

Inter Pharma Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Inter Pharma Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Inter Pharma Public Company Limited and its subsidiaries as at 30 September 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Inter Pharma Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Emphasis of Matter

I draw attention to Note 5 to the interim financial statements that, on 16 November 2022, Inter Wellness Co., Ltd. (“the subsidiary”) acquired ordinary shares of Nakhon Patana Company Limited. At present, the Group is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment shall be completed within measurement period of 12 months from the acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 “Business Combinations”. During the measurement period, the Group will make further retrospective adjustment of the provisional amounts recognised at the acquisition date when it obtains complete accounting information for reporting in the financial statements. My conclusion is not modified in respect of this matter.

Siriwan Nitdamrong

Certified Public Accountant (Thailand) No. 5906

EY Office Limited

Bangkok: 13 November 2023

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
	Note	2023	2022	2023	2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		489,884	776,422	327,616	599,117
Trade and other receivables	3	377,838	392,194	229,261	254,685
Current portion of long-term loans to employees		-	5	-	5
Advanced payments for purchase of goods		4,511	5,917	4,511	5,764
Inventories	4	386,444	327,067	117,064	97,899
Other current financial assets		851	828	322	319
Other current assets		13,571	12,781	1,943	2,589
Total current assets		1,273,099	1,515,214	680,717	960,378
Non-current assets					
Restricted bank deposits	9	57,960	7,958	50,800	800
Long-term loans to subsidiaries	2	-	-	150,200	150,200
Investment in subsidiaries	5	-	-	1,102,230	1,053,715
Investment in joint venture	6	7,715	9,353	10,200	10,200
Investment properties		4,134	-	-	-
Property, plant and equipment	7	712,448	667,405	199,569	179,500
Right-of-use assets	8	150,284	120,114	2,276	1,685
Goodwill		521,446	521,446	-	-
Intangible assets		165,969	152,957	30,251	14,720
Deferred tax assets		12,287	9,811	6,616	5,205
Deposits		21,015	18,939	2,092	1,923
Other non-current assets		2,286	2,628	1,881	2,505
Total non-current assets		1,655,544	1,510,611	1,556,115	1,420,453
Total assets		2,928,643	3,025,825	2,236,832	2,380,831

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

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	9	40,000	40,000	-	-
Trade and other payables	10	289,169	311,015	50,897	68,242
Short-term loans from other person		8,500	8,500	-	-
Short-term loans from related party	2	200	200	-	-
Current portion of long-term loans from bank	11	54,559	72,512	46,044	61,570
Current portion of lease liabilities	12	43,610	30,458	585	619
Income tax payable		3,518	25,177	1,142	13,496
Other current liabilities		<u>10,205</u>	<u>10,092</u>	<u>7,763</u>	<u>7,859</u>
Total current liabilities		<u>449,761</u>	<u>497,954</u>	<u>106,431</u>	<u>151,786</u>
Non-current liabilities					
Long-term loans from bank - net of current portion	11	214,878	314,808	196,437	290,789
Long-term loans from related parties	2	4,800	4,800	-	-
Lease liabilities - net of current portion	12	95,534	67,694	1,835	1,284
Provision for long-term employee benefits		37,380	31,136	18,144	15,016
Deferred tax liabilities		38,372	33,714	-	-
Provision for decommissioning costs		<u>3,012</u>	<u>2,140</u>	<u>-</u>	<u>-</u>
Total non-current liabilities		<u>393,976</u>	<u>454,292</u>	<u>216,416</u>	<u>307,089</u>
Total liabilities		<u>843,737</u>	<u>952,246</u>	<u>322,847</u>	<u>458,875</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 30 September 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)	30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
486,727,423 ordinary shares of Baht 0.50 each				
(31 December 2022:432,437,251 ordinary shares of of Baht 0.50 each)	243,364	216,219	243,364	216,219
Issued and fully paid up				
372,520,524 ordinary shares of Baht 0.50 each	186,260	186,260	186,260	186,260
Ordinary share premium	1,479,698	1,479,698	1,479,698	1,479,698
Surplus on share-based payment transactions	18,273	18,273	18,273	18,273
Surplus from business combination under common control	3,703	3,703	-	-
Retained earnings				
Appropriated - statutory reserve	20,243	20,243	20,243	20,243
Unappropriated	216,410	218,381	209,511	217,482
Equity attributable to owners of the Company	1,924,587	1,926,558	1,913,985	1,921,956
Non-controlling interests of the subsidiaries	160,319	147,021	-	-
Total shareholders' equity	2,084,906	2,073,579	1,913,985	1,921,956
Total liabilities and shareholders' equity	2,928,643	3,025,825	2,236,832	2,380,831

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

Directors

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 30 September 2023

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

	Consolidated financial statements		Separate financial statements	
Note	2023	2022	2023	2022
	(Restated)			
Profit or loss:				
Revenues				
Revenue	438,844	402,308	119,592	158,059
Other income	4,186	1,180	18,376	5,335
Total revenues	<u>443,030</u>	<u>403,488</u>	<u>137,968</u>	<u>163,394</u>
Expenses				
Cost of sales and services	281,320	243,869	70,390	77,614
Selling and distribution expenses	91,718	76,083	29,974	24,961
Administrative expenses	39,527	39,953	19,368	24,794
Total expenses	<u>412,565</u>	<u>359,905</u>	<u>119,732</u>	<u>127,369</u>
Operating profit	30,465	43,583	18,236	36,025
Share of loss from investments in joint venture	(989)	(749)	-	-
Finance cost	(8,009)	(6,698)	(3,601)	(4,387)
Profit before income tax expenses	21,467	36,136	14,635	31,638
Income tax	13 (6,177)	(5,322)	(3,117)	(5,641)
Profit for the period	<u>15,290</u>	<u>30,814</u>	<u>11,518</u>	<u>25,997</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>15,290</u>	<u>30,814</u>	<u>11,518</u>	<u>25,997</u>
Profit attributable to:				
Equity holders of the Company	13,684	30,185	11,518	25,997
Non-controlling interests of the subsidiaries	1,606	629	-	-
	<u>15,290</u>	<u>30,814</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	13,684	30,185	11,518	25,997
Non-controlling interests of the subsidiaries	1,606	629	-	-
	<u>15,290</u>	<u>30,814</u>		
Earnings per share	16			
Basic earnings per share (Baht)				
Profit attributable to equity holders of the Company	<u>0.04</u>	<u>0.09</u>	<u>0.03</u>	<u>0.08</u>
Weighted average number of ordinary shares (Thousand shares)	<u>372,521</u>	<u>340,125</u>	<u>372,521</u>	<u>340,125</u>

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

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries**Statements of comprehensive income****For the nine-month period ended 30 September 2023**

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

	Consolidated financial statements		Separate financial statements	
Note	2023	2022	2023	2022
	(Restated)			
Profit or loss:				
Revenues				
Revenue	1,356,168	1,082,216	420,647	444,947
Other income	12,034	5,756	43,204	16,561
Total revenues	<u>1,368,202</u>	<u>1,087,972</u>	<u>463,851</u>	<u>461,508</u>
Expenses				
Cost of sales and services	840,196	653,754	233,258	202,368
Selling and distribution expenses	258,670	196,568	86,146	76,605
Administrative expenses	148,609	114,894	58,046	74,893
Total expenses	<u>1,247,475</u>	<u>965,216</u>	<u>377,450</u>	<u>353,866</u>
Operating profit	120,727	122,756	86,401	107,642
Share of loss from investments in joint venture	6 (1,638)	(1,003)	-	-
Finance cost	(21,477)	(16,361)	(12,005)	(11,114)
Profit before income tax expenses	97,612	105,392	74,396	96,528
Income tax expenses	13 (25,431)	(10,602)	(15,313)	(19,021)
Profit for the period	<u>72,181</u>	<u>94,790</u>	<u>59,083</u>	<u>77,507</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>72,181</u>	<u>94,790</u>	<u>59,083</u>	<u>77,507</u>
Profit attributable to:				
Equity holders of the Company	65,083	90,417	<u>59,083</u>	<u>77,507</u>
Non-controlling interests of the subsidiaries	7,098	4,373		
	<u>72,181</u>	<u>94,790</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	65,083	90,417	<u>59,083</u>	<u>77,507</u>
Non-controlling interests of the subsidiaries	7,098	4,373		
	<u>72,181</u>	<u>94,790</u>		
Earnings per share	16			
Basic earnings per share (Baht)				
Profit attributable to equity holders of the Company	<u>0.17</u>	<u>0.29</u>	<u>0.16</u>	<u>0.25</u>
Weighted average number of ordinary shares (Thousand shares)	<u>372,521</u>	<u>312,203</u>	<u>372,521</u>	<u>312,203</u>

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

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Surplus from business combination under common control	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2022	149,005	473,813	18,273	3,703	15,151	101,699	761,644	21,860	783,504
Non-controlling interests of the subsidiaries									
from acquisition of a subsidiary		-	-	-	-	-	-	4,822	4,822
Profit for the period (Restated)	-	-	-	-	-	90,417	90,417	4,373	94,790
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	90,417	90,417	4,373	94,790
Increase in share capital	37,255	1,005,885	-	-	-	-	1,043,140	-	1,043,140
Balance as at 30 September 2022 - as restated	<u>186,260</u>	<u>1,479,698</u>	<u>18,273</u>	<u>3,703</u>	<u>15,151</u>	<u>192,116</u>	<u>1,895,201</u>	<u>31,055</u>	<u>1,926,256</u>
Balance as at 1 January 2023	186,260	1,479,698	18,273	3,703	20,243	218,381	1,926,558	147,021	2,073,579
Profit for the period	-	-	-	-	-	65,083	65,083	7,098	72,181
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	65,083	65,083	7,098	72,181
Non-controlling interests of the subsidiaries									
from the increase in share capital of the subsidiary	-	-	-	-	-	-	-	6,200	6,200
Dividend paid (Note 17)	-	-	-	-	-	(67,054)	(67,054)	-	(67,054)
Balance as at 30 September 2023	<u>186,260</u>	<u>1,479,698</u>	<u>18,273</u>	<u>3,703</u>	<u>20,243</u>	<u>216,410</u>	<u>1,924,587</u>	<u>160,319</u>	<u>2,084,906</u>

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

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Separate financial statements					
			Surplus on			
	Issued and		share-based	Retained earnings		Total
	paid-up		payment	Appropriated -		shareholders'
	share capital	Share premium	transactions	statutory reserve	Unappropriated	equity
Balance as at 1 January 2022	149,005	473,813	18,273	15,151	121,566	777,808
Profit for the period	-	-	-	-	77,507	77,507
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	77,507	77,507
Increase in share capital	37,255	1,005,885	-	-	-	1,043,140
Balance as at 30 September 2022	186,260	1,479,698	18,273	15,151	199,073	1,898,455
Balance as at 1 January 2023	186,260	1,479,698	18,273	20,243	217,482	1,921,956
Profit for the period	-	-	-	-	59,083	59,083
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	59,083	59,083
Dividend paid (Note 17)	-	-	-	-	(67,054)	(67,054)
Balance as at 30 September 2023	186,260	1,479,698	18,273	20,243	209,511	1,913,985

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

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries**Statements of cash flows****For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Restated)		
Cash flows from operating activities				
Profit before tax	97,612	105,392	74,396	96,528
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	73,864	44,760	7,674	8,936
Impairment loss on financial assets	5,709	3,309	167	599
Reduction of inventory to net realisable value	7,633	1,500	3,189	454
Provision of goods return	647	938	516	979
Loss (gain) from sales/write-off of property, plant and equipment and right-of-use assets	479	(3)	5	-
Net difference of right-of-use assets and lease liabilities arising from termination of contracts	(1,312)	-	-	-
Share of loss from investments in joint venture	1,638	1,003	-	-
Provision for long-term employee benefits	5,623	3,896	2,841	2,271
Unrealised loss (gain) on exchange	(279)	750	264	629
Finance income	(1,948)	(122)	(7,299)	(2,934)
Finance cost	21,477	16,361	12,005	11,114
Profit from operating activities before changes in operating assets and liabilities	211,143	177,784	93,758	118,576
Operating assets (increase) decrease				
Trade and other receivables	1,517	(18,843)	18,117	(19,114)
Advanced payments for purchase of goods	1,406	(2,154)	1,253	(3,654)
Inventories	(67,010)	(62,919)	(22,354)	(9,502)
Other current assets	137	(1,983)	646	(1,718)
Deposits	(2,076)	(421)	(169)	(470)
Other non-current assets	342	(1,971)	624	(1,908)
Operating liabilities increase (decrease)				
Trade and other payables	(22,865)	59,041	(17,822)	29,224
Other current liabilities	(543)	562	(621)	71
Cash flows from operating activities	122,051	149,096	73,432	111,505
Interest received	922	106	641	66
Cash paid for income tax	(45,835)	(30,721)	(29,078)	(27,693)
Net cash from operating activities	77,138	118,481	44,995	83,878

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

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries**Statements of cash flows (continued)****For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Restated)		
Cash flows from investing activities				
Increase in restricted bank deposits	(50,002)	(1)	(50,000)	-
Cash payments for investment in subsidiary (net from cash purchase)	-	(291,247)	-	(315,000)
Cash paid for the increase in share capital in subsidiary	-	-	(48,515)	-
Cash paid for advance payment for business study	-	(50,850)	-	(50,850)
Cash received from payment for advance payment for business study	-	96,572	-	96,572
Short-term loans to subsidiaries	-	-	-	(20,000)
Long-term loans to subsidiaries	-	-	(88,000)	-
Cash received from repayment of long-term loans to subsidiaries	-	-	88,000	-
Cash received from repayment of long-term loans to employees	5	45	5	45
Increase in other current financial assets	(23)	(23)	(3)	(4)
Purchase of property, plant and equipment	(77,870)	(19,878)	(26,121)	(4,836)
Cash paid for leasehold right	-	(20,000)	-	(20,000)
Purchase of intangible assets	(15,081)	(2,661)	(9,710)	(2,661)
Cash received from sale of property, plant and equipment	20	3	20	-
Interest received	1,021	6	6,663	2,867
Net cash used in investing activities	<u>(141,930)</u>	<u>(288,034)</u>	<u>(127,661)</u>	<u>(313,867)</u>
Cash flows from financing activities				
Bank overdrafts and cash received from short-term loans from bank	35,000	32,044	-	20,000
Cash paid to settle short-term loans from bank	(35,000)	(20,000)	-	(20,000)
Cash received from long-term loans from bank	-	200,000	-	200,000
Payment of deferred financing fee of long-term loans from bank	-	(500)	-	(500)
Cash paid to settle long-term loans from bank	(118,155)	(38,820)	(110,150)	(36,750)
Cash received from long-term loans from related parties	6,000	-	-	-
Cash paid to long-term loans from related parties	(6,000)	-	-	-
Payment of principal portion of lease liabilities	(23,687)	(3,265)	(407)	(734)
Interest paid	(19,281)	(27,565)	(11,437)	(10,799)
Proceeds from increase in share capital	-	1,043,140	-	1,043,140
Cash received from non-controlling interest	6,200	-	-	-
Dividend paid	(66,989)	-	(66,989)	-
Net cash from (used in) financing activities	<u>(221,912)</u>	<u>1,185,034</u>	<u>(188,983)</u>	<u>1,194,357</u>
Net increase (decrease) in cash and cash equivalents	<u>(286,704)</u>	<u>1,015,481</u>	<u>(271,649)</u>	<u>964,368</u>
Cash and cash equivalents at beginning of the period	776,422	173,866	599,117	124,833
Effect of change in foreign exchange rate on cash at banks	166	(145)	148	(24)
Cash and cash equivalents at end of the period	<u>489,884</u>	<u>1,189,202</u>	<u>327,616</u>	<u>1,089,177</u>

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

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Restated)		
Supplemental disclosures of cash flows information:				
Non-cash related transactions				
Increase (decrease) in other payable for purchases of property, plant and equipment	(227)	318	-	-
Acquisition of right-of-use assets under lease contracts	85,140	6,046	924	6,046
Increase in dividend payable	65	-	65	-
Transfer prepaid expenses to intangible assets	7,135	-	7,135	-
Transfer right-of-use assets to investment properties	4,494	-	-	-

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

Inter Pharma Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2023

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 drug, dietary supplement product for humans and animals by appoint a distributor company to handle the distribution.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Inter Pharma Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022 with no changes in shareholding structure of subsidiaries during the current period.

1.4 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022, with the Group applying the below accounting policy for investment properties in the current period.

Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 4 years. Depreciation of the investment properties is included in determining income.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

1.5 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

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 2024. 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.

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

2. Related party transactions

During the periods, the Group had significant business transactions with its individual and related parties. Such transactions arose in the ordinary course of business, and were concluded on commercial terms and based agreed upon between the Group and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with subsidiaries</u>				
<i>(eliminated from the consolidated financial statements)</i>				
Sales of goods	-	-	22,288	29,223
Other income	-	-	14,471	3,597
Interest income	-	-	1,841	1,072
Other expenses	-	-	25	-
<u>Transactions with joint venture</u>				
Sales of goods	-	554	-	-
Other income	1,051	74	1,051	74
Purchase of goods	1,445	834	1,252	641
<u>Transactions with related parties</u>				
Sales of goods	1,771	1,572	-	-
Purchase of goods	16,219	13,450	-	-
Interest expenses	49	49	-	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with subsidiaries</u>				
<i>(eliminated from the consolidated financial statements)</i>				
Sales of goods	-	-	70,762	72,921
Other income	-	-	31,953	10,570
Interest income	-	-	5,639	2,861
Other expenses	-	-	25	-
<u>Transactions with joint venture</u>				
Sales of goods	-	1,054	-	-
Other income	1,189	137	1,189	137
Purchase of goods	3,809	1,965	3,461	1,648
<u>Transactions with related parties</u>				
Sales of goods	4,741	4,845	-	-
Purchase of goods	35,900	38,027	-	-
Interest expenses	144	144	-	-

The outstanding balances between the Company and those related parties as at 30 September 2023 and 31 December 2022 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
<u>Trade and other receivables</u>				
<u>- related parties</u>				
Subsidiary companies	-	-	85,694	97,288
Joint venture	774	237	774	233
Related companies (related by common shareholders and/or directors)	516	626	-	-
Total trade and other receivables - related parties	1,290	863	86,468	97,521
Less: Allowance for expected credit losses	(9)	(3)	-	-
Total trade and other receivables - related parties - net (Note 3)	<u>1,281</u>	<u>860</u>	<u>86,468</u>	<u>97,521</u>
<u>Long-term loans to related parties</u>				
<u>Subsidiary companies</u>				
Inter Vetta Co., Ltd.	-	-	7,000	7,000
Inter Petrina Co., Ltd.	-	-	7,200	7,200
Modern Pharma Co., Ltd.	-	-	136,000	106,000
Drug Care Co., Ltd.	-	-	-	30,000
Total long-term loans to related parties	<u>-</u>	<u>-</u>	<u>150,200</u>	<u>150,200</u>

As at 30 September 2023, the Company had long-term loans to related parties of Baht 150.2 million (31 December 2022: Baht 150.2 million), bearing interest at the rate of 4.0 percent per annum and due for repayment within 31 December 2025 to 31 December 2027 (31 December 2022: 4.0 percent per annum and due for repayment within 31 December 2025 to 31 December 2027).

During the nine-month period ended 30 September 2023, movement of long-term loans to related parties are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	-	150,200
Increase during the period	-	88,000
Decrease during the period	-	(88,000)
Balance as at 30 September 2023	<u>-</u>	<u>150,200</u>

(Unaudited but reviewed)

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
<u>Trade and other payables - related parties</u>				
Subsidiary companies	-	-	60	23
Joint venture	403	471	403	316
Related companies (related by common shareholders and/or directors)	4,815	48	-	-
Related person - directors	1,791	1,509	-	-
Total trade and other payables - related parties (Note 10)	7,009	2,028	463	339
<u>Short-term loans from related party</u>				
Related person - directors	200	200	-	-
Total short-term loans from related party	200	200	-	-

As at 30 September 2023, the Group had short-term loans from related party of Baht 0.2 million (31 December 2022: Baht 0.2 million), bearing interest at the rate of 2.0 percent per annum (31 December 2022: 2.0 percent per annum) and due for repayment on call.

During the nine-month period ended 30 September 2023, there is no movement of short-term loans from related party.

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
<u>Long-term loans from related parties</u>				
Related company (related by common shareholders and/or directors)	4,800	4,800	-	-
Total long-term loans from related parties	4,800	4,800	-	-

As at 30 September 2023, the Group had long-term loans from related parties of Baht 4.8 million (31 December 2022: Baht 4.8 million), bearing interest at the rate of 4.0 percent per annum and due for repayment after 30 September 2024 (31 December 2022: 4.0 percent per annum and due for repayment after 31 December 2023).

During the nine-month period ended 30 September 2023, movements of long-term loans from related parties are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	4,800	-
Increase during the period	6,000	-
Decrease during the period	(6,000)	-
Balance as at 30 September 2023	4,800	-

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	9,912	4,267	5,284	4,267
Post-employment benefits	479	266	461	266
Total	10,391	4,533	5,745	4,533

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	31,580	13,004	15,758	13,004
Post-employment benefits	1,438	796	1,382	796
Total	33,018	13,800	17,140	13,800

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	516	626	22,501	10,688
Overdue not over 30 days	-	-	22,590	3,403
Overdue 31 - 60 days	-	-	787	4,617
Overdue 61 - 90 days	-	-	6,751	21,412
Overdue 91 - 180 days	-	-	-	17,007
Total trade accounts receivable - related parties	516	626	52,629	57,127
Less: Allowance for expected credit losses	(9)	(3)	-	-
Total trade accounts receivable - related parties - net (Note 2)	507	623	52,629	57,127
<u>Trade accounts receivable sold through the distributor</u>				
Aged on the basis of due dates				
Not yet due	142,567	181,309	65,813	91,509
Overdue not over 30 days	13,314	39,305	-	28,436
Overdue 31 - 60 days	4,547	4,277	-	-
Overdue 61 - 90 days	1,339	2,823	-	-
Overdue 91 - 180 days	2,951	1,979	-	-
Overdue 181 - 365 days	1,923	1,032	-	-
Overdue more than 365 days	3,588	3,341	167	513
Total trade accounts receivable sold through the distributor	170,229	234,066	65,980	120,458
Less: Allowance for expected credit losses	(7,749)	(4,480)	(167)	(513)
Total trade accounts receivable sold through the distributor - net	162,480	229,586	65,813	119,945

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	51,721	52,925	22,956	19,022
Overdue not over 30 days	23,251	28,456	562	662
Overdue 31 - 60 days	12,138	5,876	1,368	-
Overdue 61 - 90 days	5,251	1,527	1,350	-
Overdue 91 - 180 days	18,777	2,469	8,344	-
Overdue 181 - 365 days	4,489	11,648	-	-
Overdue more than 365 days	14,846	23,268	4,357	3,844
Total trade accounts receivable - unrelated parties	130,473	126,169	38,937	23,528
Less: Allowance for expected credit losses	(18,509)	(16,075)	(4,357)	(3,844)
Total trade accounts receivable - unrelated parties - net	111,964	110,094	34,580	19,684
Total trade accounts receivable - net	274,951	340,303	153,022	196,756
<u>Other receivables</u>				
Other receivables - related parties (Note 2)	774	237	33,839	40,394
Other receivables - unrelated parties	102,113	51,654	42,400	17,535
Total other receivables	102,887	51,891	76,239	57,929
Total trade and other receivables - net	377,838	392,194	229,261	254,685

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

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

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

4. Reduction of inventories to net realisable value

Movements in reduction of inventories to net realisable value account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	6,741	3,794
Add: Reduction of inventory value during the period	9,660	3,987
Less: Reversal of reduction of inventory value during the period	(2,027)	(798)
Balance as at 30 September 2023	<u>14,374</u>	<u>6,983</u>

5. Investments in subsidiaries

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

		(Unit: Thousand Baht)							
		Separate financial statements							
		Paid-up capital		Shareholding percentage (percent)		Cost		Dividend income for the nine-month periods ended 30 September	
Company's name	Nature of business	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	2023	2022
(Audited)									
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	-	-
Inter Pharmacy Co., Ltd.	Holding company	363,515	315,000	100	100	363,515	315,000	-	-
Inter Wellness Co., Ltd.	Holding company and prevention care and rejuvenation clinic	430,000	430,000	100	100	430,000	430,000	-	-
Total						<u>1,102,230</u>	<u>1,053,715</u>	<u>-</u>	<u>-</u>

Drug Care Co., Ltd.

The Group assessed the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of Drug Care Co., Ltd. The assessments were completed in 2022 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 Group restated the consolidated statements of comprehensive income for three-month and the nine-month periods ended 30 September 2022, presented as comparative information, whereby the amounts of adjustments are summarised below.

	(Unit: Thousand Baht)	
	For the three-month period ended 30 September 2022	For the nine-month period ended 30 September 2022
Statement of comprehensive income		
Decrease in selling and distribution expenses	459	918
Increase in finance cost	(760)	(1,592)
Decrease in profit for the period	(301)	(674)
Decrease in total comprehensive income for the period	(301)	(674)
Profit attributable to:		
Decrease in equity holders of the Company	(267)	(598)
Total comprehensive income attributable to:		
Decrease in equity holders of the Company	(267)	(598)
Earnings per share (Baht)		
Decrease in basic earnings per shares	(0.0008)	(0.0019)

On 24 July 2023, the meeting of the Board of Directors of Drug Care Co., Ltd. (indirect subsidiary held by Inter Pharmacy Co., Ltd.) approved the increase in the registered share capital from Baht 17.65 million (176,500 ordinary shares of Baht 100 per share) to Baht 72.37 million (723,650 ordinary shares of Baht 100 per share) through the issuance of new ordinary shares of 547,150 shares of Baht 100 per share. On the same date, the meeting of the Board of Directors of Inter Pharmacy Co., Ltd. ("the subsidiary") approved the increase in the registered share capital from Baht 315 million (3,150,000 ordinary shares of Baht 100 per share) to Baht 363.52 million (3,635,150 ordinary shares of Baht 100 per share) through the issuance of new ordinary shares of 485,150 shares of Baht 100 per share in order to additional invest in share capital of Drug Care Co., Ltd. at the same proportion at 88.67 percent of Baht 48.52 million (485,150 ordinary shares of Baht 100 per share).

Subsequently on 10 August 2023, the meeting of the Company's Board of Directors approved the increase in registered share capital of Inter Pharmacy Co., Ltd. ("the subsidiary") and Drug Care Co., Ltd. (indirect subsidiary held by Inter Pharmacy Co., Ltd.) as described above.

Inter Pharmacy Co., Ltd. and Drug Care Co., Ltd. registered the increase in the share capital with the Ministry of Commerce on 28 August 2023 and 29 August 2023, respectively.

Nakhon Patana Co., Ltd.

During the third quarter of 2022, the Company made payment of Baht 50.85 million as deposit for business study of Nakhon Patana Co., Ltd. Subsequently on 2 November 2022, the meeting of the Company's Board of Directors approved Inter Wellness Co., Ltd. ("the subsidiary") to purchase ordinary shares of Nakhon Patana Co., Ltd., which is principally engaged in hospital from the former shareholders of 2.5 million shares which represents 50 percent of total issued shares of such company totaling Baht 400 million. The objective of investment in the hospital business is to align with the Company's business goals, which aim to operate a business related to health more comprehensively.

Acquisition of business resulted in the Group controlling Nakhon Patana Co., Ltd., therefore, the status of Nakhon Patana Co., Ltd. is a subsidiary and is included in the preparation of the consolidated financial statements of the Company's group from 16 November 2022 onwards.

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

The fair value of identifiable assets acquired and liabilities assumed of Nakhon Patana Co., Ltd. as at the acquisition date are as follows:

(Unit: Thousand Baht)

Assets

Cash and cash equivalents	56,230
Trade and other receivables	37,382
Short-term investments	4
Inventories	7,629
Other current assets	266
Property, plant and equipment	197,115
Right-of-use assets	490
Other non-current assets	2

(Unaudited but reviewed)

(Unit: Thousand Baht)

Liabilities

Trade and other payables	33,831
Short-term loans from related parties	200
Short-term loans from other persons	2,500
Income tax payable	10,113
Other current liabilities	70
Long-term loans from banks	21,519
Lease liabilities	275
Provision for long-term employee benefits	4,056
Deferred tax liabilities	22,111
Other non-current liabilities	5
Net assets at acquisition date	204,438
Non-controlling interests	(102,219)
Net assets in the portion held by the Company	102,219
Total purchase consideration - cash	400,000
Goodwill	297,781

(Unit: Thousand Baht)

Cash used in acquisition of investment	400,000
Less: Cash and cash equivalents of subsidiary company	(56,230)
Net cash outflow on acquisition of investment	343,770

Transaction costs incurred to business combination in the amount of Baht 2.18 million recorded as expenses in profit or loss in the consolidated statement of comprehensive income for the year ended 31 December 2022.

6. Investments in joint venture

						(Unit: Thousand Baht)			
						Consolidated		Separate	
						financial statements		financial statements	
						Carrying amount based		Carrying amount	
						on equity method		based on cost method	
		Paid-up capital		Shareholding percentage		30	31	30	31
		30	31	30	31	30	31	30	31
		September	December	September	December	September	December	September	December
		2023	2022	2023	2022	2023	2022	2023	2022
Company name	Nature of business								
							(Audited)		(Audited)
Interpharma-ZEAvita Co., Ltd.	Develop and distribute supplementary health food products	20,000	20,000	51	51	7,715	9,353	10,200	10,200
Total						7,715	9,353	10,200	10,200

During the nine-month periods ended 30 September 2023 and 2022, the Company recognised share of comprehensive income from investment in joint venture in the consolidated financial statements and recognised dividend income in the separate financial statements as follows:

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		Share of loss from investment in joint venture for the nine-month periods ended 30 September		Dividend received during the nine-month periods ended 30 September	
		2023	2022	2023	2022
Interpharma-ZEAvita Co., Ltd.		(1,638)	(1,003)	-	-

7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2023 are summarised below.

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
Net book value as at 1 January 2023		667,405	179,500
Acquisition during the period - cost		77,643	26,121
Disposals during the period - net book value as at disposal date		(499)	(25)
Depreciation for the period		(32,101)	(6,027)
Net book value as at 30 September 2023		712,448	199,569

8. Right-of-use assets

Movements of the right-of-use assets account during the nine-month period ended 30 September 2023 are summarised below.

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2023		120,114	1,685
Increase during the period		86,012	924
Write-off during the period - net book value at write-off date		(19,149)	-
Transfer to investment properties		(4,494)	-
Depreciation for the period		(32,199)	(333)
Net book value as at 30 September 2023		150,284	2,276

9. Short-term loans from banks

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2023	2022	2023	2022
		(Audited)		(Audited)	
Promissory notes	MLR-1.0, 3.55	MLR-1.0, MLR-1.5	40,000	40,000	-
Total			40,000	40,000	-

Movements in short-term loans from banks during the nine-month period ended 30 September 2023 are summarised below.

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023		40,000	-
Add: Increase during the period		35,000	-
Less: Repayment during the period		(35,000)	-
Balance as at 30 September 2023		40,000	-

The Group

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.

The Company

On 30 May 2023, the Company has entered into a credit facilities agreement with a bank, obtaining a loan facility of Baht 50 million to be used as working capital and business expansion. The term of the agreement is 20 years and secured by bank deposits of Baht 50 million and its interest.

10. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
Trade accounts payable - related parties (Note 2)	4,963	471	403	316
Trade accounts payable - unrelated parties	161,292	193,318	26,529	42,021
Other payables - related parties (Note 2)	207	-	60	21
Other payables - unrelated parties	18,303	22,933	6,161	10,981
Notes payable	1,957	26	1,606	14
Accrued expenses - related parties (Note 2)	1,839	1,557	-	2
Accrued expenses - unrelated parties	44,961	32,944	9,310	4,483
Other payable - distributor	22,616	22,492	4,149	7,542
Others	33,031	37,274	2,679	2,862
Total trade and other payables	<u>289,169</u>	<u>311,015</u>	<u>50,897</u>	<u>68,242</u>

11. Long-term loans from bank

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
Long-term loans from bank	269,906	388,061	242,950	353,100
Less: Deferred finance cost	(469)	(741)	(469)	(741)
Long-term loans from bank - net	269,437	387,320	242,481	352,359
Less: Portion due within one year	(54,559)	(72,512)	(46,044)	(61,570)
Long-term loans from bank - net of current portion	214,878	314,808	196,437	290,789

During the nine-month period ended 30 September 2023, movements in long-term loans from bank are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 1 January 2023	387,320	352,359
Add: Amortisation of finance cost	272	272
Less: Repayment during the period	(118,155)	(110,150)
Balance as at 30 September 2023	269,437	242,481

The Company

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

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

2. On 25 August 2021, the Company has 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 1st - 24th month has interest rate at the rate of MLR - 1.50 % per annum.
 - The 25th month onwards has interest at the rate of to MLR - 1.25 % per annum.
3. On 28 March 2022, the Company has additionally entered into a long-term loan agreement with such bank, obtaining a loan facility of Baht 200 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 2.4 million. The loans carry interest as follows:
 - The 1st - 24th month has interest rate at the rate of MLR - 1.50 % per annum.
 - The 25th month onwards has interest at the rate of to MLR - 1.25 % per annum.

Modern Pharma Co., Ltd.

On 9 July 2021, Modern Pharma Co., Ltd. (the subsidiary) has entered into long-term loan agreements with a 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 1st - 24th month has interest rate at the rate of MLR - 1.50 % per annum.
- The 25th month onwards has interest at the rate of to MLR - 1.25 % per annum.

Nakhon Patana Co., Ltd.

1. On 19 May 2016, Nakhon Patana Co., Ltd. (the subsidiary) has entered into a long-term loan agreement with a bank, obtaining a loan facility of Baht 50 million to be used as working capital and business expansion. The agreement term of such loans is 5 years and 7 months and are repayable in 67 monthly installments of Baht 0.39 million. The loans carry interest as follows:
 - The 1st - 36th month has interest rate at the rate of MLR - 0.50 % per annum.
 - The 37th - 60th month has interest rate at the rate of MLR - 0.25% per annum.
 - The 61st month onwards has interest at the rate of MLR per annum.
2. On 9 September 2021, the subsidiary has additionally entered into a long-term loan agreement with such bank, obtaining a loan facility of Baht 18 million to be used as working capital and business expansion. The agreement term of such loans is 4 years and 2 months and are repayable in 50 monthly installments of Baht 0.36 million. The loans carry interest at the rate of MLR - 0.25% per annum.

As at 30 September 2023, the Group had outstanding balance of long-term loans of Baht 269.44 million (31 December 2022: Baht 387.32 million) and the Company had outstanding balance of such long-term loans of Baht 242.48 million (31 December 2022: Baht 352.36 million).

As at 30 September 2023, the Group has outstanding long-term loan credit facilities of Baht 48.2 million (31 December 2022: Baht 48.2 million).

The loans are secured by mortgage of land and structures and machineries thereon, owned by the Group, subsidiary's shares and guaranteed by subsidiary companies and the director of the subsidiary.

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.

12. Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Audited)		(Audited)
Lease liabilities	164,154	110,674	2,910	2,154
Less: Deferred interest expenses	(25,010)	(12,522)	(490)	(251)
Total	139,144	98,152	2,420	1,903
Less: Portion due within one year	(43,610)	(30,458)	(585)	(619)
Lease liabilities - net of current portion	95,534	67,694	1,835	1,284

During the nine-month period ended 30 September 2023, movements in lease liabilities are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2023	98,152	1,903
Add: Increase during the period	85,140	924
Less: Payments during the period	(23,687)	(407)
Termination of contracts due to branch closures during the period	(20,461)	-
Balance as at 30 September 2023	139,144	2,420

13. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Interim corporate income tax charge	6,744	7,070	3,753	6,726
Deferred tax:				
Relating to origination and reversal of temporary differences	(567)	(1,748)	(636)	(1,085)
Income tax expenses reported in the profit or loss	<u>6,177</u>	<u>5,322</u>	<u>3,117</u>	<u>5,641</u>

(Unit: Thousand Baht)				
For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Interim corporate income tax charge	23,249	23,195	16,724	20,667
Deferred tax:				
Relating to origination and reversal of temporary differences	2,182	(12,593)	(1,411)	(1,646)
Income tax expenses reported in the profit or loss	<u>25,431</u>	<u>10,602</u>	<u>15,313</u>	<u>19,021</u>

14. Share capital

On 27 April 2023, the Annual General Meeting of the Company's shareholders approved the following:

- (1) Approved the reduction in its registered share capital from Baht 216,218,625.50 (432,437,251 ordinary shares of Baht 0.50 per share) to Baht 196,798,646 (393,597,292 ordinary shares of Baht 0.50 per share) by cancelling the reserved 38,839,959 ordinary shares with a par value of Baht 0.50 each for general mandate. The Company registered the reduction in the share capital with the Ministry of Commerce on 1 May 2023.
- (2) Approved the increase in its registered share capital from Baht 196,798,646 (393,597,292 ordinary shares of Baht 0.50 per share) to Baht 243,363,711.50 (486,727,423 ordinary shares of Baht 0.50 per share) through the issuance of 93,130,131 additional ordinary shares of Baht 0.50 each share to reserve for the exercise of the warrants to purchase ordinary shares of the IP-W2. The Company registered the increase in the share capital with the Ministry of Commerce on 2 May 2023.

15. Warrants

15.1 IP-W1 WARRANT

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	: 30 September 2023
Exercise dates	: On the last business day of every quarter whereby the first and last exercise dates are 30 December 2021 and 30 September 2023

Subsequently on 20 July 2022, the Extraordinary General Meeting of shareholders of the Company passed the resolutions approving the right adjustment of warrant from 1 warrant per 1 newly issued ordinary share at a price of Baht 25 per share to 1 warrant per 1.045 newly issued ordinary share at a price of Baht 23.915 per share.

15.2 IP-W2 WARRANT

On 27 April 2023, the Annual General Meeting of shareholders of the Company passed the resolutions approving the issuance of 2nd warrants ("IP-W2 WARRANT"). Details of the warrants are summarised below.

Number of warrants issued	: 93,129,691 warrants
Offering price	: Baht 0 per unit
Offering method	: Offer to the existing shareholders in proportionate to their respective shareholding at the ratio of 4 ordinary share to 1 unit of IP-W2
Exercise ratio and price	: 1 warrant per 1 newly issued ordinary share at a price of Baht 20 per share
Date of issuance	: 21 June 2023
Term of the warrant	: 2 years from the issuance date of warrants
Expiry date	: 20 June 2025
Exercise dates	: On the last business day of December whereby the first and last exercise dates are 29 December 2023 and 20 June 2025

Movements of warrant during the period are summarised below.

	Number of units (units)
Warrants issued as at 1 January 2023	19,221,866
Add: Warrants issued during the period	93,129,691
Less: Warrants expired during the period	(19,221,866)
Warrants issued as at 30 September 2023	<u>93,129,691</u>

16. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the period, 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 period (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares in issue during the period 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 30 September 2023 and 2022, the warrants are excluded from the potential ordinary shares since their exercise price is in excess of the fair value of the ordinary shares.

17. Dividend paid

On 27 April 2023, the Annual General Meeting of the Company's shareholders approved the payment of a dividend of Baht 0.18 per share or a total of Baht 67.05 million from the Company's 2022 operating result. The Company has already paid the dividend on 26 May 2023.

18. Segment information

The Group is organised into business units based on their products and services. During the current period, the Group has changed the organisation of its reportable segments by adding a reportable segment, which is hospital segment.

The following table presents revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2023 and 2022:

(Unit: Thousand Baht)

Consolidated financial statements								
For the three-month periods ended 30 September								
	Human healthcare		Animal healthcare		Hospital		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Restated)							
Revenue	289,867	316,313	88,735	85,995	60,242	-	438,844	402,308
Cost of sales and services	(177,308)	(189,946)	(53,812)	(53,923)	(50,200)	-	(281,320)	(243,869)
Gross profit	<u>112,559</u>	<u>126,367</u>	<u>34,923</u>	<u>32,072</u>	<u>10,042</u>	<u>-</u>	<u>157,524</u>	<u>158,439</u>
Other income							4,186	1,180
Selling and distribution expenses							(91,718)	(76,083)
Administrative expenses							(39,527)	(39,953)
Share of loss from investments								
in joint venture							(989)	(749)
Finance cost							(8,009)	(6,698)
Income tax expenses							(6,177)	(5,322)
Profit for the period							<u>15,290</u>	<u>30,814</u>

(Unit: Thousand Baht)

Consolidated financial statements								
For the nine-month periods ended 30 September								
	Human healthcare		Animal healthcare		Hospital		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Restated)							
Revenue	925,728	809,730	260,245	272,486	170,195	-	1,356,168	1,082,216
Cost of sales and services	(549,730)	(479,868)	(159,994)	(173,886)	(130,472)	-	(840,196)	(653,754)
Gross profit	<u>375,998</u>	<u>329,862</u>	<u>100,251</u>	<u>98,600</u>	<u>39,723</u>	<u>-</u>	<u>515,972</u>	<u>428,462</u>
Other income							12,034	5,756
Selling and distribution expenses							(258,670)	(196,568)
Administrative expenses							(148,609)	(114,894)
Share of loss from investments								
in joint venture							(1,638)	(1,003)
Finance cost							(21,477)	(16,361)
Income tax expenses							(25,431)	(10,602)
Profit for the period							<u>72,181</u>	<u>94,790</u>

Major customers

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

19. Commitments and contingent liabilities**19.1 Commitments and bank guarantees**

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	(Audited)		(Audited)	
Commitment on purchase of goods and service	145.76	153.40	66.24	81.62
Commitment on service agreements	31.86	27.35	3.89	5.05
Capital commitments	74.52	8.19	35.87	-
Bank guarantees	6.74	2.93	-	-

19.2 Commitment on distribution agreements

As at 30 September 2023, 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.

20. Litigation

On 26 February 2022, the Company and its subsidiary was filed by a company on the transfer of rights on debt collection. Currently, the case is under hearing of the Civil Court. The Company and its subsidiary considered that there will be no any additional liabilities to be recorded.

21. Events after the reporting period

On 31 October 2023, the meeting of the Board of Directors of the Company approved to purchase ordinary shares of an overseas company, of Baht 36.27 million which represents 1.80 percent of the total issued shares of such company. The Company has already paid full amount in November 2023.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2023.