loans to related parties (Note 23)	-	-	50,356,936	-
Total	-	-	74,856,936	30,500,000
Non-current				
Related parties				
- Long-term loans to related parties (Note 23)	-	-	67,041,667	126,416,667
Total	-	-	67,041,667	126,416,667
Total loans to related parties	-	-	141,898,603	156,916,667

11 Inventories

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Finished goods	426,957,352	411,648,222	270,763,149	270,173,779
Raw materials	248,136,042	266,416,496	118,022,583	149,497,067
Packaging	49,602,008	40,209,208	39,078,174	33,095,297
Supplies	11,744,295	14,147,543	9,950,498	12,439,866
Total	736,439,697	732,421,469	437,814,404	465,206,009
<u>Less</u> Allowances for decrease in value of inventories	(3,924,203)	(5,410,599)	(2,092,258)	(5,163,360)
<u>Less</u> Allowances for inventory obsolescence	(31,628,330)	(34,636,964)	(16,677,172)	(19,947,598)
	700,887,164	692,373,906	419,044,974	440,095,051
Goods in transit	45,140,681	50,511,815	37,211,625	43,646,691
Total inventories - trading business - net	746,027,845	742,885,721	456,256,599	483,741,742
Food and beverages	912,431	1,167,528	-	-
Supplies	1,937,217	1,985,699	-	-
Total inventories - hotel business - net	2,849,648	3,153,227	-	-
Total inventories - net	748,877,493	746,038,948	456,256,599	483,741,742

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. (During nine-month period ended 30 September 2018: reversed their allowance for diminution in value of inventories amounting to Baht 751,997 and Baht 871,708, respectively) in the consolidated and separate statements of comprehensive income.

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. (During nine-month period ended 30 September 2018: recognised their allowance for obsolete inventories amounting to Baht 17,989,566 and Baht 11,633,744, respectively) in the consolidated and separate statements of comprehensive income.

12 Investments in subsidiaries

	Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht
Subsidiaries	756,023,624	715,465,045
Total investments in subsidiaries	756,023,624	715,465,045

R&B Food Supply Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 September 2019

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

Company	Country of Incorporation or registration	Nature of business	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Amount of investments in subsidiaries	
			30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
			%	%	%	%	Baht	Baht
R&B Food Supply Vietnam Limited Liability Company	Vietnam	Manufacturing and trading	100.00	100.00	-	-	22,762,000	22,762,000
PT RBFood Supply Indonesia	Indonesia	Trading	60.00	60.00	40.00	40.00	14,894,570	14,894,570
PT RBFood Manufaktur Indonesia	Indonesia	Manufacturing and trading	80.00	80.00	20.00	20.00	36,278,932	9,087,266
Thai Flavour and Fragrance Co., Ltd.	Thailand	Manufacturing and trading	99.99	99.99	0.01	0.01	187,970,392	187,970,392
Premium Foods Co., Ltd.	Thailand	Manufacturing and trading	99.99	99.99	0.01	0.01	444,174,099	444,174,099
Best Odour Co., Ltd.	Thailand	Manufacturing and trading	99.97	99.97	0.03	0.03	36,576,718	36,576,718
Guangzhou Thai Delicious Food Co., Ltd.	Republic of China	Trading	100.00	-	-	-	13,366,913	-
							<u>756,023,624</u>	<u>715,465,045</u>

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

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

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

13 Investment property

	Consolidated	Separate
	financial information	financial information
	Land	Land building and building improvements
	Baht	Baht
For the nine-month period ended 30 September 2019		
Opening net book amount, net	-	76,576,127
Transferred from land, building and building improvements	67,126,009	32,565,208
Depreciation	-	(3,728,097)
Closing net book amount, net	67,126,009	105,413,238
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.

14 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 2019 is as follows:

For the nine-month period ended 30 September 2019	Consolidated financial information		Separate financial information	
	Property, plant, and equipment Baht	Intangible assets Baht	Property, plant, and equipment Baht	Intangible assets Baht
Opening net book amount	1,721,618,375	23,696,716	809,307,338	14,797,816
Additions	91,399,713	1,721,849	51,438,570	898,000
Disposals/Write-offs	(1,389,258)	-	(19,923,149)	-
Depreciation and amortisation	(126,185,756)	(10,609,858)	(64,115,146)	(7,235,386)
Impairment charge	(11,551,213)	-	-	-
Transfer out to investment property	(67,126,009)	-	(32,565,208)	-
Currency translation difference	(30,514)	-	-	-
Closing net book amount	1,606,735,338	14,808,707	744,142,405	8,460,430

At 30 September 2019, the Group and the Company pledged its partial land and buildings as collateral against borrowings from financial institutions (Note 16).

During the 2nd quarter of 2019, the impairment charge of Baht 11.55 million for property and equipment of two hotel businesses of the Group was recognised as expense during the period under administrative expenses in the statement of comprehensive income. Event and circumstances leading to impairment indicator is that both hotels have incurred recurring loss. The impairment loss was due to lower of the recoverable amount of assets (the higher of the value in use or fair value less costs of disposal) than carrying value of assets of hotel businesses, which was determined at the cash-generating unit level. Management determined recoverable amount from of the value in use, which were recently appraised by professional independent appraisers, who qualified as expert and hold a recognised relevant professional qualification certified by The Securities and Exchange Commission. Discount rate used in estimation of discounted cash-flow is 11%.

15 Trade and other payables

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Trade accounts payable - other companies	200,120,287	204,456,627	153,606,776	168,746,317
Trade accounts payable - related parties (Note 23)	-	23,009,240	13,515,337	31,044,202
Other payables - other companies	49,795,243	30,133,845	33,730,504	18,261,617
Other payables - related parties (Note 23)	2,188,613	3,959,162	6,485,782	3,543,335
Amounts due to director (Note 23)	7,723,426	1,311,296	6,179,350	689,423
Accrued expenses	55,322,286	73,441,381	34,907,999	46,902,989
Room booking deposits	1,423,219	1,952,942	-	-
Total trade and other payables	316,573,074	338,264,493	248,425,748	269,187,883

16 Borrowings

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Current				
Bank overdrafts	131	-	-	-
Promissory note	326,000,000	225,000,000	206,000,000	115,000,000
Current portion of long-term borrowings				
- Borrowings from financial institutions	21,746,320	27,787,306	8,140,000	14,640,000
- Finance lease obligations	63,107	768,137	-	642,634
- Borrowing from Related parties (Note 23)	141,277,537	34,345,854	109,458,537	10,945,854
Total current borrowings	489,087,095	287,901,297	323,598,537	141,228,488
Non-current				
Borrowings from financial institutions	59,517,217	74,267,078	15,680,000	20,160,000
Finance lease obligations	37,412,089	34,668,442	35,187,702	32,835,396
Borrowing from related parties (Note 23)	413,952,463	538,434,146	339,321,463	437,834,146
Total non-current borrowings	510,881,769	647,369,666	390,189,165	490,829,542
Total borrowings	999,968,864	935,270,963	713,787,702	632,058,030

Short-term borrowings from financial institutions are 3-month secured promissory notes in Thai Baht currency for operations. The promissory notes carry the interest rate at 2.40% - 4.53% per annum (31 December 2018: 2.40% - 4.75% per annum). The Group and the Company pledge its partial properties and land as collateral (Note 14).

Long-term borrowings from financial institutions are secured borrowings in Thai Baht currency from local banks of the Group and the Company in the amount of Baht 81.26 million and Baht 23.82 million, respectively. The borrowing carries interest rate at 4.00% - 6.25% per annum and is due for repayment in 4 - 51 monthly instalments of Baht 0.28 - 1.05 million per instalment. The Group and the Company pledge its partial properties and land as collateral (Note 14).

Movements in borrowings from financial institutions is analysed as follows:

	Consolidate financial information	Separate financial information
	Baht	Baht
For the nine-month period ended 30 September 2019		
Opening book amount	327,054,384	149,800,000
Borrowings received during the period	519,400,000	319,400,000
Repayments made during the period	(439,190,847)	(239,380,000)
Closing book amount	407,263,537	229,820,000

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

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Floating rate				
- expiring within one year	328,310,836	219,719,483	73,900,000	47,700,000
- expiring beyond one year	900,000	900,000	-	-

The facilities expiring within one year are annual facilities subject to review at various dates during year. The borrowing facilities have been arranged to help finance the proposed expansion of the Group and the Company activities.

17 Employee benefit obligations

The movement in the defined benefit obligations for the nine-month period ended 30 September 2019 is as follows:

For the nine-month period ended 30 September 2019	Consolidated	Separate
	financial information Baht	financial information Baht
At 1 January 2019	38,479,660	24,364,512
Current service cost	3,651,220	1,885,415
Interest expense	911,259	590,131
Past service cost	10,027,206	7,389,196
Benefit paid	(206,400)	-
At 30 September 2019	52,862,945	34,229,254

18 Income taxes

Income tax expense for nine-month periods ended 30 September 2019 and 30 September 2018 are as follows:

	Consolidated		Separate	
	financial information	financial information	financial information	financial information
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Current income tax	65,592,974	63,831,342	55,117,289	48,638,311
Deferred income tax	(1,645,223)	(4,696,646)	1,367,362	(2,134,717)
Total	63,947,751	59,134,696	56,484,651	46,503,594

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 20.18% and 16.05%, respectively. (The estimated tax rate of the Group and the Company for the prior interim period was 20.40% and 20.04%, respectively).

19 Share capital

	Previous number of Shares	Number of shares after splitting	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 January 2018	6,380,000	638,000,000	638,000,000	93,663,209	731,663,209
Issue of shares	8,420,000	842,000,000	842,000,000	-	842,000,000
As at 30 September 2018	14,800,000	1,480,000,000	1,480,000,000	93,663,209	1,573,663,209
As at 1 January 2019	14,800,000	1,480,000,000	1,480,000,000	93,663,209	1,573,663,209
As at 30 September 2019	14,800,000	1,480,000,000	1,480,000,000	93,663,209	1,573,663,209

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

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

The change in par value of ordinary shares resulted in adjusting for the weighted average of number of ordinary shares for calculation of basic earnings per share for nine-month period ended 30 September 2018 for comparative purposes as if the change in par value had occurred at the beginning of the earliest period report.

20 Legal reserve

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
	For the nine-month period ended/ for the year ended			
Beginning balance	77,000,000	-	77,000,000	-
Appropriation during the period/year	13,500,000	77,000,000	13,500,000	77,000,000
Ending balance	90,500,000	77,000,000	90,500,000	77,000,000

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

21 Dividends

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

22 Commitments

Capital commitments

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

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
	Property plant and equipment - new office building and other improvement	3,291,963	2,777,620	3,291,963
Total	3,291,963	2,777,620	3,291,963	2,232,760

New office building and other improvement is warehouse located at Hitech Industrial Estate are expected to be completed by 4th quarter of 2019.

Operating lease commitments

The Group and the Company have operating lease commitments in respect of land and building rental with shareholders. In addition, the operating lease commitments in respect of office equipment rental and security services in the ordinary course of business were made with third parties.

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

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
	Not later than 1 year	21,098,624	23,732,529	11,837,159
Later than 1 year but not later than 5 years	49,354,844	63,129,456	32,809,829	37,381,905
Later than 5 years	253,255,797	276,046,240	149,637,017	176,248,517
Total	323,709,265	362,908,225	194,284,005	226,187,675

23 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., and JPS Holding Co., Ltd., together hold 99.99% 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
Finance 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

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The following material transactions were carried out with related parties:

a) Sales of goods and service

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	30 September 2018 Baht	30 September 2019 Baht	30 September 2018 Baht
For the three-month period ended				
Sale of goods to:				
Subsidiaries	-	-	51,198,986	50,295,971
Company under common control	-	3,115	-	3,115
	-	3,115	51,198,986	50,299,086
Property rental income from:				
Subsidiaries	-	-	2,174,800	3,513,453
	-	-	2,174,800	3,513,453
Service and other income from:				
Subsidiaries	-	-	6,331,934	6,875,650
	-	-	6,331,934	6,875,650
Interest income from:				
Subsidiaries	-	-	1,213,011	1,422,472
	-	-	1,213,011	1,422,472
For the nine-month period ended				
Sale of goods to:				
Subsidiaries	-	-	193,946,473	155,229,414
Company under common control at shareholders level	-	8,733,150	-	3,115
	-	8,733,150	193,946,473	155,232,529
Sale of property, plant and equipment from:				
Subsidiaries	-	-	20,768,744	-
	-	-	20,768,744	-
Property rental income from:				
Subsidiaries	-	-	9,201,705	7,017,093
	-	-	9,201,705	7,017,093
Service and other income from:				
Subsidiaries	-	-	19,941,591	16,959,221
	-	-	19,941,591	16,959,221
Interest income from:				
Subsidiaries	-	-	3,659,189	4,415,771
	-	-	3,659,189	4,415,771
Dividend income from:				
Subsidiaries	-	-	65,785,029	-
	-	-	65,785,029	-

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b) Purchases of goods and services

For the three-month period ended	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	30 September 2018 Baht	30 September 2019 Baht	30 September 2018 Baht
Purchase of goods from:				
Subsidiaries	-	-	13,418,434	16,769,914
Company under common control at shareholders level	-	3,379,000	-	3,151,000
	-	3,379,000	13,418,434	19,920,914
Purchases of property, plant and equipment from:				
Related party	2,899,065	-	2,899,065	-
	2,899,065	-	2,899,065	-
Land rental expenses to:				
Shareholders	5,282,891	4,456,352	2,205,298	3,361,128
	5,282,891	4,456,352	2,205,298	3,361,128
Service and other expenses to:				
Subsidiaries	-	-	4,829,548	4,232,551
Related party	63,084	6,894,785	63,084	6,894,785
	63,084	6,894,785	4,892,632	11,127,336
Interest expense to:				
Company under common control at shareholders level	296,729	393,070	-	-
Shareholders	2,526,045	2,286,707	2,228,408	2,286,707
	2,822,774	2,679,777	2,228,408	2,286,707

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For the nine-month period ended	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	30 September 2018 Baht	30 September 2019 Baht	30 September 2018 Baht
Purchase of goods from:				
Subsidiaries	-	-	33,824,852	51,298,112
Company under common control at shareholders level	7,528,151	16,386,856	7,528,151	13,170,996
	7,528,151	16,386,856	41,353,003	64,469,108
Purchases of property, plant and equipment from:				
Related party	15,203,223	-	15,203,223	-
	15,203,223	-	15,203,223	-
Land rental expenses to:				
Shareholders	13,307,223	10,454,062	7,753,941	6,509,898
	13,307,223	10,454,062	7,753,941	6,509,898
Service and other expenses to:				
Subsidiaries	-	-	12,248,900	12,286,696
Related party	1,335,747	11,277,067	120,794	11,277,067
	1,335,747	11,277,067	12,369,694	23,563,763
Interest expense to:				
Company under common control at shareholders level	965,002	1,193,916	-	-
Shareholders	9,163,790	4,202,814	8,284,372	4,202,814
	10,128,792	5,396,730	8,284,372	4,202,814
Dividend paid to:				
Shareholders	246,004,971	-	246,000,000	-
	246,004,971	-	246,000,000	-

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

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Trade receivables and other receivables from:				
Subsidiaries	-	-	102,202,266	74,069,466
Company under common control at shareholders level	6,659	230,743	6,659	230,743
Shareholders	3,998,207	-	3,992,919	-
Key management	422	-	422	-
Total receivables from related parties, net	4,005,288	230,743	106,202,266	74,300,209
Advance payment				
Key management	849,870	67,500	849,870	67,500
Total advance payment	849,870	67,500	849,870	67,500
Prepaid expenses				
Shareholders	-	6,740,612	-	4,153,875
Total prepaid expense	-	6,740,612	-	4,153,875
Trade payables and other payables to:				
Subsidiaries	-	-	17,812,506	13,068,273
Company under common control at shareholders level	-	26,843,342	-	21,394,204
Related party	2,188,613	125,060	2,188,613	125,060
Shareholders	6,947,277	1,311,296	5,403,201	689,423
Key management	776,149	-	776,149	-
Total payable from related parties, net	9,912,039	28,279,698	26,180,469	35,276,960
Accrued expenses				
Shareholders	363,327	1,730,313	363,327	387,549
Key management	23,443	32,460	-	27,461
Total accrued expenses	386,770	1,762,773	363,327	415,010
Finance lease obligations				
Shareholders	37,152,063	35,346,597	35,187,702	33,478,020
Total finance lease obligations	37,152,063	35,346,597	35,187,702	33,478,020

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d) Borrowings from related parties

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Company under common control:				
Opening book amount	74,000,000	100,400,000	-	-
Borrowings received during the period/year	-	-	-	-
Borrowings repaid during the period/year	(17,550,000)	(26,400,000)	-	-
Closing book amount	56,450,000	74,000,000	-	-
Shareholders:				
Opening book amount	498,780,000	-	448,780,000	-
Borrowings received during the period/year	-	1,400,000,000	-	1,350,000,000
Borrowings repaid during the period/year	-	(901,220,000)	-	(901,220,000)
Closing book amount	498,780,000	498,780,000	448,780,000	448,780,000
Total borrowings from related parties	555,230,000	572,780,000	448,780,000	448,780,000

Borrowings from related parties and shareholders were provided interest rate at 1.70% - 1.97% per annum with unsecured, and there was specified repayment date within 5 years in 2024.

e) Loans to related parties

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	31 December 2018 Baht	30 September 2019 Baht	31 December 2018 Baht
Related parties				
Beginning balance	-	-	156,916,667	176,000,000
Loans made during the period/year	-	-	55,356,936	-
Loans repaid during the period/year	-	-	(70,375,000)	(19,083,333)
Ending balance	-	-	141,898,603	156,916,667

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Loan terms and conditions are as follows:

Company	Amount of loans as at 30 September 2019 Baht	Term	Amount repaid for the period ended 30 September 2019 Baht	Interest rate
Premium Foods Co., Ltd.	48,000,000	Unsecured and due in 2023	61,000,000	3.30
Thai Flavour and Fragrance Co., Ltd.	63,541,667	Unsecured which consist of short term loan amounted to Baht 25.00 million and long term loan amounted to Baht 38.54 million are due for repayment in 2020 and 2022, respectively	9,375,000	3.30-3.70
Best Odour Co., Ltd.	8,000,000	Unsecured and due in 2020	-	3.70
R&B Food Supply Vietnam Limited Liability Company	10,798,248	Unsecured and due in 2020	-	3.70
PT RBFood Manufaktur Indonesia	11,558,688	Unsecured and due in 2020	-	3.70
	141,898,603		70,375,000	

Loans to related parties are normally given on commercial terms and conditions. Related interest income was Baht 3,659,189 (30 September 2018: Baht 4,415,771).

f) Key management compensation

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

	Consolidated financial information		Separate financial information	
	30 September 2019 Baht	30 September 2018 Baht	30 September 2019 Baht	30 September 2018 Baht
For the three-month period ended				
Short-term employee benefits	10,145,923	9,254,490	8,321,695	7,580,458
Post-employment benefits	346,595	15,370	272,430	5,654
	10,492,518	9,269,860	8,594,125	7,586,112
For the nine-month period ended				
Short-term employee benefits	29,303,345	21,926,776	23,769,135	17,917,042
Post-employment benefits	6,213,405	46,110	5,218,587	16,962
	35,516,750	21,972,886	28,987,722	17,934,004

24 Events after the reporting period

Initial Public Offerings

On 21 October 2019, the Company received an additional paid-up share capital for 520,000,000 ordinary shares with a par value of Baht 1 per share from an initial public offering ("IPO") at IPO price of Baht 3.30 per share, totaling Baht 1,716 million. This amount excludes the incremental cost directly attributable to the issue of new shares. The Company's ordinary shares were firstly traded in the Stock Exchange of Thailand (SET) on 24 October 2019.