

Inter Pharma Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended 30 June 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 30 June 2021, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 periods (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 for the three-month and six-month periods ended 30 June 2020, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended of Inter Pharma Public Company Limited and its subsidiaries, and the separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2020, and the separate statements of changes in shareholders' equity and cash flows for the six-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 14 August 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: 12 August 2021

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
	Note	2021	2020	2021	2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		81,856	152,328	32,560	96,779
Trade and other receivables	3	262,817	159,804	189,518	116,793
Current portion of long-term loans to employees		60	60	60	60
Short-term loans to subsidiaries	2	-	-	65,200	39,200
Inventories	4	141,231	102,805	53,070	49,873
Other current financial assets		770	765	314	309
Current tax asset		658	237	-	-
Other current assets		1,024	606	516	441
Total current assets		488,416	416,605	341,238	303,455
Non-current assets					
Restricted bank deposits	18.5	7,955	7,955	800	800
Investment in subsidiaries	5	-	-	308,715	308,715
Investment in joint venture	6	10,110	-	10,200	-
Long-term loans to employees					
- net of current portion		30	50	30	50
Property, plant and equipment	7	263,354	233,518	20,545	18,758
Right-of-use assets		2,593	2,992	2,576	2,874
Goodwill	5	56,286	56,286	-	-
Intangible assets	8	26,466	27,022	2,146	2,614
Deferred tax assets		6,738	3,979	2,611	2,211
Other non-current assets		17,762	1,541	17,639	1,452
Total non-current assets		391,294	333,343	365,262	337,474
Total assets		879,710	749,948	706,500	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 30 June 2021

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	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	25,000	-	-	-
Trade and other payables	10	181,992	123,010	58,636	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	15,535	15,529	15,535	15,529
Current portion of lease liabilities		561	644	544	521
Income tax payable		17,821	8,397	16,553	5,757
Other current liabilities		3,553	1,965	2,241	988
Total current liabilities		255,262	160,345	93,509	76,866
Non-current liabilities					
Long-term loans from bank					
- net of current portion	12	83,139	90,907	83,139	90,907
Lease liabilities - net of current portion		2,193	2,471	2,193	2,471
Provision for long-term employee benefits		10,049	8,545	5,882	4,922
Other non-current liabilities		478	-	-	-
Total non-current liabilities		95,859	101,923	91,214	98,300
Total liabilities		351,121	262,268	184,723	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 30 June 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	14			
Registered				
288,400,000 ordinary shares of Baht 0.50 each				
(31 December 2020: 206,000,000 ordinary shares of Baht 0.50 each)	144,200	103,000	144,200	103,000
Issued and fully paid up				
288,399,591 ordinary shares of Baht 0.50 each				
(31 December 2020: 206,000,000 ordinary shares of Baht 0.50 each)	144,200	103,000	144,200	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	47,947	50,524	63,716	48,902
Equity attributable to owners of the Company	509,711	471,088	521,777	465,763
Non-controlling interests of the subsidiaries	18,878	16,592	-	-
Total shareholders' equity	528,589	487,680	521,777	465,763
Total liabilities and shareholders' equity	879,710	749,948	706,500	640,929

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

Directors

Inter Pharma Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 30 June 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		198,297	100,653	140,446	70,581
Other income		2,973	760	7,003	2,025
Total revenues		201,270	101,413	147,449	72,606
Expenses					
Cost of sales		101,554	40,127	59,297	28,329
Selling and distribution expenses		45,050	25,642	30,458	16,001
Administrative expenses		20,018	11,830	13,596	10,572
Total expenses		166,622	77,599	103,351	54,902
Operating profit		34,648	23,814	44,098	17,704
Share of loss from investments in associate		-	(53)	-	-
Share of loss from investments in joint venture		(41)	-	-	-
Finance cost		(1,393)	(222)	(1,059)	(86)
Profit before income tax expenses		33,214	23,539	43,039	17,618
Income tax expenses	13	(8,019)	(4,925)	(8,700)	(3,656)
Profit for the period		25,195	18,614	34,339	13,962
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		25,195	18,614	34,339	13,962
Profit attributable to:					
Equity holders of the Company		24,762	16,927	34,339	13,962
Non-controlling interests of the subsidiaries		433	1,687	-	-
		25,195	18,614	34,339	13,962
Total comprehensive income attributable to:					
Equity holders of the Company		24,762	16,927	34,339	13,962
Non-controlling interests of the subsidiaries		433	1,687	-	-
		25,195	18,614	34,339	13,962
Earnings per share					
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	15	0.09	0.06	0.12	0.05
Weighted average number of ordinary shares (Thousand shares)		288,400	288,400	288,400	288,400

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

Inter Pharma Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the six-month period ended 30 June 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		374,801	197,780	251,029	134,073
Other income		4,352	2,426	12,050	4,099
Total revenues		<u>379,153</u>	<u>200,206</u>	<u>263,079</u>	<u>138,172</u>
Expenses					
Cost of sales		191,598	75,882	99,640	51,234
Selling and distribution expenses		83,908	55,631	56,456	31,947
Administrative expenses		39,951	25,699	27,700	22,356
Total expenses		<u>315,457</u>	<u>157,212</u>	<u>183,796</u>	<u>105,537</u>
Operating profit		63,696	42,994	79,283	32,635
Share of loss from investments in associate		-	(106)	-	-
Share of loss from investments in joint venture	6	(90)	-	-	-
Finance cost		(2,616)	(442)	(2,137)	(174)
Profit before income tax expenses		60,990	42,446	77,146	32,461
Income tax expenses	13	(15,261)	(9,103)	(16,312)	(6,889)
Profit for the period		<u>45,729</u>	<u>33,343</u>	<u>60,834</u>	<u>25,572</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>45,729</u>	<u>33,343</u>	<u>60,834</u>	<u>25,572</u>
Profit attributable to:					
Equity holders of the Company		43,443	30,795	60,834	25,572
Non-controlling interests of the subsidiaries		2,286	2,548	-	-
		<u>45,729</u>	<u>33,343</u>	<u>60,834</u>	<u>25,572</u>
Total comprehensive income attributable to:					
Equity holders of the Company		43,443	30,795	60,834	25,572
Non-controlling interests of the subsidiaries		2,286	2,548	-	-
		<u>45,729</u>	<u>33,343</u>	<u>60,834</u>	<u>25,572</u>
Earnings per share	15				
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company		<u>0.15</u>	<u>0.11</u>	<u>0.21</u>	<u>0.09</u>
Weighted average number of ordinary shares (Thousand shares)		<u>288,400</u>	<u>288,400</u>	<u>288,400</u>	<u>288,400</u>

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 six-month period ended 30 June 2021

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Issued and paid-up		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 capital	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	-	-	-	-	-	43,443	43,443	2,286	45,729
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	43,443	43,443	2,286	45,729
Increase in share capital for stock dividend (Note 14, 16)	41,200	-	-	-	-	(41,200)	-	-	-
Dividend paid (Note 16)	-	-	-	-	-	(4,820)	(4,820)	-	(4,820)
Balance as at 30 June 2021	144,200	286,711	18,273	3,703	8,877	47,947	509,711	18,878	528,589
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	-	-	-	-	-	30,795	30,795	2,548	33,343
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	30,795	30,795	2,548	33,343
Dividend paid (Note 16)	-	-	-	-	-	(38,110)	(38,110)	-	(38,110)
Balance as at 30 June 2020	103,000	286,711	18,273	3,703	6,320	30,100	448,107	12,421	460,528

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 six-month period ended 30 June 2021

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2021	103,000	286,711	18,273	8,877	48,902	465,763
Profit for the period	-	-	-	-	60,834	60,834
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	60,834	60,834
Increase in share capital for stock dividend (Note 14, 16)	41,200	-	-	-	(41,200)	-
Dividend paid (Note 16)	-	-	-	-	(4,820)	(4,820)
Balance as at 30 June 2021	144,200	286,711	18,273	8,877	63,716	521,777
Balance as at 1 January 2020	103,000	286,711	18,273	6,320	38,425	452,729
Profit for the period	-	-	-	-	25,572	25,572
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	25,572	25,572
Dividend paid (Note 16)	-	-	-	-	(38,110)	(38,110)
Balance as at 30 June 2020	103,000	286,711	18,273	6,320	25,887	440,191

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 six-month period ended 30 June 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	60,990	42,446	77,146	32,461
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	8,424	1,547	1,915	1,184
Impairment loss on financial assets	996	69	82	12
Reduction of inventory to net realisable value (reversal)	(578)	621	(70)	129
Provision of goods return	987	184	845	175
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	-	-	-	331
Share of loss from investments in associated company	-	106	-	-
Share of loss from investments in joint venture	90	-	-	-
Provision for long-term employee benefits	1,447	934	940	784
Unrealised loss (gain) on exchange	179	(101)	70	(101)
Finance income	(57)	(785)	(962)	(1,049)
Finance cost	2,616	442	2,137	174
Profit from operating activities before changes in operating assets and liabilities	76,664	45,464	83,320	34,100
Operating assets (increase) decrease				
Trade and other receivables	(103,994)	(16,734)	(72,422)	(11,792)
Inventories	(37,848)	(5,419)	(3,127)	(8,344)
Other current assets	(418)	(48)	(75)	35
Other non-current assets	(221)	38	(187)	72
Operating liabilities increase (decrease)				
Trade and other payables	63,200	8,130	14,500	12,813
Other current liabilities	581	197	388	18
Other non-current liabilities	478	-	-	-
Cash flows from (used in) operating activities	(1,558)	31,628	22,397	26,902
Interest received	36	73	22	67
Cash paid for income tax	(9,017)	(5,449)	(5,916)	(3,015)
Net cash from (used in) operating activities	(10,539)	26,252	16,503	23,954

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

Inter Pharma Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the six-month period ended 30 June 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Cash paid for investment payable	(10,000)	-	(10,000)	-
Cash paid for investment in joint venture	(10,200)	-	(10,200)	-
Cash paid for prepayments for business acquisition	-	(11,103)	-	(11,103)
Short-term loans to subsidiaries	-	-	(26,000)	(2,400)
Cash received from repayment of long-term loans to employees	20	35	20	35
Increase in other current financial assets	(5)	(10)	(5)	(10)
Purchase of property, plant and equipment	(35,877)	(216)	(6,921)	(196)
Purchase of intangible assets	(36)	(1,190)	(36)	(1,190)
Cash received from sale of property, plant and equipment	2,804	-	2,804	-
Cash paid for deposit for purchase of assets	(16,000)	-	(16,000)	-
Interest received	6	510	555	961
Net cash used in investing activities	(69,288)	(11,974)	(65,783)	(13,903)
Cash flows from financing activities				
Cash received from short-term loans from bank	25,000	-	-	-
Cash paid to settle short-term loans from related parties	-	1,600	-	-
Cash paid to settle long-term loans from bank	(7,800)	-	(7,800)	-
Payment of principal portion of lease liabilities	(361)	(408)	(255)	(233)
Interest paid	(2,550)	(504)	(2,059)	(147)
Dividend paid	(4,825)	(38,004)	(4,825)	(38,004)
Net cash from (used in) financing activities	9,464	(37,316)	(14,939)	(38,384)
Net decrease in cash and cash equivalents	(70,363)	(23,038)	(64,219)	(28,333)
Cash and cash equivalents at beginning of the period	152,328	342,647	96,779	334,949
Effect of change in foreign exchange rate on cash at banks	(109)	-	-	-
Cash and cash equivalents at end of the period	81,856	319,609	32,560	306,616

Supplemental disclosures of cash flows information:

Non-cash related transactions

Increase in other payable for purchases of

property, plant and equipment

5,766

-

-

-

Decrease in dividend payable

(5)

-

(5)

-

Increase in share capital for stock dividend

41,200

-

41,200

-

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 and six-month periods ended 30 June 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.
- (6) 89, Moo 1, Tumbol Ban Chang, Amphoe Uthai, Phra Nakhon Si Ayutthaya, Thailand.
- (7) 197/1, Moo 1, Tumbol Pak Khlong Bang Pla Kot, Amphoe Phra Samut Chedi, Samut Prakan, Thailand.
- (8) 33/2, Moo 7, Tumbol Bang Pla, Amphoe Bang Phli, 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 a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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 30 June				
	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	-	-	33,641	18,093	Contractual agreed price
Other income	-	-	4,061	1,323	Contractual agreed rate
<u>Transactions with related parties</u>					
Sales of goods	1,970	1,632	-	-	Contractual agreed price
Other income	-	40	-	-	Contractual agreed rate
Purchase of goods	7,609	4,114	-	-	Contractual agreed price
Interest expenses	48	47	-	-	4% per annum

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				
	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	-	-	71,879	32,184	Contractual agreed price
Other income	-	-	7,888	2,651	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	3,476	2,883	-	-	Contractual agreed price
Other income	-	63	-	-	Contractual agreed rate
Purchase of goods	13,052	9,076	-	-	Contractual agreed price
Interest expenses	95	88	-	-	4% per annum

(Unaudited but reviewed)

The outstanding balances between the Company and those related parties as at 30 June 2021 and 31 December 2020 are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Trade and other receivables</u>				
<u>- related parties</u>				
Subsidiary companies	-	-	68,795	33,978
Related companies (related by common shareholders and/or directors)	746	541	-	-
Total trade and other receivables				
- related parties	746	541	68,795	33,978
Less: Allowance for expected credit losses	(3)	(2)	(38)	(6)
Total trade and other receivables				
- related parties - net (Note 3)	743	539	68,757	33,972
<u>Short-term loans to related parties</u>				
<u>Subsidiary companies</u>				
Inter Vetta Co., Ltd.	-	-	7,000	7,000
Inter Petrina Co., Ltd.	-	-	7,200	7,200
Modern Pharma Co., Ltd.	-	-	51,000	25,000
Total short-term loans to related parties	-	-	65,200	39,200

During the six-month period ended 30 June 2021, movements of short-term loans to related parties are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	-	39,200
Add: Increase during the period	-	26,000
Balance as at 30 June 2021	-	65,200

As at 30 June 2021, the Company had short-term loans to related parties of Baht 65.2 million (31 December 2020: Baht 39.2 million), bearing interest at the rate of 4.0 percent per annum (31 December 2020: 4 percent per annum) and due for repayment on call.

(Unaudited but reviewed)

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Trade and other payables - related parties</u>				
Subsidiary companies	-	-	-	1
Related companies (related by common shareholders and/or directors)	108	2,604	-	-
Related person - directors	27	31	-	-
Total trade and other payables - related parties (Note 10)	135	2,635	-	1
<u>Short-term loans from related party</u>				
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 six-month period ended 30 June 2021, there is no movement of short-term loans from related party.

As at 30 June 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 4.0 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 and six-month periods ended 30 June 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2021	2020	2021	2020
Short-term employee benefits	5,219	3,906	9,845	8,888
Post-employment benefits	324	252	648	504
Total	5,543	4,158	10,493	9,392

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	746	541	33,899	16,115
Overdue not over 30 days	-	-	-	3,254
Overdue 31 - 60 days	-	-	-	10,860
Overdue 61 - 90 days	-	-	30,067	1,612
Overdue 91 - 180 days	-	-	-	78
Total trade accounts receivable - related parties	746	541	63,966	31,919
Less: Allowance for expected credit losses	(3)	(2)	(38)	(6)
Total trade accounts receivable - related parties - net (Note 2)	743	539	63,928	31,913
<u>Trade accounts receivable sold through the distributor</u>				
Aged on the basis of due dates				
Not yet due	147,248	98,169	96,454	64,193
Overdue not over 30 days	7,915	7,149	-	-
Overdue 31 - 60 days	1,780	1,848	-	-
Overdue 61 - 90 days	655	978	-	-
Overdue 91 - 180 days	600	924	-	167
Overdue 181 - 365 days	303	194	167	-
Overdue more than 365 days	684	612	347	347
Total trade accounts receivable sold through the distributor	159,185	109,874	96,968	64,707
Less: Allowance for expected credit losses	(1,575)	(1,425)	(709)	(622)
Total trade accounts receivable sold through the distributor - net	157,610	108,449	96,259	64,085

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	26,916	13,878	6,440	-
Overdue not over 30 days	8,243	1,339	-	-
Overdue 31 - 60 days	10,547	-	-	-
Overdue 61 - 90 days	7,640	-	-	-
Overdue 91 - 180 days	3,388	249	-	249
Overdue 181 - 365 days	29	-	-	-
Overdue more than 365 days	4,518	4,518	4,357	4,357
Total trade accounts receivable - unrelated parties	61,281	19,984	10,797	4,606
Less: Allowance for expected credit losses	(5,440)	(4,595)	(4,357)	(4,394)
Total trade accounts receivable - unrelated parties - net	55,841	15,389	6,440	212
Total trade accounts receivable - net	214,194	124,377	166,627	96,210
<u>Other receivables</u>				
Other receivables - related parties (Note 2)	-	-	4,829	2,059
Other receivables - unrelated parties	48,623	35,427	18,062	18,524
Total other receivables	48,623	35,427	22,891	20,583
Total trade and other receivables - net	262,817	159,804	189,518	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 the distributor is responsible for the risk in terms of the credit term of end customer receivable, the aging is held by the credit term granted by the Group to the distributor as specified in the distributor agreement by starting the aging count from the month-end that the Group sells to its end customer through the distributor.
- (2) In case the Group is responsible for the risk in terms of the credit term of end customer receivable, the aging is held by the credit term granted by the distributor to the end customer receivable as specified in the distributor agreement. But, the distributor will be responsible only for debt collection by starting the aging count from the day that the Group 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 six-month period ended 30 June 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	379	18
Less: Reversal of reduction of inventory value during the period	(957)	(88)
Balance as at 30 June 2021	822	60

5. Investments in subsidiaries

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

		(Unit: Thousand Baht)							
		Separate financial statements							
		Shareholding percentage						Dividend income for the six-month periods ended 30 June	
		Paid-up capital		(percent)		Cost			
Company's name	Nature of business	30 June	31 December	30 June	31 December	30 June	31 December		
		2021	2020	2021	2020	2021	2020	2021	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	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Company name	Nature of business								
Interpharma-ZEAvita Co., Ltd.	Develop and distribute supplementary health food products	20,000	-	51	-	10,110	-	10,200	-
Total						10,110	-	10,200	-

(Unaudited but reviewed)

During the six-month periods ended 30 June 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:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	Share of loss from investment in joint venture for the six-month periods ended 30 June	Dividend received during the six-month periods ended 30 June
	2021 2020	2021 2020
Interpharma-ZEAvita Co., Ltd.	(90) -	- -

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 six-month period ended 30 June 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	41,643	6,921
Disposals and write-off	(5,476)	(5,116)
Balance as at 30 June 2021	307,892	26,086
Accumulated depreciation		
Balance as at 1 January 2021	38,207	5,523
Depreciation for the period	7,433	1,113
Accumulated depreciation on disposals and write-off	(1,102)	(1,095)
Balance as at 30 June 2021	44,538	5,541
Net book value		
Balance as at 1 January 2021	233,518	18,758
Balance as at 30 June 2021	263,354	20,545

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 9 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.

Subsequently on 11 August 2021, the Company made payment for the remaining amount for purchase of the assets of Baht 144 million to Teva Pharma (Thailand) Co., Ltd. In addition, the Company purchased inventories and additional drug registration totaling Baht 39.5 million which due for payment in September 2021.

8. Intangible assets

Movements of the intangible assets account during the six-month period ended 30 June 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
Addition	36	36
Balance as at 30 June 2021	29,400	3,684
Accumulated amortisation		
Balance as at 1 January 2021	2,342	1,034
Amortisation for the period	592	504
Balance as at 30 June 2021	2,934	1,538
Net book value		
Balance as at 1 January 2021	27,022	2,614
Balance as at 30 June 2021	26,466	2,146

9. Short-term loans from bank

	Interest rate		(Unit: Thousand Baht)	
	(percent per annum)		Consolidated	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Promissory notes	MLR - 1.0, MLR - 1.5	-	25,000	-
Total			25,000	-

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

10. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Trade accounts payable - related parties (Note 2)	-	2,495	-	-
Trade accounts payable - unrelated parties	93,367	55,996	39,977	31,311
Other payables - related parties (Note 2)	60	60	-	1
Other payables - unrelated parties	11,357	5,563	1,448	1,343
Notes payable	678	214	527	127
Accrued expenses - related parties (Note 2)	75	80	-	-
Accrued expenses - unrelated parties	14,897	11,609	5,178	2,343
Other payable - distributor	14,355	13,061	8,380	7,011
Others	47,203	33,932	3,126	11,935
Total trade and other payables	181,992	123,010	58,636	54,071

11. Short-term loans from other person

As at 30 June 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 and separate financial statements	
	30 June 2021	31 December 2020
Long-term loans from bank	98,900	106,700
Less: Deferred interest cost	(226)	(264)
Long-term loans from bank - net	98,674	106,436
Less: Portion due within one year	(15,535)	(15,529)
Long-term loans from bank - net of current portion	83,139	90,907

During the six-month period ended 30 June 2021, movements in long-term loans from bank are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2021	106,436
Add: Amortisation of finance cost	38
Less: Repayment during the period	(7,800)
Balance as at 30 June 2021	98,674

On 25 November 2020, the Company has entered into a long-term loan agreement with a bank, obtaining a loan facility 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 30 June 2021, the Company had outstanding balance of such long-term loans of Baht 98.7 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 agreements contain covenants with which the Company has to comply, pertaining to matters such as maintaining of debt-to-equity ratio, maintaining of percentage of shares held by the major shareholder and main management of the Company.

As at 30 June 2021, 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 and six-month periods ended 30 June 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	9,004	4,897	8,825	3,790
Deferred tax:				
Relating to origination and reversal of temporary differences	(985)	28	(125)	(134)
Income tax expenses reported in the profit of loss	<u>8,019</u>	<u>4,925</u>	<u>8,700</u>	<u>3,656</u>

(Unit: Thousand Baht)				
For the six-month periods ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	18,020	8,987	16,712	7,127
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,759)	116	(400)	(238)
Income tax expenses reported in the profit of loss	<u>15,261</u>	<u>9,103</u>	<u>16,312</u>	<u>6,889</u>

14. Share capital

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 (288.4 million ordinary shares at Baht 0.50 per share) to support the payment of dividend shares. The Company registered the increase in share capital with the Ministry of Commerce on 18 May 2021.

15. 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.

The number of outstanding ordinary shares was retrospectively adjusted to reflect the stock dividend during the period as if the event had occurred since the beginning of the comparative period presented. As a result, the 2020 earnings per share was adjusted to give a comparative result.

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

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit attributable to equity holders of the Company	24,762	16,927	34,339	13,962
Weighted average number of issue and paid-up ordinary shares after adjustment with stock dividend (Thousand shares)	288,400	288,400	288,400	288,400
Basic earnings per share (Baht per share)	0.09	0.06	0.12	0.05

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

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit attributable to equity holders of the Company	43,443	30,795	60,834	25,572
Weighted average number of issue and paid-up ordinary shares after adjustment with stock dividend (Thousand shares)	288,400	288,400	288,400	288,400
Basic earnings per share (Baht per share)	0.15	0.11	0.21	0.09

16. 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.

The Company has already paid such dividend on 18 May 2021.

On 1 April 2020, 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 2019 of Baht 0.185 per share, totaling Baht 38.11 million. The Company has already paid the dividend on 27 April 2020.

17. 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 and six-month periods ended 30 June 2021 and 2020:

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	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	121,844	59,179	76,453	41,474	198,297	100,653
Cost of sales	(51,010)	(17,274)	(50,544)	(22,853)	(101,554)	(40,127)
Gross profit	70,834	41,905	25,909	18,621	96,743	60,526
Selling and distribution expenses					(45,050)	(25,642)
Administrative expenses					(20,018)	(11,830)
Other income					2,973	760
Finance cost					(1,393)	(222)
Share of loss from investments in associate					-	(53)
Share of loss from investments in joint venture					(41)	-
Income tax expenses					(8,019)	(4,925)
Profit for the period					25,195	18,614

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements						
For the six-month periods ended 30 June						
	Human healthcare		Animal healthcare		Total	
	2021	2020	2021	2020	2021	2020
Revenue from sales	229,973	109,893	144,828	87,887	374,801	197,780
Cost of sales	(100,575)	(29,482)	(91,023)	(46,400)	(191,598)	(75,882)
Gross profit	129,398	80,411	53,805	41,487	183,203	121,898
Selling and distribution expenses					(83,908)	(55,631)
Administrative expenses					(39,951)	(25,699)
Other income					4,352	2,426
Finance cost					(2,616)	(442)
Share of loss from investments in associate					-	(106)
Share of loss from investments in joint venture					(90)	-
Income tax expenses					(15,261)	(9,103)
Profit for the period					45,729	33,343

Major customers

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

18. Commitments and contingent liabilities

18.1 Commitment on services agreements

As at 30 June 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		Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Payable				
Within 1 year	6.2	6.8	5.2	5.7
In over 1 year and up to 5 years	0.2	0.5	0.2	0.5
Total	6.4	7.3	5.4	6.2

18.2 Commitment on purchase of goods and service agreements

As at 30 June 2021, the Group had commitments in respect of purchase of goods and service agreements of Baht 109.51 million (31 December 2020: Baht 56.05 million) and the Company only Baht 58.96 million (31 December 2020: Baht 36.03 million).

18.3 Capital commitments

As at 30 June 2021, the subsidiary company had outstanding capital commitments with respect to the construction of office buildings and purchase of machinery totaling Baht 11.71 million (31 December 2020: Nil).

18.4 Commitment on distribution agreements

As at 30 June 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.

18.5 Bank guarantees

As at 30 June 2021, the Group has outstanding bank guarantees issued by banks on behalf of the Group of Baht 6.64 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.

19. Events after the reporting period

On 14 July 2021, the Extraordinary General Meeting of shareholders of the Company passed the resolutions approving the following.

- (1) Approved the reduction in its registered share capital from Baht 144,200,000 (288,400,000 ordinary shares of Baht 0.50 per share) to Baht 144,199,795.50 (288,399,591 ordinary shares of Baht 0.50 per share) by cancelling the reserved 409 ordinary shares with a par value of Baht 0.50 each. The Company registered the reduction in the share capital with the Ministry of Commerce on 22 July 2021.
- (2) Approved the increase in its registered share capital from Baht 144,199,795.50 (288,399,591 ordinary shares of Baht 0.50 per share) to Baht 178,039,755 (356,079,510 ordinary shares of Baht 0.50 per share) through the issuance of 67,679,919 additional ordinary shares of Baht 0.50 each. The details are as follows:

- (2.1) Approved the issuance and offering the additional ordinary shares in the amount of not exceeding 9,613,320 shares to the existing shareholders proportionate to their respective shareholding at the ratio of 30 existing shares per 1 new share. The offering price is at Baht 20 per share.

The Company fixed the Record Date on 21 July 2021 for determining the shareholders for entitlement to be allocated.

- (2.2) Approved the issuance of 1st warrants ("IP-W1 WARRANT") not over 19,226,640 warrants to the existing shareholders who subscribe and make payment for additional ordinary shares in proportionate to their respective shareholding at the ratio of 1 new ordinary share to 2 units of IP-W1. The exercise ratio is 1 unit of IP-W1 warrant for 1 ordinary share. The warrants have two years maturity from the issuance date and the exercise price is Baht 25 per share. The warrants can be exercised on the last business day of every quarter from the issuance date of IP-W1 throughout the term of the warrants.

The Company fixed the Record Date on 21 July 2021 for determining the shareholders for entitlement to be allocated.

- (2.3) Approved the increase in its registered share capital under a general mandate in the amount of not exceeding 38,839,959 shares with a par value of Baht 0.50 per share. The additional ordinary shares in the amount of not exceeding 10,000,000 shares with a par value of Baht 0.50 per share offer to the existing shareholders proportionate to their respective shareholding and the additional ordinary shares in the amount of not exceeding 28,839,959 shares with a par value of Baht 0.50 per share offer to private placement.

The Company registered the increase in the share capital with the Ministry of Commerce on 23 July 2021.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 August 2021.