

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Inter Pharma Company Limited

Opinion

I have audited the consolidated financial statements of Inter Pharma Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Inter Pharma Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Inter Pharma Company Limited and its subsidiaries as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Inter Pharma Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanawut Piboonsawat.

(Mr. Thanawut Piboonsawat)

Certified Public Accountant

Registration No. 6699

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 28, 2019

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		<u>ASSETS</u>			
		Baht			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	Note	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current assets					
Cash and cash equivalents	6	32,449,857.24	36,080,010.76	22,340,007.94	31,327,239.06
Temporary investment		178,483.36	109,572.90	178,483.36	109,572.90
Trade and other accounts receivable	7				
Related parties	5	-	23,696.40	10,579,588.54	11,923,091.00
Other companies		84,138,136.70	37,754,706.33	58,615,931.00	22,588,448.88
		<u>84,138,136.70</u>	<u>37,778,402.73</u>	<u>69,195,519.54</u>	<u>34,511,539.88</u>
Current portion of long-term loan to employees	9	130,000.00	60,000.00	130,000.00	60,000.00
Short-term to subsidiaries	5	-	-	2,400,000.00	-
Inventories	8	54,069,210.22	13,958,834.62	44,434,295.22	8,682,506.84
Other current assets		1,506,856.72	896,919.95	1,392,741.12	316,954.03
Total current assets		<u>172,472,544.24</u>	<u>88,883,740.96</u>	<u>140,071,047.18</u>	<u>75,007,812.71</u>
Non-current assets					
Restricted deposits at financial institutions	30	1,307,856.00	548,352.00	907,856.00	548,352.00
Investment in associate	10	4,839,729.18	5,816,389.52	4,839,729.18	6,250,000.00
Investment in subsidiaries	11	-	-	5,149,700.00	2,750,000.00
Long-term loan to employees	9	175,000.00	235,000.00	175,000.00	235,000.00
Leaseholds improvement and equipment	12	10,740,295.21	6,717,034.54	10,371,255.82	6,501,386.47
Intangible assets	13	90,343.67	183,491.78	84,581.94	131,575.59
Deferred tax assets	14	2,030,952.95	1,686,295.91	1,734,373.69	1,520,413.40
Other non-current assets		494,122.40	552,911.40	454,122.40	512,911.40
Total non-current assets		<u>19,678,299.41</u>	<u>15,739,475.15</u>	<u>23,716,619.03</u>	<u>18,449,638.86</u>
TOTAL ASSETS		<u><u>192,150,843.65</u></u>	<u><u>104,623,216.11</u></u>	<u><u>163,787,666.21</u></u>	<u><u>93,457,451.57</u></u>

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Current liabilities					
Trade and other account payable	15				
Related parties	5	6,404,591.24	227,000.00	3,413,529.14	107,000.00
Other companies		58,072,794.88	15,366,407.77	52,212,572.23	12,034,184.71
		64,477,386.12	15,593,407.77	55,626,101.37	12,141,184.71
Short-term from related parties	5	11,600,000.00	-	-	-
Current portion of liabilities under finance lease agreements		-	62,343.97	-	62,343.97
Income tax payable		4,820,866.87	6,760,572.87	4,463,212.83	6,050,175.06
Other current liabilities		2,949,756.25	1,927,720.65	2,506,169.56	1,809,836.17
Total current liabilities		83,848,009.24	24,344,045.26	62,595,483.76	20,063,539.91
Non-current liabilities					
Employee benefit obligation	16	1,313,129.00	1,536,704.00	1,150,101.00	1,483,401.00
Total non-current liabilities		1,313,129.00	1,536,704.00	1,150,101.00	1,483,401.00
TOTAL LIABILITIES		85,161,138.24	25,880,749.26	63,745,584.76	21,546,940.91

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Shareholders' equity					
Share capital					
Authorized share capital	17				
650,000 ordinary shares of Baht 100 each		65,000,000.00		65,000,000.00	
400,000 ordinary shares of Baht 100 each			40,000,000.00		40,000,000.00
Issued and fully paid-up share capital	17				
650,000 ordinary shares of Baht 100 each		65,000,000.00		65,000,000.00	
400,000 ordinary shares of Baht 100 each			40,000,000.00		40,000,000.00
Surplus on share-based payment transactions	20	18,272,800.00	18,272,800.00	18,272,800.00	18,272,800.00
Difference from the reorganization of the Group					
under common control	11	3,703,227.92	3,703,227.92	-	-
Retained earnings					
Appropriated					
Legal reserve	19, 21	3,600,000.00	2,100,000.00	3,600,000.00	2,100,000.00
Unappropriated		9,970,758.91	9,189,346.43	13,169,281.45	11,537,710.66
Total equity attributable to owners of the parent		100,546,786.83	73,265,374.35	100,042,081.45	71,910,510.66
Non-controlling interest	11	6,442,918.58	5,477,092.50	-	-
Total shareholders' equity		106,989,705.41	78,742,466.85	100,042,081.45	71,910,510.66
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		192,150,843.65	104,623,216.11	163,787,666.21	93,457,451.57

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Revenue from sales	5, 22	313,643,122.98	247,296,080.53	271,094,496.28	202,265,486.81
Other incomes	5	754,375.94	654,915.70	4,967,688.78	5,072,170.82
Total revenues		314,397,498.92	247,950,996.23	276,062,185.06	207,337,657.63
Expenses					
Cost of sales	5, 22	125,043,671.29	99,274,427.06	115,486,606.97	84,516,566.58
Selling expenses	5	98,136,113.21	66,993,686.98	76,357,416.44	53,267,763.04
Administrative expenses	5	50,255,658.52	53,047,040.47	43,356,416.33	49,882,105.80
Finance costs	5	43,211.97	34,169.16	20,107.13	33,365.16
Total expenses		273,478,654.99	219,349,323.67	235,220,546.87	187,699,800.58
Share of profit (loss) of associates	10	(647,879.42)	(262,011.91)	-	-
Profit before income tax expense		40,270,964.51	28,339,660.65	40,841,638.19	19,637,857.05
Income tax expense	25	11,212,505.15	9,427,313.88	10,327,696.20	8,314,263.58
Profit for the year		29,058,459.36	18,912,346.77	30,513,941.99	11,323,593.47
Other comprehensive income					
Item that will not be reclassified to profit or loss:					
Actuarial gains on defined employee benefit plans	16	735,599.00	-	772,036.00	-
Income tax relating to component of other comprehensive income	25	(147,119.80)	-	(154,407.20)	-
Other comprehensive income for the year, net of tax		588,479.20	-	617,628.80	-
Total comprehensive income for the year		29,646,938.56	18,912,346.77	31,131,570.79	11,323,593.47
Profit attributable to					
Owners of the parent		29,679,815.96	15,718,826.77	30,513,941.99	11,323,593.47
Shareholder of the subsidiaries before the reorganization of the Group under common control	2.2.2	-	2,996,341.26	-	-
Non-controlling interests		(621,356.60)	197,178.74	-	-
		29,058,459.36	18,912,346.77	30,513,941.99	11,323,593.47

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Total comprehensive income attributable to					
Owners of the parent		30,281,412.48	15,718,826.77	31,131,570.79	11,323,593.47
Shareholder of the subsidiaries before the reorganization					
of the Group under common control	2.2.2	-	2,996,341.26	-	-
Non-controlling interests	11	(634,473.92)	197,178.74	-	-
		<u>29,646,938.56</u>	<u>18,912,346.77</u>	<u>31,131,570.79</u>	<u>11,323,593.47</u>
Earnings per share					
Basic earnings per share					
Attributable to owners of the parent	26	<u>53.17</u>	<u>48.62</u>	<u>54.66</u>	<u>35.03</u>

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht							
		Consolidated financial statements							
	Note	Ordinary shares, issued and paid-up	Surplus on share-based payment transactions	Difference from the reorganization of the group under common control	Retained earnings		Total equity attributable to owners of the parent	Shareholder's equity of the subsidiaries before the reorganization of the Group under common control	Total shareholders' equity
					Appropriated legal reserve	Unappropriated			
Beginning balance as at January 1, 2017		5,000,000.00	-	-	100,000.00	31,870,519.66	36,970,519.66	8,736,800.42	45,707,320.08
Increase in share capital	17	35,000,000.00	-	-	-	-	35,000,000.00	-	35,000,000.00
Share-based payment transactions	20	-	18,272,800.00	-	-	-	18,272,800.00	-	18,272,800.00
Acquisition cost of the reorganization of the Group under common control	11	-	-	(2,750,000.00)	-	-	(2,750,000.00)	-	(2,750,000.00)
Attributable net assets transfer from the reorganization of the Group under common control	11	-	-	6,453,227.92	-	-	6,453,227.92	(11,733,141.68)	-
Legal reserve	21	-	-	-	2,000,000.00	(2,000,000.00)	-	-	-
Dividend	21	-	-	-	-	(36,400,000.00)	(36,400,000.00)	-	(36,400,000.00)
Comprehensive income for the year									
Profit for the year		-	-	-	-	15,718,826.77	15,718,826.77	2,996,341.26	18,912,346.77
Ending balance as at December 31, 2017		40,000,000.00	18,272,800.00	3,703,227.92	2,100,000.00	9,189,346.43	73,265,374.35	-	78,742,466.85
Increase in share capital	17	25,000,000.00	-	-	-	-	25,000,000.00	-	25,000,000.00
Increase in non-controlling interests of subsidiaries from investment in subsidiaries - paid-up share capital	11	-	-	-	-	-	-	1,600,300.00	1,600,300.00
Legal reserve	21	-	-	-	1,500,000.00	(1,500,000.00)	-	-	-
Dividend	21	-	-	-	-	(28,000,000.00)	(28,000,000.00)	-	(28,000,000.00)
Comprehensive income for the year									
Profit (loss) for the year		-	-	-	-	29,679,815.96	29,679,815.96	-	29,058,459.36
Other comprehensive income (expense) for the year, net of tax - Actuarial gains (losses)		-	-	-	-	601,596.52	601,596.52	-	588,479.20
Ending balance as at December 31, 2018		65,000,000.00	18,272,800.00	3,703,227.92	3,600,000.00	9,970,758.91	100,546,786.83	-	106,989,705.41

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2018

		Baht				
		Separate financial statements				
		Ordinary shares, issued and paid-up	Surplus on share-based payment transactions	Retained earnings Appropriated Unappropriated legal reserve	Total Shareholders' equity	
Note						
Beginning balance as at January 1, 2017		5,000,000.00	-	100,000.00	38,614,117.19	43,714,117.19
Increase in share capital	17	35,000,000.00	-	-	-	35,000,000.00
Share-based payment transactions	20	-	18,272,800.00	-	-	18,272,800.00
Legal reserve	21	-	-	2,000,000.00	(2,000,000.00)	-
Dividend	21	-	-	-	(36,400,000.00)	(36,400,000.00)
Comprehensive income for the year						
Profit for the year		-	-	-	11,323,593.47	11,323,593.47
Ending balance as at December 31, 2017		40,000,000.00	18,272,800.00	2,100,000.00	11,537,710.66	71,910,510.66
Increase in share capital	17	25,000,000.00	-	-	-	25,000,000.00
Legal reserve	21	-	-	1,500,000.00	(1,500,000.00)	-
Dividend	21	-	-	-	(28,000,000.00)	(28,000,000.00)
Comprehensive income for the year						
Profit for the year		-	-	-	30,513,941.99	30,513,941.99
Other comprehensive income						
for the year, net of tax						
- Actuarial gains		-	-	-	617,628.80	617,628.80
Ending balance as at December 31, 2018		65,000,000.00	18,272,800.00	3,600,000.00	13,169,281.45	100,042,081.45

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit for the year	29,058,459.36	18,912,346.77	30,513,941.99	11,323,593.47
Reconciliations of profit for the year to net cash provided by (used in) operating activities:				
Increase (decrease) in allowance for doubtful accounts	553,031.52	4,321,995.03	328,152.50	4,321,995.03
Increase (decrease) in allowance for diminution in value of inventories	956,044.00	2,572,780.50	826,483.34	1,796,670.96
Provision of goods return	437,784.70	-	248,465.58	-
Loss on disposal of fixed assets	1,059,461.80	65,518.77	979,937.95	65,518.77
Depreciation	1,752,116.88	898,699.68	1,609,326.45	816,855.19
Amortization of intangible assets	93,148.11	60,493.64	46,993.65	9,424.41
Unrealized (gain) loss on exchange rate	(155,082.43)	45,898.55	(155,082.43)	45,898.55
Interest income	(101,183.92)	(286,004.43)	(94,890.05)	(283,520.90)
Employee benefit expense	490,064.00	636,726.00	419,812.00	607,074.00
Expense from share-based payment	-	18,272,800.00	-	18,272,800.00
Interest expense	43,211.97	34,169.16	20,107.13	33,365.16
Loss on impairment of investment in associate	328,780.92	-	1,410,270.82	-
Share of (profit) loss from investment in associate	647,879.42	262,011.91	-	-
Income tax expense	11,212,505.15	9,427,313.88	10,327,696.20	8,314,263.58
Profit from operating activities before changes in operating assets and liabilities	46,376,221.48	55,224,749.46	46,481,215.13	45,323,938.22
(Increase) decrease in operating assets				
Trade and other accounts receivable	(46,906,822.75)	(26,997,926.48)	(35,006,189.42)	(13,494,744.45)
Inventories	(41,066,419.60)	2,864,798.48	(36,578,271.72)	(2,976,106.68)
Other current assets	(609,936.77)	247,221.54	(1,075,787.09)	768,507.46
Other non-current assets	58,789.00	(117,070.46)	58,789.00	(117,070.46)
Increase (decrease) in operating liabilities				
Trade and other accounts payable	49,018,991.94	(13,325,808.16)	43,639,999.09	(15,172,998.36)
Other current liabilities	584,250.90	762,285.64	447,867.81	801,073.54
Cash received (paid) from operations	7,455,074.20	18,658,250.02	17,967,622.80	15,132,599.27
Income tax expense paid	(13,643,987.99)	(7,201,602.36)	(12,283,025.92)	(6,263,431.08)
Net cash provided by (used in) operating activities	(6,188,913.79)	11,456,647.66	5,684,596.88	8,869,168.19

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Cash flows from investing activities</u>				
(Increase) decrease in temporary investment	(68,910.46)	205,491.70	(68,910.46)	205,491.70
(Increase) decrease in restricted deposits at financial institutio	(759,504.00)	(548,352.00)	(359,504.00)	(548,352.00)
(Increase) decrease in short-term loan to director	-	25,807,153.47	-	25,807,153.47
(Increase) decrease in short-term loan to subsidiary	-	-	(2,400,000.00)	-
(Increase) decrease in long-term loan to employees	(10,000.00)	(295,000.00)	(10,000.00)	(295,000.00)
Cash payment for investment in subsidiary	-	(2,750,000.00)	(2,399,700.00)	(2,750,000.00)
Cash receipts from disposal of fixed assets	2,383,177.57	1,121,495.33	2,383,177.57	1,121,495.33
Cash payments for purchase of fixed assets	(9,218,016.92)	(4,125,173.79)	(8,842,311.32)	(4,082,799.68)
Cash payments for purchase of intangible assets	-	(141,000.00)	-	(141,000.00)
Interest income received	95,241.18	556,981.01	88,947.31	554,497.48
Net cash provided by (used in) investing activities	(7,578,012.63)	19,831,595.72	(11,608,300.90)	19,871,486.30
<u>Cash flows from financing activities</u>				
Cash payments for short-term laon from director	-	(53,014.15)	-	-
Cash payments for liabilities under finance lease agreements	(62,343.97)	(118,793.04)	(62,343.97)	(118,793.04)
Cash receipts from short-term loan from related parties	11,600,000.00	-	-	-
Cash receipts from share capital	26,600,300.00	35,000,000.00	25,000,000.00	35,000,000.00
Dividend paid	(28,000,000.00)	(36,400,000.00)	(28,000,000.00)	(36,400,000.00)
Interest expense paid	(1,183.13)	(8,261.16)	(1,183.13)	(8,261.16)
Net cash provided by (used in) financing activities	10,136,772.90	(1,580,068.35)	(3,063,527.10)	(1,527,054.20)
Net increase (decrease) in cash and cash equivalents	(3,630,153.52)	29,708,175.03	(8,987,231.12)	27,213,600.29
Cash and cash equivalents - beginning of year	36,080,010.76	6,371,835.73	31,327,239.06	4,113,638.77
Cash and cash equivalents - ending of year	32,449,857.24	36,080,010.76	22,340,007.94	31,327,239.06

Notes to the financial statements form an integral part of these financial statements.

INTER PHARMA COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. GENERAL INFORMATION

(a) Legal status and address of the Company

The Company had registered to be a limited company with the Ministry of Commerce on April 20, 2006.

The address of its registered office is as follows:

140/9 ITF Tower 9th Floor, Silom Road, Suriyawongse, Bangrak, Bangkok 10500
Thailand.

(b) Nature of the Company's operations

The Company operates the main business on import and sales of food and modern medicine.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re: the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language version.

2.2 Basis for the preparation of consolidated financial statements

2.2.1 The Company has arranged the reorganization of the Group under common control on September 29, 2017. These consolidated financial statements are prepared to reflect the financial position, financial performance, and cash flows in accordance with the economic contents by the reorganization of the Group under common control as if the company in the Group has operated the business under common control since before January 1, 2017 although the legal relationship between the Company and its subsidiaries takes effect after. These consolidated financial statements are prepared by including the financial statements of Inter Pharma Company Limited and its subsidiaries as follows:

Company name	Type of business	Percentage of shareholding of share capital		Country of Incorporation
		2018	2017	
Direct shareholding				
Inter Vetta Co.,Ltd.	Selling food, medicine and other products for animals	55.00	55.00	Thailand
Inter Petrina Co.,Ltd.	Selling pet food	60.00	-	Thailand

- 2.2.2 The assets and liabilities of each transaction and financial performance of the subsidiaries mentioned above are included with the Company as if this business combination has taken place before the reorganization day of the Group under common control. Gain or loss occurring before the reorganization of the Group under common control is presented under shareholder's equity of the subsidiaries before reorganization the Group under common control in the consolidate statement of comprehensive income.
- 2.2.3 The Company recognizes the difference between acquisition cost of the reorganization of the Group under common control which is lower than the attributable net book value of such companies in shareholder's equity under the caption "Difference from the reorganization of the Group under common control" in the consolidated statement of financial position.
- 2.2.4 Significant accounting policies of the subsidiaries of the similar transactions use the same accounting policies as the parent company.
- 2.2.5 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.2.6 Non-controlling interest represent the interest in the subsidiaries that are not held by the Company and presented as a separate item from shareholder's equity of the parent company.
- 2.2.7 The difference between net consideration paid or received from the change in shareholding proportion in the Company's subsidiaries and equity of the non-controlling interest of the subsidiaries at the net book value of the subsidiary as at the change date is presented in the consolidated statement of changes in shareholder's equity under the caption "Change in the interest in the subsidiary that do not result in a loss of control."

2.3 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows

TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Year
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities

TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company and its subsidiaries evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expenses recognition

The Company and its subsidiaries recognizes the revenues on sales when significant risks and rewards of ownership of the goods are transferred to the buyer. The revenues on sales are recorded on invoicing price net of output tax, rebate and discounts.

The Company and its subsidiaries recognized the interest income on the period and accrual basis.

The Company and its subsidiaries recognized other income and expenses on the accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade and other accounts receivables

Trade and other accounts receivables (including balances with related parties) are initially recognized by the invoice amount and subsequently measured at the remaining amount less an allowance for doubtful accounts (if any) based on a review of all outstanding amounts at year end. The allowance for doubtful accounts is the difference between the carrying amount of trade accounts receivable and the amount expected to be collectible. Bad debts are immediately recognized in the profit or loss as part of administrative expenses.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Allowances made are based on historical write-off patterns and the aging of accounts receivable. Bad debts are written off when incurred.

3.4 Inventories

Inventories are presented at the lower of cost or net realizable value, cost being determined on first-in first-out basis.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

Allowance for diminution in value of inventories is set up based on the outstanding inventories balance at the end of year which estimated from consideration of states and quality of inventories by the management.

3.5 Investment

Investments in associates and subsidiaries

Associates are those companies in which the Company has significant influence over the associates, that is the Company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies.

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

Investments in associates and subsidiaries are stated at cost net from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss in the statement of comprehensive income in the separate financial statements and investments in associates and subsidiaries are stated at equity in the consolidated financial statements.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Company and its subsidiaries dispose of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.6 Leaseholds improvement and equipment and depreciation

Leaseholds improvement and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve fixed asset, if it is certainly probable the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Leaseholds improvement	5 years
Office equipment	5 years
Computer and equipment	3 years
Vehicles	5 years
Equipment	5 years
Furniture and fixture	5 years

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on construction in progress and equipment under installation.

Leaseholds improvement and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.7 Intangible assets and amortization

Intangible assets that are acquired by the Company and its subsidiaries and have finite useful life are stated at cost less accumulated amortization and allowance on impairment (if any).

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortization is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Computur software licences	3 years
----------------------------	---------

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

3.8 Impairment of assets

As at the statement of financial position date, the Company and its subsidiaries assesses whether there is an indication of asset impairment. If any such indication exists, the Company and its subsidiaries will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.9 Trade and others accounts payable

Trade and other accounts payable (including balances with related parties) are stated at cost.

3.10 Financial lease

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lessors will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding liability obligation burden in accordance with the financial leased contract will be recorded as long-term liability. Interest payable will be recorded in the statement of income throughout the leased contract life.

3.11 Provisions

A provision is recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.12 Financial instruments

The Company and its subsidiaries have no policy to speculate in and or engage in the trading of any financial derivative instruments.

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 28.

3.13 Related parties

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.

3.14 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

3.18 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by The Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the Company's and its subsidiaries' article and the labor law and other employee benefit plans. The Company and its subsidiaries treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retained earning.

3.16 Share-based payment

The Company recognizes share-based payment transactions as at the grant date by the fair value of the rights to purchase the shares by recording it as an expense by the age of the share purchase rights in profit or loss and the increase of surplus on share-based payment transactions in shareholder's equity.

3.17 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.18 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiary and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.19 Fair value of financial instrument

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

4. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported⁸ in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

4.1 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

4.2 Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for diminution in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is based on the approximate age of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

4.3 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

4.4 Leaseholds improvement and equipment / Depreciation

In determining depreciation of leaseholds improvement and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review leaseholds improvement and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

4.5 Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

4.6 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5. RELATED PARTIES TRANSACTION

The Company and its subsidiaries have certain transaction with its related parties, such transactions comply with commercial terms and based on the agreed upon between the Company and its subsidiaries and related parties as an ordinary course of business.

The nature of relationship with related parties were summarized as follows:

Related parties	Relationship
<u>Subsidiaries companies</u>	
Inter Vetta Co.,Ltd.	Shareholder and common shareholders and directors
Inter Petrina Co.,Ltd.	Shareholder and common shareholders and directors
<u>Associate company</u>	
Inter Stemma Co.,Ltd.	Shareholder and common shareholders and directors
<u>Related company</u>	
Inno-biocosmed Co.,Ltd.	Common directors and independent director being director of a company which is a major shareholder of Inno-biocosmed Co.,Ltd.
Brandanything Co., Ltd.	Independent director being director
M-nature Plus Co., Ltd.	Shareholder in the subsidiary
Asian Group Services Co., Ltd.	Shareholder in the subsidiary
Asian Alliance International Co., Ltd.	Same shareholder with the shareholder of the subsidiary
A related company	Same shareholder with the shareholder of the subsidiary
<u>Related person</u>	
Key management personnel	Persons having authority and responsibility for management
Shareholder	Shareholder of the Company and subsidiaries

The pricing policy for transaction with related parties as follows:

Transactions	Pricing policies
- Revenue from sale	Market price
- Interest income	Mutual agreement
- Other income	Mutual agreement
- Purchase of goods	Market price
- Rental fee	Mutual agreement
- Interest	Mutual agreement
- Purchase of investment	According to par value
- Purchase of asset	Market price
- Compensation to management	According to be approved by director and/or shareholders
- Dividend paid	As declared

Balances of the account with the related parties as at December 31, 2018 and 2017 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Assets				
Trade and other account receivable				
Subsidiaries				
Inter Vetta Co.,Ltd.	-	-	10,572,750.18	11,923,091.00
Inter Petrina Co.,Ltd.	-	-	6,838.36	-
A related company	-	23,696.40	-	-
	<u>-</u>	<u>23,696.40</u>	<u>10,579,588.54</u>	<u>11,923,091.00</u>
Short-term to subsidiary				
Subsidiary				
Inter Petrina Co.,Ltd.	-	-	2,400,000.00	-

Movement of short-term to subsidiaries for the year ended December 31, 2018 and 2017 were as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
As at January 1,	-	-	-	-
Additional during the year	-	-	2,400,000.00	-
Deduction during the year	-	-	-	-
As at December 31,	<u>-</u>	<u>-</u>	<u>2,400,000.00</u>	<u>-</u>

Short-term to subsidiary are presented in the form of promissory note, maturity at call with the interest at the rate of 4.00% per annum .

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Liabilities				
Trade and other payables				
Subsidiary				
Inter Vetta Co., Ltd.	-	-	42,050.00	-
Related company				
Asian Alliance International Co., Ltd.	48,000.00	-	-	-
Asian Group Services Co., Ltd.	6,838.36			
Inno-biocosmed Co., Ltd.	148,409.00	107,000.00	148,409.00	107,000.00
Related person				
Directors	6,201,343.88	120,000.00	3,223,070.14	-
	<u>6,404,591.24</u>	<u>227,000.00</u>	<u>3,413,529.14</u>	<u>107,000.00</u>
Short-term loan from related parties				
Related company				
Asian Group Services Co., Ltd.	1,600,000.00	-	-	-
Related person				
Director	10,000,000.00	-	-	-
	<u>11,600,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movement of short-term from related parties for the year ended December 31, 2018 and 2017 were as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
As at January 1,	-	53,014.15	-	-
Additional during the year	11,600,000.00	-	-	-
Deduction during the year	-	(53,014.15)	-	-
As at December 31,	<u>11,600,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

Short-term from related parties are presented in the form of promissory note, maturity at call with the interest at the rate of 4.00% per annum.

Transactions during the year with related parties for the year ended December 31, 2018 and 2017 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Purchase of investment				
Related person				
Director	-	2,500,000.00	-	2,500,000.00
Purchase of asset				
Related company				
Asian Alliance International Co., Ltd.	321,000.00	-	-	-
Revenue from sale				
Subsidiary				
Inter Vetta Co.,Ltd.	-	-	52,835,656.74	36,750,529.82
Related company	6,525,682.57 *	5,534,086.39	-	-
Related person				
Director	98,388.77	-	98,388.77	-
	6,624,071.34	5,534,086.39	52,934,045.51	36,750,529.82

* Sales of goods to a related company include the sale through a distributor in the amount of Baht 1.35 million and has a collection term with such company responsible in the payment collection from trade accounts receivable.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Other income				
Subsidiaries				
Inter Vetta Co.,Ltd.	-	-	3,866,542.40	4,585,949.75
Inter Petrina Co.,Ltd.	-	-	433,531.51	-
Related person				
Director	-	258,994.00	-	258,994.00
	-	258,994.00	4,300,073.91	4,844,943.75
Purchase of goods and cost of purchase				
Subsidiary				
Inter Vetta Co.,Ltd.	-	-	6,930.00	-
Related company				
Asian Alliance International Co.,Ltd.	3,943,566.14	-	-	-
Inno-biocosmed Co.,Ltd.	1,509,400.00	878,500.00	1,509,400.00	878,500.00
	5,452,966.14	878,500.00	1,516,330.00	878,500.00

		Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Selling expenses					
Related company					
Brandanything Co., Ltd.		1,020,000.00	900,000.00	510,000.00	900,000.00
Administration expense					
Rental fee					
Related person					
Director		480,000.00	120,000.00	-	-
Interest expenses					
Related company					
Asian Group Services Co., Ltd.		6,838.36	-	-	-
Related person					
Director		13,150.68	-	-	-
		19,989.04	-	-	-
Management's benefits *					
Short-term employee benefit		16,982,728.39	6,500,000.00	14,582,728.39	6,500,000.00
Post-retirement benefits		260,978.00	285,222.00	260,978.00	285,222.00
		17,243,706.39	6,785,222.00	14,843,706.39	6,785,222.00

* Management benefit

Management benefit expenses represents the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

		Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash		57,454.00	50,000.00	28,205.00	30,000.00
Bank deposits	- current accounts	16,467,226.56	12,984,238.23	12,063,393.38	11,748,225.55
	- savings accounts	15,194,533.57	21,056,081.62	10,047,661.88	18,226,199.09
Cheques that are due but have not been deposited		730,643.11	1,989,690.91	200,747.68	1,322,814.42
Total		32,449,857.24	36,080,010.76	22,340,007.94	31,327,239.06

As at December 31, 2018 and 2017, bank deposits in savings accounts carried interests between 0.100% and 0.375% per annum and 0.100% and 0.375% per annum, respectively.

7. TRADE AND OTHER ACCOUNTS RECEIVABLE

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable (Note 7.1)	84,767,301.43	39,504,500.48	69,286,122.24	32,416,448.12
Other accounts receivable (Note 7.2)	4,245,861.82	2,595,897.28	4,559,544.83	6,417,086.79
<u>Less</u> allowance for doubtful accounts	<u>(4,875,026.55)</u>	<u>(4,321,995.03)</u>	<u>(4,650,147.53)</u>	<u>(4,321,995.03)</u>
Net	<u>84,138,136.70</u>	<u>37,778,402.73</u>	<u>69,195,519.54</u>	<u>34,511,539.88</u>

Movement of the allowance for doubtful accounts were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance of the year	4,321,995.03	-	4,321,995.03	-
Additional during the year	553,031.52	4,321,995.03	328,152.50	4,321,995.03
Deduction during the year	-	-	-	-
Ending balance at end of year	<u>4,875,026.55</u>	<u>4,321,995.03</u>	<u>4,650,147.53</u>	<u>4,321,995.03</u>

7.1 Trade accounts receivable

Trade accounts receivable classified by ages of accounts consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Not over due	75,026,269.31	25,940,610.41	62,497,789.95	14,503,874.29
Over due				
1 dat to 30 days	910,417.94	6,918,320.66	682,578.11	9,179,706.44
31 days to 60 days	486,775.53	2,072,175.88	152,975.53	4,483,368.47
61 days to 90 days	1,118,866.08	537,644.29	189,158.17	329,569.28
91 days to 180 days	2,031,481.12	1,316,182.80	836,404.00	1,200,363.20
More than 180 days	5,193,491.45	2,719,566.44	4,927,216.48	2,719,566.44
Total	<u>84,767,301.43</u>	<u>39,504,500.48</u>	<u>69,286,122.24</u>	<u>32,416,448.12</u>

Accounts receivable aging of a company which is the distributor and responsible for debt collection from the accounts receivable, the credit term starts from the month-end of the sale.

7.2 Other accounts receivable

Other accounts receivable consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accrued service income	141,946.60	-	1,070,984.10	4,440,389.50
Prepaid expenses	1,502,704.55	800,392.00	1,032,007.59	580,262.01
Deposit for inventories	1,888,485.00	1,375,539.66	1,888,485.00	1,375,539.66
Advance payment	177,777.74	192,000.00	27,777.74	20,000.00
Others	534,947.93	227,965.62	540,290.40	895.62
Total	4,245,861.82	2,595,897.28	4,559,544.83	6,417,086.79

8. INVENTORIES

Inventories consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Finished goods	54,423,378.78	16,531,615.12	43,882,793.58	10,479,177.80
Goods in transit	3,174,655.94	-	3,174,655.94	-
Less: Allowance for diminution in value of inventories	(3,528,824.50)	(2,572,780.50)	(2,623,154.30)	(1,796,670.96)
Net	54,069,210.22	13,958,834.62	44,434,295.22	8,682,506.84

Movements of the allowance for diminution in value of inventories were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance of the year	2,572,780.50	-	1,796,670.96	-
Additional during the year	2,019,666.80	2,572,780.50	1,127,156.10	1,796,670.96
Deduction during the year	(1,063,622.80)	-	(300,672.76)	-
Ending balance at end of year	3,528,824.50	2,572,780.50	2,623,154.30	1,796,670.96

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Decline in value of inventory recognized as cost of goods sold for the period	956,044.00	2,572,780.50	826,483.34	1,796,670.96

9. LONG-TERM LOAN TO EMPLOYEES

Long-term loan to employees consisted of:

	Baht	
	Consolidated financial statements /	Separate financial statements
	2561	2560
Long-term loan to employees	305,000.00	295,000.00
<u>Less</u> Current portion due within one year	(130,000.00)	(60,000.00)
Long-term loan to employees - net	175,000.00	235,000.00

Long-term loan to employees is a loan in the total amount of Baht 400,000.00 prepared in agreement and due for payment of the monthly principal at Baht 5,000.00 - 10,000.00 to be paid on the day that the employees receives wages from the Company with interest at the rate of 2.00% per annum.

10. INVESTMENT IN ASSOCIATE

Investments in associate consisted of:

Associate's name	Nature of business	Percentage of ownership (%)		Thousand Baht					
				Issued and fully paid-up share capital		Consolidated financial		Separate financial	
						statements		statements	
						At equity method		At cost method	
		2018	2017	2018	2017	2018	2017	2018	2017
Inter Stemma Co.,Ltd.	Stemcell safekeeping service	25.00	25.00	25,000	25,000	5,169	5,816	6,250	6,250
<u>Less</u> Allowance for impairment of investments						(329)	-	(1,410)	-
						4,840	5,816	4,840	6,250

Change in investment in associate by the equity method for the year ended December 31, 2018 and 2017 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	At equity method		At cost method	
	2018	2017	2018	2017
Net book value as at the beginning of the year	5,816,389.52	6,078,401.43	6,250,000.00	6,250,000.00
Increase in investment during the year	-	-	-	-
Share of profit (loss) in investment in associate	(647,879.42)	(262,011.91)	-	-
Allowance for impairment of investment in associate	(328,780.92)	-	(1,410,270.82)	-
Dividend income	-	-	-	-
Net book value at the end of the year	4,839,729.18	5,816,389.52	4,839,729.18	6,250,000.00

Summarization of financial information of Inter Stemma Co., Ltd. (associate company)

	Baht	
	2018	2017
Current assets	1,413,916.74	1,536,392.63
Non-current assets	19,302,445.46	21,771,670.41
Current liabilities	42,321.81	42,504.96
Revenue	5,504.40	6,045.72
Gain (loss) for the year	(2,591,517.69)	(1,048,047.64)
Other comprehensive income (expense) for the year	-	-
Total comprehensive income (expense) for the year	(2,591,517.69)	(1,048,047.64)

Reconciliation of the above summarized financial information to the carrying amount of the interest of Inter Stemma Co.,Ltd. recognized in the consolidated financial statements:

	Baht	
	2018	2017
Net assets of associated	20,674,040.39	23,265,558.08
Proportion of the interest in associate (%)	25	25
Book value of the interest	5,168,510.10	5,816,389.52
Other adjustments - allowance for impairment of investment in associate	(328,780.92)	-
Carrying amount of the interest in associate	<u>4,839,729.18</u>	<u>5,816,389.52</u>

Impairment of investment

For the year ended December 31, 2018, the Company has considered to provide an allowance for impairment of investment in Inter Stemma Co.,Ltd. because such company has no operation plan and the management expects that it will be unable to operate at profit to break even and pay back to the company.

The carrying amount of investment in the associate is higher than the recoverable amount based on fair value less cost to sells. The Company recognizes the loss from the impairment of investment in profit or loss for the year ended December 31, 2018 in the consolidated financial statements and separate financial statements in the amount of Baht 0.33 million and Baht 1.41 million, respectively.

11. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

Subsidiaries' name	Nature of business	Thousand Baht							
		Percentage of ownership		Issued and fully paid-up share capital		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017	At equity method		At cost method	
Inter Vetta Co.,Ltd.	Selling food medicine and other products for animals	55	55	5,000	5,000	8,059	6,694	2,750	2,750
Inter Petrina Co.,Ltd.	Selling pet food	60	-	4,000	-	(227)	-	2,400	-
						<u>7,832</u>	<u>6,694</u>	<u>5,150</u>	<u>2,750</u>

Purchase of investment during the year

● Inter Vetta Co.,Ltd.

According to the Extraordinary Shareholders' Meeting 2017 held on April 28, 2017, the shareholders had a resolution for the company to purchase the shares of Inter Vetta Co.,Ltd. to expand the business to cover more various categories of products and increase the likelihood for profit making to the company by buying the shares from the Company's former shareholders' Mr. Songvuth Sakchalatorn and Mr.Atthapol Nimrotham in total 27,500 shares or 55% of the paid-up registered capital at Baht 100 per share totaling Baht 2,750,000.00 which is equal to par value. The share transfer was on September 29, 2017 and paid for the shares on October 18, 2017.

The book value of assets and liabilities acquired from Inter Vetta Co., Ltd. as at September 30, 2017 which is the closest date to the business acquisition date as included in the consolidated financial statements of the company group as follows:

	Baht
<u>Assets</u>	
Cash and cash equivalents	5,431,504.31
Trade and other accounts receivable	7,928,617.48
Inventories	15,076,181.84
Other current assets	1,068,014.77
Equipment	227,833.44
Intangible assets	64,788.39
Other non-current assets	40,000.00
<u>Liabilities</u>	
Trade and other accounts payable	(17,176,402.30)
Income tax payable	(788,220.57)
Other current liabilities	(93,572.68)
Employee benefit obligations	<u>(45,603.00)</u>

	Baht
Net assets value	11,733,141.68
<u>Less</u> Non-controlling interests	<u>(5,279,913.76)</u>
Net assets acquired	6,453,227.92
<u>Less:</u> Acquisition cost of the reorganization of the Group - cash paid	<u>(2,750,000.00)</u>
Difference between acquisition cost of the reorganization of the Group and attributable net book value of the subsidiary	<u>3,703,227.92</u>

The purchase of such shares from the former shareholders is the business reorganization arrangement under common control. Therefore, the Company recognizes the difference between acquisition cost of the reorganization of the Group under common control that is lower than the attributable net book value of the subsidiary above in shareholder's equity under "Difference from the reorganization of the Group under common control" in the consolidated statement of financial position.

- Inter Petrina Co.,Ltd.

On March 19, 2018, the Company has jointly invested with Asian Group Service Co., Ltd. by establishing Inter Petrina Co.,Ltd. to sell pet food made from tuna. The registered capital is Baht 4 million. The Company holds 60% shareholding and Asian Group Service Co., Ltd. holds 40%. Such company has registered to establish a company with the Ministry of Commerce on March 19, 2018. The Company has signed the joint venture agreement with such company effective May 18, 2018 onwards. In addition, the agreement specifies that the shareholder must provide financial support by lending to such company at the set amount in the joint venture agreement as follows:

	Baht	
Subsidiary	Registered capital	Loan amount from shareholder
Inter Petrina Co.,Ltd.	4,000,000.00	4,000,000.00

The partners of both parties accept the interest rate condition from the shareholder's borrowing at the rate of 4% per annum throughout the period of the agreement binding the loan. Both parties have to be repaid under the agreement at the investment proportion.

The subsidiaries that have material non-controlling interests

The Company has consolidated two subsidiaries, 1) Inter Vetta Co.,Ltd. , 2) Inter Petrina Co.,Ltd. that have material non-controlling interest as follow;

Subsidiaries's name	Country of Incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Baht			
		2018	2017	Comprehensive income (expense) allocated to non-controlling interests		Accumulated non-controlling interests	
				2018	2017	2018	2017
Inter Vetta Co.,Ltd.	Thailand	45	45	1,117,003.61	197,178.74	6,594,096.11	5,477,092.50
Inter Petrina Co.,Ltd.	Thailand	40	-	(1,751,477.53)	-	(151,177.53)	-
				(634,473.92)	197,178.74	6,442,918.58	5,477,092.50

Financial information of subsidiaries before intragroup eliminations

- Financial information of Inter Vetta Co.,Ltd. represents amounts before intragroup eliminations as follow;

	Baht	
	2018	2017
Current assets	44,562,332.72	27,954,769.23
Non-current assets	845,735.32	473,446.77
Current liabilities	30,591,493.15	16,203,596.35
Non-current liabilities	163,028.00	53,303.00
Non-Controlling interests	6,594,096.11	5,477,092.50
Total revenue	98,187,300.58	81,950,531.96
Profit attributable to shareholders of the subsidiary before the reorganization of the Group under common control	-	2,996,341.26
Profit attributable to the non-controlling interests	1,130,120.93	197,178.74
Other comprehensive expense to the non-controlling interests	(13,117.32)	-
Net cash provided by (used in) operating activities	(6,969,766.20)	2,587,479.47
Net cash used in investing activities	(448,411.73)	(39,890.58)
Net cash used in (used in) financing activities	10,000,000.00	(53,014.15)
Net cash increase	2,581,822.07	2,494,574.74

- Financial information of Inter Petrina Co.,Ltd. represents amounts before intragroup eliminations as follow;

	Baht	
	2018	2017
Current assets	4,494,075.61	-
Non-current assets	265,645.06	-
Current liabilities	5,137,593.64	-
Non-controlling interests	(151,177.53)	-
Total revenue	4,274,099.58	-
Profit (loss) attributable to the non-controlling interests	(1,751,477.53)	-
Net cash provided by operating activities	(4,903,744.47)	-
Net cash used in investing activities	(321,000.00)	-
Net cash used in financing activities	8,000,000.00	-
Net cash increase	<u>2,775,255.53</u>	<u>-</u>

12. LEASEHOLDS IMPROVEMENT AND EQUIPMENT

Leaseholds improvement and equipment consisted of:

	Baht		
	Consolidated financial statements		
	Balance per book as at Dec. 31, 2017	Movement during the year	Balance per book as at Dec. 31, 2018
		Additions	Deduction
<u>At cost</u>			
Leaseholds improvement	505,000.00	-	-
Office equipment	3,413,487.36	592,016.92	(1,265,495.80)
Computer and equipment	382,259.81	20,000.00	(110,037.64)
Vehicles	4,924,327.10	8,250,000.00	(4,286,700.00)
Equipment	499,946.65	321,000.00	(107,104.21)
Furniture and fixture	331,218.90	35,000.00	(17,429.00)
Total	<u>10,056,239.82</u>	<u>9,218,016.92</u>	<u>(5,786,766.65)</u>
<u>Accumulated depreciation</u>			
Leaseholds improvement	(23,039.15)	(100,999.00)	-
Office equipment	(1,637,671.28)	(604,300.20)	1,100,977.11
Computer and equipment	(178,696.30)	(92,812.10)	103,226.28
Vehicles	(1,252,736.72)	(739,727.44)	1,049,342.67
Equipment	(170,760.66)	(146,272.63)	82,820.63
Furniture and fixture	(76,301.17)	(68,005.51)	7,760.59
Total	<u>(3,339,205.28)</u>	<u>(1,752,116.88)</u>	<u>2,344,127.28</u>
Leaseholds improvement and equipment, net	<u>6,717,034.54</u>		<u>10,740,295.21</u>

	Baht		
	Consolidated financial statements		
	Balance per book	Movement during the year	
	as at Dec. 31, 2016	Additions	Deduction
<u>At cost</u>			
Leaseholds improvement	-	505,000.00	-
Office equipment	2,326,635.95	1,086,851.41	-
Computer and equipment	252,764.46	129,495.35	-
Vehicles	5,064,327.10	2,350,000.00	(2,490,000.00)
Equipment	498,714.87	1,231.78	-
Furniture and fixture	278,623.65	52,595.25	-
Total	8,421,066.03	4,125,173.79	(2,490,000.00)
<u>Accumulated depreciation</u>			
Leaseholds improvement	-	(23,039.15)	-
Office equipment	(1,232,637.51)	(405,033.77)	-
Computer and equipment	(94,068.62)	(84,627.68)	-
Vehicles	(2,318,718.15)	(237,004.47)	1,302,985.90
Equipment	(79,948.85)	(90,811.81)	-
Furniture and fixture	(18,118.37)	(58,182.80)	-
Total	(3,743,491.50)	(898,699.68)	1,302,985.90
Leaseholds improvement and equipment, net	4,677,574.53		6,717,034.54

	Baht		
	Separate financial statements		
	Balance per book	Movement during the year	
	as at Dec. 31, 2017	Additions	Deduction
<u>At cost</u>			
Leaseholds improvement	505,000.00	-	-
Office equipment	3,194,671.20	557,311.32	(1,093,434.47)
Computer and equipment	241,761.98	-	(55,766.64)
Vehicles	4,924,327.10	8,250,000.00	(4,286,700.00)
Equipment	467,946.65	-	(75,104.21)
Furniture and fixture	296,833.55	35,000.00	-
Total	9,630,540.48	8,842,311.32	(5,511,005.32)
<u>Accumulated depreciation</u>			
Leaseholds improvement	(23,039.15)	(100,999.00)	-
Office equipment	(1,518,390.03)	(571,961.42)	977,387.39
Computer and equipment	(102,115.02)	(50,991.26)	53,132.09
Vehicles	(1,252,736.72)	(739,727.44)	1,049,342.67
Equipment	(162,367.48)	(84,517.89)	68,027.65
Furniture and fixture	(70,505.61)	(61,129.44)	-
Total	(3,129,154.01)	(1,609,326.45)	2,147,889.80
Leaseholds improvement and equipment, net	6,501,386.47		10,371,255.82

	Baht			
	Separate financial statements			
	Balance per book	Movement during the year		Balance per book
	as at Dec. 31, 2016	Additions	Deduction	as at Dec. 31, 2017
<u>At cost</u>				
Leaseholds improvement	-	505,000.00	-	505,000.00
Office equipment	2,110,520.72	1,084,150.48	-	3,194,671.20
Computer and equipment	138,883.46	102,878.52	-	241,761.98
Vehicles	5,064,327.10	2,350,000.00	(2,490,000.00)	4,924,327.10
Equipment	466,714.87	1,231.78	-	467,946.65
Furniture and fixture	257,294.65	39,538.90	-	296,833.55
Total	8,037,740.80	4,082,799.68	(2,490,000.00)	9,630,540.48
<u>Accumulated depreciation</u>				
Leaseholds improvement	-	(23,039.15)	-	(23,039.15)
Office equipment	(1,141,586.58)	(376,803.45)	-	(1,518,390.03)
Computer and equipment	(59,828.04)	(42,286.98)	-	(102,115.02)
Vehicles	(2,318,718.15)	(237,004.47)	1,302,985.90	(1,252,736.72)
Equipment	(77,955.47)	(84,412.01)	-	(162,367.48)
Furniture and fixture	(17,196.48)	(53,309.13)	-	(70,505.61)
Total	(3,615,284.72)	(816,855.19)	1,302,985.90	(3,129,154.01)
Leaseholds improvement and equipment, net	4,422,456.08			6,501,386.47

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation for the year	1,752,116.88	898,699.68	1,609,326.45	816,855.19
Loss on disposal of assets	1,059,461.80	65,518.77	979,937.95	65,518.77

As at December 31, 2018 and 2017, the Company and its subsidiaries had equipment, which were fully depreciated but they are still in use with gross carrying amount of Baht 0.19 million and Baht 2.69 million (for the Company: Baht 0.08 million and Baht 2.61 million), respectively.

As at December 31, 2018 and 2017, vehicle acquired under finance leases with net book value of Baht 0.00 million and Baht 0.17 million, respectively.

13. INTANGIBLE ASSETS

Intangible assets consisted of :-

	Baht		
	Consolidated financial statements		
	Balance per book	Movement during the year	
	as at Dec. 31, 2017	Additions	Deduction
<u>At cost</u>			
Computer software	294,225.00	-	-
Total	294,225.00	-	-
<u>Accumulated amortization</u>			
Computer Software	(110,733.22)	(93,148.11)	-
Total	(110,733.22)	(93,148.11)	-
Intangible asset, net	183,491.78		

	Baht		
	Consolidated financial statements		
	Balance per book	Movement during the year	
	as at Dec. 31, 2016	Additions	Deduction
<u>At cost</u>			
Computer software	153,225.00	141,000.00	-
Total	153,225.00	141,000.00	-
<u>Accumulated amortization</u>			
Computer Software	(50,239.58)	(60,493.64)	-
Total	(50,239.58)	(60,493.64)	-
Intangible asset, net	102,985.42		

	Baht		
	Separate financial statements		
	Balance per book	Movement during the year	
	as at Dec. 31, 2017	Additions	Deduction
<u>At cost</u>			
Computer software	141,000.00	-	-
Total	141,000.00	-	-
<u>Accumulated amortization</u>			
Computer Software	(9,424.41)	(46,993.65)	-
Total	(9,424.41)	(46,993.65)	-
Intangible asset, net	131,575.59		

	Baht			
	Separate financial statements			
	Balance per book as at Dec. 31, 2016	Movement during the year		Balance per book as at Dec. 31, 2017
		Additions	Deduction	
<u>At cost</u>				
Computer software	-	141,000.00	-	141,000.00
Total	-	141,000.00	-	141,000.00
<u>Accumulated amortization</u>				
Computer Software	-	(9,424.41)	-	(9,424.41)
Total	-	(9,424.41)	-	(9,424.41)
Intangible asset, net	-			131,575.59

14. DEFERRED TAX ASSETS

Changes in deferred tax assets for the year ended December 31, 2018 and 2017, were as follows:

	Baht			
	Consolidated financial statements			
	Balance per book	Income (expense) during the year		Balance per book
	as at Dec. 31, 2017	In profit or loss	In other comprehensive	as at Dec. 31, 2018
			income	
Deferred tax assets :				
Allowance for doubtful accounts	864,399.01	110,606.30	-	975,005.31
Allowance for diminution in value of				
inventories	514,556.10	191,208.80	-	705,764.90
Provision for goods return	-	87,556.94	-	87,556.94
Employee benefit obligation	307,340.80	102,404.80	(147,119.80)	262,625.80
Total	1,686,295.91	491,776.84	(147,119.80)	2,030,952.95
	Baht			
	Consolidated financial statements			
	Balance per book	Income (expense) during the year		Balance per book
	as at Dec. 31, 2016	In profit or loss	In other comprehensive	as at Dec. 31, 2017
			income	
Deferred tax assets :				
Allowance for doubtful accounts	-	864,399.01	-	864,399.01
Allowance for diminution in value of				
inventories	-	514,556.10	-	514,556.10
Employee benefit obligation	170,244.60	137,096.20	-	307,340.80
Total	170,244.60	1,516,051.31	-	1,686,295.91

	Baht			
	Separate financial statements			
	Balance per book	Income (expense) during the year		Balance per book
	as at Dec. 31, 2017	In profit or loss	In other comprehensive income	as at Dec. 31, 2018
Deferred tax assets :				
Allowance for doubtful	864,399.01	65,630.50	-	930,029.51
Allowance for diminution in value of inventories	359,334.19	165,296.67	-	524,630.86
Provision for goods return	-	49,693.12	-	49,693.12
Employee benefit obligation	296,680.20	87,747.20	(154,407.20)	230,020.20
Total	1,520,413.40	368,367.49	(154,407.20)	1,734,373.69

	Baht			
	Separate financial statements			
	Balance per book	Income (expense) during the year		Balance per book
	as at Dec. 31, 2016	In profit or loss	In other comprehensive income	as at Dec. 31, 2017
Deferred tax assets:				
Allowance for doubtful	-	864,399.01	-	864,399.01
Allowance for diminution in value of inventories	-	359,334.19	-	359,334.19
Employee benefit obligation	170,244.60	126,435.60	-	296,680.20
Total	170,244.60	1,350,168.80	-	1,520,413.40

15. TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other accounts payable consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts payable	42,968,685.18	7,051,891.26	39,812,638.15	4,816,626.91
Notes payable	136,098.75	249,344.14	3,433.32	179,172.14
Other accounts payable	21,372,602.19	8,292,172.37	15,810,029.90	7,145,385.66
Total	<u>64,477,386.12</u>	<u>15,593,407.77</u>	<u>55,626,101.37</u>	<u>12,141,184.71</u>

Other accounts payables

other accounts payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accrued expenses	13,046,121.74	3,783,131.47	7,596,210.53	2,697,633.94
Others	8,326,480.45	4,509,040.90	8,213,819.37	4,447,751.72
Total	<u>21,372,602.19</u>	<u>8,292,172.37</u>	<u>15,810,029.90</u>	<u>7,145,385.66</u>

16. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the year ended December 31, 2018 and 2017 were summarized as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance	1,536,704.00	874,070.00	1,483,401.00	851,223.00
Current service costs during the year	490,064.00	636,726.00	419,812.00	607,074.00
Interest during the year	21,960.00	25,908.00	18,924.00	25,104.00
Actuarial (gain) loss	(735,599.00)	-	(772,036.00)	-
Ending balance	<u>1,313,129.00</u>	<u>1,536,704.00</u>	<u>1,150,101.00</u>	<u>1,483,401.00</u>

Expense recognized in the statements of comprehensive income for the year ended December 31, 2018 and 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current service costs				
Selling and administrative expenses	229,085.00	351,504.00	158,833.00	321,852.00
Management's benefits	260,979.00	285,222.00	260,979.00	285,222.00
Total	<u>490,064.00</u>	<u>636,726.00</u>	<u>419,812.00</u>	<u>607,074.00</u>

Actuarial gain

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Actuarial gain arising from				
Change in demographic assumption	16,683.00	-	142,372.00	-
Change in financial assumption	351,876.00	-	319,356.00	-
Experience adjustment	367,040.00	-	310,308.00	-
Total	<u>735,599.00</u>	<u>-</u>	<u>772,036.00</u>	<u>-</u>

Principal actuarial assumptions at the reporting date

	Percentage			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.66 - 3.38	2.95 - 3.51	2.66	2.95
Salary increase rate	0.00 - 3.00	5.00	0.00 - 3.00	5.00
Employee turnover rate	0 - 37	0 - 29	0 - 37	0 - 29
Disability	5.00	5.00	5.00	5.00

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 and 2017, are summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate				
1% increase	(139,117.00)	(145,172.00)	(107,340.00)	(136,424.00)
1% decrease	162,662.00	166,398.00	122,429.00	155,737.00
Salary increase rate				
1% increase	162,293.00	184,258.00	124,261.00	172,802.00
1% decrease	(74,943.00)	(158,257.00)	(44,467.00)	(153,304.00)
Employee turnover rate				
1% increase	(150,438.00)	(158,083.00)	(116,724.00)	(148,322.00)
1% decrease	47,033.00	59,570.00	39,451.00	53,183.00

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Company and its subsidiary will recognize the increase in the employee benefits obligations approximately Baht 61,345.00, resulting in the decrease in profit approximately Baht 49,076.00 (for the Company : Baht 7,000.00 and Baht 5,600.00), respectively..

17. SHARE CAPITAL

2018

According to the Annual General Shareholders' Meeting 2018 held on April 30, 2018, the shareholders had a resolution to increase the registered capital from Baht 40.00 million to Baht 65.00 million. The share capital increase Baht 25.00 million is divided into 250,000 shares at Baht 100.00 per share. The Company has registered the capital increase with the Ministry of Commerce on May 15, 2018.

2017

According to the Extraordinary Shareholders' Meeting No.1/2017 held on March 17, 2017, the shareholders had a resolution to increase the Company's registered capital from Baht 5.00 million to Baht 40.00 million. The share capital increase of Baht 35.00 million is divided into 350,000 shares at Baht 100.00 per share. The Company has registered the capital increase with the Ministry of Commerce on March 22, 2017.

18. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2018, the Group's debt-to-equity ratio was 0.80 : 1 (as at December 31, 2017 was 0.33 : 1) and the Company's was 0.64 : 1 (as at December 31, 2017 was 0.30 : 1).

19. LEGAL RESERVE

Under to provision of the Civil and Commercial Code, the Company is required to set aside as statutory reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

20. SURPLUS ON SHARE-BASED PAYMENT TRANSACTIONS

In March 2017, the Company had a resolution to issue partial capital increase shares through private placement at the par value that is lower than the book value. The grant date and the exercise date is the same day. The Company has measured the fair value of the private placement shares above at the grant date by reference to the fair value of the shares and the consideration to be paid. The fair value is higher than the exercise price. Such transactions were treated as share-based payment transactions. Therefore, the Company has recorded such related expense and recognized the increase of the shareholder's equity as required in such financial reporting standards.

The fair value estimate of each share as at the grant date is calculated by an independent appraiser by the Discounted Cash Flow method. Significant financial assumption is the weighted average cost of capital at the rate of 23.78% per annum. The terminal growth rate after the estimation period is at 0.00% per annum and the growth rate of sales is 3.50 - 3.90% per annum.

The fair value of shares and exercise price as at the grant date and total number of shares are as follows:

Grant date	Baht		Number of shares (share)
	Fair value	Exercise price	
20 March 2017	328.41	100.00	80,000

The Company has recorded the related expense in the financial statements for the year ended December 31, 2017 in the amount of Baht 18.27 million in "Expense arising from share-based payment"

in profit or loss and recognized “Surplus on share-based payment transaction” in shareholders’ equity by the same amount.

21. APPROPRIATION OF RETAINED EARNING

Year 2018

According to the Annual General Shareholders’ Meeting 2018 held on April 30, 2018, the shareholders had the resolution to pay the dividend from the annual net profit 2017 after deducting legal reserve to the shareholders at Baht 70.00 per share totaling Baht 28.00 million and to appropriate the profit as legal reserve for Baht 1.50 million. The Company sets the name list of shareholders who are entitled to receive the dividend according to the names as appeared in the shareholders’ registration book as at May 1, 2018. The dividend is scheduled to be paid on May 7, 2018.

Year 2017

According to the Extraordinary Shareholders’ Meeting No.2/2017 held on June 16, 2017, the shareholders had the resolution to pay the dividend from total retained earnings after deducting legal reserve to the shareholders at Baht 91.00 per share totaling Baht 36.40 million and appropriate the profit to legal reserve in the amount of Baht 2.00 million. The Company sets the name list of shareholders who are entitled to receive the dividend according to the names as appeared in the shareholders’ registration book as at June 16, 2017. The dividend is scheduled to be paid on June 29, 2017.

22. OPERATING SEGMENT

The Company and its subsidiaries operate in 2 main reports by products operating segments in a main geographical areas in Thailand as follows :

Type of operating segment	Nature of operating segment
- Human healthcare	Healthcare products, anti-aging and beauty products such as medical supplies, therapy nutrition, cosmetics, supplementary food, probiotic and prebiotic product, health food product, general food product and medical equipment, etc.
- Animal healthcare	Pet healthcare and livestock product such as medical supplies, therapy nutrition, vaccine, supplementary food, probiotic and prebiotic products, animal health food products, premium grade animal food, general formula animal food, and medical equipment related to pet and livestock care product, etc.

The operating segment’s performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Details of financial information by segment operations for the years ended December 31, 2018 and 2017

	Thousand Baht					
	Consolidated financial statements					
	Human healthcare		Animal healthcare		Total	
	2018	2017	2018	2017	2018	2017
Revenue from sales	222,414	168,755	91,229	78,541	313,643	247,296
Cost of sales	78,882	61,511	46,162	37,763	125,044	99,274
Gross profit	143,532	107,244	45,067	40,778	188,599	148,022
Selling expense					98,136	66,994
Administrative expenses					50,256	53,047
Operating profit					40,207	27,981
Other income					754	655
Finance cost					43	34
Share of loss of associates					(648)	(262)
Income tax expenses					11,212	9,427
Profit for the period					29,058	18,913

Major customers

The Group has revenue from a major customer that has the amount over 10 percent of the revenue from sale of the Group for the years ended December 31, 2018 and 2017, were summarized as follows:

Type of customers	Baht	
	Consolidated financial statements	
	2018	2017
Wholesale of pharmaceutic and medical goods	69,525,829.58	-

23. PROVIDENT FUND

The Company and its subsidiaries established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company and its subsidiaries's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company and its subsidiaries's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company and its subsidiaries. The Company and its subsidiaries appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E.2530.

The Company and its subsidiaries's contributions for the years ended December 31, 2018 and 2017 were amounted to Baht 1,098,742.57 and Baht 886,953.31(for the Company: Baht 875,162.57 and Baht 663,379.31), respectively.

24. EXPENSES BY NATURE

Significant expenses classified by nature for the years ended December 31, 2018 and 2017 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Change in inventories of finished goods				
and work in process	(36,935,719.66)	5,437,578.98	(32,577,132.44)	(1,179,435.72)
Purchase of finished goods	163,724,216.13	96,699,880.31	149,217,462.45	88,529,882.07
Depreciation and amortization expenses	1,845,264.99	959,193.32	1,656,320.10	826,279.60
Salaries and wages and other employee				
benefits	48,540,279.23	41,604,084.93	34,882,113.22	26,596,638.44
Advertising	36,586,149.77	16,486,281.23	33,835,839.34	15,861,870.22
Management benefit expenses	17,243,706.39	6,785,222.00	14,843,706.39	6,785,222.00
Expense for share-based payment	-	18,727,800.00	-	18,727,800.00
transaction				

25. INCOME TAX EXPENSE

25.1 Major components of income tax expense for the year ended December, 2018 and 2017 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Income tax expense (income) shown in profit or loss:				
Current tax expense:				
Income tax expense for the year	11,704,281.99	10,943,365.19	10,696,063.69	9,664,432.38
Deferred tax expense (income):				
Changes in temporary differences relating				
to the original recognition and reversal	(491,776.84)	(1,516,051.31)	(368,367.49)	(1,350,168.80)
Total	<u>11,212,505.15</u>	<u>9,427,313.88</u>	<u>10,327,696.20</u>	<u>8,314,263.58</u>
Income tax relating to components of comprehensive income:				
Deferred tax relating to				
Actuarial gain	<u>147,119.80</u>	<u>-</u>	<u>154,407.20</u>	<u>-</u>
Total	<u>147,119.80</u>	<u>-</u>	<u>154,407.20</u>	<u>-</u>

- 25.2 A numerical reconciliation between income tax expense (tax income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 which were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit for the year	40,270,964.51	28,339,660.65	40,841,638.19	19,637,857.05
The applicable tax rate (%)	20	20	20	20
Income tax expense at the applicable tax rate	8,054,192.90	5,667,932.13	8,168,327.64	3,927,571.41
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	2,248,641.78	4,642,631.55	2,259,368.56	4,386,692.17
Share of loss from investment in associate	129,575.88	54,402.38	-	-
Unrecognized tax loss on deferred tax asset	875,574.59	-	-	-
Others	(95,480.00)	(937,652.18)	(100,000.00)	-
Total reconciliation items	3,158,312.25	3,759,381.75	2,159,368.56	4,386,692.17
Total income tax expense	11,212,505.15	9,427,313.88	10,327,696.20	8,314,263.58

As at December 31, 2018, a subsidiary had an accumulated loss (in tax) that was still unused of approximately Baht 2.63 million. The subsidiary above did not record deferred tax assets from such loss because there was an uncertainty whether the subsidiary would have enough profit to utilize the benefits from deferred tax assets or not.

- 25.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2018 and 2017 were summarized as follows:

	Consolidated financial statements			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	40,270,964.51		28,339,660.65	
Tax expense at the applicable tax rate	8,054,192.90	20.00	5,667,932.13	20.00
Reconciliation items	3,158,312.25	7.84	3,759,381.75	13.27
Income tax expense at the average effective tax rate	11,212,505.15	27.84	9,427,313.88	33.27

	Separate financial statements			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	40,841,638.19		19,637,857.05	
Tax expense at the applicable tax rate	8,168,327.64	20.00	3,927,571.41	20.00
Reconciliation items	2,159,368.56	5.29	4,386,692.17	22.34
Income tax expense at the average effective tax rate	10,327,696.20	25.29	8,314,263.58	42.34

26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the parent company for the period by the weighted average number of ordinary shares which are issued during the year and held by outside party.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the year of the parent company (Baht)	29,679,815.96	15,718,826.77	30,513,941.99	11,323,593.47
Weighted average number of ordinary shares (shares)	558,219	323,288	558,219	323,288
Basic earnings per share (Baht per share)	53.17	48.62	54.66	35.03

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

	Baht			
	Consolidated financial statements			
	Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2018
Short-term from related parties	-	11,600,000.00	-	11,600,000.00
Liabilities under a finance lease agreement	62,343.97	(62,343.97)	-	-
Total	62,343.97	11,537,656.03	-	11,600,000.00

	Baht			
	Consolidated financial statements			
	Balance as at January 1, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2017

Baht			
Consolidated financial statements			
	Balance as at January 1, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase
			Balance as at December 31, 2017
Short-term from director	53,014.15	(53,014.15)	-
Liabilities under a finance lease agreement	181,137.01	(118,793.04)	-
Total	234,151.16	(171,807.19)	-
Baht			
Separate financial statements			
	Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase
			Balance as at December 31, 2018
Liabilities under a finance lease agreement	62,343.97	(62,343.97)	-
Total	62,343.97	(62,343.97)	-
Baht			
Separate financial statements			
	Balance as at January 1, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase
			Balance as at December 31, 2017
Liabilities under a finance lease agreement	181,137.01	(118,793.04)	-
Total	181,137.01	(118,793.04)	-

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

28. FINANCIAL INSTRUMENTS

28.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

28.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provide significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 31, 2018 and 2017, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht			
	2018			
	Consolidated financial statements			
	Floating	Fixed	No interest	Total
	interest rate	interest rate		
<u>Financial assets</u>				
Cash and cash equivalents	15,194,533.57	-	17,255,323.67	32,449,857.24
Temporary investment	-	178,483.36	-	178,483.36
Trade and other accounts receivable	-	-	84,138,136.70	84,138,136.70
Restricted deposits of financial institutions	-	1,307,856.00	-	1,307,856.00
Investment in associate	-	-	4,839,729.18	4,839,729.18
Long-term loan to employees	-	305,000.00	-	305,000.00
<u>Financial Liabilities</u>				
Trade and other accounts payable	-	-	64,477,386.12	64,477,386.12
Short-term from related parties	-	11,600,000.00	-	11,600,000.00

	Baht			
	2017			
	Consolidated financial statements			
	Floating	Fixed	No interest	Total
	interest rate	interest rate		
<u>Financial assets</u>				
Cash and cash equivalents	21,056,081.62	-	15,023,929.14	36,080,010.76
Temporary investment	-	109,572.90	-	109,572.90
Trade and other accounts receivable	-	-	37,778,402.73	37,778,402.73
Restricted deposits of financial institutions	-	548,352.00	-	548,352.00
Investment in associate	-	-	5,816,389.52	5,816,389.52
Long-term loan to employees	-	295,000.00	-	295,000.00
<u>Financial Liabilities</u>				
Trade and other accounts payable	-	-	15,593,407.77	15,593,407.77

Liabilities under a finance lease agreement	-	62,343.97	-	62,343.97
---	---	-----------	---	-----------

	Baht			
	2018			
	Separate financial statements			
	Floating interest rate	Fixed interest rate	No interest	Total
<u>Financial assets</u>				
Cash and cash equivalents	10,047,661.88	-	12,292,346.06	22,340,007.94
Temporary investment	-	178,483.36	-	178,483.36
Trade and other accounts receivable	-	-	69,195,519.54	69,195,519.54
Short-term loan to subsidiaries	-	2,400,000.00	-	2,400,000.00
Restricted deposits of financial institutions	-	907,856.00	-	907,856.00
Investment in associate	-	-	4,839,729.18	4,839,729.18
Investment in subsidiaries	-	-	5,149,700.00	5,149,700.00
Long-term loan to employees	-	305,000.00	-	305,000.00
<u>Financial Liabilities</u>				
Trade and other accounts payable	-	-	55,626,101.37	55,626,101.37

	Baht			
	2017			
	Separate financial statements			
	Floating interest rate	Fixed interest rate	No interest	Total
<u>Financial assets</u>				
Cash and cash equivalents	18,226,199.09	-	13,101,039.97	31,327,239.06
Temporary investment	-	109,572.00	-	109,572.00
Trade and other accounts receivable	-	-	34,511,539.88	34,511,539.88
Restricted deposits of financial institutions	-	548,352.00	-	548,352.00
Investment in associate	-	-	6,250,000.00	6,250,000.00
Investment in subsidiary	-	-	2,750,000.00	2,750,000.00
Long-term loan to employees	-	295,000.00	-	295,000.00
<u>Financial Liabilities</u>				
Trade and other accounts payable	-	-	12,141,184.71	12,141,184.71

Liabilities under a finance lease agreement	-	62,343.97	-	62,343.97
---	---	-----------	---	-----------

28.3 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily relating to trade accounts receivable. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

28.4 Foreign currency risk

The Company has foreign currency exchange rate risk because the Company has transaction of purchases which were denominated in foreign currencies. However, the Company believe that the fluctuating exchange rate in the future will not significantly affect the operating performance and cash flows of the company. The Company did not use other derivative to hedge against such risk.

28.5 Liquidity risk

The Company and its subsidiaries manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

28.6 Fair value

The carrying amount of financial assets and financial liabilities as presented in the statement of financial position are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

29. COMMITMENTS

29.1 Commitment on operating lease and services agreements

As at December 31, 2018 and 2017, the Company and its subsidiaries had commitments on operating lease and service agreements which have minimum future rental payments under the lease and service agreements as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Within 1 year	4,586,347.60	2,742,146.40	3,379,097.60	1,758,146.40
Over 1 year but less than 5 years	4,123,000.00	1,883,097.60	3,800,000.00	1,339,097.60

Total	<u>8,709,347.60</u>	<u>4,625,244.00</u>	<u>7,179,097.60</u>	<u>3,097,244.00</u>
-------	---------------------	---------------------	---------------------	---------------------

29.2 Commitment on purchase of goods and service agreements

As at December 31, 2018, the Company and its subsidiaries had commitments on purchase of goods and service agreements in the amount of Baht 23.09 million (for the Company: Baht 18.84 million).

29.3 Commitment on distribution agreements

As at December 31, 2018, the Company and its subsidiary have commitment under the memorandum on distribution of goods with a local company. Such memorandum is effective from October 1, 2018 and terminate on September 30, 2023. The Company and its subsidiary have commitment to sell the goods to such company at the net selling price after deducting the difference of margin determined from revenues.

30. CONTINGENT LIABILITIES

As at December 31, 2018 and 2017, the Company and its subsidiaries had contingent liabilities from letter of guarantee issued by several commercial banks to guarantee of product selling and other amounting to Baht 1.31 million and Baht 0.55 million (for the Company: Baht 0.91 million and Baht 0.55 million), respectively. This is guaranteed by the fixed deposit of such bank in the amount of Baht 1.31 million and Baht 0.55 million (for the Company: Baht 0.91 million and Baht 0.55 million), respectively.

31. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment

TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

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

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

32. EVENT AFTER THE REPORTING DATE

According to the minutes of the Board of Directors' Meeting held on February 28, 2019, it had the resolution to pay the dividend from the net profit 2018 after deducting legal reserve to the shareholders at Baht 17.80 per share totaling Baht 11.57 million and to appropriate the profit as legal reserve for Baht 0.67 million. The Company sets the name list of shareholders who are entitled to receive the dividend as appeared on the shareholders' registration book as at March 1, 2019 and is scheduled to pay the dividend within 30 days from the resolution of the Annual General Shareholders' Meeting.

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 28, 2019.