

Inter Pharma Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2021

## **Independent Auditor's Report**

To the Shareholders of Inter Pharma Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Inter Pharma Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Inter Pharma Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inter Pharma Public Company Limited and its subsidiaries and of Inter Pharma Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### *Revenue recognition*

Sales of goods are material accounting transactions and directly affect profit or loss of the Group. In addition, the sales transactions of the Group are made through a distributor and the revenue will be recognised when the distributor sells the goods to end customers. In addition, the Group has a policy to grant the right to return the goods as specified by the Group. I therefore gave significant attention to the revenue recognition of the Group.

I evaluated the Group's revenue recognition by assessing and testing its internal controls with respect to the revenue and goods return cycle. I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Group issued after the period-end, whether the recognition was consistent with the conditions of the relevant policy, and whether it was in compliance with the Group's policy. I tested the data being used in calculating and recording provision for goods return at the end of reporting period. I also performed analytical procedures of disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

#### *Business combination*

As discussed in Note 11 to the financial statements, the Company had invested in Modern Pharma Company Limited, which is engaged in the manufacture and sale of medicine. As at the date of acquisition, the Company recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combination by applying the acquisition method. I have focused on the business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgement when appraising the fair value of the assets acquired and liabilities assumed including recognised goodwill.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objective of the acquisition in order to evaluate whether the acquisition meet the definition of a business combination under Thai Financial Reporting Standard 3 Business Combinations. In addition, I checked the value of the acquisition to the supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include acquisition-related costs. I also assessed the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by the independent valuation specialists, by considering the methods and significant assumptions used by the independent valuation specialists in calculating the fair value of assets and liabilities, reviewing the components of the financial model, evaluating the significant assumptions such as discount rate and growth rate and evaluating the expertise, ability and integrity of the independent valuation specialists. I also assessed the rationale of goodwill recognised from the business combinations by analysing the pricing model, and reviewing the disclosures related to the business combinations in the notes to financial statements.

#### *Goodwill*

I have focused my audit on the consideration of the impairment of goodwill as discussed in Note 14 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.

For the consideration of the impairment of goodwill, I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and of the industry and tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

**Other matter**

The consolidated financial statements of Inter Pharma Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Inter Pharma Public Company Limited for the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion on those financial statements, 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.

**Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Siriwan Nitdamrong  
Certified Public Accountant (Thailand) No. 5906

EY Office Limited  
Bangkok: 24 February 2022

**Inter Pharma Public Company Limited and its subsidiaries**

**Statements of financial position**

**As at 31 December 2021**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
			(Restated)		
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	173,866,179	152,328,026	124,832,999	96,778,802
Trade and other receivables	8	292,186,303	155,634,151	214,125,964	113,189,499
Current portion of long-term loans to employees		60,000	60,000	60,000	60,000
Short-term loans to subsidiaries	6	-	-	90,200,000	39,200,000
Advanced payments for purchase of goods		4,865,343	4,169,406	4,865,343	3,603,417
Inventories	9	187,130,688	103,479,858	81,385,237	49,872,722
Other current financial assets		799,594	765,133	314,552	309,052
Current tax asset		955,019	236,645	-	-
Other current assets		<u>6,748,677</u>	<u>606,266</u>	<u>372,190</u>	<u>441,599</u>
<b>Total current assets</b>		<u>666,611,803</u>	<u>417,279,485</u>	<u>516,156,285</u>	<u>303,455,091</u>
<b>Non-current assets</b>					
Restricted bank deposits	30.5	7,956,816	7,955,301	800,000	800,000
Advance payment for business study	10	96,571,500	-	96,571,500	-
Investments in subsidiaries	11	-	-	308,714,890	308,714,890
Investment in joint venture	12	10,121,364	-	10,199,990	-
Long-term loans to employees					
- net of current portion		-	50,000	-	50,000
Property, plant and equipment	13	455,036,185	252,395,222	185,046,777	18,758,500
Right-of-use assets		2,279,096	2,992,192	2,279,096	2,873,643
Goodwill	14	22,159,480	22,159,480		-
Intangible assets	15	55,101,658	48,579,471	13,915,914	2,614,230
Deferred tax assets	25	8,977,780	3,378,571	3,441,937	2,211,223
Other non-current assets		<u>2,227,864</u>	<u>1,541,112</u>	<u>2,164,404</u>	<u>1,452,112</u>
<b>Total non-current assets</b>		<u>660,431,743</u>	<u>339,051,349</u>	<u>623,134,508</u>	<u>337,474,598</u>
<b>Total assets</b>		<u><u>1,327,043,546</u></u>	<u><u>756,330,834</u></u>	<u><u>1,139,290,793</u></u>	<u><u>640,929,689</u></u>

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 December 2021

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
			(Restated)		
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from bank	16	120,000,000	-	80,000,000	-
Trade and other payables	17	149,359,668	123,009,880	46,452,808	54,071,232
Short-term loans from other person	18	6,000,000	6,000,000	-	-
Short-term loans from related party	6	4,800,000	4,800,000	-	-
Current portion of long-term loans from bank	19	35,623,999	15,528,959	32,863,999	15,528,959
Current portion of lease liabilities		567,569	644,157	567,569	520,440
Income tax payable		14,797,611	8,397,112	13,850,439	5,757,261
Other current liabilities		4,485,948	1,965,441	3,172,425	987,936
<b>Total current liabilities</b>		<b>335,634,795</b>	<b>160,345,549</b>	<b>176,907,240</b>	<b>76,865,828</b>
<b>Non-current liabilities</b>					
Long-term loans from bank					
- net of current portion	19	187,061,599	90,907,464	171,971,599	90,907,464
Lease liabilities - net of current portion		1,902,955	2,470,524	1,902,955	2,470,524
Provision for long-term employee benefits	20	15,411,368	8,544,716	10,701,228	4,922,029
Deferred tax liabilities	25	3,529,261	7,621,828	-	-
<b>Total non-current liabilities</b>		<b>207,905,183</b>	<b>109,544,532</b>	<b>184,575,782</b>	<b>98,300,017</b>
<b>Total liabilities</b>		<b>543,539,978</b>	<b>269,890,081</b>	<b>361,483,022</b>	<b>175,165,845</b>

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 December 2021**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(Restated)		
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital	21				
Registered					
356,079,510 ordinary shares of Baht 0.50 each					
(31 December 2020: 206,000,000 ordinary shares					
of Baht 0.50 each)		<u>178,039,755</u>	<u>103,000,000</u>	<u>178,039,755</u>	<u>103,000,000</u>
Issued and fully paid up					
298,010,524 ordinary shares of Baht 0.50 each					
(31 December 2020: 206,000,000 ordinary shares					
of Baht 0.50 each)		149,005,262	103,000,000	149,005,262	103,000,000
Ordinary share premium		473,812,946	286,711,313	473,812,946	286,711,313
Surplus on share-based payment transactions		18,272,800	18,272,800	18,272,800	18,272,800
Surplus from business combination under common control		3,703,228	3,703,228	-	-
Retained earnings					
Appropriated - statutory reserve	22	15,150,583	8,877,347	15,150,583	8,877,347
Unappropriated		<u>101,699,195</u>	<u>49,284,258</u>	<u>121,566,180</u>	<u>48,902,384</u>
Equity attributable to owners of the Company		761,644,014	469,848,946	777,807,771	465,763,844
Non-controlling interests of the subsidiaries		<u>21,859,554</u>	<u>16,591,807</u>	-	-
<b>Total shareholders' equity</b>		<u>783,503,568</u>	<u>486,440,753</u>	<u>777,807,771</u>	<u>465,763,844</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,327,043,546</u>	<u>756,330,834</u>	<u>1,139,290,793</u>	<u>640,929,689</u>

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 year ended 31 December 2021

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)			
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue		908,632,265	442,100,765	593,557,091	302,373,687
Other income		12,352,513	4,838,157	25,622,667	8,358,118
<b>Total revenues</b>		<u>920,984,778</u>	<u>446,938,922</u>	<u>619,179,758</u>	<u>310,731,805</u>
<b>Expenses</b>	24				
Cost of sales and services		507,848,171	182,773,094	281,280,233	120,991,010
Selling and distribution expenses		165,200,669	127,048,406	103,913,816	79,851,976
Administrative expenses		102,164,317	60,170,176	68,901,099	45,043,471
<b>Total expenses</b>		<u>775,213,157</u>	<u>369,991,676</u>	<u>454,095,148</u>	<u>245,886,457</u>
<b>Operating profit</b>		145,771,621	76,947,246	165,084,610	64,845,348
Share of loss from investments in joint venture	12.2	(78,626)	-	-	-
Share of loss from investments in associate		-	(162,426)	-	-
Finance cost		(8,011,598)	(1,138,369)	(6,411,769)	(677,724)
<b>Profit before income tax expenses</b>		137,681,397	75,646,451	158,672,841	64,167,624
Income tax expenses	25	(27,197,790)	(16,390,740)	(33,208,122)	(13,022,849)
<b>Profit for the year</b>		<u>110,483,607</u>	<u>59,255,711</u>	<u>125,464,719</u>	<u>51,144,775</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial loss	20	(634,307)	-	(634,307)	-
Less: Income tax effect	25	126,861	-	126,861	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(507,446)	-	(507,446)	-
<b>Other comprehensive income for the year</b>		<u>(507,446)</u>	<u>-</u>	<u>(507,446)</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>109,976,161</u>	<u>59,255,711</u>	<u>124,957,273</u>	<u>51,144,775</u>

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 year ended 31 December 2021**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)			
<b>Profit attributable to:</b>				
Equity holders of the Company	105,215,860	52,536,764	<u>125,464,719</u>	<u>51,144,775</u>
Non-controlling interests of the subsidiaries	<u>5,267,747</u>	<u>6,718,947</u>		
	<u>110,483,607</u>	<u>59,255,711</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	104,708,414	52,536,764	<u>124,957,273</u>	<u>51,144,775</u>
Non-controlling interests of the subsidiaries	<u>5,267,747</u>	<u>6,718,947</u>		
	<u>109,976,161</u>	<u>59,255,711</u>		
<b>Earnings per share</b>	26			
Basic earnings per share (Baht)				
Profit attributable to equity holders of the Company	<u>0.360</u>	<u>0.182</u>	<u>0.429</u>	<u>0.177</u>
Weighted average number of ordinary shares (shares)	<u>292,394,963</u>	<u>289,362,086</u>	<u>292,394,963</u>	<u>289,362,086</u>

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

Inter Pharma Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to owners of the Company								
	Issued and	Surplus on	Surplus from	Retained earnings		Total equity	Equity attributable		
	paid-up	share-based	combination under	Appropriated -		owners of	interests of	Total	
	share capital	Share premium	payment transactions	common control	statutory reserve	Unappropriated	the Company	the subsidiaries	shareholders'
									equity
Balance as at 1 January 2020	103,000,000	286,711,313	18,272,800	3,703,228	6,320,108	37,414,733	455,422,182	9,872,860	465,295,042
Profit for the year (restated)	-	-	-	-	-	52,536,764	52,536,764	6,718,947	59,255,711
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	52,536,764	52,536,764	6,718,947	59,255,711
Dividend paid (Note 28)	-	-	-	-	-	(38,110,000)	(38,110,000)	-	(38,110,000)
Unappropriated retained earnings transferred to statutory reserve (Note 22)	-	-	-	-	2,557,239	(2,557,239)	-	-	-
Balance as at 31 December 2020	103,000,000	286,711,313	18,272,800	3,703,228	8,877,347	49,284,258	469,848,946	16,591,807	486,440,753
Balance as at 31 December 2020 - as previously reported	103,000,000	286,711,313	18,272,800	3,703,228	8,877,347	50,523,530	471,088,218	16,591,807	487,680,025
Effect of adjustment of the provisional amounts recognised from the busienss acquisition (Note 11)	-	-	-	-	-	(1,239,272)	(1,239,272)	-	(1,239,272)
Balance as at 31 December 2020 - as restated	103,000,000	286,711,313	18,272,800	3,703,228	8,877,347	49,284,258	469,848,946	16,591,807	486,440,753
Profit for the year	-	-	-	-	-	105,215,860	105,215,860	5,267,747	110,483,607
Other comprehensive income for the year	-	-	-	-	-	(507,446)	(507,446)	-	(507,446)
Total comprehensive income for the year	-	-	-	-	-	104,708,414	104,708,414	5,267,747	109,976,161
Increase in share capital (Note 21)	4,805,466	187,413,193	-	-	-	-	192,218,659	-	192,218,659
Transaction costs on issue of shares	-	(311,560)	-	-	-	-	(311,560)	-	(311,560)
Increase in share capital for stock dividend (Note 21, 28)	41,199,796	-	-	-	-	(41,199,796)	-	-	-
Dividend paid (Note 28)	-	-	-	-	-	(4,820,445)	(4,820,445)	-	(4,820,445)
Unappropriated retained earnings transferred to statutory reserve (Note 22)	-	-	-	-	6,273,236	(6,273,236)	-	-	-
Balance as at 31 December 2021	149,005,262	473,812,946	18,272,800	3,703,228	15,150,583	101,699,195	761,644,014	21,859,554	783,503,568

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

**Inter Pharma Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2021**

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings		Total shareholders'
				Appropriated - statutory reserve	Unappropriated	equity
Balance as at 1 January 2020	103,000,000	286,711,313	18,272,800	6,320,108	38,424,848	452,729,069
Profit for the year	-	-	-	-	51,144,775	51,144,775
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	51,144,775	51,144,775
Dividend paid (Note 28)	-	-	-	-	(38,110,000)	(38,110,000)
Unappropriated retained earnings transferred to statutory reserve (Note 22)	-	-	-	2,557,239	(2,557,239)	-
Balance as at 31 December 2020	103,000,000	286,711,313	18,272,800	8,877,347	48,902,384	465,763,844
Balance as at 1 January 2021	103,000,000	286,711,313	18,272,800	8,877,347	48,902,384	465,763,844
Profit for the year	-	-	-	-	125,464,719	125,464,719
Other comprehensive income for the year	-	-	-	-	(507,446)	(507,446)
Total comprehensive income for the year	-	-	-	-	124,957,273	124,957,273
Increase in share capital (Note 21)	4,805,466	187,413,193	-	-	-	192,218,659
Transaction costs on issue of shares	-	(311,560)	-	-	-	(311,560)
Increase in share capital for stock dividend (Note 21, 28)	41,199,796	-	-	-	(41,199,796)	-
Dividend paid (Note 28)	-	-	-	-	(4,820,445)	(4,820,445)
Unappropriated retained earnings transferred to statutory reserve (Note 22)	-	-	-	6,273,236	(6,273,236)	-
Balance as at 31 December 2021	149,005,262	473,812,946	18,272,800	15,150,583	121,566,180	777,807,771

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

**Inter Pharma Public Company Limited and its subsidiaries**

**Statements of cash flows**

**For the year ended 31 December 2021**

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
<b>Cash flows from operating activities</b>				
Profit before tax	137,681,397	75,646,451	158,672,841	64,167,624
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	26,605,210	5,690,839	6,106,729	2,770,222
Impairment loss on financial assets (reversal)	1,803,300	209,304	(664,794)	30,024
Reduction of inventory to net realisable value (reversal)	1,661,971	(1,127,706)	1,534,947	(1,718,972)
Loss from inventories destruction	-	2,529,371	-	1,930,475
Provision of goods return	1,545,421	381,730	1,879,412	245,616
Loss from sales/write-off of property, plant and equipment and intangible assets	3,600,313	449	3,243,645	1
Gain on disposal of investment in associated company	-	(1,797,615)	-	(1,410,271)
Share of loss from investments in associated company	-	162,426	-	-
Share of loss from investments in joint venture	78,626	-	-	-
Provision for long-term employee benefits	3,580,280	1,913,819	2,565,186	1,567,497
Unrealised loss (gain) on exchange	32,531	(57,658)	17,807	(57,658)
Finance income	(115,554)	(966,254)	(2,464,590)	(1,516,073)
Finance cost	8,011,598	1,138,369	6,411,769	677,724
Profit from operating activities before changes in operating assets and liabilities	184,485,093	83,723,525	177,302,952	66,686,209
Operating assets (increase) decrease				
Trade and other receivables	(138,358,869)	(45,890,148)	(100,291,447)	(27,300,000)
Advanced payments for purchase of goods	(695,937)	(3,000,162)	(1,261,926)	(2,434,173)
Inventories	(85,312,801)	(26,578,020)	(33,047,462)	(26,090,172)
Other current assets	(6,142,411)	2,440,487	69,409	(182,911)
Other non-current assets	(686,752)	(947,136)	(712,292)	(913,136)
Operating liabilities increase (decrease)				
Trade and other payables	35,206,034	(4,606,610)	2,368,371	21,422,101
Other current liabilities	903,640	433,504	233,631	36,855
Cash flows from (used in) operating activities	(10,602,003)	5,575,440	44,661,236	31,224,773
Interest received	108,067	235,946	51,058	220,746
Cash paid for income tax	(31,080,580)	(14,628,472)	(26,218,797)	(10,267,511)
<b>Net cash from (used in) operating activities</b>	<b>(41,574,516)</b>	<b>(8,817,086)</b>	<b>18,493,497</b>	<b>21,178,008</b>

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 year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)			
<b>Cash flows from investing activities</b>				
(Increase) decrease in restricted bank deposits	(1,515)	(547,349)	-	107,856
Cash paid for investment payable	(10,000,000)	-	(10,000,000)	-
Cash paid for investment in joint venture	(10,199,990)	-	(10,199,990)	-
Cash received disposal of investment in associated company	-	6,250,000	-	6,250,000
Cash payments for investment in subsidiary (net from cash purchase)	-	(241,600,097)	-	(293,565,190)
Cash paid for advance payment for business study	(96,571,500)	-	(96,571,500)	-
Cash paid from short-term loans to subsidiaries	-	-	(51,000,000)	(27,400,000)
Cash received from repayment of long-term loans to employees	50,000	65,000	50,000	65,000
Increase in other current financial assets	(34,461)	(119,276)	(5,500)	(119,276)
Purchase of property, plant and equipment	(224,154,073)	(12,453,509)	(172,937,128)	(11,281,323)
Purchase of intangible assets	(13,691,656)	(2,047,556)	(13,691,656)	(2,035,388)
Cash received from sale of property, plant and equipment	2,803,738	-	2,803,738	-
Interest received	10,904	722,162	2,433,308	1,313,162
<b>Net cash used in investing activities</b>	<b>(351,788,553)</b>	<b>(249,730,625)</b>	<b>(349,118,728)</b>	<b>(326,665,159)</b>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans from bank	120,000,000	-	80,000,000	-
Cash received from short-term loan from related parties	-	1,600,000	-	-
Cash received from long-term loans from bank	139,000,000	108,000,000	120,000,000	108,000,000
Payment of deferred financing fee of long-term loans from bank	(300,000)	-	(300,000)	-
Cash paid to settle long-term loans from bank	(22,550,000)	(1,300,000)	(21,400,000)	(1,300,000)
Payment of principal portion of lease liabilities	(644,157)	(675,285)	(520,440)	(477,226)
Interest paid	(7,671,949)	(1,376,706)	(6,182,184)	(885,878)
Proceeds from increase in share capital	192,218,659	-	192,218,659	-
Transaction costs on issue of shares	(311,560)	-	(311,560)	-
Dividend paid	(4,825,047)	(38,019,394)	(4,825,047)	(38,019,394)
<b>Net cash from financing activities</b>	<b>414,915,946</b>	<b>68,228,615</b>	<b>358,679,428</b>	<b>67,317,502</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>21,552,877</b>	<b>(190,319,096)</b>	<b>28,054,197</b>	<b>(238,169,649)</b>
Cash and cash equivalents at beginning of the year	152,328,026	342,647,122	96,778,802	334,948,451
Effect of change in foreign exchange rate on cash at banks	(14,724)	-	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>173,866,179</b>	<b>152,328,026</b>	<b>124,832,999</b>	<b>96,778,802</b>

**Supplemental disclosures of cash flows information:**

Non-cash related transactions

Increase in other payable for purchases of property, plant and equipment	1,092,844	-	-	-
Increase (decrease) in dividend payable	(4,602)	90,606	(4,602)	90,606
Increase in share capital for stock dividend	41,199,796	-	41,199,796	-

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



## **Inter Pharma Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 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, manufacture and distribute of dietary supplement product for humans and animals by appoint a distributor company to handle the distribution. Its 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.

## 2 Basis of the preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Inter Pharma Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2021</u> Percent	<u>2020</u> Percent
Inter Vetta Co., Ltd.	Distribute pet food and dietary supplement for companion animal and livestock	Thailand	55	55
Inter Petrina Co., Ltd.	Selling pet food	Thailand	60	60
Modern Pharma Co., Ltd.	Manufacturing and selling of medicines	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- g) The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

The Group measures any non-controlling interests at its proportionate interest in the identifiable net assets of the acquirees.

Transaction costs that the Group incurs in connection with a business combination, such as consulting fees are expenses as incurred.

- 2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. 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.

### **3.2 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.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

For sale with a right to return the goods, the Group recognises the refund amount expected to be returned to customers, by considering the consistent level of returns over historical experiences which is highly probable that a significant reversal in the cumulative revenue recognised will not occur, as a refund liability and recognises a return of goods from customers as an asset in the statement of financial position. The asset is measured by the previous carrying amount of the inventory, deducting expected costs of returned goods, including any potential of the diminution in value of the returned goods.

#### *Rendering of services*

Service revenue is recognised at a point in time upon completion of the service.

#### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### **4.2 Cash and cash equivalents**

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

#### **4.3 Inventories**

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials and packaging are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated expenses necessary to make the sale.

Allowance for diminution in value of inventories is made up for obsolete, slow-moving and deteriorated inventories.

#### **4.4 Investments in subsidiaries, joint venture and associate**

- a) Investments in joint venture and associate are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint venture and associate are accounted for in the separate financial statements using the cost method.

#### 4.5 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and land and buildings improvements	-	5 - 40 years
Office building - condominium unit	-	20 years
Machinery and equipment	-	5 - 10 years
Tools and office equipment	-	3 - 5 years
Furniture and fixtures	-	5 years
Vehicles	-	5 years
Water system	-	10 years

Depreciation is included in determining income.

No depreciation is provided for land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.6 Leases

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

##### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.



### ***Right-of-use assets***

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

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

Buildings	6	years
Motor vehicles	3	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

## 4.7 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

## 4.8 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 years
Copyright	5 years
Trademark	10 years
drug registration	10 years

#### **4.9 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.10 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.11 Employee benefits**

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### **Post-employment benefits**

###### ***Defined contribution plans***

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

###### ***Defined benefit plans***

The Group has obligations in respect of the severance payments, it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### **4.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.13 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.14 Share-based payment**

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

#### **4.15 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.16 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### ***Financial assets at FVOCI (debt instruments)***

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows to sell the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

**Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

**Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



#### **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

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

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

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

##### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

**Reduce cost of inventory value**

The determination of reduce cost of inventory value, requires management to make judgements and estimates. The reduce cost to net realisable value is estimated based on the selling price expected in the ordinary course of business; and reduce cost for obsolete, slow-moving and deteriorated inventories, that is estimated based on the approximate useful life of each type of inventory and the results of inspections conducted by the quality control department.

**Impairment of investments**

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

**Property, plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Group’s plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

**Goodwill**

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**Deferred tax assets**

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

## Post-employment benefits under defined benefit plans

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

## 6. Related party transactions

During the years, 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)

	Consolidated		Separate		Pricing policies
	financial statements		financial statements		
	<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	-	-	127,347	80,500	Contractual agreed price
Other income	-	-	16,367	4,748	Contractual agreed rate
Interest income	-	-	2,404	576	4% per annum
Purchase of goods	-	-	112	-	Contractual agreed price
Distribution expenses	-	-	23	-	Contractual agreed rate
<u>Transactions with joint venture</u>					
Sales of goods	392	-	-	-	Contractual agreed price
Other income	49	-	45	-	Contractual agreed rate
Purchase of goods	790	-	725	-	Contractual agreed price
<u>Transactions with related parties</u>					
Sales of goods	7,303	5,072	-	-	Contractual agreed price
Other income	-	63	-	-	Contractual agreed rate
Purchase of goods	28,294	21,416	-	-	Contractual agreed price
Interest expenses	192	185	-	-	4% per annum

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

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade and other receivables</u></b>				
<b><u>- related parties</u></b>				
Subsidiary companies	-	-	74,203	33,978
Joint venture	53	-	48	-
Related companies (related by common shareholders and/or directors)	626	541	-	-
<b>Total trade and other receivables - related parties</b>	679	541	74,251	33,978
Less: Allowance for expected credit losses	(2)	(2)	-	(6)
<b>Total trade and other receivables - related parties - net (Note 8)</b>	<u>677</u>	<u>539</u>	<u>74,251</u>	<u>33,972</u>
<b><u>Short-term loans to related parties</u></b>				
<u>Subsidiary companies</u>				
Inter Vetta Co., Ltd.	-	-	7,000	7,000
Inter Petrina Co., Ltd.	-	-	7,200	7,200
Modern Pharma Co., Ltd.	-	-	76,000	25,000
<b>Total short-term loans to related parties</b>	<u>-</u>	<u>-</u>	<u>90,200</u>	<u>39,200</u>

During the year ended 31 December 2021, movements of short-term loans to related parties are as follows:

(Unit: Thousand Baht)		
	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 1 January 2021	-	39,200
Add: Increase during the year	-	51,000
Balance as at 31 December 2021	<u>-</u>	<u>90,200</u>

As at 31 December 2021, the Company had short-term loans to related parties of Baht 90.2 million (2020: Baht 39.2 million), bearing interest at the rate of 4.0 percent per annum (2020: 4 percent per annum) and due for repayment on call.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade and other payables - related parties</u></b>				
Subsidiary companies	-	-	124	1
Joint venture	264	-	253	-
Related companies (related by common shareholders and/or directors)	401	2,604	-	-
Related person - directors	358	31	320	-
<b>Total trade and other payables - related parties (Note 17)</b>	<u>1,023</u>	<u>2,635</u>	<u>697</u>	<u>1</u>

**Short-term loans from related party**

Related company (related by common shareholders and/or directors)	<u>4,800</u>	<u>4,800</u>	<u>-</u>	<u>-</u>
<b>Total short-term loans from related party</b>	<u>4,800</u>	<u>4,800</u>	<u>-</u>	<u>-</u>

During the year ended 31 December 2021, there is no movement of short-term loans from related party.

As at 31 December 2021, the Group had short-term loans from related party of Baht 4.8 million (2020: Baht 4.8 million), bearing interest at the rate of 4.0 percent per annum (2020: 4 percent per annum) and due for repayment on call.

**Directors and management's remuneration**

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	14,493	17,756
Post-employment benefits	1,424	1,008
<b>Total</b>	<u>15,917</u>	<u>18,764</u>

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	12	22	1	5
Bank deposits	173,854	152,306	124,832	96,774
Total cash and cash equivalents	<u>173,866</u>	<u>152,328</u>	<u>124,833</u>	<u>96,779</u>

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.25 percent per annum (2020: between 0.10 and 1.05 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	626	541	26,261	16,115
Overdue not over 30 days	-	-	21,313	3,254
Overdue 31 - 60 days	-	-	4,784	10,860
Overdue 61 - 90 days	-	-	3,524	1,612
Overdue 91 - 180 days	-	-	13,958	78
<b>Total trade receivables - related parties</b>	<u>626</u>	<u>541</u>	<u>69,840</u>	<u>31,919</u>
Less: Allowance for expected credit losses	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>(6)</u>
<b>Total trade receivables - related parties - net (Note 6)</b>	<u>624</u>	<u>539</u>	<u>69,840</u>	<u>31,913</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade receivables sold through the distributor</u></b>				
Aged on the basis of due dates				
Not yet due	157,104	98,169	80,489	64,193
Overdue not over 30 days	9,905	7,149	-	-
Overdue 31 - 60 days	3,197	1,848	-	-
Overdue 61 - 90 days	2,212	978	-	-
Overdue 91 - 180 days	1,747	924	-	167
Overdue 181 - 365 days	236	194	-	-
Overdue more than 365 days	775	612	513	347
<b>Total trade receivables sold through the distributor</b>	<b>175,176</b>	<b>109,874</b>	<b>81,002</b>	<b>64,707</b>
Less: Allowance for expected credit losses	(1,943)	(1,425)	(513)	(622)
<b>Total trade receivables sold through the distributor - net</b>	<b>173,233</b>	<b>108,449</b>	<b>80,489</b>	<b>64,085</b>
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	61,723	13,878	50,510	-
Overdue not over 30 days	5,650	1,339	2,640	-
Overdue 31 - 60 days	564	-	124	-
Overdue 61 - 90 days	1,168	-	481	-
Overdue 91 - 180 days	6,559	249	488	249
Overdue 181 - 365 days	10,459	-	-	-
Overdue more than 365 days	4,005	4,518	3,844	4,357
<b>Total trade receivables - unrelated parties</b>	<b>90,128</b>	<b>19,984</b>	<b>58,087</b>	<b>4,606</b>
Less: Allowance for expected credit losses	(5,880)	(4,595)	(3,844)	(4,394)
<b>Total trade receivables - unrelated parties - net</b>	<b>84,248</b>	<b>15,389</b>	<b>54,243</b>	<b>212</b>
<b>Total trade receivables - net</b>	<b>258,105</b>	<b>124,377</b>	<b>204,572</b>	<b>96,210</b>
<b><u>Other receivables</u></b>				
Other receivables - related parties (Note 6)	53	-	4,411	2,059
Other receivables - unrelated parties	34,028	31,257	5,143	14,920
<b>Total other receivables</b>	<b>34,081</b>	<b>31,257</b>	<b>9,554</b>	<b>16,979</b>
<b>Total trade and other receivables - net</b>	<b>292,186</b>	<b>155,634</b>	<b>214,126</b>	<b>113,189</b>

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.

Set out below is the movements in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)			
	Consolidated		Consolidated	
	financial statements		financial statements	
	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
Beginning balance	6,022	5,813	5,022	4,992
Provision for expected credit losses				
(decrease)	<u>1,803</u>	<u>209</u>	<u>(665)</u>	<u>30</u>
Ending balance	<u>7,825</u>	<u>6,022</u>	<u>4,357</u>	<u>5,022</u>

## 9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Reduce cost to net					
	Cost		realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)				(Restated)	
Finished goods	111,679	81,479	(2,912)	(1,400)	108,767	80,079
Work in process	5,324	1,757	(50)	-	5,274	1,757
Raw materials	40,352	7,018	(43)	-	40,309	7,018
Packing materials	24,562	5,632	(57)	-	24,505	5,632
Goods in transit	8,276	8,994	-	-	8,276	8,994
Total	<u>190,193</u>	<u>104,880</u>	<u>(3,062)</u>	<u>(1,400)</u>	<u>187,131</u>	<u>103,480</u>



(Unit: Thousand Baht)

	Separate financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	56,567	41,009	(1,665)	(130)	54,902	40,879
Raw materials	13,983	-	-	-	13,983	-
Packing materials	10,547	-	-	-	10,547	-
Goods in transit	1,953	8,994	-	-	1,953	8,994
Total	83,050	50,003	(1,665)	(130)	81,385	49,873

During the current year, the Group reduced cost of inventories by Baht 1.66 million to reflect the net realisable value, which was included in cost of sales. (The Company only: Baht 1.54 million) (2020: reversed the write-down of cost of inventories by Baht 0.80 million and reduced the amount of inventories recognised as expenses during the year. (The Company only: Baht 1.72 million))

## 10. Advance payment for business study

During the year 2021, the Company made payment of Baht 96.57 million as deposit for business study.

## 11. Investments in subsidiaries

### 11.1 Details of investments in subsidiaries as presented in separate financial statements

(Unit: Thousand Baht)

Company's name	Nature of business	Separate financial statements							
		Shareholding percentage				Dividend income			
		Paid-up capital		(percent)		Cost		for the years	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
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						<u>308,715</u>	<u>308,715</u>	<u>-</u>	<u>-</u>

### **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 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 August 2020. The objective is to invest in competitive potential and expanding business to cover the production of medicines for human and animals.

As at 31 December 2020, the Company had investment payable of Baht 10 million. Subsequently, during the first quarter of 2021, the Company made payment for such investment payable.

### **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 financial statements of Modern Pharma Co., Ltd. have been included in the consolidated financial statements since the Group gained controlling authority on 27 November 2020 ("acquisition date"). The details of the acquisition are as follows:

	(Unit: Thousand Baht)
Acquisition cost of investment in subsidiary	295,000
Less: Fair value of net assets (as described in page 27)	(272,841)
Goodwill	<u>22,159</u>
Acquisition cost of investment in subsidiary	295,000
Less: Cash and cash equivalents of subsidiary company	(43,400)
Investment payable	<u>(10,000)</u>
Net cash paid for acquisition of investment in subsidiary in 2020	<u>241,600</u>

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.

The consolidated statements of comprehensive income for the year ended 31 December 2020 included revenue and loss of Modern Pharma Co., Ltd. as from the acquisition date as follows:

	(Unit: Million Baht)
Revenue	12.87
Loss	3.31

If the business combination had taken place at the beginning of the period, revenue and loss of Modern Pharma Co., Ltd. would have been included in the consolidated statements of comprehensive income for the year ended 31 December 2020 as follows:

	(Unit: Million Baht)
Revenue	208.48
Loss	33.58

The Group assessed the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of Modern Pharma Co., Ltd. The assessments were completed in the current year and within the measurement period of 12 months from the acquisition dates pursuant to the year allowed by Thai Financial Reporting Standard No. 3. During the measurement period, the Group obtained further information on the fair values of part of the assets and liabilities and had retrospectively adjusted the provisional amount recognised at the acquisition dates. The adjustments caused inventories to increase by approximately Baht 1.63 million, property, plant and equipment to increase by approximately Baht 19.02 million, intangible assets to increase by approximately Baht 22.01 million and deferred tax liabilities to increase by approximately Baht 8.53 million.

Fair values of the identifiable assets acquired and liabilities assumed from Modern Pharma Co., Ltd. as at the acquisition dates are as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	43,400
Trade and other receivables	141
Inventories	28,044
Other current financial assets	456
Other current assets	2,683
Restricted deposits with financial institutions	6,096
Property, plant and equipment	234,041
Intangible assets	46,383
Deferred tax assets	606
Other non-current assets	15
Trade and other payables	(77,055)
Income tax payable	(736)
Deferred tax liabilities	(8,532)
Provision for long-term employee benefits	(2,701)
Fair value of net assets	272,841
Goodwill	22,159
Cost of acquisition of investment in subsidiary	295,000

As a result of the adjustments of the provisional amounts recognised as at the acquisition dates for business combinations in 2020, the Group restated the prior period's financial statements, presented as comparative information, whereby the amounts of adjustments affecting the consolidated statements of financial position and comprehensive income are summarised below.

	(Unit: Thousand Baht)
	As at
	31 December 2020
<b>Consolidated statement of financial position</b>	
Increase in inventories	675
Increase in property, plant and equipment	18,877
Decrease in goodwill	(34,127)
Increase in intangible assets	21,558
Increase in deferred tax liabilities	8,222
Decrease in unappropriated retained earnings	(1,239)

(Unit: Thousand Baht)  
For the year ended  
31 December 2020

### Consolidated statement of comprehensive income

Increase in cost of sales	1,549
Decrease in income tax expenses	(310)
<b>Profit attributable to</b>	
Decrease in profit attributable to equity holders of the Company	(1,239)
<b>Earnings per share (Baht)</b>	
Decrease in basic earnings per share	(0.004)

### Establishment of a new subsidiary company

On 9 November 2021, the meeting of the Company's Board of Directors approved to establish "Inter Pharmacy Company Limited.", a new subsidiary. The subsidiary will register its establishment with registered share capital of Baht 300 million (3 million ordinary shares of Baht 100 each) in which the Company will hold 99.99 percent interest. The subsidiary is established to purchase shares of Drug Care Co., Ltd. in the proportion of 88.67 percent of the registered capital.

As at 31 December 2021, the subsidiary had not yet been established.

## 11.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Thousand Baht)								
Company's name	Proportion of equity		Accumulated balance of		Profit/loss allocated to		Dividend paid to non-	
	interest held by		non-controlling interests		non-controlling interests		controlling interests	
	non-controlling interests		non-controlling interests		during the year		during the year	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(%)	(%)						
Inter Vetta Co., Ltd.	45	45	24,227	19,900	4,327	7,395	-	-
Inter Petrina Co., Ltd.	40	40	(2,367)	(3,308)	941	(676)	-	-
Total			<u>21,860</u>	<u>16,592</u>	<u>5,268</u>	<u>6,719</u>	<u>-</u>	<u>-</u>

### 11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests

#### Summarised information about financial position

(Unit: Thousand Baht)

	Inter Vetta Co., Ltd.		Inter Petrina Co., Ltd.	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	187,634	113,012	16,034	15,606
Non-current assets	1,140	1,353	1,748	326
Current liabilities	133,662	69,271	23,699	24,201
Non-current liabilities	1,274	872	-	-

#### Summarised information about comprehensive income

(Unit: Thousand Baht)

For the year ended 31 December

	Inter Vetta Co., Ltd.		Inter Petrina Co., Ltd.	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue	289,038	211,245	39,091	26,557
Profit (loss)	9,616	16,434	2,351	(1,691)
Other comprehensive income	9,616	16,434	2,351	(1,691)
Total comprehensive income	9,616	16,434	2,351	(1,691)

#### Summarised information about cash flow

(Unit: Thousand Baht)

For the year ended 31 December

	Inter Vetta Co., Ltd.		Inter Petrina Co., Ltd.	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flow from operating activities	22	8,802	381	1,472
Cash flow used in investing activities	(5)	(28)	-	(12)
Cash flow from (used in) financing activities	9,331	(732)	(480)	3,428
Net increase (decrease) in cash and cash equivalents	9,348	8,042	(99)	4,888

## 12. Investment in joint venture

### 12.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which are jointly controlled by the Company and other company. Details of this investment are as follows:

Company name	Nature of business	Paid-up capital		Shareholding percentage (percent)		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
						Carrying amount based on equity method		Carrying amount based on cost method	
		2021	2020	2021	2020	2021	2020	2021	2020
Interpharma-ZEAvita Co., Ltd.	Develop and distribute supplementary health food products	20,000	-	51	-	10,121	-	10,200	-
Total						10,121	-	10,200	-

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.

### 12.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	Share of loss from investment in joint venture during the year		Dividend received during the year	
	2021	2020	2021	2020
Interpharma-ZEAvita Co., Ltd.	(79)	-	-	-

### 12.3 Summarised financial information about material joint venture

#### Summarised information about financial position

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cash and cash equivalent	17,715	-
Trade and other receivables	383	-
Inventories	2,046	-
Other current assets	4	-
Other payables	(302)	-
<b>Net assets</b>	<b>19,846</b>	<b>-</b>
Shareholding percentage (%)	51	-
<b>Carrying amounts of joint ventures based on equity method</b>	<b>10,121</b>	<b>-</b>

#### Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Revenue	988	-
Cost of sales	(425)	-
Selling and distribution expenses	(353)	-
Administrative expenses	(364)	-
Loss	(154)	-
Other comprehensive income	(154)	-
Total comprehensive income	(154)	-



### 13. Property, plant and equipment

Movements of the property, plant and equipment account for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements									
	Land	Buildings and land and buildings improvements	Office building - condominium unit	Machinery and equipment	Tools and office equipment	Furniture and fixtures	Vehicles	Water system	Assets under installation	Total
<b>Cost</b>										
1 January 2020	-	520	-	-	4,252	354	8,888	-	-	14,014
Increase from business combination	109,336	55,401	-	59,642	19,712	-	-	1,222	-	245,313
Additions	-	5	6,310	-	684	5	4,354	-	1,096	12,454
Disposals/write-off	-	-	-	-	(56)	-	-	-	-	(56)
31 December 2020 - as previously reported	109,336	55,926	6,310	59,642	24,592	359	13,242	1,222	1,096	271,725
Fair value adjustment of assets from business combination	7,964	4,406	-	4,981	1,664	-	-	-	-	19,015
31 December 2020 - as restated	117,300	60,332	6,310	64,623	26,256	359	13,242	1,222	1,096	290,740
Additions	65,948	86,905	-	25,444	5,286	-	5,941	-	38,244	227,768
Transferred in/(out)	-	24,284	-	11,910	2,150	-	-	671	(39,015)	-
Disposals/write-off	-	(698)	-	(488)	(3,217)	(4)	(5,100)	-	-	(9,507)
31 December 2021	183,248	170,823	6,310	101,489	30,475	355	14,083	1,893	325	509,001

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Buildings and land and buildings improvements	Office building - condominium unit	Machinery and equipment	Tools and office equipment	Furniture and fixtures	Vehicles	Water system	Assets under installation	Total
<b>Accumulated depreciation:</b>										
1 January 2020	-	227	-	-	2,267	207	1,648	-	-	4,349
Increase from business combination	-	859	-	14,801	14,271	-	-	356	-	30,287
Depreciation for the year	-	1,011	98	654	1,065	71	717	11	-	3,627
Disposals and write-off	-	-	-	-	(56)	-	-	-	-	(56)
31 December 2020 - as previously reported	-	2,097	98	15,455	17,547	278	2,365	367	-	38,207
Increase in depreciation from fair value adjustment of assets from business combination	-	28	-	78	32	-	-	-	-	138
31 December 2020 - as restated	-	2,125	98	15,533	17,579	278	2,365	367	-	38,345
Depreciation for the year	-	5,881	260	8,168	4,123	55	1,202	175	-	19,864
Depreciation on disposals/write-off	-	(20)	-	(71)	(3,070)	(4)	(1,079)	-	-	(4,244)
31 December 2021	-	7,986	358	23,630	18,632	329	2,488	542	-	53,965
<b>Net book value</b>										
31 December 2020 - as restated	117,300	58,207	6,212	49,090	8,677	81	10,877	855	1,096	252,395
31 December 2021	183,248	162,837	5,952	77,859	11,843	26	11,595	1,351	325	455,036
<b>Depreciation for the year</b>										
2020 - restated (Baht 1.89 million included in manufacturing cost, and the balance in administrative expenses)										3,765
2021 (Baht 11.44 million included in manufacturing cost, and the balance in administrative expenses)										19,864

(Unit: Thousand Baht)

## Separate financial statements

	Land	Buildings and Land and buildings improvements	Office building - condominium unit	Machinery and equipment	Tools and office equipment	Furniture and fixtures	Vehicles	Total
<b>Cost:</b>								
1 January 2020	-	520	-	-	3,268	338	8,888	13,014
Additions	-	5	6,310	-	612	-	4,354	11,281
Disposals/write-off	-	-	-	-	(14)	-	-	(14)
31 December 2020	-	525	6,310	-	3,866	338	13,242	24,281
Additions	65,948	85,274	-	16,939	1,356	-	5,941	175,458
Disposals/write-off	-	(338)	-	(434)	(1,032)	-	(5,100)	(6,904)
31 December 2021	65,948	85,461	6,310	16,505	4,190	338	14,083	192,835
<b>Accumulated depreciation:</b>								
1 January 2020	-	228	-	-	1,918	198	1,648	3,992
Depreciation for the year	-	104	98	-	558	68	717	1,545
Depreciation on disposals/write-off	-	-	-	-	(14)	-	-	(14)
31 December 2020	-	332	98	-	2,462	266	2,365	5,523
Depreciation for the year	-	1,402	260	648	700	50	1,202	4,262
Depreciation on disposals/write-off	-	(13)	-	(17)	(888)	-	(1,079)	(1,997)
31 December 2021	-	1,721	358	631	2,274	316	2,488	7,788
<b>Net book value</b>								
31 December 2020	-	193	6,212	-	1,404	72	10,877	18,758
31 December 2021	65,948	83,740	5,952	15,874	1,916	22	11,595	185,047
<b>Depreciation for the year</b>								
2020 (included in administrative expenses)								1,545
2021 (Baht 1.99 million included in manufacturing cost, and the balance in administrative expenses)								4,262

On 8 February 2021, the Company's Board of Directors meeting approved 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.

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 and made payment in September 2021.

As at 31 December 2021 and 2020, certain plant and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 14.77 million and Baht 10.22 million, respectively (the Company only: Baht 1.69 million and Baht 1.02 million, respectively).

The Group has mortgaged their land and structures and machineries amounting to approximately Baht 241.59 million (2020: Baht 162.97 million) as collateral against credit facilities received from financial institutions (the Company only: Baht 132.25 million, 2020: Nil).

#### 14. Goodwill

Movements in the goodwill account during the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)
Book value as at 1 January 2020	-
Add: Increase from business combination	56,286
Book value as at 31 December 2020 - as previously reported	56,286
Effect from adjustment of fair value of net assets	(34,127)
Book value as at 31 December 2020 - as restated	22,159
Book value as at 31 December 2021	22,159

The Company has determined the recoverable amount of the CGU based on value in use using cash flow projections from financial estimation approved by management covering a five-year period.

Key assumptions used in value in use are summarised below.

(Unit: Percent per annum)

Long-term growth rates	3.00
Pre-tax discount rates	8.53

The management determined growth rates based on expected market growth and pre-tax discount rates that reflect the risks specific to CGU.

The management believes that there is no impairment loss for goodwill.

## 15. Intangible assets

Movements of the intangible assets account for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Copyright	Trademark	Drug registration	Software under installation	Total
<b>Cost</b>						
1 January 2020	1,004	850	-	-	-	1,854
Increase from business combination	1,462	-	-	24,000	-	25,462
Additions	1,866	-	182	-	-	2,048
31 December 2020 - as previously reported	4,332	850	182	24,000	-	29,364
Fair value adjustment of assets from business combination	-	-	-	22,011	-	22,011
31 December 2020 - as restated	4,332	850	182	46,011	-	51,375
Additions	375	-	37	7,700	5,579	13,691
Write-off	(2,160)	-	-	-	-	(2,160)
31 December 2021	2,547	850	219	53,711	5,579	62,906
<b>Accumulated amortisation</b>						
1 January 2020	419	157	-	-	-	576
Increase from business combination	1,091	-	-	-	-	1,091
Amortisation during the year	498	170	7	-	-	675
31 December 2020 - as previously reported	2,008	327	7	-	-	2,342
Fair value adjustment of assets from business combination	-	-	-	454	-	454
31 December 2020 - as restated	2,008	327	7	454	-	2,796
Amortisation during the year	934	170	22	4,902	-	6,028
Write-off	(1,020)	-	-	-	-	(1,020)
31 December 2021	1,922	497	29	5,356	-	7,804
<b>Net book value</b>						
31 December 2020 - as restated	2,324	523	175	45,557	-	48,579
31 December 2021	625	353	190	48,355	5,579	55,102

(Unit: Thousand Baht)

Separate financial statements						
	Computer software	Copyright	Trademark	Drug registration	Software under installation	Total
<b>Cost</b>						
1 January 2020	763	850	-	-	-	1,613
Additions	1,866	-	169	-	-	2,035
31 December 2020	2,629	850	169	-	-	3,648
Additions	376	-	37	7,700	5,579	13,692
Write-off	(2,007)	-	-	-	-	(2,007)
31 December 2021	998	850	206	7,700	5,579	15,333
<b>Accumulated amortisation</b>						
1 January 2020	246	157	-	-	-	403
Amortisation during the year	454	170	7	-	-	631
31 December 2020	700	327	7	-	-	1,034
Amortisation during the year	757	170	20	302	-	1,249
Write-off	(866)	-	-	-	-	(866)
31 December 2021	591	497	27	302	-	1,417
<b>Net book value</b>						
31 December 2020	1,929	523	162	-	-	2,614
31 December 2021	407	353	179	7,398	5,579	13,916

As at 31 December 2021 and 2020, certain items of intangible assets were fully amortised but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 0.63 million and Baht 0.29 million, respectively (the Company only: Nil and Baht 0.14 million, respectively).

## 16. Short-term loans from bank

(Unit: Thousand Baht)						
	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020	2021	2020
Promissory notes	MLR - 1.0, MLR-1.5, 3.3	-	120,000	-	80,000	-
Total			120,000	-	80,000	-

The Group had short-term loans from bank which were in form of promissory notes. The loans are secured by mortgage of land with structures thereon and guaranteed of trade receivables of the subsidiaries.

## 17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties (Note 6)	556	2,495	253	-
Trade payables - unrelated parties	69,099	55,996	21,927	31,311
Other payables - related parties (Note 6)	60	60	124	1
Other payables - unrelated parties	11,738	5,563	6,410	1,343
Notes payable	213	214	202	127
Accrued expenses - related parties (Note 6)	407	80	320	-
Accrued expenses - unrelated parties	15,514	11,609	3,539	2,343
Other payable - distributor	18,828	13,061	8,269	7,011
Others	32,945	33,932	5,409	11,935
Total trade and other payables	<u>149,360</u>	<u>123,010</u>	<u>46,453</u>	<u>54,071</u>

## 18. Short-term loans from other person

As at 31 December 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.

## 19. Long-term loans from bank

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Long-term loans from bank	223,150	106,700	205,300	106,700
Less: Deferred finance cost	(464)	(264)	(464)	(264)
Long-term loans from bank - net	222,686	106,436	204,836	106,436
Less: Portion due within one year	(35,624)	(15,529)	(32,864)	(15,529)
Long-term loans from bank - net of current portion	<u>187,062</u>	<u>90,907</u>	<u>171,972</u>	<u>90,907</u>

During the years ended 31 December 2021 and 2020, movements in long-term loans from bank are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	106,436	-	106,436	-
Add: Cash receipt from loans during the year	139,000	108,000	120,000	108,000
Amortisation of finance cost	100	6	100	6
Less: Repayment during the year	(22,550)	(1,300)	(21,400)	(1,300)
Paid for finance cost	(300)	(270)	(300)	(270)
Ending balance	<u>222,686</u>	<u>106,436</u>	<u>204,836</u>	<u>106,436</u>

### The Company

On 25 November 2020, the Company had entered into a long-term loan agreement with a local 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 1<sup>st</sup> - 24<sup>th</sup> month has interest rate at the rate of MLR - 1.50 % per annum.
- The 25<sup>th</sup> month onwards has interest at the rate of to MLR - 1.25 % per annum.

Subsequently on 25 August 2021, the Company had additionally entered into a long-term loan agreement with such bank, obtaining a loan facility of Baht 120 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 1.45 million. The loans carry interest as follows:

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

As at 31 December 2021 and 2020, the Company has no outstanding long-term loan credit facilities.

### Subsidiary company

On 9 July 2021, the subsidiary company had entered into long-term loan agreements with a local bank, obtaining loan facilities of Baht 19 million to be used as business expansion. The agreement term of such loans is 7 years and are repayable in 84 monthly installments of Baht 0.23 million. The loans carry interest as follows:

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



As at 31 December 2021, the subsidiary company has no outstanding long-term loan credit facilities.

As at 31 December 2021, the Group had outstanding balance long-term loans Baht 222.69 million (2020: Baht 106.44 million) and the Company had outstanding balance of such long-term loans of Baht 204.84 million (2020: Baht 106.44 million).

The loans are secured by mortgage of land and structures and machineries thereon, owned by the Group.

The loan agreements contain covenants with which the Group 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.

## 20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Provision for long-term employee benefits at beginning of year</b>	8,753	4,067	5,130	3,507
Included in profit or loss:				
Current service cost	3,580	1,914	2,565	1,568
Interest cost	203	71	131	55
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	781	-	781	-
Financial assumptions changes	(250)	-	(250)	-
Experience adjustments	103	-	103	-
Increase from business combinations	-	2,701	-	-
Transferred employee from Teva Pharma (Thailand) Co., Ltd.	2,521	-	2,521	-
<b>Provision for long-term employee benefits at end of year</b>	<u>15,691</u>	<u>8,753</u>	<u>10,981</u>	<u>5,130</u>
<b>Provision for employee benefits</b>				
Current	280	208	280	208
Non-current	15,411	8,545	10,701	4,922
	<u>15,691</u>	<u>8,753</u>	<u>10,981</u>	<u>5,130</u>

The Group expects to pay Baht 0.28 million of long-term employee benefits during the next year (the Company only: Baht 0.28 million) (2020: Baht 0.21 million, the Company only: Baht 0.21 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 11 years (the Company only: 11 years) (2020: 11 years, the Company only: 11 years).

Significant actuarial assumptions are summarised below.

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate	1.89 - 2.04	1.58 - 2.04	1.89	1.58
Salary increase rate	4.00 - 5.00	4.00 - 5.00	4.00	4.00
Employee turnover rate	0 - 38	0 - 38	0 - 34	0 - 38

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,330)	1,540	(1,016)	1,151
Salary increase rate	1,580	(1,381)	1,146	(1,031)
Employee turnover rate	(1,407)	380	(1,069)	217

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,061)	1,268	(465)	523
Salary increase rate	1,279	(1,092)	567	(510)
Employee turnover rate	(1,022)	578	(493)	95

## 21. Share capital

**21.1** On 26 April 2021, the Annual General Meeting of the Company's shareholders pass a resolution approving the capital increase of 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.

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

After the record date and receive paid up share capital, there are 9,610,933 ordinary shares. The Company registered the increase in the paid up share capital with the Ministry of Commerce on 26 August 2021.

- (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.

## Reconciliation of share capital

	Consolidated and separate financial statements	
	(Number of shares)	(Baht)
<u>Registered share capital</u>		
As at 1 January 2021	206,000,000	103,000,000
Increase in share capital for stock dividend from approval of the Annual General Meeting of the Company's shareholders on 26 April 2021	82,400,000	41,200,000
Decrease in share capital from approval of the Extraordinary General Meeting of shareholders of the Company on 14 July 2021	(409)	(205)
Increase in share capital from approval of the Extraordinary General Meeting of shareholders of the Company on 14 July 2021	67,679,919	33,839,960
As at 31 December 2021	<u>356,079,510</u>	<u>178,039,755</u>

## **22. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. During the year ended 31 December 2021, the Company appropriated the statutory reserve amounted to Baht 6.27 million (2020: Baht 2.56 million).

## **23. Warrants**

On 14 July 2021, the Extraordinary General Meeting of shareholders of the Company passed the resolutions approving 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. Details of the warrants are summarised below.

Number of warrants issued	:	19,226,640 warrants
Number of warrants subscribed	:	19,221,866 warrants
Offering price	:	Baht 0 per unit
Offering method	:	1 new ordinary share to 2 units of IP-W1
Exercise ratio and price	:	1 warrant per 1 newly issued ordinary share at a price of Baht 25 per share
Date of issuance	:	1 October 2021
Term of the warrant	:	2 years from the issuance date of warrants
Expiry date	:	31 December 2023
Exercise dates	:	On the last business day of every quarter whereby the first and last exercise dates are 30 December 2021 and 31 December 2023

Movements of warrant during the year are summarised below.

	Number of units (units)
	<u>2021</u>
Warrants issued at beginning of the year	-
Add: Issued during the year	19,221,866
Warrants issued at end of the year	<u>19,221,866</u>

## 24. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
Changes in inventories of finished goods and work in process	(33,767)	(15,559)	(15,558)	(15,306)
Raw materials and consumables used	139,134	3,592	35,779	-
Purchase of finished goods	327,775	194,061	235,980	137,468
Depreciation and amortisation expenses	26,605	5,691	6,107	2,770
Salaries and wages and other employee benefits	134,666	59,100	66,793	31,681
Advertising	41,129	36,629	37,155	34,029
Distribution expenses	34,632	23,982	18,514	14,165
Management benefit expenses	15,917	18,764	15,917	18,764

## 25. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Current income tax charge	36,763	16,701	34,312	13,082
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(9,565)	(310)	(1,104)	(59)
<b>Income tax expenses reported in the profit of loss</b>	<u>27,198</u>	<u>16,391</u>	<u>33,208</u>	<u>13,023</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial loss	(127)	-	(127)	-

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		
Accounting profit before tax	<u>137,681</u>	<u>75,646</u>	<u>158,673</u>	<u>64,168</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	27,536	15,129	31,735	12,834
Effects of:				
Add back expenses not deductible for tax purposes	1,886	268	1,738	189
Additional expense deductions allowed	(462)	-	(265)	-
Share of loss from investment in associate	-	32	-	-
Share of loss from investment in joint venture	16	-	-	-
Unrecognised tax loss on deferred tax assets	-	326	-	-
Recognised deferred tax assets on tax loss during the year	(1,778)	-	-	-
Others	-	636	-	-
Total	<u>(338)</u>	<u>1,262</u>	<u>1,473</u>	<u>189</u>
Income tax expenses reported in the profit or loss	<u>27,198</u>	<u>16,391</u>	<u>33,208</u>	<u>13,023</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Restated)			
<b>Deferred tax assets</b>				
Allowance for expected credit losses	1,565	1,205	872	1,004
Allowance for diminution in value of inventories	613	280	333	26
Margin in inventory	3,203	504	-	-
Provision for sales return	524	215	507	131
Leases	38	24	38	24
Provision for long-term employee benefits	2,634	1,751	1,692	1,026
Unused tax loss	3,920	-	-	-
Total	<u>12,497</u>	<u>3,979</u>	<u>3,442</u>	<u>2,211</u>
<b>Deferred tax liabilities</b>				
Inventories	-	135	-	-
Property, plant and equipment	3,496	3,775	-	-
Intangible assets	3,552	4,312	-	-
Total	<u>7,048</u>	<u>8,222</u>	<u>-</u>	<u>-</u>
<b>Deferred tax assets (liabilities) - net</b>	<u>5,449</u>	<u>(4,243)</u>	<u>3,442</u>	<u>2,211</u>
<b>Statements of financial position:</b>				
Deferred tax assets	8,978	3,379	3,442	2,221
Deferred tax liabilities	(3,529)	(7,622)	-	-
<b>Deferred tax assets (liabilities) - net</b>	<u>5,449</u>	<u>(4,243)</u>	<u>3,442</u>	<u>2,221</u>

As at 31 December 2021, the subsidiaries have unused tax losses totaling Baht 3.24 million (2020: Baht 12.14 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

## 26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year, and adjusted the number of ordinary shares with the proportionate change in the number of ordinary shares as a result of the exercise of warrants.

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

As at 31 December 2021, the warrants are excluded from the potential ordinary shares since their exercise price is in excess of the fair value of the ordinary shares.

### Weighted average number of ordinary shares

(Unit: Thousand Shares)		
	Consolidated and separate financial statements	
	<u>2021</u>	<u>2020</u>
Balance brought forward	206,000	206,000
Add: Increase in share capital for stock dividend	82,400	-
Weighted average number of ordinary shares issued during the year	3,995	-
Weighted average number of ordinary shares	<u>292,395</u>	<u>206,000</u>

The number of outstanding ordinary shares for calculating earnings per share was retrospectively adjusted to reflect the stock dividend and newly issued ordinary shares to existing shareholders (Right Offering) proportionate to their respective shareholding 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)				
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u> (restated)	<u>2021</u>	<u>2020</u>
Profit attributable to equity holders of the Company	<u>105,216</u>	<u>52,537</u>	<u>125,465</u>	<u>51,145</u>
Weighted average number of issue and paid-up ordinary shares after adjustment with stock dividend and newly issued ordinary shares (Thousand shares)	292,395	289,362	292,395	289,362
Basic earnings per share (Baht per share)	0.360	0.182	0.429	0.177



## **27. Provident fund**

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Assets Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. During the year 2021, the Group recognised the contributions of Baht 2.70 million (2020: Baht 1.82 million) and the Company recognised the contributions of Baht 1.82 million (2020: Baht 1.36 million) as expenses.

## **28. 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.

## **29. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Executive Directors.

For management purposes, the Group is organised into business units based on its products and have two reportable segments as follows:

1. Human healthcare

Healthcare product, anti-aging and human beauty product such as medical supplies, nutrition therapy, cosmetics, supplementary food, probiotic and prebiotic product, health food product, general food product, medical equipment and medicines, etc.

2. Animal healthcare

Pet healthcare and livestock product such as medical supplies, nutrition therapy, vaccine, supplementary food, probiotic & prebiotic product, animal health food product, premium grade animal food, general formula animal food, and medical equipment related to pet and livestock care product, etc.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table presents revenue and profit information regarding the Group's operating segments for the years ended 31 December 2021 and 2020:

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the years ended 31 December					
	Human healthcare		Animal healthcare		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Restated)		(Restated)		(Restated)
Revenue	572,420	245,502	336,212	196,599	908,632	442,101
Cost of sales and services	(287,311)	(72,641)	(220,537)	(110,132)	(507,848)	(182,773)
Gross profit	285,109	172,861	115,675	86,467	400,784	259,328
Selling and distribution expenses					(165,201)	(127,049)
Administrative expenses					(102,164)	(60,170)
Other income					12,353	4,838
Finance cost					(8,011)	(1,138)
Share of loss from investments in associate					-	(162)
Share of loss from investments in joint venture					(79)	-
Income tax expenses					(27,198)	(16,391)
Profit for the year					110,484	59,256

## Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

## Major customers

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

## 30. Commitments and contingent liabilities

### 30.1 Commitment on services agreements

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Payable				
Within 1 year	2.8	6.8	2.0	5.7
In over 1 year and up to 5 years	0.3	0.5	0.3	0.5
Total	3.1	7.3	2.3	6.2

### **30.2 Commitment on purchase of goods and service agreements**

As at 31 December 2021, the Group had commitments in respect of purchase of goods and service agreements of Baht 138.47 million (2020: Baht 56.05 million) and the Company only Baht 42.52 million (2020: Baht 36.03 million).

### **30.3 Capital commitments**

As at 31 December 2021, the Group had outstanding capital commitments with respect to the construction of office buildings, purchase of machinery and installation of computer software totaling Baht 4.12 million (2020: Nil) and the Company had outstanding capital commitment with respect to the installation of computer software totaling Baht 3.65 million (2020: Nil).

### **30.4 Commitment on distribution agreements**

As at 31 December 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.

### **30.5 Bank guarantees**

As at 31 December 2021, the subsidiary has outstanding bank guarantees issued by banks on behalf of the subsidiary of Baht 5.13 million (2020: Baht 2.26 million) in respect of certain performance bonds as required in the normal course of business.

As at 31 December 2021, the Group had placed fixed deposits of Baht 7.96 million (2020: Baht 7.96 million) and the Company only of Baht 0.8 million (2020: Baht 0.8 million) with banks to secure bank guarantees and fleet card.

## **31. Financial instruments**

### **31.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, investments, and short-term and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade receivables, loans and deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

### ***Trade receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. The normal credit term is 15 days to 90 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### ***Cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

### **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate.

#### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. However, the Group believes that the fluctuating exchange rate in the future will not significantly affect the operating performance and cash flows of the Group. The Group did not use other derivative to hedge against such risk.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

	As at 31 December 2021				
Currency	Consolidated		Separate		Average exchange rate as at 31 December 2021 (Baht per one foreign currency unit)
	financial statements		financial statements		
	Assets	Liabilities	Assets	Liabilities	
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	
USD	12	256	12	256	33.4199
EUR	252	98	72	39	37.8948
AUD	41	19	41	19	24.2627
CHF	1	-	1	-	36.5228

	As at 31 December 2020				
Currency	Consolidated		Separate		Average exchange rate as at 31 December 2020 (Baht per one foreign currency unit)
	financial statements		financial statements		
	Assets	Liabilities	Assets	Liabilities	
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	
USD	-	52	-	52	30.0371
EUR	-	49	-	49	36.8764
AUD	-	307	-	307	22.9188
JPY	-	38,767	-	38,767	0.2907

### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its short-term loans to subsidiaries and short-term and long-term loans from banks. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. However, the Group believes that the fluctuating interest rate in the future will not significantly affect the operating performance and cash flows of the Group. The Group did not use other derivative to hedge against such risk.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

As at 31 December 2021

	Consolidated financial statements						Separate financial statements					
	Fixed interest rates		Floating	Non-	Effective		Fixed interest rates		Floating	Non-	Effective	
	Within	1 - 5 years	interest	interest			Within	1 - 5 years	interest	interest		
	1 year		rate	bearing	Total	interest rate	1 year		rate	bearing	Total	interest rate
						(% per annum)						(% per annum)
<u>Financial assets</u>												
Cash and cash equivalents	1,607	-	104,461	67,798	173,866	0.05 - 0.25	1,607	-	89,297	33,929	124,833	0.05 - 0.25
Trade and other receivables	-	-	-	292,186	292,186	-	-	-	-	214,126	214,126	-
Short-term loans to subsidiaries	-	-	-	-	-	-	90,200	-	-	-	90,200	4.00
Other current financial assets	800	-	-	-	800	0.375	315	-	-	-	315	0.375
Restricted bank deposits	7,957	-	-	-	7,957	0.375	800	-	-	-	800	0.375
Long-term loans to employees	60	-	-	-	60	2.00	60	-	-	-	60	2.00
	10,424	-	104,461	359,984	474,869		92,982	-	89,297	248,055	430,334	
<u>Financial liabilities</u>												
Short-term loans from banks	80,000	-	40,000	-	120,000	MLR - 1.00, MLR - 1.50, 3.30	40,000	-	40,000	-	80,000	MLR - 1.50, 3.30
Trade and other payables	-	-	-	149,360	149,360	-	-	-	-	46,453	46,453	-
Short-term loans from other person	6,000	-	-	-	6,000	4.00	-	-	-	-	-	-
Short-term loans from related party	4,800	-	-	-	4,800	4.00	-	-	-	-	-	-
Long-term loans from bank	-	-	222,686	-	222,686	MLR - 1.50, MLR - 1.25	-	-	204,836	-	204,836	MLR - 1.50, MLR - 1.25
Lease liabilities	568	1,903	-	-	2,471	8.70	568	1,903	-	-	2,471	8.70
	91,368	1,903	262,686	149,360	505,317		40,568	1,903	244,836	46,453	333,760	

(Unit: Thousand Baht)

As at 31 December 2020

	Consolidated financial statements						Separate financial statements					
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years					Within 1 year	1 - 5 years				
<u>Financial assets</u>												
Cash and cash equivalents	1,604	-	58,039	92,685	152,328	0.10 - 1.05	1,604	-	43,911	51,264	96,779	0.10 - 1.05
Trade and other receivables	-	-	-	155,634	155,634	-	-	-	-	113,189	113,189	-
Short-term loans to subsidiaries	-	-	-	-	-	-	39,200	-	-	-	39,200	4.00
Other current financial assets	765	-	-	-	765	0.375	309	-	-	-	309	0.375
Restricted bank deposits	7,208	-	747	-	7,955	0.375	800	-	-	-	800	0.375
Long-term loans to employees	60	50	-	-	110	2.00	60	50	-	-	110	2.00
	<u>9,637</u>	<u>50</u>	<u>58,786</u>	<u>248,319</u>	<u>316,792</u>		<u>41,973</u>	<u>50</u>	<u>43,911</u>	<u>164,453</u>	<u>250,387</u>	
<u>Financial liabilities</u>												
Trade and other payables	-	-	-	123,010	123,010	-	-	-	-	54,071	54,071	-
Short-term loans from other person	6,000	-	-	-	6,000	4.00	-	-	-	-	-	-
Short-term loans from related party	4,800	-	-	-	4,800	4.00	-	-	-	-	-	-
						MLR-1.50,						MLR-1.50,
Long-term loans from bank	-	-	106,436	-	106,436	MLR-1.25	-	-	106,436	-	106,436	MLR-1.25
Lease liabilities	644	2,471	-	-	3,115	8.70	521	2,471	-	-	2,992	8.70
	<u>11,444</u>	<u>2,471</u>	<u>106,436</u>	<u>123,010</u>	<u>243,361</u>		<u>521</u>	<u>2,471</u>	<u>106,436</u>	<u>54,071</u>	<u>163,499</u>	



## Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group has access to a sufficient variety of sources of funding, then this risk is expected to be minimal.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2021							
	Consolidated financial statements					Separate financial statements		
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years
<b>Non-derivatives</b>								
Short-term loans from bank	-	120,000	-	-	120,000	80,000	-	-
Trade and other payables	-	149,360	-	-	149,360	46,453	-	-
Short-term loans from other person	6,000	-	-	-	6,000	-	-	-
Short-term loans from related party	4,800	-	-	-	4,800	-	-	-
Long-term loans from bank	-	35,760	143,040	44,350	223,150	33,000	132,000	40,300
Lease liabilities	-	760	2,154	-	2,914	760	2,154	-
<b>Total non-derivatives</b>	<b>10,800</b>	<b>305,880</b>	<b>145,194</b>	<b>44,350</b>	<b>506,224</b>	<b>160,213</b>	<b>134,154</b>	<b>40,300</b>

(Unit: Thousand Baht)

As at 31 December 2020

	Consolidated financial statements					Separate financial statements			
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
<b>Non-derivatives</b>									
Trade and other payables	-	123,010	-	-	123,010	54,071	-	-	54,071
Short-term loans from other person	6,000	-	-	-	6,000	-	-	-	-
Short-term loans from related party	4,800	-	-	-	4,800	-	-	-	-
Long-term loans from bank	-	15,600	62,400	28,700	106,700	15,600	62,400	28,700	106,700
Lease liabilities	-	887	2,914	-	3,801	760	2,914	-	3,674
<b>Total non-derivatives</b>	<b>10,800</b>	<b>139,497</b>	<b>65,314</b>	<b>28,700</b>	<b>244,311</b>	<b>70,431</b>	<b>65,314</b>	<b>28,700</b>	<b>164,445</b>

### **31.2 Fair values of financial instruments**

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### **32. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.69:1 (2020: 0.55:1) and the Company's was 0.46:1 (2020: 0.38:1).

### **33. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.