

Inter Pharma Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2021

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Inter Pharma Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Inter Pharma Public Company Limited and its subsidiaries as at 31 March 2021, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Inter Pharma Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 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 Standard 34 Interim Financial Reporting.

Emphasis of Matters

I draw attention to Note 5 to the interim financial statements that, on 27 November 2020, the Company acquired shares of Modern Pharma Company Limited from the former shareholder. At present, the Company is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment shall be completed within measurement period of 12 months from the acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 "Business Combinations". During the measurement period, the Company will make further retrospective adjustment of the provisional amounts recognised at the acquisition date when it obtains complete accounting information for reporting in the financial statements. My conclusion is not modified in respect of this matter.

Other matter

The consolidated statement of financial position of Inter Pharma Public Company Limited and its subsidiaries and the separate statement of financial position of Inter Pharma Public Company Limited as at 31 December 2020, presented as comparative information, was audited by another auditor who expressed an unmodified opinion on that statement, under his report dated 24 February 2021 and draw attention on the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition date that had not been completed as of the reporting date. The consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2020 of Inter Pharma Public Company Limited and its subsidiaries, and the separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended of Inter Pharma Public Company Limited, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 11 May 2020, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Siriwan Nitdamrong

Certified Public Accountant (Thailand) No. 5906

EY Office Limited

Bangkok: 11 May 2021

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	Note	2021	2020	2021	2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		113,019	152,328	64,025	96,779
Trade and other receivables	3	218,467	159,804	142,968	116,793
Current portion of long-term loans to employees		60	60	60	60
Short-term loans to subsidiaries	2	-	-	39,200	39,200
Inventories	4	110,532	102,805	42,514	49,873
Other current financial assets		768	765	311	309
Current tax asset		472	237	-	-
Other current assets		1,074	606	359	441
Total current assets		444,392	416,605	289,437	303,455
Non-current assets					
Restricted bank deposits	16.4	7,955	7,955	800	800
Investment in subsidiaries	5	-	-	308,715	308,715
Investment in joint venture	6	10,151	-	10,200	-
Long-term loans to employees					
- net of current portion		35	50	35	50
Property, plant and equipment	7	248,353	233,518	20,448	18,758
Right-of-use assets		2,793	2,992	2,725	2,874
Goodwill	5	56,286	56,286	-	-
Intangible assets	8	26,728	27,022	2,364	2,614
Deferred tax assets	13	5,753	3,979	2,486	2,211
Other non-current assets		17,539	1,541	17,417	1,452
Total non-current assets		375,593	333,343	365,190	337,474
Total assets		819,985	749,948	654,627	640,929

The accompanying notes are an integral part of the financial statements.

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	Note	2021	2020	2021	2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from bank	9	15,000	-	-	-
Trade and other payables	10	150,543	123,010	36,014	54,071
Short-term loans from other person	11	6,000	6,000	-	-
Short-term loans from related party	2	4,800	4,800	-	-
Current portion of long-term loans from bank	12	15,532	15,529	15,532	15,529
Current portion of lease liabilities		603	644	532	521
Income tax payable		17,325	8,397	13,594	5,757
Other current liabilities		3,038	1,965	1,944	988
Total current liabilities		212,841	160,345	67,616	76,866
Non-current liabilities					
Long-term loans from bank					
- net of current portion	12	87,023	90,907	87,023	90,907
Lease liabilities - net of current portion		2,333	2,471	2,333	2,471
Provision for long-term employee benefits		9,291	8,545	5,397	4,922
Other non-current liabilities		283	-	-	-
Total non-current liabilities		98,930	101,923	94,753	98,300
Total liabilities		311,771	262,268	162,369	175,166

The accompanying notes are an integral part of the financial statements.

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
206,000,000 ordinary shares of Baht 0.5 each	103,000	103,000	103,000	103,000
Issued and fully paid up				
206,000,000 ordinary shares of Baht 0.5 each	103,000	103,000	103,000	103,000
Ordinary share premium	286,711	286,711	286,711	286,711
Surplus on share-based payment transactions	18,273	18,273	18,273	18,273
Surplus from business combination under common control	3,703	3,703	-	-
Retained earnings				
Appropriated - statutory reserve	8,877	8,877	8,877	8,877
Unappropriated	69,205	50,524	75,397	48,902
Equity attributable to owners of the Company	489,769	471,088	492,258	465,763
Non-controlling interests of the subsidiaries	18,445	16,592	-	-
Total shareholders' equity	508,214	487,680	492,258	465,763
Total liabilities and shareholders' equity	819,985	749,948	654,627	640,929

The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 31 March 2021

(Unit: Thousand Baht, except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenue from sales		176,504	97,127	110,583	63,492
Other income		1,379	1,666	5,047	2,074
Total revenues		177,883	98,793	115,630	65,566
Expenses					
Cost of sales		90,044	35,755	40,343	22,905
Selling and distribution expenses		38,858	29,989	25,998	15,946
Administrative expenses		19,933	13,869	14,104	11,784
Total expenses		148,835	79,613	80,445	50,635
Operating profit		29,048	19,180	35,185	14,931
Share of loss from investments in associate		-	(53)	-	-
Share of loss from investments in joint venture	6	(49)	-	-	-
Finance cost		(1,223)	(220)	(1,078)	(88)
Profit before income tax expenses		27,776	18,907	34,107	14,843
Income tax expenses	13	(7,242)	(4,178)	(7,612)	(3,233)
Profit for the period		20,534	14,729	26,495	11,610
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		20,534	14,729	26,495	11,610
Profit attributable to:					
Equity holders of the Company		18,681	13,868	26,495	11,610
Non-controlling interests of the subsidiaries		1,853	861	-	-
		20,534	14,729	26,495	11,610
Total comprehensive income attributable to:					
Equity holders of the Company		18,681	13,868	26,495	11,610
Non-controlling interests of the subsidiaries		1,853	861	-	-
		20,534	14,729	26,495	11,610
Earnings per share					
Basic earnings per share (Baht)	14				
Profit attributable to equity holders of the Company		0.09	0.07	0.13	0.06
Weighted average number of ordinary shares (Thousand shares)		206,000	206,000	206,000	206,000

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Issued and paid-up share capital		Surplus on share-based payment transactions	Surplus from business combination under common control	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated			
	Share premium								
Balance as at 1 January 2021	103,000	286,711	18,273	3,703	8,877	50,524	471,088	16,592	487,680
Profit for the period	-	-	-	-	-	18,681	18,681	1,853	20,534
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	18,681	18,681	1,853	20,534
Balance as at 31 March 2021	103,000	286,711	18,273	3,703	8,877	69,205	489,769	18,445	508,214
Balance as at 1 January 2020	103,000	286,711	18,273	3,703	6,320	37,415	455,422	9,873	465,295
Profit for the period	-	-	-	-	-	13,868	13,868	861	14,729
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	13,868	13,868	861	14,729
Balance as at 31 March 2020	103,000	286,711	18,273	3,703	6,320	51,283	469,290	10,734	480,024

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and		Surplus on	Retained earnings		Total
	paid-up		share-based	Appropriated -		shareholders'
	share capital	Share premium	payment transactions	statutory reserve	Unappropriated	equity
Balance as at 1 January 2021	103,000	286,711	18,273	8,877	48,902	465,763
Profit for the period	-	-	-	-	26,495	26,495
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	26,495	26,495
Balance as at 31 March 2021	103,000	286,711	18,273	8,877	75,397	492,258
Balance as at 1 January 2020	103,000	286,711	18,273	6,320	38,425	452,729
Profit for the period	-	-	-	-	11,610	11,610
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	11,610	11,610
Balance as at 31 March 2020	103,000	286,711	18,273	6,320	50,035	464,339

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of cash flows

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	27,776	18,907	34,107	14,843
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	4,110	774	921	593
Impairment loss (reversal) on financial assets	287	56	4	(14)
Reduction of inventory to net realisable value (reversal)	83	354	(45)	81
Provision of goods return (reversal)	839	(56)	782	13
Loss from sales/write-off of property, plant and equipment	1,570	1	1,217	-
Allowance for diminution in value of investment in associated company	-	-	-	278
Share of loss from investments in associated company	-	53	-	-
Share of loss from investments in joint venture	49	-	-	-
Provision for long-term employee benefits	724	467	470	392
Unrealised gain on exchange	(121)	-	(121)	-
Finance income	(11)	(493)	(390)	(623)
Finance cost	1,223	220	1,078	88
Profit from operating activities before changes in operating assets and liabilities	36,529	20,283	38,023	15,651
Operating assets (increase) decrease				
Trade and other receivables	(58,943)	(8,672)	(26,201)	(8,946)
Inventories	(7,810)	4,062	7,404	1,875
Other current assets	(468)	(128)	82	(114)
Other non-current assets	2	38	35	72
Operating liabilities increase (decrease)				
Trade and other payables	33,657	(1,601)	(7,936)	(1,503)
Other current liabilities	218	93	158	9
Other non-current liabilities	283	-	-	-
Cash flows from operating activities	3,468	14,075	11,565	7,044
Cash paid for income tax	(323)	(56)	(50)	(32)
Net cash from operating activities	3,145	14,019	11,515	7,012

The accompanying notes are an integral part of the financial statements.

Inter Pharma Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2021

1. General information

1.1 Corporate information

Inter Pharma Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and registered the change of the Company’s status to be the public company limited under the Public Limited Companies Act on 15 May 2019 and registered with the Market for Alternative Investment (MAI) on 5 November 2019. The Company is principally engaged in the import and distribute of dietary supplement product for humans and animals by appoint a distributor company to handle the distribution. It registered address is as follows:

Head office is located at No. 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.

1.2 COVID-19 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 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", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These 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 circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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 Thai language interim financial statements.

1.4 Basis of consolidation

These interim consolidated financial statements include the financial statements of Inter Pharma Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020 with no changes in the group structure during the current period except for the investment in joint venture as discussed in Note 6 to the financial statements.

1.5 New financial reporting standards that became effective in the current period

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and conceptual framework of financial reporting which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards and conceptual framework of financial reporting 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. The adoption of these financial reporting standards and conceptual framework of financial reporting does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below.

Adjustment is reference to the conceptual framework in the financial reporting standards

Several financial reporting standards are reference to “IASB’s Framework for the Preparation and Presentation of Financial Statements.” The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to “the conceptual framework” of which year.

Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

Business definition revised in TFRS 3 Business Combination describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as “business combination” or “purchase of assets” or not. Adjustments are as follows:

1. Describe clearly on the consideration of “business”, activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.

3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.
4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

Definition of significance

The definition of significance resulted in revising TAS 1 Presentation of Financial Statements and TAS 8 Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards. The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the TAS 1 Presentation of Financial Statements in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

1.6 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

2. Related party transactions

During the periods, the Group had significant business transactions with its individual and related parties. Such transactions arose in the ordinary course of business, and were concluded on commercial terms and based agreed upon between the Group and those related parties. Significant transactions are summarised below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policies
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
<i>(eliminated from the consolidated financial statements)</i>					
Sales of goods	-	-	38,238	14,091	Contractual agreed price
Other income	-	-	3,827	1,328	Contractual agreed rate
Purchase of goods	-	-	16	-	Contractual agreed price
Distribution expenses	-	-	23	-	Contractual agreed rate
<u>Transactions with related parties</u>					
Sales of goods	1,506	1,251	-	-	Contractual agreed price
Other income	-	23	-	-	Contractual agreed rate
Purchase of goods	5,443	4,962	-	-	Contractual agreed price
Interest expenses	47	41	-	-	4% per annum

The outstanding balances between the Company and those related parties as at 31 March 2021 and 31 December 2020 are as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Trade and other receivables</u>				
<u>- related parties</u>				
Subsidiary companies	-	-	48,837	33,978
Related companies (related by common shareholders and/or directors)	683	541	-	-
Total trade and other receivables				
- related parties	683	541	48,837	33,978
Less: Allowance for expected credit losses	(3)	(2)	(9)	(6)
Total trade and other receivables				
- related parties - net (Note 3)	680	539	48,828	33,972
<u>Short-term loans to related parties</u>				
Subsidiary companies				
Inter Vetta Co., Ltd.	-	-	7,000	7,000
Inter Petrina Co., Ltd.	-	-	7,200	7,200
Modern Pharma Co., Ltd.	-	-	25,000	25,000
Total short-term loans to related parties	-	-	39,200	39,200

During the three-month period ended 31 March 2021, there is no movement of short-term loans to related parties.

As at 31 March 2021, the Company had short-term loans to related parties of Baht 39.2 million (31 December 2020: Baht 39.2 million), bearing interest at the rate of 4 percent per annum (31 December 2020: 4 percent per annum) and due for repayment on call.

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
<u>Trade and other payables - related parties</u>				
Subsidiary companies	-	-	17	1
Related companies (related by common shareholders and/or directors)	107	2,604	-	-
Related person - directors	105	31	-	-
Total trade and other payables - related parties (Note 10)	212	2,635	17	1

Short-term loans from related party

Related company (related by common shareholders and/or directors)	4,800	4,800	-	-
Total Short-term loans from related party	4,800	4,800	-	-

During the three-month period ended 31 March 2021, there is no movement of short-term loans from related party.

As at 31 March 2021, the Group had short-term loans from related party of Baht 4.8 million (31 December 2020: Baht 4.8 million), bearing interest at the rate of 4 percent per annum (31 December 2020: 4 percent per annum) and due for repayment within one year.

Directors and management's remuneration

During the three-month periods ended 31 March 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	4,626	4,982	4,626	4,982
Post-employment benefits	324	252	324	252
Total	4,950	5,234	4,950	5,234

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	660	541	23,113	16,115
Overdue not over 30 days	22	-	12,016	3,254
Overdue 31 - 60 days	1	-	3,384	10,860
Overdue 61 - 90 days	-	-	6,042	1,612
Overdue 91 - 180 days	-	-	-	78
Total trade accounts receivable - related parties	683	541	44,555	31,919
Less: Allowance for expected credit losses	(3)	(2)	(9)	(6)
Total trade accounts receivable - related parties - net (Note 2)	680	539	44,546	31,913
<u>Trade accounts receivable sold through the distributor</u>				
Aged on the basis of due dates				
Not yet due	116,879	98,169	79,673	64,193
Overdue not over 30 days	7,897	7,149	-	-
Overdue 31 - 60 days	1,564	1,848	-	-
Overdue 61 - 90 days	855	978	-	-
Overdue 91 - 180 days	266	924	-	167
Overdue 181 - 365 days	374	194	167	-
Overdue more than 365 days	660	612	347	347
Total trade accounts receivable sold through the distributor	128,495	109,874	80,187	64,707
Less: Allowance for expected credit losses	(1,567)	(1,425)	(660)	(622)
Total trade accounts receivable sold through the distributor - net	126,928	108,449	79,527	64,085

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	46,183	13,878	-	-
Overdue not over 30 days	5,599	1,339	-	-
Overdue 31 - 60 days	1,459	-	-	-
Overdue 61 - 90 days	813	-	-	-
Overdue 91 - 180 days	23	249	-	249
Overdue more than 365 days	4,518	4,518	4,357	4,357
Total trade accounts receivable - unrelated parties	58,595	19,984	4,357	4,606
Less: Allowance for expected credit losses	(4,739)	(4,595)	(4,357)	(4,394)
Total trade accounts receivable - unrelated parties - net	53,856	15,389	-	212
Total trade accounts receivable - net	181,464	124,377	124,073	96,210
<u>Other receivables</u>				
Other receivables - related parties (Note 2)	-	-	4,282	2,059
Other receivables - unrelated parties	37,003	35,427	14,613	18,524
Total other receivables	37,003	35,427	18,895	20,583
Total trade and other receivables - net	218,467	159,804	142,968	116,793

Trade accounts receivable sold through the distributor is presented with the balance before deducting service discount for distribution that the Group has to pay to the distributor when the goods are sold to retail customer via the distributor.

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.

4. Reduction of inventories to net realisable value

Movements in reduction of inventories to net realisable value account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Thousand Baht)		
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	1,400	130
Add: Reduction of inventory value during the period	3,467	23
Less: Reversal of reduction of inventory value during the period	(3,384)	(68)
Balance as at 31 March 2021	1,483	85

5. Investments in subsidiaries

Details of investments in subsidiary companies in the separate financial statements are summarised below.

		(Unit: Thousand Baht)							
		Separate financial statements						Dividend income for the three-month periods ended 31 March	
Company's name	Nature of business	Paid-up capital		Shareholding percentage (percent)		Cost		2021	2020
		31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020		
Inter Vetta Co., Ltd.	Distribute pet food and dietary supplement for companion animal and livestock	5,000	5,000	55	55	2,750	2,750	-	-
Inter Petrina Co., Ltd.	Selling pet food	4,000	4,000	60	60	2,400	2,400	-	-
Modern Pharma Co., Ltd.	Manufacturing and selling of medicines	295,000	295,000	100	100	303,565	303,565	-	-
Total						308,715	308,715	-	-

Modern Pharma Co., Ltd.

On 27 November 2020, the Company entered into a business acquisition agreement with the group of shareholders of Modern Pharma Co., Ltd. with the total value of Baht 295 million. The Company has acquired the shares of Modern Pharma Co., Ltd. from the former shareholders at the amount of 200,000 shares which represents 100% of the total issued shares of such company at Baht 125 per share totaling Baht 25 million. The remaining amount of Baht 270 million, the Company lent Modern Pharma Co., Ltd. to repay the entire loan and acquire the assets from the affiliated company of the former shareholders before the Company acquired the business of Modern Pharma Co., Ltd. including Modern Pharma Co., Ltd. had to register share capital increase from Baht 20 million to Baht 295 million to support such business acquisition.

Acquisition of business resulted in the Company controlling Modern Pharma Co., Ltd., therefore, the status of Modern Pharma Co., Ltd. is a subsidiary and is included in the preparation of the consolidated financial statements of the Company's group from 27 November 2020 onwards. The acquisition of such shares is based on the resolution of the Extraordinary General Meeting of Shareholders No.1/2020 dated 6 November 2020. The objective is to invest in competitive potential and expanding business to cover the production of medicines for human and animals.

Share capital increase of subsidiary

Modern Pharma Co., Ltd. increased its share capital from Baht 20 million to Baht 295 million. The increased share capital of Baht 275 million consisting of an increase in share capital to support business acquisition of Baht 270 million and its working capital of Baht 5 million. Modern Pharma Co., Ltd. has registered the said share capital increase with the Department of Business Development, Ministry of Commerce on 22 December 2020.

The book value of identifiable assets acquired and liabilities assumed of Modern Pharma Co., Ltd. as at 26 November 2020 which is the closest to the acquisition date and has been included in the consolidated financial statements of the Group as follows:

(Unit: Thousand Baht)

Assets

Cash and cash equivalents	43,400
Trade and other receivables	141
Inventories	26,412
Other current financial assets	456
Other current assets	2,683
Restricted deposits with financial institutions	6,096
Property, plant and equipment	215,026
Intangible assets	24,371
Deferred tax assets	606
Other non-current assets	15

(Unaudited but reviewed)

(Unit: Thousand Baht)

Liabilities

Trade and other payables	(77,055)
Income tax payable	(736)
Provision for long-term employee benefits	(2,701)
Net assets	238,714
Total purchase consideration - cash	295,000
Goodwill	56,286
Cash used in acquisition of investment	295,000
Less: Cash and cash equivalents of subsidiary company	(43,400)
Investment payable	(10,000)
Cash outflow on acquisition of investment - net of cash and cash equivalents in subsidiary company	241,600

During the first quarter of 2021, the Company made payment for investment payable of Baht 10 million.

The Company is in the process of measurement the fair value of identifiable assets acquired and liabilities assumed at the acquisition date, which such measurement was incomplete by the end of the reporting period in which the combination occurs. As a result, the Company had to estimate the provisional amounts of the items for reporting the financial statements. During the measurement period, the Company shall retrospectively adjust provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. However, the measurement will be completed not exceed one year from the acquisition date.

Transaction costs incurred to business combination in the amount of Baht 3.57 million recorded as expenses in profit or loss in the consolidated statement of comprehensive income for the year 2020.

6. Investments in joint venture

		(Unit: Thousand Baht)							
						Consolidated financial statements		Separate financial statements	
		Paid-up capital		Shareholding percentage (percent)		Carrying amount based on equity method		Carrying amount based on cost method	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Company name	Nature of business								
Interpharma-ZEAvita Co., Ltd.	Develop and distribute supplementary health food products	20,000	-	51	-	10,151	-	10,200	-
Total						10,151	-	10,200	-

During the three-month periods ended 31 March 2021 and 2020, the Company recognised share of comprehensive income from investment in joint venture in the consolidated financial statements and recognised dividend income in the separate financial statements as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	Share of loss from investment in joint venture for the three-month periods ended 31 March		Dividend received during the three-month periods ended 31 March	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interpharma-ZEAvita Co., Ltd.	(49)	-	-	-

On 14 December 2020, the Board of Directors' Meeting approved the Company to jointly invest with Thai Union Ingredient Co., Ltd., a subsidiary of Thai Union Group (Public) Co., Ltd. On 17 December 2020, the Company signed a joint venture agreement to establish Interpharma-ZEAvita Co., Ltd. to co-develop and distribute supplementary health food products with the registered capital of Baht 20 million. The Company holds 51 percent shareholding and Thai Union Ingredient Co., Ltd. holds 49 percent. Such company has registered for company establishment with the Ministry of Commerce on 7 January 2021.

7. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at 1 January 2021	271,725	24,281
Addition	22,826	6,233
Disposals and write-off	(5,476)	(5,116)
Balance as at 31 March 2021	289,075	25,398
Accumulated depreciation		
Balance as at 1 January 2021	38,207	5,523
Depreciation for the period	3,617	522
Accumulated depreciation on disposals and write-off	(1,102)	(1,095)
Balance as at 31 March 2021	40,722	4,950
Net book value		
Balance as at 1 January 2021	233,518	18,758
Balance as at 31 March 2021	248,353	20,448

On 8 February 2021, the Board of Director's Meeting approve the Company to acquire the assets through land purchase for 20 Rai, pharmaceutical plant, machinery and drug registration 4 formulas with total value Baht 160 million by purchasing from Teva Pharma (Thailand) Co., Ltd. to support the Company's growth strategy in the expansion of business locally and overseas. On 15 February 2021, the Company made payment of Baht 16 million as deposit for purchase of the assets.

8. Intangible assets

Movements of the intangible assets account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at 1 January 2021	29,364	3,648
Balance as at 31 March 2021	29,364	3,648
Accumulated amortisation		
Balance as at 1 January 2021	2,342	1,034
Amortisation for the period	294	250
Balance as at 31 March 2021	2,636	1,284
Net book value		
Balance as at 1 January 2021	27,022	2,614
Balance as at 31 March 2021	26,728	2,364

9. Short-term loans from bank

	(Unit: Thousand Baht)			
	Interest rate (percent per annum)		Consolidated financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Promissory notes	MLR - 1.5	-	15,000	-
Total			15,000	-

The subsidiary company had short-term loans from bank which was in form of promissory notes. The loan is secured by mortgage of land with structures thereon, owned by the subsidiary company.

10. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
Trade accounts payable - related parties (Note 2)	-	2,495	-	-
Trade accounts payable - unrelated parties	65,487	55,996	17,253	31,311
Other payables - related parties (Note 2)	60	60	17	1
Other payables - unrelated parties	10,863	5,563	2,002	1,343
Notes payable	117	214	112	127
Accrued expenses - related parties (Note 2)	152	80	-	-
Accrued expenses - unrelated parties	14,337	11,609	4,747	2,343
Other payable - distributor	13,583	13,061	7,832	7,011
Others	45,944	33,932	4,051	11,935
Total trade and other payables	150,543	123,010	36,014	54,071

11. Short-term loans from other person

As at 31 March 2021, the subsidiary company had short-term loans from other person which was in form of promissory note of Baht 6 million (31 December 2020: Baht 6 million), bearing interest at the rate of 4 percent per annum (31 December 2020: 4 percent per annum) and due for repayment on call. The loan is unsecured.

12. Long-term loans from bank

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	and separate
	31 March	31 December
	2021	2020
Long-term loans from bank	102,800	106,700
Less: Deferred interest cost	(245)	(264)
Long-term loans from bank - net	102,555	106,436
Less: Portion due within one year	(15,532)	(15,529)
Long-term loans from bank - net of current portion	87,023	90,907

During the three-month period ended 31 March 2021, movements in long-term loans from bank are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements and separate financial statements
Balance as at 1 January 2021	106,436
Amortisation of finance cost	19
Less: Repayment during the period	(3,900)
Balance as at 31 March 2021	102,555

On 25 November 2020, the Company has entered into a long-term loan agreement with a bank, obtaining a loan facilities of Baht 108 million to be used as working capital and business expansion. The agreement term of such loans is 7 years and are repayable in 84 monthly installments of Baht 1.3 million. The loans carry interest as follows:

- The 1st - 24th month has interest rate at the rate of MLR - 1.50 % per annum.
- The 25th month onwards has interest at the rate of to MLR - 1.25 % per annum.

As at 31 March 2021, the Company had outstanding balance of such long-term loans of Baht 102.6 million (31 December 2020: Baht 106.4 million).

The loan is secured by mortgage of land and structures thereon, owned by the subsidiary company.

The loan agreement contains covenant which required the Company to maintain certain debt to equity ratio according to the agreement and proceed to have Mr.Trinnawat Thanitnithiphan aggregate shares in the debtor in a proportion of not less than 40 percent and be a main management over the agreement period.

As at 31 December 2020, the Company has no outstanding long-term loan credit facilities.

13. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax for the three-month periods ended 31 March 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	9,016	4,090	7,887	3,337
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,774)	88	(275)	(104)
Income tax expenses reported in the profit of loss	7,242	4,178	7,612	3,233

14. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

15. Segment information

The Group is organised into business units based on their products and services. During the current period, the Group has not changed the organisation of its reportable segments.

The following table presents revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2021 and 2020:

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 31 March					
	Human healthcare		Animal healthcare		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue from sales	108,129	50,714	68,375	46,413	176,504	97,127
Cost of sales	(49,565)	(12,208)	(40,479)	(23,547)	(90,044)	(35,755)
Gross profit	<u>58,564</u>	<u>38,506</u>	<u>27,896</u>	<u>22,866</u>	86,460	61,372
Selling and distribution expenses					(38,858)	(29,989)
Administrative expenses					(19,933)	(13,869)
Other income					1,379	1,666
Finance cost					(1,223)	(220)
Share of loss from investments in associate					-	(53)
Share of loss from investments in joint venture					(49)	-
Income tax expenses					(7,242)	(4,178)
Profit for the period					<u>20,534</u>	<u>14,729</u>

Major customers

The Group has no retail customer through distributor with revenue of 10 percent or more of the Group's revenues.

16. Commitments and contingent liabilities**16.1 Commitment on services agreements**

As at 31 March 2021 and 31 December 2020, the Group had commitments related to the services agreements. Future minimum payments required under the agreements were as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Payable				
Within 1 year	5.5	6.8	4.1	5.7
In over 1 year and up to				
5 years	0.4	0.5	0.4	0.5
Total	5.9	7.3	4.5	6.2

16.2 Commitment on purchase of goods and service agreements

As at 31 March 2021, the Group had commitments in respect of purchase of goods and service agreements of Baht 81.26 million (31 December 2020: Baht 56.05 million) and the Company only Baht 40.03 million (31 December 2020: Baht 36.03 million).

16.3 Capital commitments

As at 31 March 2021, the subsidiary company had outstanding capital commitments with respect to the construction of office buildings and purchase of machinery totaling Baht 17.51 million (31 December 2020: Nil).

16.4 Commitment on distribution agreements

As at 31 March 2021, the Group has commitment under the distributor agreements with a local company. Such distributor agreements are effective from 1 September 2018 ending 31 August 2023 and extended until end at 31 August 2026. The Group has committed to pay service fees for distribution to such company at a percentage of sale as specified in the agreements.

16.5 Bank guarantees

As at 31 March 2021, the Group has outstanding bank guarantees issued by banks on behalf of the Group of Baht 6.54 million (31 December 2020: Baht 2.66 million) and the Company only Baht 0.40 million (31 December 2020: Baht 0.40 million) in respect of certain performance bonds as required in the normal course of business. This is guaranteed by the Group's fixed deposits.

17. Events after the reporting period

17.1 Dividend paid

On 26 April 2021, the Annual General Meeting of the Company's shareholders pass a resolution approving the payment of a dividend for the operating results of the year 2020 of Baht 0.2234 per share, totaling Baht 46.02 million. The schedule for payment is as follows:

- (1) Pay dividends in cash at Baht 0.0234 per share, totaling Baht 4.82 million.
- (2) Pay dividends in ordinary shares of the Company at 2.5 former shares to 1 dividend share in total dividend shares of 82.4 million shares at the par value of Baht 0.50 per share, totaling Baht 41.2 million or dividend payout ratio at 0.20 per share. If any shareholder has any fraction of the existing shares after dividend shares appropriation, the dividends shall be paid in cash instead of dividend shares at Baht 0.20 per share.

Additionally, the meeting approved the appropriation of retained earnings as statutory reserve at 5 percent of net profit totaling Baht 2.56 million.

17.2 Share capital increase

On 26 April 2021, the Annual General Meeting of the Company's shareholders pass a resolution approving the capital increase for Baht 41.2 million (82.4 million ordinary shares at Baht 0.50 per share) from Baht 103 million (206 million ordinary shares at Baht 0.50 per share) to new registered capital of Baht 144.2 million (288.40 million ordinary shares at Baht 0.50 per share) to support the payment of dividend shares.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2021.