

Information regarding connected transactions
of R&B Food Supply Public Company Limited

R &B Food Supply Public Company Limited (“the Company” or “RBF ”) would like to inform that The Board of Directors Meeting No. 1 / 2564, dated 25 February 2021 (not including Dr. Somchai Ratanapoompinyo, Mrs. Petchara Ratanapoompinyo, Lt. Col. Dr. Janjida Ratanapoompinyo, and Dr. Sanathorn Ratanapoompinyo, 4 directors with interests neither attend the meeting nor vote on the Board of Directors Meeting) has resolved to assist a company to propose to the Annual General Meeting of Shareholders for the year of 2021, in order to approve the disposition of hotel businesses: 1) Novotel Chumphon Beach. Resort & Golf, 2) Ibis Styles Chiang Mai Hotel, the aforesaid transactions is considered a disposition of assets of the registered company in accordance with the Announcement of the Capital Market Supervisory Board No. ThorJor.20/2551 Regarding Rules for making significant transactions that are considered to be the acquisition or disposition of assets, and the Announcement of the Stock Exchange of Thailand Board Regarding Disclosure of Information and Operation of making transactions to be the acquisition or disposition of assets of the registered company B.E.2547 (2004), dated 29 October 2547 and Amendment Edition (collectively, "the Announcement of Acquisition or Disposition of Assets found that the transaction dimension according to the net tangible asset value criteria was the highest transaction dimension equals 5.57% (company has no transactions of disposition of assets within 6 months prior to this transaction), the Company is not obliged to follow the announcement of the value of the acquisition or disposition of assets.

In addition, the disposition of the hotel business is the sale of assets to companies that are related to the directors and shareholders of RBF, some persons that are considered as connected persons of the Company, therefore, it is considered a connected transaction of the registered company as specified in the Announcement of Capital Market Supervisory Board No. TorJor. 21/2551, Rules for making significant transactions that are considered to be the acquisition or disposition of assets, and the Announcement of the Stock Exchange of Thailand Board Regarding Disclosure of Information and Operation of making connected transactions of the registered company B.E.2546 (2003) (collectively, "Connected Transaction") which is calculated on the dimension of the related transaction, it is organized into a large dimension (The company has no a connected transaction to the abovementioned persons within 6 months prior to this transaction) the Company has the duty to prepare the report and disclose information to the Stock Exchange of Thailand and various operations, as well as holding a shareholders meeting to consider and approve the transaction according to the announcement of the connected transaction, with details of information as follows:

¹ Dr.Somchai Ratanapoompinyo has a stake as a director of the JPS and a shareholder of the JPS, holding 40.62%.

Mrs. Petchara Ratanapoompinyo has a stake as a director of the RKBG and a shareholder of the RKBG holding 33.34%.

Lt. Col. Dr. Janjida Ratanapoompinyo has a stake as a shareholder of 29.69% of the JPS and 33.33% of the RKBG.

Dr.Sanathorn Ratanapoompinyo, has a stake as a shareholder of 29.69% of the JPS and 33.33% of the RKBG.

1. Date, Month, Year of the Transaction

The Company will enter into the agreement after it has been approved by the Annual General Meeting of Shareholders for the year 2021 of the company which will be held on 23 April 2021 which after the date of the contract, the buyer and seller agree to perform a registration of leasehold right transferring, ownership of buildings and structures in the hotel business to the buyer at the relevant land office that they will be done within 30 June 2021 unless both parties agree in writing to extend the said period.

2. The parties involved and the nature of relationship with registered companies

2.1 The sale of Novotel Chumphon Beach Resort and Golf assets

Seller No. 1 : Thai Flavors and Fragrances Company Limited (“ TFF ”)

*Held by R&B Food Supply Public Company Limited (“the Company” or “ RBF ”)
in the of 99.9% of the paid-up capital.*

Buyer No. 1 : J.P.S. Holding Company Limited (“ JPS ”)

List of JPS Board of Directors as of 10 February 2021

1. Dr. Somchai Ratanapoompinyo

List of JPS’s shareholders as of 11 February 2021

<i>Name of shareholder</i>	<i>Number of shares</i>	<i>Ratio</i>
1. Dr. Somchai Ratanapoompinyo ^{/1}	284,080	40.62 %
2. Lt. Col. Dr. Janjida Ratanapoompinyo ^{/2}	207,660	29.69 %
3. Dr. Sanathorn Ratanapoompinyo ^{/3}	207,660	29.69 %
Total	699,400	100.00%

Note: From the list of BRF’s shareholder as of 12 March 2020

^{/1} - Dr. Somchai Ratanapoompinyo, is the Company's director and majority shareholder of RBF, holding 27.80% of paid-up capital of RBF.

^{/2} - Lt. Col. Dr. Janjida Ratanapoompinyo (daughter of Dr. Somchai Ratanapoompinyo, who is a Director and majority shareholder of RBF) is a director and a shareholder of RBF by holding 8.01% of the paid-up capital of RBF.

^{/3} - Dr. Sanathon Ratanapoompinyo (daughter of Dr. Somchai Ratanapoompinyo, who is a Director and majority shareholder of RBF) is a director and a shareholder of RBF by holding 8.01% of the paid-up capital of RBF.

Relationship as of the transaction date : JPS is a juristic person with Dr. Somchai Ratanapoompinyo. (Director and majority shareholder of RBF) is a director and majority shareholder of the Company and Lt. Col. Dr. Janjida Ratanapoompinyo (Director and shareholder of RBF) and Dr. Sanathon Ratanapoompinyo (Directors and shareholders of RBF) are the majority shareholders of the company.

2.2 The sale of Ibis Styles Chiang Mai Hotel assets

Seller No.2 : Premium Foods Company Limited (" PFC ")

Held by R&B Food Supply Public Company Limited ("the Company" or " RBF ") in the ratio of 99.99% of the paid-up capital.

Buyer No.2 : River Kwai Botanic Garden Company Limited (" RKBG ")

List of RKBG Board of Directors of as of 10 February 2021

1. Mrs. Petchra Rattanaphumpinyo

List of shareholders of RKBG as of February 11 , 2021

Name of shareholder	Number of shares	Ratio
1. Mrs. Petchara Ratanapoompinyo ^{/1}	50,000	33.34 %
2. Lt. Col. Dr. Janjida Ratanapoompinyo ^{/2}	50,000	33.33 %
3. Dr. Sanathorn Ratanapoompinyo ^{/3}	50,000	33.33 %
Total	150 . 000	100.00%

Note: From the list of BRF's shareholder as of 12 March 2020

^{/1} - Mrs. Petchara Rattanaphumipinyo, is a director and majority shareholder of RBF , holding 27.80% of the paid-up capital of RBF.

^{1/2} - Lt. Col. Dr. Janjida Ratanapoompinyo (daughter of Dr. Somchai Ratanapoompinyo, who is a Director and majority shareholder of RBF) is a director and a shareholder of RBF by holding 8.01% of the paid-up capital of RBF.

^{1/3} - Dr. Sanathon Ratanapoompinyo (daughter of Dr. Somchai Ratanapoompinyo, who is a Director and majority shareholder of RBF) is a director and a shareholder of RBF by holding 8.01% of the paid-up capital of RBF.

Relationship as of the transaction date : RKBG is a juristic person with Mrs. Petchara Ratanapoompinyo. (Director and majority shareholder of RBF) is a director and majority shareholder of the Company and has Lt. Col. Dr. Janjida Ratanapoompinyo (Director and shareholder of RBF) and Dr. Sanathon Ratanapoompinyo (Directors and shareholders of RBF) are the majority shareholders of the company.

3. General characteristics of the transaction

The company will distribute the assets of the company as per the following details to the buyer.

1. Leasehold right of land and buildings (Right of the Lessee) , materials, equipment and buildings of Novotel Chumphon Beach Resort and Golf Hotel invested by Thai Flavors and Fragrances Co., Ltd. (“ TFF ”) , a subsidiary company to J.P.S. Holding Company Limited (“ JPS ”) totaling 87,000,000 Baht.
2. Leasehold right of land and buildings (Right of the Lessee) , materials, equipment and buildings of Ibis Styles Chiang Mai Hotel invested by Premium Foods Co., Ltd., a subsidiary company to River Kwai Botanic Garden Co., Ltd., RKBG , totaling 185,000,000 Baht.

The disposition of assets is part of the business restructuring of the group, in order to focus on business of production and distribution of raw materials used as ingredients in food (Food Ingredients) that is the main business of the company. which extensive experience and a specialized reference price according to an independent valuer of Siam Appraisal & Service Co., Ltd. and Chartered Valuation & and Consultant Limited evaluated by income approach.

Note: The company has made lease agreements from landowners, namely Dr.Somchai Ratanapoompinyo and Mrs. Petchara Ratanapoompinyo, the major shareholder, the company's related persons who are stakeholders from this transaction.

4. Details of the assets to be disposed of

4.1 Novotel Chumphon Beach Resort and Golf

Property type	Leasehold rights of land and buildings (Rights of the lessee) buildings, materials and equipment
Property location	No. 110, Village No. 4, Sai Pak Nam - Hat Sairee Road, Pak Nam Sub-district, Mueang Chumphon District, Chumphon Province
Land title document	Leasehold right of land for the hotel location, title deed No. 3125, contract land area 18-3-14.9 rai or 7,514.9 square wa, remaining contract term is approximately 17 years, 8 months (lease agreement starts from 1 October 2018 - until 30 September 2038).
Building	<u>Total 11 items, number of rooms: 86 rooms</u> <ol style="list-style-type: none"> 1. 2-storey hotel building (Building A) 2. 2-storey hotel building (Building B) 3. 2-storey reception and seminar building 4. Terminal building 5. 2-storey office building 6. Swimming pool 1 7. Swimming pool and fitness building 8. Waste collection building 9. Equipment storage building 10. Gas tank building 11. Stream boiler building
Usage on the day of trading	To engage in hotel business: Novotel Chumphon Beach Resort and Golf
Offer price	87,000,000 Baht
Settlement	Having paid in full on the transfer date by the ownership transfer is scheduled within 30 June 2021 unless both parties agree in writing to extend the said period.
Important condition	- The transaction will be valid only when the seller receives approval from the shareholders' meeting.

- Both parties agree to register the transfer of ownership in the building and structures in the hotel business to the purchaser at the relevant land office, whereby both parties agree to be equally responsible for the fees and expenses for the registration of the ownership transfer in such buildings and structures, and the seller agrees to be responsible for the taxes and duties arising from the registration of the ownership transfer in the building and structures as required by law.
- Both parties agree to be equally responsible for fees and expenses for the transfer of leasehold rights.
- Both parties agree to undertake all necessary and relevant actions for the purchaser to receive the transfer of the license relating to the hotel operation from the seller. Both parties agree to be equally responsible for the fees and expenses incurred from such undertaking.
- Both parties agree to undertake all necessary and relevant actions for the purchaser to receive the transfer of the ownership of the property related to the hotel business (other than the buildings and structures in the hotel business) from the seller, whereby both parties agree to be equally responsible for such fees and expenses, and both parties agree to bear any taxes and duties which arising from the transfer of ownership in properties related to the said hotel business as required by law.
- Both parties agree to undertake all necessary and relevant actions for the purchaser to receive the transfer of the rights and obligations, and entered into a hotel management contract with hotel management on behalf of the seller. Both parties agree to be equally responsible for the fees and expenses incurred from such undertaking.

	<ul style="list-style-type: none"> - In the event that the purchaser is required to take any action on the buyer's own conditions of business in order for the buyer to accept the transfer of the hotel business from the seller (including but not limited to registration of the buyer's business purpose), the buyer agrees to be solely responsible for all expenses incurred. - The buyer agrees to transfer the employees involved in the seller's hotel business to the purchaser's employees, whereby the purchaser agrees to count the period of such employee's continuous working as well as the length of time the employee works with the seller, including providing benefits to such employees not less than those received from the seller. In the event that any employee involved in the hotel business of any seller does not give his/her consent for such transfer, the seller agrees to be responsible for the expenses related to the termination of such employee (if any) as required by the labor law.
Book value as of 31 December 2020 (the latest financial statement before the transaction date)	78,293,884 Baht

The Company hired an independent valuer to appraise the leasehold right of land and buildings. (Rights of the lessee) and building structures with details as follows:

Appraisal company	Siam Appraisal & Service Co., Ltd.	Charter Valuation and Consultant Limited
List of valuer	Mr. Worachit Surakarnwit (Qualified Senior Valuer, WorThor.062) who is a valuer has been approved by the Securities and Exchange Commission	Mr. Khomsan Kulpipatrat (Qualified Senior Valuer, WorThor.060) who is an valuer has been approved by the Securities and Exchange Commission
Date of report	22 January 2021	21 September 2020

Survey and assessment date	14 January 2021	9 September 2020
Evaluation objectives	For public purposes	For public purposes
Criteria and valuation method	Using income approach as criterion.	Using income approach as criterion.
Property appraisal price	88,750,000 Baht	84,329,000 Baht

Performance and important information from the Separate Financial Statements of subsidiaries prepared for administration (Separated Managerial Accounting) of Novotel Chumphon Beach Resort & Golf Hotel

(Unit: Baht, unless otherwise specified)	2018	2019	2020
Occupancy Rate (%)	43.76%	41.10%	38.53%
Incomes	35,755,658	32,486,960	27,977,914
Cost of sales	(44,777,197)	(42,402,717)	(38,609,226)
Gross profit (loss)	(9,021,540)	(9,915,757)	(10,631,313)
Other incomes	351,348	381,800	290,909
Selling and Administrative Expenses	(20,160,938)	(17,168,956)	(15,545,843)
Loss in impairment	-	(6,219,137)	-
Profit (Loss) before Interest and Income Tax Expenses	(28,831,130)	(32,922,050)	(25,886,247)
Interest Expenses	-	-	-
Profit (Loss) before Income Tax	(28,831,130)	(32,922,050)	(25,886,247)

4.2 Ibis Styles Chiangmai Hotel

Property type	Leasehold right of land and buildings (Right of the Lessee), building structure, materials, and equipment
Property location	No. 7 / 9 and 8/5 Huay Kaew Road Chang Phueak Sub-district, Mueang Chiang Mai District, Chiang Mai Province
Land title document	Leasehold right of land where the hotel is located Deed No. 9319 , 9320, 14282, 14283, 14284, 14286, 14287, 14288 and 46 458, total 9 title deeds with total area of 2-1-97.5 rai or 997.5 sq. wa. remaining contract term is approximately 17 years, 8 months (lease agreement starts from 1 October 2018 - until 30 September 2038).
Building	Total 3 items, total number of rooms: 208 rooms

	<ol style="list-style-type: none"> 1. 6- storey hotel building 2. 8- storey hotel building with 1 basement floor 3. 7-storey hotel building with mezzanine
Usage on the day of trading	To engage in hotel business namely: Ibis Styles Chiangmai (Ibis Styles Chiangmai Hotel)
Offer price	185,000,000 Baht
Settlement	Having paid in full on the transfer date by the ownership transfer is scheduled within 30 June 2021 unless both parties agree in writing to extend the said period.
Important condition	<ul style="list-style-type: none"> - The transaction will be valid only when the seller receives approval from the shareholders' meeting. - Both parties agree to register the transfer of ownership in the building and structures in the hotel business to the purchaser at the relevant land office, whereby both parties agree to be equally responsible for the fees and expenses for the registration of the ownership transfer in such buildings and structures, and the seller agrees to be responsible for the taxes and duties arising from the registration of the ownership transfer in the building and structures as required by law. - Both parties agree to be equally responsible for fees and expenses for the transfer of leasehold rights. - Both parties agree to undertake all necessary and relevant actions for the purchaser to receive the transfer of the license relating to the hotel operation from the seller. Both parties agree to be equally responsible for the fees and expenses incurred from such undertaking. - Both parties agree to undertake all necessary and relevant actions for the purchaser to receive the transfer of the ownership of the property related to the hotel business (other than the buildings and structures in the hotel business) from the seller, whereby both

	<p>parties agree to be equally responsible for such fees and expenses, and both parties agree to bear any taxes and duties which arising from the transfer of ownership in properties related to the said hotel business as required by law.</p> <ul style="list-style-type: none"> - Both parties agree to undertake all necessary and relevant actions for the purchaser to receive the transfer of the rights and obligations, and entered into a hotel management contract with hotel management on behalf of the seller. Both parties agree to be equally responsible for the fees and expenses incurred from such undertaking. - In the event that the purchaser is required to take any action on the buyer's own conditions of business in order for the buyer to accept the transfer of the hotel business from the seller (including but not limited to registration of the buyer's business purpose), the buyer agrees to be solely responsible for all expenses incurred. - The buyer agrees to transfer the employees involved in the seller's hotel business to the purchaser's employees, whereby the purchaser agrees to count the period of such employee's continuous working as well as the length of time the employee works with the seller, including providing benefits to such employees not less than those received from the seller. In the event that any employee involved in the hotel business of any seller does not give his/her consent for such transfer, the seller agrees to be responsible for the expenses related to the termination of such employee (if any) as required by the labor law.
<p>Book value as of 31 December 2020 (the latest financial statement before the transaction date)</p>	<ul style="list-style-type: none"> • 179,041,845 Baht for the financial statements of Premium Foods Co., Ltd. • 241,301,763 Baht for the RBF Group's consolidated financial statements.

Note: ¹ As the company's financial statements Premium Foods Co., Ltd. prepared under the financial statement standards for "Non-Publicly Accountable Entities", "NPAEs", which are not exempt from the temporary relief measures to reduce the impact of the Coronavirus Disease 2019 (COVID-19) epidemic situation issued by the Federation of Accounting Professions. (The said relief measures allow affected entities to choose not to include information about the COVID-19 situation as an indication of impairment for the reporting period ending in the period between 1 January 2020 and 31 December 2020), unlike the Financial Statements for Publicly Accountable Entities", "PAEs", which are the RBF's financial standard authorized by the Federation of Accounting Professions to exclude information relating to the COVID-19 situation as an indication of impairment. As a result, RBF chooses not to take the COVID-19 situation as an indication of impairment, resulting in the net book value of assets related to Ibis Styles Chiang Mai Hotel in the RBF's consolidated financial statements are not equal to the value in the financial statements of Premium Foods Co., Ltd. In the consolidated financial statements of RBF, the book value of such assets is 241.30 million Baht. The auditors of the company have indicated in the notes to the consolidated and the Separate Financial Statements for the year ended 31 December 2020, stating that "After the cease of the relief measures in 2021, the group of entities expects to recognize the impact on items of the impairment recognition regarding buildings, equipment and right-of-use asset significantly for the upcoming Q1-2021 cash-generating unit of the hotel business", the RBF group will recognize the disposal gain (loss) from the impairment to the book value of the consolidated financial statements of the companies.

The Company hired an independent valuer to appraise the leasehold right of land and buildings (Rights of the lessee) and building structures with details as follows:

Appraisal company	Siam Appraisal & Service Co., Ltd.	Charter Valuation and Consultant Co., Ltd.
List of main assessors	Mr. Worachit Surakarnwit (Qualified Senior Valuer, WorThor.062) who is valuer has been approved by the Securities and Exchange Commission	Mr. Jeerawat Narumit (Qualified Senuir Valuer, WorThor.228) who is valuer has been approved by the Securities and Exchange Commission
Report issue date	12 October 2020	10 October 2020
Survey and assessment date	12 October 2020	1 October 2020
Evaluation objectives	For public purposes	For public purposes
Criteria and valuation method	Using Income Approach as criterion.	Using Income Approach as criterion.
Property appraisal price	168,606,000 Baht	174,900,000 Baht

Performance and important information from the Separate Financial Statements of subsidiaries prepared for administration (Separated Managerial Accounting) of Ibis Styles Chiangmai Hotel

(Unit: Baht, unless otherwise specified)	2018	2019	2020
Occupancy Rate (%)	65.68%	54.54%	27.86%
Incomes	69,975,031	55,815,968	27,773,910
Cost of sales	(71,942,447)	(63,254,018)	(44,519,405)
Gross profit (loss)	(1,967,416)	(7,438,051)	(16,745,496)

(Unit: Baht, unless otherwise specified)	2018	2019	2020
Other incomes	242,508	281,786	152,952
Selling and Administrative Expenses	(26,543,229)	(25,122,844)	(15,345,336)
Loss in impairment	-	(5,342,941)	(62,259,918)
Profit (Loss) before Interest and Income Tax Expenses	(28,268,137)	(37,622,050)	(94,197,797)
Interest Expenses	(6,977,103)	(4,720,712)	(2,878,698)
Profit (Loss) before Income Tax	(35,245,241)	(42,342,761)	(97,076,495)

5. Calculation of transaction dimension

5.1 Calculation of the disposition of assets transaction dimension

Calculation of the transaction dimension according to the announcement of the acquisition or disposition of assets, the Company calculates the transaction dimension from the latest financial statements of the company prior to the transaction date ended 31 December 2020, with details of important financial information as follows:

Financial information of R&B Food Supply Public Company Limited ended 31 December 2020

RBF Financial Information as of 31 December 2020	Million Baht
Total assets	4,883.40
Intangible assets	38.85
Total Liabilities	794.58
Non-controlling interests	(2.12)
Net tangible assets	4,052.08
Net profit for the past 12 months(Quarter 1 of 2020 to Quarter 4 of 2020)	519.02
Book value of assets disposed	319.60

Calculation criteria of Transaction dimension	Method of calculate the transaction dimension	Result of calculation of transaction dimension
1. Net tangible assets criteria	$\frac{\text{(NTA of investment in the transaction company) x Ratio acquired or disposed x 100}}{\text{NTA of the registered company}}$	Do not calculate, due to it is not a disposition of common share assets.

Calculation criteria of Transaction dimension	Method of calculate the transaction dimension	Result of calculation of transaction dimension
2. Net profit criteria	(Net operating profit of the company in the transaction) x <u>Shareholding ratio x 100</u> Net operating profit of the registered company	Do not calculate, due to it is not a disposition of common share assets.
3. Total value of consideration criteria	<u>Value of transaction paid or received x 100</u> Total assets of the listed company	$\frac{272.00}{4,883.40} = 5.57\%$
4. Equity value criteria	Number of shares issued by the company to pay for assets x 100 Number of paid-up shares of registered companies	Do not calculate, due to it is a disposition of assets transaction

From the calculation of the disposition of assets transaction dimension. It was found that the transaction dimension according to the total value of consideration criteria was the highest dimension of 5.57% (the company has no transactions of disposition of assets within 6 months prior to this transaction), the Company is not obliged to follow the Announcement of the Acquisition or Disposition of Assets.

5.2 Calculation of the connected transaction dimension

Calculation of the transaction dimension according to the Announcement of the Connected Transaction, the company calculates the transaction dimension from the latest financial statements of the company prior to the transaction date ended 31 December 2020 with details of important financial information as follows:

RBF Financial Information as of 31 December 2020	Million Baht
Total assets	4,883.40
Intangible assets	38.85
Total Liabilities	794.58
Non-controlling interests	(2.12)
Net tangible assets	4,052.08
The value of 0.03% of the net tangible assets.	1.22
The value of 3.00% of the net tangible assets.	121.56
The bottom frame of the calculation of the connected transaction dimension (Use values between 0.03 % of NTA or 1.22 Million Baht).	1.22

Upper frame of the calculation of connected transaction size (Use value between 3.00 % of NTA or 121.56 Million Baht.	121.56
Value of the connected transaction	
Value of the connected transaction Sale of leasehold rights of land and buildings (rights of the lessee) and buildings structures total 272.00 Million Baht.	272.00 Million Baht, or calculated as 6.71% of net tangible asset value of the Company as of 31 December 2020
Size of the connected transaction	Large transaction (Value > 3.00 % of NTA)

In addition, the above transaction is into the scope of a connected transaction, is a transaction relating to assets or value of transaction total 272.00 Million Baht, or about the dimension of a transaction total 6.71% of assets tangible net which is higher than the determined transaction dimension of 121.56 Million Baht (3.00% of net tangible assets) it is deemed to be a large connected transaction, therefore, the company must operate under the Announcement of the Capital Market Supervisory Board No. TorChor. 21/2551 regarding the criteria for making the connected transactions and the Announcement of the Stock Exchange of Thailand No. BOrJor/ Por 22-01 regarding the disclosure of information and operation of making connected transactions of the registered company B.E.2546 (2003) and the amendments, the company has a duty to comply with the announcement of connected transactions as follows:

- 1) To prepare reports and disclose information on the company's transactions to the Stock Exchange of Thailand and other related operations.
- 2) Appoint an independent financial advisor to provide opinions as specified in the announcement of connected transactions. The opinion of the independent financial advisor has been delivered to the shareholders for consideration, as well as sending the invitation of the shareholders' meeting. The Company has appointed Grant Thornton Services Company Limited, a financial advisor who has been approved from the Securities and Exchange Commission to act as an independent financial advisor in providing opinions to shareholders.
- 3) Hold a shareholders meeting of the company to consider and approve the aforesaid transaction by sending the invitation of the shareholders' meeting together attach with supporting documents to the shareholders at least 14 days in advance before dated of meeting of shareholders.

6. Total Value of Consideration and Method and Payment Conditions

The transaction is considered a related parties transaction which is a transaction related to assets or services. Both parties agree to purchase both assets at a total value of 272.00 million baht by the buyer agrees to pay the value of the sale to the seller at once on the date of ownership transfer in which both parties agree to set the transfer date by 30 June 2021 unless both parties agree in writing to extend the said period that the seller will deposit money to the buyer's bank account on the date of ownership transfer, the details of both assets are as follows:

1. Leasehold right of land and buildings (Right of the Lessee), equipment and buildings of the Novotel Chumphon Beach Resort and Golf Hotel invested by the Thai Flavour and Fragrance Co., Ltd. ("TFF"), a subsidiary of the company to the J.P.S. Holding Company Limited ("JPS"), totaling 87.00 million baht.
2. Leasehold right of land and buildings (Right of the Lessee), equipment and buildings of the Ibis Styles Chiang Mai Hotel invested by the Premium Foods Co., Ltd. ("PFC"), which is a subsidiary of the company to the River Kwai Botanic Garden Co., Ltd. ("RKBG"), totaling 185.00 million baht.

Note: The company has made lease agreements from landowners, namely Dr. Somchai Ratanapoompinyo and Mrs. Petchara Ratanapoompinyo, the major shareholder, the company's related persons who are stakeholders from this transaction.

7. Rationale, Necessity and Benefits expected to receive from Entering into the Transaction

In the past, the company had considered setting up a structure to prepare the company to be listed on the stock exchange in regard to the disposal of the hotel business from the group of companies that will be listed on the stock exchange for the first time (Initial Public Offering: IPO). When it is considered and found that the disposal of the hotel business would incur high tax burdens and transfer expenses, which the shareholders and the company were not ready to operate at that time. It is also expected to be able to operate in the hotel business to have better operating results. However, over the past period, since the company offered IPO, the hotel business group was affected by the dust situation in Chiang Mai (which is the location of Ibis Styles Chiang Mai Hotel), as well as the Covid-19 epidemic. As a result, the turnover of the hotel do not meet the intended plans and there is no certainty in the recovery of the hotel business, in addition, to make the business structure clear in the company's main business. The company therefore considered to operate the disposal of the hotel business during this period. This is likely to benefit for the company and its shareholders in the long run. Therefore, the management has opinions as follows:

- 7.1 This disposal of assets is part of the group's business restructuring. It is the implementation of the company's strategy and policy to focus on operating the core business that the company has expertise, namely the business of producing and distributing raw materials used as Food Ingredients and to reflect performance of

the main business clearly. The company plans to focus on operating the core business of the company at present, and the company has no plans to operate other businesses unrelated to the main business group. However, if the company finds new business opportunities that are directly or indirectly related to the main business group or other businesses that are interesting and able to generate the highest return to the company and shareholders and it is not a business that creates a conflict of interest, the company will consider on a case-by-case basis.

7.2 The disposal of assets this time makes the company group free from the loss of both hotels (details of operating results are shown in Section 4. - Details of the assets to be disposed of) In addition, the transaction is also coping with the impact of the current COVID-19 outbreak, causing the hotel business operators to suddenly lose revenues and the overview of the hotel business has shrunk seriously and inevitably, affecting the financial position, performance, cash flow in the past and it is expected that it may take a few years before the hotel business is fully recovered.

7.3 If there is no disposition transaction, a substantial impact on the recognized impairment of plant, equipment and right-use assets is expected for the cash-generating unit of the hotel business group in the upcoming Q1/2021. After the termination of temporary relief measures to reduce the impact of the coronavirus disease (COVID-19) epidemic situation issued by the Federation of Accounting Professions (The said relief measures allow the affected entities to choose not to include information about the COVID-19 situation as an indication of impairment for the reporting period ending within the period between January 1, 2020 and December 31, 2020.)

7.4 The land on which the two hotels are located is owned by Leasehold¹, which has a limited lease term², making the dispose of the hotel property difficult as it makes it possible for buyers to purchase only the leasehold rights only.

Notes: ¹ - The company made lease agreements from land owners, namely Dr.Somchai Ratanapoompinyo and Mrs. Petchara Ratanapoompinyo, Directors, the major shareholders, the company's related persons who are stakeholders from this transaction.

² – The leasehold right of the land of the location of Novotel Chumphon Beach Resort & Golf Hotel has a total term of 20 years, contract validity from 1 October 2018 – 30 September 2038, the remaining contract period as of the Board of Directors Meeting No. 1/2564 on 25 February 2021 is equal to 17 years 7 months 4 days. Regarding the leasehold right of the land of the location of Ibis Styles Chiang Mai Hotel has a total term of 20 years, contract

validity from 1 October 2018 – 30 September 2038, the remaining contract period as of the Board of Directors Meeting No. 1/2564 on 25 February 2021 is equal to 17 years 7 months 4 days.

8. Plans to use the proceeds from the disposition of assets

Money received from the sale of the hotel business this time, the company will use it as working capital within the business.

9. Opinion of the Board of Directors on a decision to enter into a connected transaction

Board of Directors Meeting No. 1 / 2564 dated 25 February 2021, not including Dr. Somchai Ratanapoompinyo, Mrs. Petchara Ratanapoompinyo, Lt. Col. Dr. Janjida Ratanapoompinyo, and Dr. Sanathorn Ratanapoompinyo, 4 directors with interests neither attend the meeting nor vote. Having considered and had opinion that the aforesaid connected transaction is appropriate, reasonable and for the benefit of the Company because it is the operation of the improvement of the business plan and strategy of the company that will focus on generating profits from the company's core business.

In addition, the price of the hotel business total 272.00 Million Baht is trading at a price agreed upon by both parties. The details are as follows:

1. Novotel Chumphon Beach Resort & Golf Club is 87.00 Million Baht, which is between the appraised value of the properties by Siam Appraisal and Services Company Limited edition on 22 January 2021 , which equals 88.75 Million Baht and appraised value of the properties by Chartered Valuation & Consulting Limited edition on 21 September. 2020, which equals 84.33 Million Baht.
2. Ibis Styles Chiangmai Hotel is 185.00 Million Baht, which is price higher than the appraised value of the properties by Siam Appraisal and Service Co., Ltd. issue on 12 October 2020, which is equal to 168.61 Million Baht and the appraised value of the assets from the Charter Valuation & Consultant Limited on 10 October 2020, which equals 174.90 Million Baht.

The Board of Directors is of the opinion that the said connected transaction is reasonable. The details are as follows:

- The purchase price agreed by both parties is higher than the average appraisal price from the 2 independent appraisers, which both real estate appraisers are on the list of capital market appraisal companies and principal appraisers which have been approved by the Securities and Exchange Commission. In addition, in the opinion's report of the independent financial advisor that was prepared by Grant Thornton Services Company Limited, a financial advisor that has been approved by the Securities and Exchange Commission, commented that the said connected transactions is appropriate in terms of price and conditions. From

considering the details of professionals approved by the Office of the Securities and Exchange Commission showing all comments on them, the Board of Directors is of the opinion that the price and conditions of the transaction are reasonable according to details from professionals proposed by the management.

- For the need to distribute to the related parties, the Board of Directors has acknowledged details from the company's management that due to the COVID-19 situation affecting the hotel industry in a wide range, including the land where both hotels are located, is a leasehold ownership as a result to be difficult for disposal of hotel assets since the buyer has only the right to lease only that even the AAPC (Thailand) Company Limited, as the hotel management in which according to the hotel management agreement, there is an agreement on the right of first refusal¹ with the company, and then the AAPC aims at the company not to purchase with the company anymore. In addition, the management has notified the Board of Directors that an inquiry has been made to a real estate brokerage firm to offer for sale but there has no response from the real estate brokerage firm. The Board of Directors has considered the benefits that the company and shareholders will receive. In accordance with the details that the management has notified as well as the necessity of disposing to the related parties proposed by the management, the Board of Director has agreed that the disposal of the related parties is reasonable according to the details proposed by the management.

The Board of Directors is of the opinion that connected transaction with the highest benefit to the Company and the Company's shareholders. Proposing this agenda item to the shareholders' meeting of the Company to consider and approve the appropriateness of entering such connected transactions that the Company has entered into with JPS and RKBG in order to comply with good governance principles. Therefore, it is of the opinion that the shareholders should consider and approve the entering into the aforesaid connected transaction.

Note: ¹ - Right of First Refusal Agreement, that is, in the event that the company intends to distribute or transfer the said property to another person, the company needs to make a notification to the hotel management for consideration in the first priority. In the event that the hotel management refuses to make the offer, then the company is able to distribute or transfer the rights in such assets to other persons.

10. Opinion of the Audit Committee and / or the Directors of the Company which is Different from the Opinion of the Board of Directors Including the case of the aforesaid director abstained

- No -

11. Company Information and Summary of the Operations Company

General Information

list	Details
Company Name	R&B Food Supply Public Company Limited
Company Registration No.	0107561000374
Head office location	3395 Lat Phrao 101 Alley (Wat Bueng Thonglang), Lat Phrao Road, Khlong Chan Sub-district, Bang Kapi District, Bangkok Metropolis 10240
Type of business	manufacturing and distributing food ingredients in various groups as follows: (1) Flavor and food coloring. These include flavoring agents used in perfumes and cosmetics (2) Flour and sauces (3) Dehydrated products (4) Frozen food products (5) Plastic packagings and (6) Purchased for sale products, which are food additives such as preservatives, anti-mold, citric acid, etc., including milk powder and sausage casings. In addition to the aforementioned businesses The subsidiaries have also invested in two hotels, namely: The ibis Styles Chiang Mai Hotel and the Novotel Chumphon Beach Resort & Golf. ^{/1}
Authorized Capital	2,000 million baht divided into 2,000 million shares with par value of 1.00 baht per share
Paid-up Capital	2,000 million baht divided into 2,000 million shares with par value of 1.00 baht per share
Listed Date	24 October 2019

Note: ^{/1} – In the case that the company is approved for such mentioned relate parties transaction in this information from the 2021 Annual General Meeting of Shareholders on 23 April 2021, the disposal of such assets will cause the company not to operate the hotel business any longer. The Company plans to focus on operating the main business of the company at present time, the company has no plans to operate other businesses unrelated to the main business group. However, if the company finds new business opportunities that are directly or indirectly related to the main business group or other businesses that are interesting and able to generate the highest return to the company and shareholders as well as it is not a business that creates a conflict of interest., the company will consider on a case by case basis.

Nature of Business

The R&B Food Supply Public Company Limited (“the Company” or “RBF”) and its subsidiaries engage in the business of manufacturing and distributing food ingredients (Food Ingredients), divided into several product groups as follows (1) Flavoring agents (Flavour) and food coloring. This includes flavoring agents used in perfumes and cosmetics. (2) Flour and Sauce (3) Dehydrated products (4) Frozen food products (5) Plastic packaging and (6) Purchased for sales products which are food additive such as Preservatives, anti-mold agents, citric acid, etc.,

including milk powder and sausage casings by purchasing from other manufacturers or imported from abroad, selling to customers who are used in the food industry, beverage industry, pharmaceutical industry and animal feed industry. In the production and distribution of products, the Company and its subsidiaries mainly manufacture and sell Made to Order and having sold to customers in industrial enterprises and large retail customers that order in the form of OEM (Original Equipment Manufacture)

In addition, they manufacture and sell products in the form of OEM (Original Equipment Manufacture) under Under the customer's brand and products that are standard formulas under the brand "Uncle Barnes," "Best Odour," "Super-find," "Copy Chan", "Haeyo", "Angelo" and "Aroi Mak Mak" are products of flour, breadcrumbs, flavoring agents and Food coloring , concentrated nectar and frozen food. To create diversity and meet the needs of customers thoroughly.

Currently, the company and its subsidiaries have 10 factories producing food additives as mentioned and producing plastic packaging. 1 place, located at Lat Phrao 101Alley, Bangkok Metropolis, 1 place is in Ayutthaya Province, which 1 place located at the Wang Noi Factory Land Project, 5 places located in the Hi-Tech Industrial Estate, 1 place located in San Sai District, Chiang Mai, 1 place is in Long An City, Vietnam and 1 place located in Jakarta Province, Indonesia.

Each factory uses modern machinery and equipment. There are manufacturing processes that meet international standards such as the Good Manufacturing Practice Practice (GMP), the Hazard Analysis & Critical Control Points (HACCP) standards, the British Retail Consortium (BRC), the Food Safety System Certification (FSSC) 22000, the HALAL product standard and the Quality Management System standard (ISO 9001), the products of the Company and its subsidiaries have gained the trust of customers both at home and abroad.

At present, the Company has 10 subsidiaries, consisting of 4 subsidiaries in Thailand, 1 Vietnam company, Indonesia 2 companies, China 1 company, Singapore 1 company and Japan 1 company, the company and its subsidiaries also export their products to Malaysia, Indonesia, Laos, Cambodia, Vietnam, Myanmar, Middle East and South Asia including UAE, Kuwait, India, Pakistan, Australia, Japan, China, Russia, UK, Germany and USA etc.

In addition, the subsidiaries have invested in two hotels: (1) The Novotel Chumphon Beach Resort and Golf, through Thai Flavors and Fragrant Co., Ltd. (TFF) and (2) I Hotel. Biz Styles Chiang Mai by investing through the Premium Foods Limited (PFC) Co., Ltd,^{/1}

Note: ^{/1} – In the case that the company is approved for such mentioned relate parties transaction in this information from the 2021 Annual General Meeting of Shareholders on 23 April 2021, the disposal of such assets will cause the company not to operate the hotel business any longer. The Company plans to focus on operating the main business of the company at present time, the company has no plans to operate other businesses unrelated to the main business group. However, if the company finds new business opportunities that are directly or indirectly related to the main business group or other businesses that are interesting and able to generate the highest return to the company and shareholders as well as it is not a business that creates a conflict of interest., the company will consider on a case by case basis.

Revenue Structure

Revenue structure by product type	Year 2018		Year 2019		Year 2020	
	Million baht	%	Million baht	%	Million baht	%
Sales revenue	2,632.52	95.74%	2,776.38	96.34%	3,116.38	97.78%
1) Flavoring agents and food coloring	995.54	36.21%	1,038.82	36.05%	1,185.49	37.19%
2) Flour and sauce	948.69	34.50%	1,025.71	35.59%	1,147.36	36.00%
3) Dehydrated products	156.69	5.70%	172.31	5.98%	178.23	5.59%
4) Frozen food products	101.13	3.68%	98.81	3.43%	87.97	2.76%
5) Plastic Packaging Group ^{/1}	44.48	1.61%	41.16	1.43%	24.30	0.76%
6) Purchased for sales Group ^{/2}	385.99	14.04%	399.57	13.86%	493.02	15.47%
Revenue from hotel business	105.73	3.85%	88.28	3.06%	55.70	1.75%
Total revenue	2,738.25	99.59%	2,864.65	99.40%	3,172.08	99.52%
Other revenue ^{/3}	11.34	0.41%	17.34	0.60%	15.19	0.48%
Total revenue	2,749.59	100.00%	2,881.99	100.00%	3,187.27	100.00%

Note: ^{/1} – In the case that the company is approved for such mentioned relate parties transaction in this information from the 2021 Annual General Meeting of Shareholders on 23 April 2021, the disposal of such assets will cause the company not to operate the hotel business any longer. The Company plans to focus on operating the main business of the company at present time, the company has no plans to operate other businesses unrelated to the main business group. However, if the company finds new business opportunities that are directly or indirectly related to the main business group or other businesses that are interesting and able to generate the highest return to the company and shareholders as well as it is not a business that creates a conflict of interest., the company will consider on a case by case basis.

12. Management and List of the First 10 Shareholders as of 12 March 2021.

List of Company Management

The company has the list of management as of the latest shareholder list date of 12 March 2021 as follows:

No.	Name list	Position
1.	Dr.Somchai Ratanapoompinyo	Chief Executive Officer / Chief Marketing and Planning Officer (Acting)
2.	Mrs. Petchara Ratanapoompinyo	Deputy Chief Executive Officer
3.	Mr. Suranart Kittirattanadetch	Chief Financial Officer
4.	Mr. Teerapat Yanatornkul	Chief Operating Officer

List of Shareholders

The company has a list of the first 10 shareholders as of the latest shareholder list date of 12 March 2021 as follows:

List of Shareholders	Number of shares	Proportion
1. Mrs. Petchara Ratanapoompinyo	556,031,000	27.80%
2. Dr.Somchai Ratanapoompinyo	556,030,900	27.80%
3. Lt. Col. Dr. Janjida Ratanapoompinyo	160,159,000	8.01%
4. Dr.Sanathorn Ratanapoompinyo	160,159,000	8.01%
5. Thai NVDR Company Limited	110,289,009	5.51%
6. SAN-EI GEN F.F.I., INC.	60,000,000	3.00%
7. SCB Long Term Equity Dividend Fund 70/30	15,745,500	0.79%
8. Mr. Paniang Pongsatha	14,033,700	0.70%
9. Mr. Chai Manopas	12,280,000	0.61%
10. Mr. Somchai Pitakkampol	10,790,000	0.54%

13. Connected Transactions in Year 2019 and Year 2020

Business and persons with relationships with the company either directly or indirectly through the acquisition of one or more other businesses where that person or business has the power to control the company or having been controlled by the company or under the same control as the company including investment companies, subsidiaries and affiliated companies are considered as a related company, associates and owner ones, having a stake in the voting rights of the company that have significant influence over the business , key management, including directors and employees of the company, as well as family members who are close to them. All businesses and individuals are considered individuals or entities related to the company.

When considering a relationship between a related person or entity, which may arise, the details of the relationship must be taken into account rather than the legal pattern.

The company is controlled by the Rattanapinyo Family Group, the major shareholder of the company. The group of shareholders consists of Dr. Somchai Ratanapoompinyo Mrs. Petchara Ratanapoompinyo Lt. Col. Dr. Janjida Ratanapoompinyo and Dr. Sanathorn Ratanapoompinyo which holding shares together accounted for 71.62 % of the company's shares, as of the latest shareholder list date of 12 March 2021.

List of related parties	List of related parties
R&B Food Supply Vietnam Limited Liability Company	Subsidiary Company
PT RBFood Supply Indonesia	Subsidiary Company
Thai Flavor and Fragrance Company Limited	Subsidiary Company
Premium Foods Company Limited	Subsidiary Company
Best Odour Company Limited	Subsidiary Company
PT RBFood Manufaktur Indonesia	Subsidiary Company
Guangzhou Thai Delicious Food Co., Ltd.	Subsidiary Company
J.P.S. Holding Company Limited	Companies under common control At the shareholder level
Port Plus Company Limited	Companies under common control at the shareholder level.
Global Triumph Company Limited	Companies under common control at the shareholder level.
Translucence Company Limited	Companies under common control at the shareholder level.
Daphne Company Limited	Companies under common control at the shareholder level.
Botanic Delight Company Limited	Related parties
Petch Perm Sinn Company Limited	Related parties

During year 2019 and year 2020, the Business Group and the Company have transactions with subsidiaries and related companies. Such trading transactions are based on the criteria agreed upon between the entities in the normal course of business operation and in accordance with normal trading conditions in which can be summarized as follows:

Item Categories	Conditions and Criteria
Revenue from sales of goods	Cost price plus gross margin by product type
Revenue from sale of land Buildings and equipment	Cost price plus profit
Rental income	Contract price, which is obtained from the appraisal by an independent appraiser, which is close to the market price.
Service income	Cost price plus profit
Other income - commission	Contract price as a percentage of sales
Interest income	Contract price
Buy products	Cost plus gross margin by product type
Buying land, buildings and equipment	Contract price, which is obtained from the appraisal by an independent appraiser, which is close to the market price.
Finance lease liabilities	Contract price, which is obtained from the appraisal by an independent appraiser, which is close to the market price.
Rent of land and factory buildings	Contract price, which is obtained from the appraisal by an independent appraiser, which is close to the market price.
Service charge	Contract price
Commission	Contract price as a percentage of sales
Other expenses	Contract price
Interest expense	Contract price

Revenue from Sales of Goods and Services

Item Type	Consolidated Financial			
	Statements		Separate Financial Statements	
	2020	2019	2018	2017
	Baht	Baht	Baht	Baht
Revenue from sales of goods				
Subsidiaries	-	-	321,363,921	267,858,448
	-	-	321,363,921	267,858,448
Revenue from sale of land , buildings and equipment				
Subsidiaries	-	-	334,255	20,768,744
	-	-	334,255	20,768,744
Rental revenue				
Subsidiary Company	-	-	10,045,681	11,713,125
	-	-	10,045,681	11,713,125
Service revenue and other revenue				
Subsidiaries	-	-	35,497,340	26,992,019
	-	-	35,497,340	26,992,019
Interest revenue				
Subsidiaries	-	-	14,579,461	5,165,094
	-	-	14,579,461	5,165,094
Dividend revenue				
Subsidiaries	-	-	-	65,785,029
	-	-	-	65,785,029

Goods Purchasing and Using of Services

Item Type	Consolidated financial statements		Separate financial statements	
	2020	2019	2018	2017
	Baht	Baht	Baht	Baht
Products purchasing				
Subsidiaries	-	-	75,182,920	48,397,492
Companies under common control				
At the shareholder level	-	7,528,151	-	7,528,151
	-	7,528,151	75,182,920	55,925,643
Purchasing on land, buildings and equipment				
Subsidiaries	-	-	5,540,121	-
Related parties	1,428,066	20,314,812	1,428,066	20,314,812
	1,428,066	20,314,812	6,968,187	20,314,812

Item Type	Consolidated financial statements		Separate financial statements	
	2020	2019	2018	2017
	Baht	Baht	Baht	Baht
Rental fee of land and factory buildings				
Key shareholders and management	-	17,539,780	-	10,202,331
	-	17,539,780	-	10,202,331
Service and other expenses				
Subsidiaries	-	-	34,354,377	20,104,178
Related parties	119,092	1,259,812	-	120,794
	119,092	1,259,812	34,354,377	20,224,972
Interest paid				
Companies under common control				
At the shareholder level	-	1,131,283	-	-
Key shareholders and management	12,726,509	10,160,242	8,685,808	9,035,248
	12,726,509	11,291,525	8,685,808	9,035,248
Dividends paid				
Key shareholders and management	214,856,985	246,004,971	214,856,985	246,000,000
	214,856,985	246,004,971	214,856,985	246,000,000

Outstanding Balance arising from the Purchase and Sale of Goods and Services

Outstanding balances at the end of the period related to transactions with related parties are as follows:

Item Type	Consolidated financial statements		Separate financial statements	
	2020	2019	2018	2017
	Baht	Baht	Baht	Baht
Trade and other receivables				
of related parties				
Subsidiaries	-	-	166,900,884	126,596,490
Key shareholders and management	36,100	-	36,100	-
Total receivables from related parties - Net	36,100	-	166,936,984	126,596,490
Trade payables and other payables				
Of related parties				
Subsidiaries	-	-	24,795,217	18,310,020
Related parties	-	5,000	-	5,000
Key shareholders and management	47,248	5,473,274	19,000	3,305,649
Total payables from related parties - Net	47,248	5,478,274	24,814,217	21,620,669
Lease liabilities				
Key shareholders and management	286,293,727	34,846,421	152,859,295	32,835,396
Total lease liabilities	286,293,727	34,846,421	152,859,295	32,835,396

Loans from Related Parties

Item Type	Consolidated financial statements		Separate financial statements	
	2020	2019	2018	2017
	Baht	Baht	Baht	Baht
Companies under common control				
At the shareholder level				
Balance at the beginning of the year	-	74,000,000	-	-
Loan repayments during the year	-	(74,000,000)	-	-
Year-end balance	-	-	-	-
Key shareholders and management				
Balance at the beginning of the year	50,000,000	498,780,000	-	448,780,000
Loan repayments during the year	(50,000,000)	(448,780,000)	-	(448,780,000)
Year-end balance	-	50,000,000	-	-
Total loans from related parties	-	50,000,000	-	-

As at 31 December 2019, the loan from shareholders was interest-bearing type with an interest rate of 1.97% per annum, unsecured, having the repayment date within 5 years in which the business group had already made all payments from shareholders in 2020.

Loans to Related Parties

Item Type	Consolidated financial statements		Separate financial statements	
	2020	2019	2018	2017
	Baht	Baht	Baht	Baht
Short-term loans to related parties				
Subsidiaries	-	-	5,978,000	-
<u>Less allowance for potential credit losses.</u>				
(2019: Allowance for doubtful accounts)				
In accordance with TAS 101)	-	-	(34,504)	-
Total	-	-	5,943,496	-
Long-term loans to related parties				
Subsidiaries	-	-	361,947,933	285,498,875
<u>Less allowance for potential credit losses.</u>				
(2019: Allowance for doubtful accounts)				
In accordance with TAS 101)	-	-	(2,100,070)	-
Total	-	-	359,847,863	285,498,875

The dynamics of loans to related parties can be analyzed as follows:

Item Type	Consolidated financial statements		Separate financial statements	
	2020	2019	2018	2017
	Baht	Baht	Baht	Baht
Related parties				
Beginning balance	-	-	285,498,875	156,916,667
List of adjustments from the introduction of standards Financial Reporting ; Issue No.9 To be used on 1 January 2020 (Note 5)	-	-	(15,747,961)	-
Additional loans during the year	-	-	165,499,923	262,928,900
Repayments received during the year	-	-	(87,044,200)	(133,150,667)
Exchange differences	-	-	(702,141)	(1,196,025)
Effects of changes in interest rates on Loan Agreement (Note 15)	-	-	18,413,844	-
Allowance for impairment losses	-	-	(126,981)	-
Ending balance	-	-	365,791,359	285,498,875

The terms and conditions of the loan agreement are as follows:

Company	Amount		Payment period	Amount paid back		Interest rate Percentage
	Loan balance			For the year ended		
	Dated 31 December 2020			Dated 31 December 2020		
	Baht			Baht		
Premium Foods Company Limited	177,733,193	There is no collateral and all Repayments will be due in 2025		40,560,000		3.85 - 4.24
Thai Flavor and Fragrance Company Limited	137,616,883	There is no collateral and all repayments will be due. in 2025		44,084,200		3.85 - 4.24
Best Odour Company Limited	4,573,449	There is no collateral and all repayments will be due in 2022		2,400,000		3.85
R&B Food Supply Vietnam Limited Liabilities Company	16,476,539	There is no collateral and all repayments will be due in 2026		-		4.25 - 4.75
PT RB Food Manufaktur Indonesia	29,391,295	There is no collateral and all repayments will be due in 2027		-		4.50 - 4.75
	365,791,359			87,044,200		

Loans to related parties are in accordance with normal lending traditions. Related interest income amounted to 14,579,461 baht (31 December 2019: 5,165,094 baht).

Key Management Compensation

Key management of the company include senior directors and executives. The compensation paid or accrued for key management personnel is as follows:

Item Type	Consolidated financial statements		Separate financial statements	
	2020	2019	2018	2017
	Baht	Baht	Baht	Baht
Short term benefit	35,083,276	33,755,787	29,064,845	27,925,825
Severance package	201,526	6,014,635	154,088	5,101,076
	35,284,802	39,770,422	29,218,933	33,026,901

14. Summary of Financial Statements for the Past 3 Years with Explanations and Analysis of Financial Position and Operating Results

Summary of Financial Statements

Statement of Financial Position	Financial Statements in which equity method are applied					
	31 December 18 (Verified)		31 December 18 (Verified)		31 December 18 (Verified)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Cash and cash equivalents	249.42	7.23%	1,234.41	27.98%	613.65	12.57%
Short term investment	13.19	0.38%	6.09	0.14%	-	0.00%
Trade and other receivables	636.12	18.45%	726.92	16.47%	841.66	17.24%
Short-term loans to other persons or businesses	-	0.00%	-	0.00%	-	0.00%
Financial assets (fixed deposits) measured at amortised cost	-	0.00%	-	0.00%	400.10	8.19%
Inventories	746.04	21.64%	682.51	15.47%	756.99	15.50%
Other current assets	3.39	0.11%	9.24	0.21%	15.18	0.31%
Total current assets	1,648.16	47.81%	2,659.17	60.27%	2,627.58	53.81%
Bank deposits with withdrawal restrictions	9.16	0.27%	3.16	0.07%	3.16	0.06%
Investment property	-	0.00%	67.13	1.52%	67.13	1.37%
Property, plant and equipment	1,721.62	49.94%	1,622.61	36.77%	1,377.78	28.21%
Rights of assets usage	-	0.00%	-	0.00%	751.40	15.39%
Intangible assets	23.70	0.69%	11.31	0.26%	4.47	0.09%
Deferred Tax Assets	30.40	0.88%	32.87	0.74%	34.38	0.70%
Long-term loans to other persons or businesses	-	0.00%	-	0.00%	-	0.00%
Other non-current assets	14.62	0.42%	16.06	0.36%	17.50	0.36%
Total non-current assets	1,799.50	52.19%	1,753.14	39.73%	2,255.82	46.19%

Statement of Financial Position	Financial Statements in which equity method are applied					
	31 December 18 (Verified)		31 December 18 (Verified)		31 December 18 (Verified)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Total assets	3,447.66	100.00%	4,412.31	100.00%	4,883.40	100.00%
Bank overdrafts and short-term loans from financial institutions	225.00	6.53%	-	0.00%	-	0.00%
Trade payables and other payables	338.26	9.81%	311.77	7.07%	366.00	7.49%
Portion of finance lease liabilities due within one year	0.77	0.02%	0.07	0.00%	-	0.00%
The portion of long-term loans from financial institutions due within one year	27.79	0.81%	13.76	0.31%	-	0.00%
The portion of long-term loan from related person or business due within one year.	34.35	1.00%	12.49	0.28%	-	0.00%
Short-term loans from related parties	-	0.00%	-	0.00%	-	0.00%
Current portion of lease liabilities due within one year	-	0.00%	-	0.00%	10.89	0.22%
Current income tax payable	35.36	1.03%	26.14	0.59%	50.25	1.03%
Other current liabilities	8.52	0.25%	10.91	0.25%	9.50	0.19%
Total current liabilities	670.05	19.43%	375.14	8.50%	436.64	8.94%
Long-term loans from financial institutions	74.27	2.15%	40.33	0.91%	-	0.00%
Finance lease liabilities	34.67	1.01%	35.08	0.80%	296.12	6.06%
Long-term loans from related parties	538.43	15.62%	37.51	0.85%	-	0.00%
Employee benefit obligations	38.48	1.12%	54.38	1.23%	61.83	1.27%
Total non-current liabilities	685.85	19.89%	167.30	3.79%	357.95	7.33%
Total liabilities	1,355.90	39.33%	542.44	12.29%	794.59	16.27%
Registered capital	2,000.00	58.01%	2,000.00	45.33%	2,000.00	40.96%
Issued and paid capital	1,480.00	42.93%	2,000.00	45.33%	2,000.00	40.96%
Premium on share capital	93.66	2.72%	1,248.94	28.31%	1,248.94	25.58%
Surplus from business combination under common control	94.71	2.75%	94.71	2.15%	94.71	1.94%
Retained Earnings - Allocated	77.00	2.23%	110.35	2.50%	130.65	2.68%
Retained Earnings - Unappropriated	350.50	10.17%	423.93	9.61%	619.52	12.69%
Other components of equity	(3.04)	-0.09%	(7.67)	-0.17%	(2.89)	-0.06%
Total equity of the parent company	2,092.83	60.70%	3,870.26	87.72%	4,090.93	83.77%
Non-controlling interests	(1.07)	-0.03%	(0.39)	-0.01%	(2.12)	-0.04%
Total shareholders' equity	2,091.76	60.67%	3,869.87	87.71%	4,088.81	83.73%
Total liabilities and equity	3,447.66	100.00%	4,412.31	100.00%	4,883.39	100.00%

Statement of Comprehensive Income	Financial statements showing investments by equity method					
	31 December 18 (Verified)		31 December 19 (Verified)		31 December 20 (Verified)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Sales revenue	2,632.52	96.14%	2,776.38	96.92%	3,116.38	98.24%
Revenue from hotel operations ^{/1}	105.73	3.86%	88.28	3.08%	55.70	1.76%
Total revenues	2,738.25	100.00%	2,864.66	100.00%	3,172.08	100.00%
Cost from sales	(1,627.68)	(59.44%)	(1,668.38)	(58.24%)	(1,809.29)	(57.04%)
Cost from hotel operation ^{/1}	(116.49)	(4.25%)	(105.66)	(3.69%)	(79.19)	(2.50%)
Total cost	(1,744.17)	(63.70%)	(1,774.04)	(61.93%)	(1,888.48)	(59.53%)
Gross profit	994.08	36.30%	1,090.62	38.07%	1,283.60	40.47%
Other revenues ^{/1}	11.34	0.41%	17.34	0.61%	15.19	0.48%
Selling expenses	(191.18)	(6.98%)	(182.01)	(6.35%)	(191.66)	(6.04%)
Administrative expenses	(386.17)	(14.10%)	(457.10)	(15.96%)	(440.47)	(13.89%)
Expected credit losses	-	-	-	-	(19.74)	(0.62%)
Financial cost	(20.71)	(0.76%)	(25.95)	(0.91%)	(14.57)	(0.46%)
Profit before income tax	407.36	14.88%	442.90	15.46%	632.35	19.93%
Income tax expenses	(86.25)	(3.15%)	(89.36)	(3.12%)	(115.04)	(3.63%)
Net profit for the period	321.11	11.73%	353.54	12.34%	517.31	16.31%
Equity belonging to the owner of the parent company	323.75	11.82%	352.78	12.31%	519.02	16.36%
Other shareholders' equity from a business combination under common control	-	-	-	-	-	-
Non-controlling interests	(2.64)	(0.10%)	0.76	0.03%	(1.71)	(0.05%)
Profit for the period	321.11	11.73%	353.54	12.34%	517.31	16.31%
Earnings per share of ownership of the parent company (baht / share) (calculated from the par value of 100 baht per share)	25.87		22.29		25.95	
Earnings per share of ownership of the parent company (baht / share) (calculated from the par value of 1 baht per share) / 2	0.26		0.22		0.26	

Source: Information from the company

Note: / Note: ^{/1} – In the case that the company is approved for such mentioned relate parties transaction in this information from the 2021 Annual General Meeting of Shareholders on 23 April 2021, the disposal of such assets will cause the company not to operate the hotel business any longer. The Company plans to focus on operating the main business of the company at present time, the company has no plans to operate other businesses unrelated to the main business group. However, if the company finds new business opportunities that are directly or indirectly related to the main business group or other businesses that are interesting and able to generate the highest return to the company and shareholders as well as it is not a business that creates a conflict of interest., the company will consider on a case by case basis.

^{/2} Other income comprises gain and loss from foreign exchange., interest income , transportation and service income, interest income, commission income and others.

^{/3} Extraordinary General Meeting of Shareholders No. 2/2018 on 29 August 2018, having resolved to change the par value from 100 baht per share to 1 baht per share, therefore calculating earnings per share for the years 2016-2018 and for the first 6 months period of year 2018, ended at 30 June 2018 from the number of ordinary shares adjusted to the value of 1 baht per share for the benefit of comparing the current earnings per share.

Management Discussion and Analysis

Impact of Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 continuing to the present has adverse effects on operating results of the hotel properties.

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 36.90% compared to 2019. This is due to temporary operational closures from April to June 2020 and resulted in 24% hotel booking cancellation in 2020, a high season for hotel properties as well as previously suspended and currently diminished domestic and international travels. In response, the management has registered the government's tourism stimulus campaign known as Rao Tiew Duay Kan (We Travel Together) attract customers. The management is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing effective solutions.

In 2020, the Company and its subsidiaries chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets in the cash-generating units of the hotel properties, which, in consequence, may have negative affected to the hotel's future financial position and financial performance. However, the management will continuously monitor the impact of COVID-19 and will take appropriate and timely measures to minimize the negative impact of the COVID-19 pandemic on the hotel's future operations.

Analysis of Operating Results

Consolidated Statement of Comprehensive Income (In Million Baht)	For the year (January - December)		Change	
	2020	2019	MB	%
	Revenues from sales and rendering services	3,116.38	2,776.38	340.00
Revenues from hotel operations ¹	55.70	88.28	-32.58	-36.90%
Total Revenue from operations	3,172.08	2,864.66	307.42	10.73%
Cost of goods sold and rendering services	1,809.29	1,668.38	140.91	8.45%

Cost of rendering hotel services ¹	79.19	105.66	-26.47	-25.05%
Total cost from operations	1,888.48	1,774.04	114.44	6.45%
Gross profit	1,283.60	1,090.62	192.98	17.69%
Other income	15.19	17.34	-2.15	-12.41%
Selling expenses	191.66	182.01	9.65	5.30%
Administrative expenses	440.47	457.10	-16.63	-3.64%
Net impairment losses on financial assets	19.74	-	19.74	100.00%
Finance costs	14.57	25.95	-11.38	-43.85%
Profit before income tax	632.35	442.90	189.45	42.77%
Income tax expense	115.04	89.36	25.68	28.73%
Profit for the year	517.31	353.54	163.77	46.32%
Profit attributable to :				
Non-controlling interests	-1.71	0.76	-2.47	-325.25%
Owners of the company	519.02	352.78	166.24	47.12%

Note: ¹ – In the case that the company is approved for such mentioned relate parties transaction in this information from the 2021 Annual General Meeting of Shareholders on 23 April 2021, the disposal of such assets will cause the company not to operate the hotel business any longer. The Company plans to focus on operating the main business of the company at present time, the company has no plans to operate other businesses unrelated to the main business group. However, if the company finds new business opportunities that are directly or indirectly related to the main business group or other businesses that are interesting and able to generate the highest return to the company and shareholders as well as it is not a business that creates a conflict of interest., the company will consider on a case by case basis.

The Revenue from Operations for the year 2020

In 2020, the revenues from operations of the Company and its subsidiaries were THB 3,172.08 million, which increased by THB 307.42 million or 10.73% compared to the year 2019, which the revenues from operations was THB 2,864.66 million.

The significant changes of each type of the revenues can be explained as follows:

1. REVENUES FROM SALES OF MANUFACTURING AND TRADING GOODS

In 2020, the revenues from sales were THB 3,116.38 million, equaled to 98.24% of the total revenues from operations, and increased by THB 340.00 million (YoY 12.25%) compared to the year 2019, which the revenues from sales was THB 2,776.38 million, equaled to 96.92% of the total revenue from operations.

The increase in sales of THB 340.00 million comprised of 2 main segments as follows:

- Increase in domestic sales of THB 352.36 million.
- Decrease in oversea sales of THB 12.36 million.

Consideration of 6 product categories, the main increase came from: Flavour, Fragrance & Color category increased by 146.67 million, Food Coating category increased by THB 121.65 million, and Trading Goods category increased by THB 93.45 million.

2. REVENUES FROM HOTEL OPERATIONS ^{/1}

In 2020, the revenue from hotel operations of the Company and its subsidiaries was THB 55.70 million, equaled to 1.76% of the total revenue from operations. The revenue from hotel operations decreased by THB 32.58 million (YoY -36.90%), mainly due to the outbreak of Coronavirus Disease 2019 (“COVID-19 Pandemic”), resulting in cancellation of hotel booking in a high season and the temporary operational closures of 2 hotels from April to June 2020 as mentioned above.

Note: ^{/1} – In the case that the company is approved for such mentioned relate parties transaction in this information from the 2021 Annual General Meeting of Shareholders on 23 April 2021, the disposal of such assets will cause the company not to operate the hotel business any longer. The Company plans to focus on operating the main business of the company at present time, the company has no plans to operate other businesses unrelated to the main business group. However, if the company finds new business opportunities that are directly or indirectly related to the main business group or other businesses that are interesting and able to generate the highest return to the company and shareholders as well as it is not a business that creates a conflict of interest., the company will consider on a case by case basis.

Gross Profit for the year 2020

In 2020, the gross profit was THB 1,283.60 million or 40.47% of the total revenue from operations, which increased by THB 192.98 million (YoY 17.69%) compared to the year 2019 which gross profit was THB 1,090.62 million or 38.07% of total revenue from operations.

The significant changes of the gross profit can be explained as follows:

1. GROSS PROFIT FROM SALES OF MANUFACTURING AND TRADING GOODS

In 2020, the gross profit of Food Ingredient business was THB 1,307.09 million or 41.94% of the total revenue from operations, which increased by THB 199.09 million (YoY 17.97%) compared to the year 2019, which the gross profit was THB 1,108.00 million or 39.91% of the total revenue from operations. The increase in sales of manufacturing and trading goods, resulting in the increase in gross profit.

The main increase came from the increased gross profit of Flavor & Fragrance and Color category for THB 108.57 million, Food Coating category for THB 56.80 million, and Trading goods category for THB 34.36 million.

2. GROSS PROFIT FROM HOTEL OPERATIONS ^{/1}

In 2020, the negative gross margin of hotel operations was THB 23.49 million or -42.17% of the total revenue from hotel business. The hotel operations had the negative gross margin increased by THB 6.11 million, compared to the year 2019 which the negative gross margin was THB 17.38 million or -19.69% of the total revenue from hotel business. This is mainly due to the effect of COVID-19 pandemic.

Note: ^{/1} – In the case that the company is approved for such mentioned relate parties transaction in this information from the 2021 Annual General Meeting of Shareholders on 23 April 2021, the disposal of such assets will cause the company not to operate the hotel business any longer. The Company plans to focus on operating the main

business of the company at present time, the company has no plans to operate other businesses unrelated to the main business group. However, if the company finds new business opportunities that are directly or indirectly related to the main business group or other businesses that are interesting and able to generate the highest return to the company and shareholders as well as it is not a business that creates a conflict of interest., the company will consider on a case by case basis.

Selling and Administrative Expenses for the year 2020

In 2020, selling and administrative expenses were THB 632.13 million, equaled to 19.93% of the total revenue from operations. Selling and administrative expenses of the Company and its subsidiaries decreased by THB 6.98 million (YoY -1.09%) compared to the year 2019, which selling and administrative expenses were THB 639.11 million or 22.31% of the total revenue from operations.

The significant changes of the selling and administrative expenses can be explained as follows:

- Decrease in finance advisor fees and press conferences to investors of THB 15.04 million which were recorded in 2019;
- Decrease in provision for employee retirement benefit expense of THB 11.35 million due to record of past service cost from increasing the rate of benefit of employees who have served more than 20 years or more from 300 days to 400 days according to the new Labor Protection Act which was recorded in 2019;
- Decrease in allowance for impairment loss on hotel assets of THB 11.56 million which was recorded in 2019;
- Net of increase in salary expenses of THB 9.75 million;
- Increase in commission and sales promotion expenses of THB 4.83 million;
- Increase in expenses relating to marketing survey and planning for business and related expenses in Singapore of THB 10.67 million.

Net impairment losses on financial assets

In 2020, the net impairment losses on financial assets of THB 19.74 million derived from the expected credit loss on trade and other account receivables according to adoption of TFRSs - financial instruments.

Profit for year 2020

In 2020, the profit for the year was THB 517.31 million, equaled to 16.31% of the total revenue from operations, and increased by THB 163.77 million (YoY 46.32%) compared to the year 2019, which profit for the year was THB 353.54 million or 12.34% of the total revenue from operations.

Profit for the year attributable to owners of the Company for the year 2020

In 2020, the profit for the year attributable to owners of the Company was THB 519.02 million, equaled to 16.36% of the total revenue from operations, and increased by THB 166.24 million (YoY 47.12%) from the year 2019 which profit for the year attributable to owners of the Company was THB 352.78 million or 12.31% of the total revenue from operations.

Statement of Financial Position

Assets

As at 31 December 2020, the Company and its subsidiaries had the total assets of THB 4,883.40 million, increased by THB 471.08 million (YoY 10.68%) compared to 31 December 2019, which the total assets were THB 4,412.31 million.

The significant changes in assets comprised of:

- Decrease in cash and cash equivalents of THB 620.76 million. Mainly causing from
 - Net cash flows used in investment activities for payments of plant construction and purchase of machinery and equipment of THB 421.93 million;
 - Net investment in fixed deposits at financial institutions of THB 394 million;
 - Dividend payment of THB 300 million;
 - Repayment of borrowings from financial institution and related parties of THB 104.09 million;
 - Net of cash inflow from operating activities of THB 609.72 million.
- Increase in trade and other receivables of THB 114.74 million, due to the increase in sales and advances for import goods and machinery. The Company has average collection period for manufacturing and trading goods business in 2020 longer than 2019 for 2 days.
- Increase in financial assets of THB 400.10 million from investment in fixed deposit at financial institution.
- Increase in inventories of THB 74.47 million, due to support the increase in future sale orders, resulting from increased in raw materials of THB 75.93 million, packing materials and overhead supply of THB 15.53 million, net of decreased in finished goods of THB 19.56 million.

- Decrease in property, plant, and equipment for THB 244.83 million, mainly due to reclassification of property, plant and equipment to right-of-use assets in accordance with TFRS 16 of THB 519.09 million and decrease in depreciation for the year for THB 139.07 million, net of increase in property, plant, and equipment of THB 415.08 million.
- Increase in right-of-use assets (ROU) for THB 751.40 million according to adoption of TFRS 16 Leases.

Liabilities

As at 31 December 2020, the Company and its subsidiaries had the total liabilities of THB 794.58 million, which was 16.27% of the total assets, increased by THB 252.14 million (YoY 46.48%) compared to 31 December 2019 which the total liabilities were THB 542.44 million, equaled to 12.29% of the total assets.

The significant changes in liabilities comprised of:

- Increase in trade and other payables of THB 54.23 million resulting from increased in raw materials and finished goods of THB 46.88 million to support increase in sale volume and increased in payments for property, plant, and equipment of THB 8.93 million.
- Decrease in long-term borrowings from financial institution and related parties of THB 104.09 million from debt repayments.
- Increase in lease liability of THB 271.86 million according to adoption of TFRS 16 Leases, Leases for existing and new leases increased.
- Increase in income tax payable of THB 24.12 million from tax expense for year 2020.

Equity

As at 31 December 2020, the Company and its subsidiaries had the total equity attributable to owners of the Company of THB 4,090.93 million, or 83.77% of the total assets. The increase in the total equity attributable to owners of the Company was THB 220.67 million or 5.70% compared to 31 December, 2019, which the total equity attributable to owners of the Company was THB 3,870.27 million, equaled to 87.72% of the total assets. The significant changes in Equity were mainly due to the increase in profit for the year attributable to owners of the Company of THB 519.02 million, net of dividend payment of THB 300 million, retrospective adjustments of beginning retained earnings from adoption of TFRS 9 of THB 0.88 million and the increasing from the Other components of equity of THB 4.78 million.

Statement of Cash flows

The statement of cash flows for the year ended 31 December 2020 are as follows:

- Net cash flows generated from operating activities of THB 609.72 million.
- Net cash flows used in investing activities of THB 817.23 million, mainly for cash payments for property, plant, and equipment of THB 421.93 million, for net investment in fixed deposits at financial institutions of THB 394 million.
- Net cash flows used in financing activities of THB 414.53 million, mainly for the repayment of long-term borrowings of THB 104.09 million, for dividend paid of THB 300 million, and for the repayment of lease liability of THB 10.44 million.
- Cash and cash equivalents at 31 December, 2019 were THB 1,234.42 million and at 31 December 2020 were THB 613.66 million.

15. OTHER IMPORTANT INFORMATION

-None-

16. Proxy Form together with the name of at least 1 member of the Audit Committee as a proxy of the holder

Details appeared in Enclosure 6 of the Notice of the Annual General Meeting of Shareholders for the year 2021.

The company hereby certifies that the information contained in this report is correct and complete in all respects.

Yours Sincerely

R&B Food Supply Public Company Limited



Mrs. Benjawan Ratanaprayul

Chairman of the Board of Directors