

**INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020**

## **INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

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

I have reviewed the accompanying statement of financial position of Inter Pharma Public Company Limited and its subsidiaries as at September 30, 2020 and the related consolidated statement of comprehensive income for the three-month and nine-month periods then ended, changes in shareholders’ equity and cash flows for the nine-month period then ended and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standards No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

### **SCOPE OF REVIEW**

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

### **CONCLUSION**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standards No. 34 “Interim Financial Reporting”.

(Mr. Thanawut Piboonsawat)  
Certified Public Accountant  
Registration No. 6699

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
November 10, 2020

INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2020

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
		As at September	As at December	As at September	As at December
Note		30, 2020	31, 2019	30, 2020	31, 2019
Current assets					
	Cash and cash equivalents	319,418,040.96	342,647,121.71	303,741,735.18	334,948,451.01
	Temporary investment	-	189,775.86	-	189,775.86
	Trade and other current receivables				
	Related parties	263,951.95	1,956,070.35	20,261,889.88	21,491,937.64
	Other companies	162,855,013.82	109,577,704.39	101,320,793.64	65,727,850.21
		<u>163,118,965.77</u>	<u>111,533,774.74</u>	<u>121,582,683.52</u>	<u>87,219,787.85</u>
	Current portion of long-term loan to employees	60,000.00	60,000.00	60,000.00	60,000.00
	Short-term to subsidiaries	-	-	14,200,000.00	11,800,000.00
	Inventories	53,519,288.05	50,259,446.68	34,299,674.33	23,994,052.70
	Other current financial assets	309,052.05	-	309,052.05	-
	Other current assets	393,877.55	363,527.81	255,258.23	258,687.76
	Total current assets	<u>536,819,224.38</u>	<u>505,053,646.80</u>	<u>474,448,403.31</u>	<u>458,470,755.18</u>
Non-current assets					
	Restricted deposits at financial institutions	1,208,363.34	1,312,014.00	800,000.00	907,856.00
	Investment in associate	-	4,614,810.37	-	4,839,729.18
	Investment in subsidiaries	-	-	5,149,700.00	5,149,700.00
	Long-term loan to employees	65,000.00	115,000.00	65,000.00	115,000.00
	Leaseholds improvement and equipment	15,249,091.50	9,665,749.50	14,728,499.90	9,022,493.78
	Right-of-use assets	3,191,635.59	-	3,022,279.88	-
	Intangible assets	2,849,545.62	1,277,634.67	2,803,263.50	1,209,200.67
	Deferred tax assets	3,485,098.94	3,259,860.53	2,555,390.15	2,129,203.27
	Other non-current assets	524,043.40	578,976.16	450,043.40	538,976.16
	Total non-current assets	<u>26,572,778.39</u>	<u>20,824,045.23</u>	<u>29,574,176.83</u>	<u>23,912,159.06</u>
	<b>TOTAL ASSETS</b>	<u><u>563,392,002.77</u></u>	<u><u>525,877,692.03</u></u>	<u><u>504,022,580.14</u></u>	<u><u>482,382,914.24</u></u>

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

INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at September	As at December	As at September	As at December
		30, 2020	31, 2019	30, 2020	31, 2019
			(Reclassified		(Reclassified
Note			Note 23)		Note 23)
<b>Current liabilities</b>					
Trade and other current payables	14				
Related parties	5	194,714.69	6,860,638.64	18,074.33	1,205,353.30
Other companies		55,986,717.04	33,713,384.42	35,310,284.45	21,410,829.17
		<u>56,181,431.73</u>	<u>40,574,023.06</u>	<u>35,328,358.78</u>	<u>22,616,182.47</u>
Current portion of lease liabilities	16	684,135.36	-	509,283.13	-
Short-term from other person	15	6,000,000.00	6,000,000.00	-	-
Short-term from related parties	5	4,800,000.00	3,200,000.00	-	-
Corporate income tax payable		4,919,106.81	5,351,762.79	3,641,864.79	2,942,541.41
Other current liabilities		1,954,304.51	1,103,356.90	1,168,789.98	658,615.14
Total current liabilities		<u>74,538,978.41</u>	<u>56,229,142.75</u>	<u>40,648,296.68</u>	<u>26,217,339.02</u>
<b>Non-current liabilities</b>					
Lease liabilities	16	2,604,893.50	-	2,604,893.50	-
Non-current provisions for employee benefit		5,310,116.00	3,905,742.00	4,516,298.00	3,345,958.00
Total non-current liabilities		<u>7,915,009.50</u>	<u>3,905,742.00</u>	<u>7,121,191.50</u>	<u>3,345,958.00</u>
<b>TOTAL LIABILITIES</b>		<u>82,453,987.91</u>	<u>60,134,884.75</u>	<u>47,769,488.18</u>	<u>29,563,297.02</u>

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

INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at September	As at December	As at September	As at December
		30, 2020	31, 2019	30, 2020	31, 2019
Shareholders' equity					
Share capital					
Authorized share capital					
206,000,000 ordinary shares of Baht 0.50 each		103,000,000.00	103,000,000.00	103,000,000.00	103,000,000.00
Issued and paid-up share capital					
206,000,000 ordinary shares of Baht 0.50 each		103,000,000.00	103,000,000.00	103,000,000.00	103,000,000.00
Premium on share capital		286,711,312.80	286,711,312.80	286,711,312.80	286,711,312.80
Surplus on share-based payment transactions		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		3,703,227.92	3,703,227.92	-	-
Retained earnings					
Appropriated					
Legal reserve		6,320,108.00	6,320,108.00	6,320,108.00	6,320,108.00
Unappropriated		48,557,051.84	37,701,750.47	41,948,871.16	38,515,396.42
Total equity attributable to owners of the parent		466,564,500.56	455,709,199.19	456,253,091.96	452,819,617.22
Non-controlling interest		14,373,514.30	10,033,608.09	-	-
Total shareholders' equity		480,938,014.86	465,742,807.28	456,253,091.96	452,819,617.22
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		563,392,002.77	525,877,692.03	504,022,580.14	482,382,914.24

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

"UNAUDITED"

"REVIEWED"

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INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Revenues</b>					
Revenue from sales	5, 18	108,967,699.81	91,941,854.27	75,484,415.83	61,561,051.82
Other incomes	5, 9	1,610,354.02	632,923.92	2,490,554.56	1,187,272.17
Total revenues		<u>110,578,053.83</u>	<u>92,574,778.19</u>	<u>77,974,970.39</u>	<u>62,748,323.99</u>
<b>Expenses</b>					
Cost of sales	5, 18	43,503,252.32	37,882,321.43	28,607,936.42	25,706,169.50
Distribution costs	5	28,218,033.89	23,933,412.26	18,098,100.83	14,109,554.07
Administrative expenses	5	13,428,561.34	11,329,491.54	11,483,266.05	10,073,842.19
Total expenses		<u>85,149,847.55</u>	<u>73,145,225.23</u>	<u>58,189,303.30</u>	<u>49,889,565.76</u>
Profit from operating activities		25,428,206.28	19,429,552.96	19,785,667.09	12,858,758.23
Finance costs	5	156,835.53	226,941.15	83,341.83	141,926.80
Share of loss of associate	9	(56,625.38)	(53,772.86)	-	-
Profit before income tax expense		25,214,745.37	19,148,838.95	19,702,325.26	12,716,831.43
Income tax expense	19	4,804,430.91	4,196,719.76	3,640,394.88	2,666,046.82
Profit for the period		<u>20,410,314.46</u>	<u>14,952,119.19</u>	<u>16,061,930.38</u>	<u>10,050,784.61</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		<u><u>20,410,314.46</u></u>	<u><u>14,952,119.19</u></u>	<u><u>16,061,930.38</u></u>	<u><u>10,050,784.61</u></u>
<b>Profit attributable to</b>					
Owners of the parent		18,457,062.12	13,566,600.55	16,061,930.38	10,050,784.61
Non-controlling interests		1,953,252.34	1,385,518.64	-	-
		<u>20,410,314.46</u>	<u>14,952,119.19</u>	<u>16,061,930.38</u>	<u>10,050,784.61</u>
<b>Total comprehensive income attributable to</b>					
Owners of the parent		18,457,062.12	13,566,600.55	16,061,930.38	10,050,784.61
Non-controlling interests		1,953,252.34	1,385,518.64	-	-
		<u>20,410,314.46</u>	<u>14,952,119.19</u>	<u>16,061,930.38</u>	<u>10,050,784.61</u>
<b>Earnings per share</b>					
<b>Basic earnings per share</b>					
Attributable to owners of the parent	20	<u>0.09</u>	<u>0.08</u>	<u>0.08</u>	<u>0.06</u>

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

"UNAUDITED"

"REVIEWED"

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INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Revenues</b>					
Revenue from sales	5, 18	306,748,089.28	274,526,648.63	209,557,090.01	215,815,600.24
Other incomes	5, 9	4,036,764.48	3,775,880.62	6,589,695.74	6,786,500.01
Total revenues		<u>310,784,853.76</u>	<u>278,302,529.25</u>	<u>216,146,785.75</u>	<u>222,602,100.25</u>
<b>Expenses</b>					
Cost of sales	5, 18	119,385,770.00	117,603,766.66	79,842,215.51	100,778,680.65
Distribution costs	5	83,848,971.65	82,716,208.67	50,045,073.06	54,969,772.09
Administrative expenses	5	39,127,796.87	35,205,306.40	33,838,933.07	30,528,089.85
Total expenses		<u>242,362,538.52</u>	<u>235,525,281.73</u>	<u>163,726,221.64</u>	<u>186,276,542.59</u>
Profit from operating activities		68,422,315.24	42,777,247.52	52,420,564.11	36,325,557.66
Finance costs	5	599,313.43	452,587.13	257,724.60	198,704.98
Share of loss of associate	9	(162,425.72)	(174,070.31)	-	-
Profit before income tax expense		67,660,576.09	42,150,590.08	52,162,839.51	36,126,852.68
Income tax expense	19	13,907,603.25	9,170,722.05	10,528,816.28	7,272,451.34
Profit for the period		<u>53,752,972.84</u>	<u>32,979,868.03</u>	<u>41,634,023.23</u>	<u>28,854,401.34</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		<u><u>53,752,972.84</u></u>	<u><u>32,979,868.03</u></u>	<u><u>41,634,023.23</u></u>	<u><u>28,854,401.34</u></u>
<b>Profit attributable to</b>					
Owners of the parent		49,252,319.08	30,771,893.70	41,634,023.23	28,854,401.34
Non-controlling interests		4,500,653.76	2,207,974.33	-	-
		<u>53,752,972.84</u>	<u>32,979,868.03</u>	<u>41,634,023.23</u>	<u>28,854,401.34</u>
<b>Total comprehensive income attributable to</b>					
Owners of the parent		49,252,319.08	30,771,893.70	41,634,023.23	28,854,401.34
Non-controlling interests		4,500,653.76	2,207,974.33	-	-
		<u>53,752,972.84</u>	<u>32,979,868.03</u>	<u>41,634,023.23</u>	<u>28,854,401.34</u>
<b>Earnings per share</b>					
<b>Basic earnings per share</b>					
Attributable to owners of the parent	20	0.24	0.21	0.20	0.20

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

" UNAUDITED "

" REVIEWED "

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INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

		Baht								
		Consolidated financial statements								
	Note	Issued and paid-up share capital	Premium on share capital	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	Non-controlling interest	Total shareholders' equity
						Appropriated legal reserve	Unappropriated			
Beginning balance as at January 1, 2019		65,000,000.00	-	18,272,800.00	3,703,227.92	3,600,000.00	9,970,758.91	100,546,786.83	6,442,918.58	106,989,705.41
Increase in share capital		15,000,000.00	-	-	-	-	-	15,000,000.00	-	15,000,000.00
Legal reserve		-	-	-	-	670,000.00	(670,000.00)	-	-	-
Dividend		-	-	-	-	-	(11,570,000.00)	(11,570,000.00)	-	(11,570,000.00)
Total comprehensive income for the period		-	-	-	-	-	30,771,893.70	30,771,893.70	2,207,974.33	32,979,868.03
Ending balance as at September 30, 2019		80,000,000.00	-	18,272,800.00	3,703,227.92	4,270,000.00	28,502,652.61	134,748,680.53	8,650,892.91	143,399,573.44
Beginning balance as at January 1, 2020		103,000,000.00	286,711,312.80	18,272,800.00	3,703,227.92	6,320,108.00	37,701,750.47	455,709,199.19	10,033,608.09	465,742,807.28
Impact of changes in accounting policies	4	-	-	-	-	-	(287,017.33)	(287,017.33)	(160,747.55)	(447,764.88)
Beginning balance as at January 1, 2020 after adjustment		103,000,000.00	286,711,312.80	18,272,800.00	3,703,227.92	6,320,108.00	37,414,733.14	455,422,181.86	9,872,860.54	465,295,042.40
Dividend		-	-	-	-	-	(38,110,000.38)	(38,110,000.38)	-	(38,110,000.38)
Total comprehensive income for the period		-	-	-	-	-	49,252,319.08	49,252,319.08	4,500,653.76	53,752,972.84
Ending balance as at September 30, 2020		103,000,000.00	286,711,312.80	18,272,800.00	3,703,227.92	6,320,108.00	48,557,051.84	466,564,500.56	14,373,514.30	480,938,014.86

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

INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

		Baht					
		Separate financial statements					
	Note	issued and	Premium on	Surplus on	Retained earnings		Total
		paid-up	share capital	share-based payment	Appropriated	Unappropriated	Shareholders'
		share capital		transactions	legal reserve		equity
Beginning balance as at January 1, 2019		65,000,000.00	-	18,272,800.00	3,600,000.00	13,169,281.45	100,042,081.45
Increase in share capital		15,000,000.00	-	-	-	-	15,000,000.00
Legal reserve		-	-	-	670,000.00	(670,000.00)	-
Dividend		-	-	-	-	(11,570,000.00)	(11,570,000.00)
Total comprehensive income for the period		-	-	-	-	28,854,401.34	28,854,401.34
Ending balance as at September 30, 2019		<u>80,000,000.00</u>	<u>-</u>	<u>18,272,800.00</u>	<u>4,270,000.00</u>	<u>29,783,682.79</u>	<u>132,326,482.79</u>
Beginning balance as at January 1, 2020		103,000,000.00	286,711,312.80	18,272,800.00	6,320,108.00	38,515,396.42	452,819,617.22
The effect of changes in accounting policies	4	-	-	-	-	(90,548.11)	(90,548.11)
Beginning balance as at January 1, 2020 as restated		103,000,000.00	286,711,312.80	18,272,800.00	6,320,108.00	38,424,848.31	452,729,069.11
Dividend		-	-	-	-	(38,110,000.38)	(38,110,000.38)
Total comprehensive income for the period		-	-	-	-	41,634,023.23	41,634,023.23
Ending balance as at September 30, 2020		<u>103,000,000.00</u>	<u>286,711,312.80</u>	<u>18,272,800.00</u>	<u>6,320,108.00</u>	<u>41,948,871.16</u>	<u>456,253,091.96</u>

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

## INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Cash flows from operating activities</u>				
Profit for the period	53,752,972.84	32,979,868.03	41,634,023.23	28,854,401.34
Reconciliations of profit for the period to net cash provided by (used in) operating activities:				
Increase (decrease) in allowance for doubtful accounts	107,434.51	(63,839.19)	118,429.87	(283,107.50)
Increase (decrease) in allowance for diminution in value of inventories	971,901.70	(1,203,133.52)	154,549.06	(607,163.64)
Provision of goods return	489,925.09	1,306,283.36	435,683.59	1,136,788.71
Loss on disposal of equipment	448.98	97.31	1.00	259.03
Depreciation	1,884,599.87	1,260,896.29	1,503,897.24	1,130,710.34
Amortization	389,459.05	258,593.68	367,307.17	239,944.19
Unrealized (gain) loss on exchange rate	66,925.02	8,204.51	66,925.02	8,204.51
Interest income	(803,490.42)	(155,565.51)	(1,209,837.51)	(150,203.48)
Employee benefit expense	1,401,094.00	632,917.00	1,175,622.00	470,359.00
Interest expense	599,313.43	452,587.13	257,724.60	198,704.98
Gain on disposal of investment in associate	(1,797,615.35)	-	(1,410,270.82)	-
Share of loss of associate	162,425.72	174,070.31	-	-
Income tax expense	13,907,603.25	9,170,722.05	10,528,816.28	7,272,451.34
Profit from operating activities before changes in operating assets and liabilities	71,132,997.69	44,821,701.45	53,622,870.73	38,271,348.82
(Increase) decrease in operating assets				
Trade and other current receivables	(39,402,078.55)	(18,223,291.08)	(21,780,907.66)	(15,629,696.28)
Inventories	(4,231,743.07)	(6,350,077.44)	(10,460,170.69)	6,619,899.15
Other current assets	(29,238.92)	(2,238,047.09)	3,429.53	(1,856,063.53)
Other non-current assets	54,932.76	(173,150.68)	88,932.76	(173,150.68)
Increase (decrease) in operating liabilities				
Trade and other current payables	15,494,644.89	(20,197,973.15)	12,552,979.82	(30,280,687.58)
Other current liabilities	314,172.52	(713,708.62)	27,641.25	(741,446.95)
Cash received (paid) from operations	43,333,687.32	(3,074,546.61)	34,054,775.74	(3,789,797.05)
Interest income received	72,944.83	5,869.76	67,717.77	3,653.65
Income tax expense paid	(14,454,667.24)	(11,039,399.03)	(10,233,042.75)	(9,582,039.23)
Net cash provided by (used in) operating activities	28,951,964.91	(14,108,075.88)	23,889,450.76	(13,368,182.63)

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

## INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Cash flows from investing activities</u>				
(Increase) decrease in temporary investment	-	(9,836.27)	-	(9,836.27)
(Increase) decrease in other current financial assets	(119,276.19)	-	(119,276.19)	-
(Increase) decrease in restricted deposits at financial institutions	103,650.66	(4,158.00)	107,856.00	-
Cash payment for short-term loan to subsidiary	-	-	(2,400,000.00)	(4,400,000.00)
Cash receipts from disposal of investment in associate	6,250,000.00	-	6,250,000.00	-
Cash payment for prepayments for business acquisition	(12,838,000.00)	-	(12,838,000.00)	-
Cash receipts from long-term loan to employees	50,000.00	115,000.00	50,000.00	115,000.00
Cash payments for purchase of leaseholds improvement and equipment	(6,870,060.59)	(587,466.50)	(6,763,994.23)	(103,558.50)
Cash receipts from disposal of equipment	-	3,177.56	-	186.92
Cash payments for purchase of intangible assets	(1,961,370.00)	(1,560,240.00)	(1,961,370.00)	(1,471,460.00)
Interest income received	718,292.50	34,765.21	1,166,516.72	41,962.47
Net cash provided by (used in) investing activities	(14,666,763.62)	(2,008,758.00)	(16,508,267.70)	(5,827,705.38)
<u>Cash flows from financing activities</u>				
Cash receipts from short-term loan from other person	-	6,000,000.00	-	-
Cash receipts from short-term loan from related parties	1,600,000.00	11,600,000.00	-	10,000,000.00
Cash payments for short-term loan from related parties	-	(11,000,000.00)	-	(1,000,000.00)
Cash payments for lease liabilities	(500,936.99)	-	(354,013.38)	-
Cash receipts from share capital	-	15,000,000.00	-	15,000,000.00
Dividend paid	(38,017,728.91)	(11,570,000.00)	(38,017,728.91)	(11,570,000.00)
Interest expense paid	(595,616.14)	(345,342.21)	(216,156.60)	(177,670.98)
Net cash provided by (used in) financing activities	(37,514,282.04)	9,684,657.79	(38,587,898.89)	12,252,329.02
Net increase (decrease) in cash and cash equivalents	(23,229,080.75)	(6,432,176.09)	(31,206,715.83)	(6,943,558.99)
Cash and cash equivalents - beginning of period	342,647,121.71	32,449,857.24	334,948,451.01	22,340,007.94
Cash and cash equivalents - ending of period	319,418,040.96	26,017,681.15	303,741,735.18	15,396,448.95

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

**INTER PHARMA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

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. According to the Extraordinary Shareholders' Meeting No.1/2019 held on May 7, 2019, the shareholders had a resolution to change the Company' status to a public limited company. The change of Company's status to be the public company limited was registered with the Ministry of Commerce on May 15, 2019 and registered with the Market for Alternative Investment (MAI) on November 5, 2019.

The address of its registered office is as follows:

Head office is located at 140/9 ITF Tower 9th Floor, Silom Road, Suriyawongse, Bangrak, Bangkok Thailand.

Branch offices are located at

(1) 160/74-75 ITF - Silom Palace 10th Floor, Silom Road, Suriyawongse, Bangrak, Bangkok Thailand.

(2) 140/10 ITF Tower 9th Floor, Silom Road, Suriyawongse, Bangrak, Bangkok Thailand.

(3) 99/19 Moo. 3 Bangna-Trad Road. Km.23 Tumbol Bang Sao Thong, Amphoe Bang Sao Thong, Samut Prakan Thailand.

(4) 99/20 Moo. 3 Bangna-Trad Road. Km.23 Tumbol Bang Sao Thong, Amphoe Bang Sao Thong, Samut Prakan Thailand.

(5) 99/2 Moo. 3 Bangna-Trad Road. Km.23 Tumbol Bang Sao Thong, Amphoe Bang Sao Thong, Samut Prakan Thailand.

(b) Nature of the Company's operations

The Company operates the main business on import and distribute dietary supplement product for humans and animals.

From September 1, 2018 onward, the Company and its subsidiaries has entered into an agreement to appoint a company as their distributor to handle the distribution. (Note 21.3).

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2019.

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

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim 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 These consolidated financial statements were 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. The consolidated financial statements were prepared by including the financial statements of Inter Pharma Public Company Limited and its subsidiaries as follows;

Company name	Type of business	Percentage of holding of share capital		Country of Incorporation
		As at September 30, 2020	As at December 31, 2019	
Direct shareholding				
Inter Vetta Co.,Ltd.	Distribute pet food and dietary supplement for companion animal and livestocks	55.00	55.00	Thailand
Inter Petrina Co.,Ltd.	Selling pet food	60.00	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 Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

**Financial reporting standards related to financial instruments:**

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective is cancelled.

The Company and its subsidiaries have adopted TFRS related to financial instruments the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 4 to the interim financial statements.

### **TFRS 16 Leases**

TFRS 16 Leases supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

As at January 1, 2020, the Company and its subsidiaries had adopted TFRS 16, which the Company and its subsidiaries recognized the cumulative effects of the initial application of this financial reporting standard without restated the previous year's financial statements presented for comparative. However, the Company and its subsidiaries had chosen to comply with this financial reporting standard with the lease that was previously classified as operating lease by recognizing the liabilities under the lease as at January 1, 2020 with the present value of the remaining lease payment and discounted by the interest rate of the additional borrowing of the Company as at the initial application date. It was recognized the contractual use rights in the amount of liabilities under lease agreements adjusted by the amount of the prepaid or accrued lease payments which were related to the lease agreement recognized in the statement of financial position before the date of application of this financial reporting standard.

The effect of the change in accounting policy is stated in Note 4 to the interim financial statements

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in preparing the interim financial statements are the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2019, except for the change in accounting policies according to the Company and its subsidiaries have adopted TFRS 9, Financial Instruments and group of financial reporting standards relate to financial instruments and TFRS 16 Leases which are effective on 1 January 2020, as follows:

### 3.1 Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade and other receivables are stated at the amount expected to be collectible, The Company and its subsidiaries apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and its subsidiaries have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

### 3.2 Financial assets and financial liabilities

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

#### (1) Classification and measurement of financial assets

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortized cost.

Derivatives are classified and measured at fair value through profit or loss.

#### (2) Impairment of financial assets

The Company and its subsidiaries recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company and its subsidiaries accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company and its subsidiaries applies a simplified approach to determine the lifetime expected credit losses.

### 3.3 Leases

At inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Right-of-use assets-as a lessee**

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

#### **Lease liabilities**

At the commencement date of the lease, lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

#### **Short-term leases and leases of low-value assets**

Leased that have a lease term of 12 months or less from the commencement date and not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term

## 4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.3 to the interim financial statements, during the current year, the Company and its subsidiaries have adopted TFRS 9 and TFRS 16 using the modified retrospective method of adoption. The cumulative effect of the changes in accounting policies such financial reporting standards is recognized. Therefore, the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	Baht			
	Consolidated financial statements			
	As at December 31, 2019	The impact of TFRSs related to financial instruments	The impact of TFRS 16	As at January 1, 2020
<b>Statement of financial position</b>				
Current assets				
Temporary investment	189,775.86	(189,775.86)	-	-
Trade and other receivables	111,533,774.74	(559,706.10)	-	110,974,068.64
Other current financial assets	-	189,775.86	-	189,775.86
Non-current assets				
Right-of-use assets	-	-	3,789,965.85	3,789,965.85
Deferred tax assets	3,259,860.53	111,941.22	-	3,371,801.75
Current liabilities				
Current portion of lease liabilities	-	-	675,285.21	675,285.21
Non-current liabilities				
Lease liabilities	-	-	3,114,680.64	3,114,680.64
Shareholders' equity				
Unappropriated retained earnings	37,701,750.47	(287,017.33)	-	37,414,733.14
Non-controlling interest	10,033,608.09	(160,747.55)	-	9,872,860.54

	Baht			
	Separate financial statements			
	As at December 31, 2019	The impact of TFRSs related to financial instruments	The impact of TFRS 16	As at January 1, 2020
<b>Statement of financial position</b>				
Current assets				
Temporary investment	189,775.86	(189,775.86)	-	-
Trade and other receivables	87,219,787.85	(113,185.14)	-	87,106,602.71
Other current financial assets	-	189,775.86	-	189,775.86
Non-current assets				
Right-of-use assets	-	-	3,468,190.01	3,468,190.01
Deferred tax assets	2,129,203.27	22,637.03	-	2,151,840.30
Current liabilities				
Current portion of lease liabilities	-	-	477,225.68	477,225.68
Non-current liabilities				
Lease liabilities	-	-	2,990,964.33	2,990,964.33
Shareholders' equity				
Unappropriated retained earnings	38,515,396.42	(90,548.11)	-	38,424,848.31

4.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
Unappropriated retained earnings as at December 31, 2019	37,701,750.47	38,515,396.42
Increase in loss allowance for trade and other receivables	(447,764.88)	(90,548.11)
Unappropriated retained earnings as at January 1, 2020 from adoption of TFRS 9	<u>37,253,985.59</u>	<u>38,424,848.31</u>

**Classification and measurement**

On January 1, 2020 (the date of initial application), the Company and its subsidiaries’s management has assessed which business models applied to the financial assets and liabilities held by the Company and its subsidiaries and has classified the financial assets and liabilities as amortized cost.

**Impairment of financial assets**

Trade receivables

The loss allowance for trade receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follow:

	Baht	
	Consolidated financial statements	Separate financial statements
<u>Loss allowance for trade receivables</u>		
As at December 31, 2019	5,253,153.45	4,878,500.03
Amounts restated through opening unappropriated retained earnings	559,706.10	113,185.14
Opening loss allowance as at January 1, 2020	<u>5,812,859.55</u>	<u>4,991,685.17</u>

4.2 Leases

Upon initial application of TFRS 16 the Company and its subsidiaries recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	8,649,960.66	7,546,960.66
<u>Less:</u> Short-term leases recognized on a straight-line basis as expenses	(60,000.00)	-
<u>Add:</u> Termination options reasonably certain to be exercised	2,676,631.00	2,676,631.00
<u>Less:</u> Contracts reassessed as service agreements	(6,486,326.26)	(5,788,936.26)
	4,780,265.40	4,434,655.40
<u>Less:</u> Deferred interest expenses	(990,299.55)	(966,465.39)
Additional lease liabilities from TFRS 16 adoption	3,789,965.85	3,468,190.01
Finance lease liabilities as at December 31, 2019	-	-
Lease liabilities recognised as at January 1, 2020	3,789,965.85	3,468,190.01
Of which are:		
Current lease liabilities	675,285.21	477,225.68
Non-current lease liabilities	3,114,680.64	2,990,964.33
	3,789,965.85	3,468,190.01

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

	Baht	
	Consolidated financial statements	Separate financial statements
As at January 1, 2020		
Building and building improvements	3,468,190.01	3,468,190.01
Vehicles	321,775.84	-
Total right-of-use assets	3,789,965.85	3,468,190.01

## 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 (Until September 24, 2020)

Related parties	Relationship
<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 (The such director resigned from the Company since August 14, 2019)
M-nature Plus Co., Ltd.	Shareholder in the subsidiary
Asian Pets Care Corporation Co., Ltd. (Formaly, 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	Mutual agreement
- Interest income	Mutual agreement
- Other income	Mutual agreement
- Purchase of goods	Mutual agreement
- Rental fee	Mutual agreement
- Interest expense	Mutual agreement
- Purchase of asset	Mutual agreement
- 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 September 30, 2020 and December 31, 2019 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
<u>Assets</u>				
Trade and other account receivable				
Subsidiaries				
Inter Vetta Co.,Ltd.	-	-	19,579,195.19	21,167,648.56
Inter Petrina Co.,Ltd.	-	-	682,694.69	324,289.08
Related company	-			
Asian Pets Care Corporation Co., Ltd.	-	1,815,886.00	-	-
A related company	263,951.95	140,184.35	-	-
	<u>263,951.95</u>	<u>1,956,070.35</u>	<u>20,261,889.88</u>	<u>21,491,937.64</u>
Short-term loan				
Subsidiaries				
Inter Vetta Co.,Ltd.	-	-	7,000,000.00	7,000,000.00
Inter Petrina Co.,Ltd.	-	-	7,200,000.00	4,800,000.00
	<u>-</u>	<u>-</u>	<u>14,200,000.00</u>	<u>11,800,000.00</u>

Movement of short-term to subsidiaries were as follows :

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Beginning balance of the period	-	-	11,800,000.00	2,400,000.00
Additional during the period	-	-	2,400,000.00	9,400,000.00
Deduction during the period	-	-	-	-
Ending balance at end of period	<u>-</u>	<u>-</u>	<u>14,200,000.00</u>	<u>11,800,000.00</u>

Short-term loan to subsidiaries are presented in the form of promissory note, maturity at call and within 1 year with the interest at the rate of 4.00% per annum.

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
<u>Liabilities</u>				
Trade and other payables				
Subsidiary				
Inter Vetta Co.,Ltd.	-	-	18,074.33	-
Related company				
Asian Alliance International Co., Ltd.	-	3,762,213.60	-	-
Asian Pets Care Corporation Co., Ltd.	108,262.30	153,983.57	-	-
Related person				
Directors	86,452.39	2,944,441.47	-	1,205,353.30
	<u>194,714.69</u>	<u>6,860,638.64</u>	<u>18,074.33</u>	<u>1,205,353.30</u>
Short-term loan				
Related company				
Asian Pets Care Corporation Co., Ltd.	4,800,000.00	3,200,000.00	-	-
	<u>4,800,000.00</u>	<u>3,200,000.00</u>	<u>-</u>	<u>-</u>

Movement of short-term from related parties were as follows

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Beginning balance of the period	3,200,000.00	11,600,000.00	-	-
Additional during the period	1,600,000.00	11,600,000.00	-	10,000,000.00
Deduction during the period	-	(20,000,000.00)	-	(10,000,000.00)
Ending balance at end of period	<u>4,800,000.00</u>	<u>3,200,000.00</u>	<u>-</u>	<u>-</u>

Short-term loan from related parties are presented in the form of promissory note, maturity at call and within 1 year with the interest at the rate of 4.00% per annum.

Transaction during the period with related parties for the three-month and nine-month periods ended September 30, 2020 and 2019 were as follows:

	Baht			
	Consolidated financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Purchase of asset				
Related company				
Asian Alliance International Co., Ltd.	-	483,908.00	-	483,908.00
Revenue from sale				
Related company	1,084,742.09	1,351,789.36	3,967,948.85	4,279,010.70
Other income				
Related company				
Asian Pets Care Corporation Co., Ltd.	-	679,063.69	62,907.33	679,063.69
Purchase of goods and cost of purchase				
Related companies				
Asian Alliance International Co., Ltd.	4,210,020.00	3,217,300.80	13,286,040.00	9,104,461.60
Inno-biocosmed Co.,Ltd.	-	-	-	300,000.00
Asian Pets Care Corporation Co., Ltd.	-	3,157,496.04	-	5,380,266.60
	4,210,020.00	6,374,796.84	13,286,040.00	14,784,728.20
Distribution costs				
Related company				
Brandanything Co., Ltd.	-	200,000.00	-	800,000.00
Rental expense				
Related person				
Director	-	-	-	80,000.00
Interest expenses				
Related company				
Asian Pets Care Corporation Co., Ltd.	48,262.30	23,145.21	136,568.31	54,882.19
Related person				
Director	-	91,726.03	-	150,684.94
	48,262.30	114,871.24	136,568.31	205,567.13
Management’s benefits				
Short-term employee benefit	4,457,950.00	3,702,300.00	12,661,550.00	11,815,909.00
Post-retirement benefits	252,147.00	80,573.00	756,442.00	241,717.00
	4,710,097.00	3,782,873.00	13,417,992.00	12,057,626.00

	Baht			
	Separated financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Revenue from sale				
Subsidiary				
Inter Vetta Co.,Ltd.	18,236,889.54	8,039,683.80	50,420,417.44	47,018,703.17
Other income				
Subsidiaries				
Inter Vetta Co.,Ltd.	1,125,382.52	1,070,164.38	3,380,517.50	3,268,649.32
Inter Petrina Co.,Ltd.	204,018.44	165,290.74	599,727.46	476,146.20
	<u>1,329,400.96</u>	<u>1,235,455.12</u>	<u>3,980,244.96</u>	<u>3,744,795.52</u>
Purchase of goods and cost of purchase				
Related company				
Inno-biocosmed Co.,Ltd.	-	-	-	300,000.00
Distribution cost				
Related company				
Brandanything Co., Ltd.	-	100,000.00	-	400,000.00
Interest expense				
Related person				
Director	-	91,726.03	-	111,452.06
Management’s benefits				
Short-term employee benefit	4,457,950.00	3,702,300.00	12,661,550.00	11,290,909.00
Post-retirement benefits	252,147.00	80,573.00	756,442.00	241,717.00
	<u>4,710,097.00</u>	<u>3,782,873.00</u>	<u>13,417,992.00</u>	<u>11,532,626.00</u>

## 6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Trade receivable (Note 6.1)				
- Trade receivables - subsidiaries	-	-	18,385,312.67	19,999,874.59
- End customer receivable through distributor*	116,087,779.58	90,764,531.79	74,476,512.40	60,202,590.02
- Other end customer receivable	11,010,207.40	4,568,982.32	4,605,880.03	4,356,915.03
	127,097,986.98	95,333,514.11	97,467,705.10	84,559,379.64
Other current receivable (Note 6.2)	41,941,272.85	21,453,414.08	29,225,093.46	7,538,908.24
Less Allowance for doubtful accounts	(5,920,294.06)	(5,253,153.45)	(5,110,115.04)	(4,878,500.03)
Net	163,118,965.77	111,533,774.74	121,582,683.52	87,219,787.85

\* End customer receivable through the distributor is presented with the balance before deducting service discount for distribution that the Company and subsidiary have to pay to the distributor when the goods are sold to retail customer via the distributor.

### 6.1 Trade receivables

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Not over due	103,587,758.04	81,936,949.56	72,851,664.65	60,815,963.17
Over due				
1 day to 30 days	6,077,343.51	4,886,805.50	4,434,521.79	7,242,845.05
31 days to 60 days	8,607,253.50	1,124,891.44	13,262,866.88	9,555,447.13
61 days to 90 days	2,695,493.79	1,154,462.93	2,050,276.75	1,513,524.09
91 days to 180 days	289,112.68	659,996.08	-	563,225.17
More than 180 days	5,841,025.46	5,570,408.60	4,868,375.03	4,868,375.03
Total	127,097,986.98	95,333,514.11	97,467,705.10	84,559,379.64

The aging of the end customer receivable sold through distributor has the following criteria:

- (1) In case of the Company, the aging is held by the credit term granted by the Company to the distributor as specified in the distributor agreement as the distributor is responsible for the risk in terms of the credit term of end customer receivable by starting the aging count from the month-end that the Company sells to its end customer through the distributor.
- (2) In case of a subsidiary, the aging is held by the credit term granted by the distributor to the end customer receivable as the subsidiary is responsible for the risk of credit term of the end customer receivable. But, the distributor will be responsible only for debt collection by starting the aging count from the day that the subsidiary sells to its end customer through the distributor.

6.2 Other current receivable

Other current receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Accrued service income	-	-	1,733,801.25	1,311,285.00
Prepaid expenses	10,122,855.73	5,660,947.92	8,633,378.05	4,794,066.30
Deposit for inventories	5,321,350.30	1,169,243.70	5,321,350.30	1,169,243.70
Advance payment	40,000.00	132,887.96	10,000.00	55,000.00
Other receivable - distributor	12,729,658.25 *	12,590,746.06 *	-	-
Prepayments for business acquisition	12,838,000.00 **	-	12,838,000.00 **	-
Others	889,408.57	1,899,588.44	688,563.86	209,313.24
Total	<u>41,941,272.85</u>	<u>21,453,414.08</u>	<u>29,225,093.46</u>	<u>7,538,908.24</u>

\* Other receivable-distributor is the accounts receivable from the distributor collecting payment from trade accounts receivable but not yet submitted payment to the subsidiary. The distributor will submit the payment received to the subsidiary within the credit term granted by the subsidiary to the distributor as specified in the distributor agreement.

\*\* Prepayments for business acquisition is the deposit paid to the shareholders of Modern Pharma Company Limited, the business seller, as collateral under the Memorandum of Understanding for business acquisition dated April 30, 2020 in the amount of Baht 10.00 million and the expense related to the business acquisition paid to the financial advisor in the amount of Baht 2.84 million.

7. INVENTORIES

Inventories consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Finished goods	52,153,141.78	52,318,597.91	31,765,951.25	25,702,979.76
Goods in transit	4,537,000.31	139,801.11	4,537,000.31	139,801.11
Less: Allowance for diminution in value of inventories	<u>(3,170,854.04)</u>	<u>(2,198,952.34)</u>	<u>(2,003,277.23)</u>	<u>(1,848,728.17)</u>
Net	<u>53,519,288.05</u>	<u>50,259,446.68</u>	<u>34,299,674.33</u>	<u>23,994,052.70</u>

8. LONG-TERM LOAN TO EMPLOYEES

Long-term loan to employees consisted of:

	Baht	
	Consolidated financial statements / Separate financial statements	
	As at September 30, 2020	As at December 31, 2019
Long-term loan to employees	125,000.00	175,000.00
<u>Less</u> Current portion due within one year	<u>(60,000.00)</u>	<u>(60,000.00)</u>
Long-term loan to employees - net	<u>65,000.00</u>	<u>115,000.00</u>

Long-term loan to employees is a loan in the total amount of Baht 300,000.00 prepared in agreement and due for payment of the monthly principal at Baht 5,000.00 to be paid on the day that the employees receives wages from the Company with interest at the rate of 2.00% per annum.

9. 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 statements		Separate financial statements	
		At equity method							
		As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Inter Stemma Co.,Ltd.	Stemcell safekeeping service	-	25.00	-	25,000	-	4,615	-	6,250
<u>Less</u> Allowance for impairment of investments						-	-	-	(1,410)
						-	4,615	-	4,840

Change in investment in associate by the equity method for the three-month and nine-month periods ended September 30, 2020 and 2019 were as follows:

	Baht			
	Consolidated financial statements			
	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2020	2019	2020	2019
Net book value as at the beginning of the period	4,509,010.03	4,719,431.73	4,614,810.37	4,839,729.18
Share of loss in investment in associate	(56,625.38)	(53,772.86)	(162,425.72)	(174,070.31)
Disposal of investment in associate	<u>(4,452,384.65)</u>	-	<u>(4,452,384.65)</u>	-
Net book value at the end of the period	<u>-</u>	<u>4,665,658.87</u>	<u>-</u>	<u>4,665,658.87</u>

According to the Board of Directors’ Meeting No.5/2020 dated July 17, 2020, the Directors approved the Company to sell investment in shares of Inter Stemma Co.,Ltd. at the par value in the amount of Baht 6.25 million to the existing shareholders of Inter Stemma Co.,Ltd. Later, on September 25, 2020, the Company sold the said investment which has the book value under equity method in the consolidated financial statements and the cost method in the separate financial statements in the amount of Baht 4.45 million and Baht 4.84 millions, respectively. As a results, the Company had gain on disposal of investment in the consolidated and separate statement of comprehensive income in the amount of Baht 1.80 million and Baht 1.40 million, respectively.

## 10. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries consisted of:

		Thousand Baht							
		Percentage of ownership		Issued and fully paid-up share capital		Consolidated financial statements		Separate financial statements	
		As at		As at		At equity method		At cost method	
		September	December	September	December	September	December	September	December
Subsidiaries’ name	Nature of business	30, 2020	31, 2019	30, 2020	31, 2019	30, 2020	31, 2019	30, 2020	31, 2019
Inter Vetta Co.,Ltd.	Distribute pet food and dietary supplement for companion animal and live stocks	55	55	5,000	5,000	21,439	15,480	2,750	2,750
Inter Petrina Co.,Ltd.	Selling pet food	60	60	4,000	4,000	(4,750)	(3,946)	2,400	2,400
						16,689	11,534	5,150	5,150

## 11. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Movements of the leasehold improvements and equipment for the nine-month period ended September 30, 2020 were as follows:

	Baht	
	Consolidated Financial statements	Separate financial statements
<b>At cost</b>		
Balance as at December 31, 2019	14,014,168.56	13,013,976.95
Acquisitions during the period	6,870,060.59	6,763,994.23
Disposals and write-off during the period	(56,214.12)	(14,009.35)
Balance as at September 30, 2020	20,828,015.03	19,763,961.83
<b>Accumulated depreciation</b>		
Balance as at December 31, 2019	(4,348,419.06)	(3,991,483.17)
Depreciation during the period	(1,286,269.61)	(1,057,987.11)
Disposals and write-off during the period	55,765.14	14,008.35
Balance as at September 30, 2020	(5,578,923.53)	(5,035,461.93)
<b>Net book value</b>		
Balance as at December 31, 2019	9,665,749.50	9,022,493.78
Balance as at September 30, 2020	15,249,091.50	14,728,499.90

As at September 30, 2020 and December 31, 2019, the Company and the subsidiaries had equipment, which were fully depreciated but they are still in use with gross carrying amount of Baht 1.47 million and Baht 1.02 million (for the Company: Baht 1.43 million and Baht 0.96 million), respectively.

## 12. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account for the nine-month period ended September 30, 2020 were as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at January 1, 2020</b>	-	-
Adjustments of right-of-use assets due to TFRS16 adoption	3,789,965.85	3,468,190.01
Depreciation for the period	(598,330.26)	(445,910.13)
<b>Net book value as at September 30, 2020</b>	<u>3,191,635.59</u>	<u>3,022,279.88</u>

## 13. INTANGIBLE ASSETS

Movements of intangible asset for nine-month period ended September 30, 2020 were as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
<b>At cost</b>		
Balance as at December 31, 2019	1,854,465.00	1,612,460.00
Acquisitions during the period	1,961,370.00	1,961,370.00
Balance as at September 30, 2020	<u>3,815,835.00</u>	<u>3,573,830.00</u>
<b>Accumulated depreciation</b>		
Balance as at December 31, 2019	(576,830.33)	(403,259.33)
Amortization during the period	(389,459.05)	(367,307.17)
Balance as at September 30, 2020	<u>(966,289.38)</u>	<u>(770,566.50)</u>
<b>Net book value</b>		
Balance as at December 31, 2019	<u>1,277,634.67</u>	<u>1,209,200.67</u>
Balance as at September 30, 2020	<u>2,849,545.62</u>	<u>2,803,263.50</u>

As at September 30, 2020 and December 31, 2019, the subsidiary had intangible assets, which were fully amortized but they are still in use with gross carrying amount of Baht 0.20 million and Baht 0.15 million, respectively (for the Company: Baht 0.05 million and Baht 0.00 million, respectively).

14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
		(Reclassified Note 23)		(Reclassified Note 23)
Trade payables	23,140,078.07	17,144,118.64	19,016,646.07	9,421,604.54
Notes payable	25,000.00	25,150.00	15,000.00	-
Other current payables	33,016,353.66	23,404,754.42	16,296,712.71	13,194,577.93
Total	<u>56,181,431.73</u>	<u>40,574,023.06</u>	<u>35,328,358.78</u>	<u>22,616,182.47</u>

Other current payables

other current payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at September	As at December	As at September	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
		(Reclassified Note 23)		(Reclassified Note 23)
Accrued expenses	9,556,111.38	7,686,455.02	5,257,475.23	3,697,395.68
Distributor account payable	19,646,873.55	12,029,668.53	7,864,925.80	6,532,132.23
Others	3,813,368.73	3,688,630.87	3,174,311.68	2,965,050.02
Total	<u>33,016,353.66</u>	<u>23,404,754.42</u>	<u>16,296,712.71</u>	<u>13,194,577.93</u>

15. SHORT-TERM LOAN FROM OTHER PERSON

A subsidiary has short-term loan from other person are presented in the form of promissory note, maturity at call with the interest of 4.00% per annum.

16. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the nine-month period ended September 30, 2020 are presented below.

	Baht	
	Consolidated financial statements	Separate financial statements
As at December 31, 2019	-	-
Effects of the adoption of TFRS16	3,789,965.85	3,468,190.01
As at January 1, 2020	3,789,965.85	3,468,190.01
Payments	(500,936.99)	(354,013.38)
As at September 30, 2020	3,289,028.86	3,114,176.63
Less: current portion	(684,135.36)	(509,283.13)
Lease liabilities - net of current portion	2,604,893.50	2,604,893.50

The following are the amounts recognized in profit or loss for the three-month and nine-month period ended September 30, 2020 are presented below.

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the three- month period	For the nine- month period	For the three- month period	For the nine- month period
Depreciation of right-of-use assets	199,443.42	598,330.26	148,636.71	445,910.13
Interest expense on lease liabilities	74,016.18	232,942.99	69,485.82	216,156.60
Expense relating to short-term lease	40,000.00	160,000.00	-	-
Total	313,459.60	991,273.25	218,122.53	662,066.73

17. APPROPRIATION OF RETAINED EARNINGS

According to the Annual General Shareholders’ Meeting 2020 held on April 1, 2020, it had the resolution to pay the dividend from the net profit for the year 2019 after deducting legal reserve to the shareholders at Baht 0.185 per share totaling Baht 38.11 million and to appropriate the profit as legal reserve for Baht 2.10 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 April 9, 2020 and is scheduled to pay the dividend within 30 days from the resolution of the Annual General Shareholders’ Meeting. The Company paid the dividends on April 27, 2020.

18. OPERATING SEGMENT

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

Type of operating segment	Nature of operating segment
- Human healthcare	Healthcare product, anti-aging and human beauty product such as medical supplies, nutrition therapy, 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, nutrition therapy, vaccine, supplementary food, probiotic & prebiotic product, animal health food product, 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 three-month and nine-month periods ended September 30, 2020 and 2019 were as follows:

	Thousand Baht					
	Consolidated financial statements					
	For the three-month periods ended September 30,					
	Human healthcare		Animal healthcare		Total	
	2020	2019	2020	2019	2020	2019
Revenue from sales	58,729	55,013	50,239	36,929	108,968	91,942
Cost of sales	(13,051)	(19,123)	(30,452)	(18,759)	(43,503)	(37,882)
Gross profit	45,678	35,890	19,787	18,170	65,465	54,060
Distribution costs					(28,218)	(23,933)
Administrative expenses					(13,429)	(11,330)
Profit from operation					23,818	18,797
Other income					1,610	633
Finance cost					(157)	(227)
Share of loss of associate					(57)	(54)
Income tax expenses					(4,804)	(4,197)
Profit for the period					20,410	14,952

	Thousand Baht					
	Consolidated financial statements					
	For the nine-month periods ended September 30,					
	Human healthcare		Animal healthcare		Total	
	2020	2019	2020	2019	2020	2019
Revenue from sales	168,622	172,128	138,126	102,399	306,748	274,527
Cost of sales	(42,533)	(66,029)	(76,853)	(51,574)	(119,386)	(117,603)
Gross profit	126,089	106,099	61,273	50,825	187,362	156,924
Distribution costs					(83,849)	(82,716)
Administrative expenses					(39,128)	(35,206)
Profit from operation					64,385	39,002
Other income					4,037	3,776
Finance cost					(599)	(453)
Share of loss of associate					(162)	(174)
Income tax expenses					(13,908)	(9,171)
Profit for the period					53,753	32,980

#### 19. INCOME TAX EXPENSE

Major components of income tax expense for the three-month and nine-month periods ended September 30, 2020 and 2019 consisted of:

	Baht			
	Consolidated financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Income tax expense shown in profit or loss:				
Current tax expense:				
Income tax expense for the period	5,033,684.63	3,796,207.10	14,020,900.44	9,863,288.86
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(229,253.72)	400,512.66	(113,297.19)	(692,566.81)
Total	4,804,430.91	4,196,719.76	13,907,603.25	9,170,722.05

	Baht			
	Separate financial statement			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Income tax expense shown in profit or loss:				
Current tax expense:				
Income tax expense for the period	3,805,605.84	2,745,277.67	10,932,366.13	7,420,033.45
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(165,210.96)	(79,230.85)	(403,549.85)	(147,582.11)
Total	<u>3,640,394.88</u>	<u>2,666,046.82</u>	<u>10,528,816.28</u>	<u>7,272,451.34</u>

## 20. EARNINGS PER SHARE

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

	Consolidated financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Profit for the period of the parent company (Baht)	18,457,062.12	13,566,600.55	49,252,319.08	30,771,893.70
Weighted average number of ordinary shares (Shares)	206,000,000	160,000,000	206,000,000	145,274,725
Basic earnings per share (Baht per share)	0.09	0.08	0.24	0.21
	Separate financial statement			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Profit for the period of the parent company (Baht)	16,061,930.38	10,050,784.61	41,634,023.23	28,854,401.34
Weighted average number of ordinary shares (Shares)	206,000,000	160,000,000	206,000,000	145,274,725
Basic earnings per share (Baht per share)	0.08	0.06	0.20	0.20

21. COMMITMENTS

21.1 Commitment on lease and services agreements

As at September 30, 2020 and December 31, 2019, the Company and its subsidiaries had commitments on 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	
	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020	As at December 31, 2019
Within 1 year	2,855,079.78	6,098,013.06	2,050,199.78	5,114,013.06
Over 1 year but less than 5 years	683,865.00	2,551,947.60	683,865.00	2,432,947.60
Total	<u>3,538,944.78</u>	<u>8,649,960.66</u>	<u>2,734,064.78</u>	<u>7,546,960.66</u>

As at September 30, 2020, the Company and its subsidiaries had no obligations under lease agreements and related service agreements as a result of the adoption of the TFRS 16 as at January 1, 2020. The Company and its subsidiaries recognized the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted incremental borrowing rate, as described in Note 4 to the interim financial statements.

21.2 Commitment on purchase of goods and service agreements

As at September 30, 2020, the Company and its subsidiaries had commitments on purchase of goods and service agreements in the amount of Baht 55.28 million (for the Company: Baht 42.50 million).

21.3 Commitment on distribution agreements

As at September 30, 2020, the Company and its subsidiary had commitment under the distributor with a local company. Such distributor agreement is effective from September 1, 2018 ending August 31, 2023. The Company and its subsidiary have commitment to pay service fees for distribution to such company at a percentage of sale as specified in the agreement.

On February 6, 2020, the agreement has been extended until end at August 31, 2026.

21.4 Commitment on Memorandum of Understanding for business acquisition

As at September 30, 2020, the Company had commitment in accordance with the Memorandum of Understanding with the shareholders of Modern Pharma Co., Ltd. to purchase shares of that company at the agreed purchase price of 295 million. At the same time, the Company placed a deposit of Baht 10 million (Note 6.2) to the seller on the date of the memorandum of understanding (See Note 25 to the financial statements: event after the reporting period, for further explanation).

22. CONTINGENT LIABILITIES

As at September 30, 2020 and December 31, 2019, 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 0.60 million and Baht 0.71 million (for the Company: Baht 0.40 million and Baht 0.51 million), respectively. This is guaranteed by the fixed deposit of such bank in the amount of Baht 1.21 million and Baht 1.31 million (for the Company: Baht 0.80 million and Baht 0.91 million), respectively.

23. RECLASSIFICATION

Certain reclassification in the statement of financial position as at December 31, 2019, that have already been issued have been reclassified to be consistent with the current period’s classification with no effect on profit or shareholders’ equity. Reclassification includes the following:

	Baht		
	Consolidated financial statements		
	As previously reported	Reclassified increase (decrease)	As reclassified
<u>Statements of financial position as at December 31, 2019</u>			
Trade and other current payables	38,254,157.90	2,319,865.16	40,574,023.06
Other current liabilities	3,423,222.06	(2,319,865.16)	1,103,356.90
Baht			
Separated financial statements			
	As previously reported	Reclassified increase (decrease)	As reclassified
<u>Statements of financial position as at December 31, 2019</u>			
Trade and other current payables	20,684,151.50	1,932,030.97	22,616,182.47
Other current liabilities	2,590,646.11	(1,932,030.97)	658,615.14

24. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company and its subsidiaries, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

25. EVENT AFTER THE REPORTING PERIOD

On October 23, 2020 the Company sent a notified letter and notice to Modern Pharma Co.,Ltd. to rectify and adhere to the representation given to the company under the Memorandum of Understanding for business acquisition (Note 21.4). Modern Pharma Co., Ltd. has to complete it within a period of 30 days upon receiving the written notice from the company that is within November 22, 2020. If Modern Pharma Co., Ltd. has not completed within the required time, the company will reject the share purchase and Modern Pharma Co., Ltd. has to refund the deposit to the company in the full amount.

26. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company’s board of directors on November 10, 2020.