

IP_OCS/023/2022

November 3, 2022

Subject: Notification of Resolution of the Board of Director's Meeting regarding a subsidiary to purchase shares of Nakhon Patana Company Limited and capital increase of subsidiaries (Edited)

To: The President
The Stock Exchange of Thailand

Enclosure: 1. Information Memorandum on Share Acquisition of Nakhon Patana Company Limited

Inter Pharma Public Company Limited ("the Company") would like to inform you the resolution of the Board of Director Meeting No. 8/2022 held on November 2, 2022 as follows:

1. Approved Inter Wellness Company Limited (a subsidiary) to invest by purchasing shares of Nakhon Patana Company Limited ("Nakhon Patana") in the proportion of 50% of the registered capital issued and paid-up of Nakhon Patana, which is an asset acquisition transaction.

This proposed Transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (as amended) (the "Connected Transaction Notifications"), but constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Asset B.E. 2547 (as amended) (the "Acquisition and Disposition Notifications"). The said transaction is considered an asset acquisition transaction with the size of the transaction equal to 28.66 % calculated from the consolidated financial statements as of June 30, 2022. In this regard, the Company has an asset acquisition transaction in the past 6 months before the Board of Directors' meeting approves this transaction. equal to 2.32%, resulting in the total transaction size equal to 30.98%.

The Transaction, therefore, is deemed a Class 2 transaction under the Acquisition and Disposition Notifications, i.e. a transaction whose transaction size is equal to or more than 15%, but less than 50%, where the Company is required to disclose information on the Transaction to the Stock Exchange of Thailand (the "SET") and prepare information circulating to shareholders within 21 days from the date of notifying the Stock Exchange of Thailand. Details appear in the enclosure 1.

2. Approved the increase of registered capital of Inter Wellness Company Limited, a subsidiary, in which the Company holds 100% of the shares, in the amount of 429 million baht from the registered capital of 1 million baht to 430 million baht, divided into 4,300,000 ordinary shares with a par value of 100 baht per share. The objective is to increase capital for investment by purchasing Nakhon Patana Company Limited shares of 400 million baht and working capital of Inter Wellness Company Limited of 30 million baht. The source of funds is from the capital increase from offering capital increase shares to a private placement.

Please be informed accordingly.

Yours sincerely,

-Signature-

Dr. Trinawat Thanitnithiphan

Chief Executive Officer

Information Memorandum on Share Acquisition of Nakhon Patana Company Limited (Edited)

November 3, 2022

Subject: The Acquisition of Nakhon Patana Company Limited

To : President
The Stock Exchange of Thailand

Inter Pharma Public Company Limited (the “Company”) would like to inform the resolution of the Board of Director Meeting No. 8/2022, on November 2, 2022, has approved the newly established subsidiary of the Company to purchase ordinary shares of Nakhon Patana Company Limited (“Nakhon Patana”) in the proportion of 50 percent of the total number of shares from the existing shareholders. The details are as follows.

1. Date of transaction

The company will sign the share purchase agreement after receiving approval from the Board of Directors meeting and is expected to be able to pay and transfer the shares of Nakhon Patana (Closing Date) within Quarter 4 Year 2022

2. Related parties and relationships with listed companies

Purchaser Inter Wellness Company Limited (“Newly Established Subsidiary”)

Seller The existing shareholder of Nakhon Patana is South Golden Limited amounting to 2,500,000 shares.

Relationship: None, no relationship between them because the shareholders and directors of Nakhon Patana Company Limited are not Executive Committee and shareholders including those with controlling power in the company. Therefore, it is not considered a connected transaction under the Notification of the Capital Market Supervisory Board No. ThorJor. 21/2551

List of shareholders of Nakhon Patana Company Limited as of October 5, 2022 (Before entering into the transaction):

List of Shareholders	Number (shares)	Proportion (%)
1. South Golden Limited*	2,500,000	50.00
2. Mr. Pornchai Leelanipon	2,470,000	49.40
3. Mrs. Wanrachada Leelanipon	30,000	0.60
Total	5,000,000	100.00

Remark: *South Golden Limited has Mr. Thanaphan Sirithanachai holding 100% (ultimate shareholder)

3. General characteristics of transaction

The Company will purchase ordinary share of Nakhon Patana Company Limited the proportion of 50 percent of the total number of shares from the existing shareholders. According to the terms of the share purchase agreement which summarizes the general characteristics of the list as follows.

Securities to be purchased	Ordinary shares of Nakhon Patana Company Limited
Shareholders to sell shares	South Golden Limited
Buyer	Inter Wellness Company Limited (“Newly Established Subsidiary”)
Value of paid shares and other benefits that the company has received	The total value of shares payment 400 million baht.
Number of shares purchased	2,500,000 shares
Percentage of shares purchased calculated from the total number of shares issued	50%
The date that shares purchase is to be completed	within Quarter 4 Year 2022

The above operations are necessary for the asset acquisition according to the acquisition/disposal announcement. The transaction size is 28.66% and adding another 2.32% of the acquisition and disposition transaction size in the past 6 months, the total transaction size is 30.98 percent. Therefore, the Company is obliged to disclose the information of the transaction to the Stock Exchange of Thailand and send a circular letter to the shareholders within 21 days from the date of notification to the Stock Exchange as specified.

4. Details of Assets Acquired:

The Company will purchase 50% of the ordinary shares of Nakhon Patana Company Limited. The assets of the Company will consist of Cash and cash equivalents trade accounts receivable inventories buildings and equipment. The details of Nakhon Patana are as follows:

1. Company General information

Company Name:	Nakhon Patana Company Limited
Type of Business:	Hospital Business
Address:	2/99 Phattakan Khu khwang Rd., Nai Mueang, Nakhon Si Thammarat
Company Registration No.:	0805549000469

Corporate Registration Date: June 20, 2006
Registered Capital: 50,000,000 Baht
Number of Shares: 5,000,000 ordinary shares with a par value of 10 baht.

Background and Nature of business

Nakhon Patana Hospital is a private hospital with 59 beds in an area of approximately 7 Rai and consists of a five-story building. The hospital was constructed and opened for service to patients on 9 March 2008 according to the license to operate a hospital business No. 10201001661 dated 30 April 2018, and the license to operate a medical facility No. 10201001851 dated 30 April 2018, which is the current version. At present, Nakhon Patana Hospital has provided general patient care services by specialized doctors with expertise in various diseases such as cardiovascular disease, bone and joint disease, neurological disease, surgical disease, kidney disease, obstetrics and gynecological diseases, diseases of the ear, eye, throat, nose, blood disease, and pediatric clinics, etc. The hospital consists of the inpatient department, outpatient department (OPD), ICU department, obstetrics and gynecology department, surgical department, cardiac medicine department, cardiothoracic department, hemodialysis department, MRI department, X-RAY Department, dental department, physical and rehabilitation department, and emergency department. Besides, Nakhon Patana Hospital has introduced modern medical technology by providing: High-speed x-ray computers (CT 64 slide), Echo machines, Four-dimensional ultrasound machines, MRI machines, etc., to assist in a detailed diagnosis and suitable, modern, fair price and has opened services to public and private hospitals in nearby provinces. At present, there are more and more people requesting services. The hospital has the policy to develop as a center to care for patients with cardiovascular disease in the southern region next.

2. **List of Shareholders and Directors of Nakhon Patana as of October 5, 2022 (Before entering the transaction)**

List of Shareholders	Number (shares)	Proportion (%)
1. South Golden Limited*	2,500,000	50.00
2. Mr. Pornchai Leelanipon	2,470,000	49.40
3. Mrs. Wanrachada Leelanipon	30,000	0.60
Total	5,000,000	100.00

Remark: *South Golden Limited has Mr. Thanaphan Sirithanachai holding 100% (ultimate shareholder)

Board of Directors (Before entering the transaction)

1. Mr. Pornchai Leelanipon
2. Mr. Thanaphan Sirithanachai
3. Mr. Supakit Panchareon

3. List of Shareholders and Directors of Nakhon Patana (After entering into the transaction)

List of Shareholders	Number (shares)	Proportion (%)
1. Inter Wellness Company Limited	2,500,000	50.00
2. Mr. Pornchai Leelanipon	2,470,000	49.40
3. Mrs. Wanrachda Leelanipon	30,000	0.60
Total	5,000,000	100.00

Board of Directors (After entering the transaction)

- Mr. Trinawat Thanitnithiphan
- Miss Supaporn Rerkpitakpanich
- Mr. Pornchai Leelanipon

4. Financial statements of Nakhon Patana

Balance Sheet								
Thousand Baht	19 Jun 19	%	19 Jun 20	%	19 Jun 21	%	19 Jun 22	%
Assets								
Current assets								
Cash and cash equivalents	6,877	4%	16,757	10%	32,394	19%	141,027	52%
Temporary investment	4	0%	4	0%	4		4	0%
Trade and other receivables	19,081	12%	17,060	11%	20,077	12%	33,982	13%
Inventory	10,783	7%	9,882	6%	10,676	6%	5,531	2%
Other current asset	4,708	3%	6,027	4%	6,099	4%	-	0%
Total current assets	41,453	26%	49,729	31%	69,251	40%	180,544	67%
Investment in joint venture	9,477	6%	8,529	5%	8,529	5%	8,529	3%
Property, Plant and equipment	89,145	57%	85,422	53%	78,216	45%	81,697	30%
Non-current assets	16,745	11%	16,730	10%	17,730	10%	9	0%
Total assets	156,821	100%	160,411	100%	173,726	100%	270,779	100%
Liabilities and Shareholders' equity								
Liabilities								
Bank overdraft and short-term loan from financial institutions	5,831	4%	10,337	6%	10,000	6%	3,469	1%
Trade and other payables	48,513	31%	46,293	29%	44,754	26%	74,109	27%
Current portion of long-term loan from financial institutions	12,210	8%	12,885	8%	21,347	12%	21,347	8%
Current portion of lease liabilities	0	0%	206	0%	206	0%	206	0%
Income tax payable	0	0%	0	0%	0	0%	16,168	6%
Other current liabilities	64	0%	22	0%	41	0%	59	0%
Total current liabilities	66,617	42%	69,743	43%	76,348	44%	115,357	43%
Loans from financial institutions	32,879	21%	20,039	12%	9,604	6%	7,733	3%
Lease liabilities net	0	0%	567	0%	361	0%	155	0%
Loans from related parties	11,143	7%	20,195	13%	20,195	12%	10,195	4%
Non-current liabilities	180	0%	175	0%	170	0%	170	0%
Total liabilities	110,819	71%	110,719	69%	106,679	61%	133,610	49%
Shareholders' equity								
<i>Registered capital</i>								
Issued and paid up	50,000	32%	50,000	31%	50,000	29%	50,000	18%
Retained earning - statutory reserve	1,600	1%	1,600	1%	1,600	1%	1,600	1%
Retained earning - unappropriated	(5,599)	-4%	(1,908)	-1%	15,447	9%	85,569	32%
Total shareholders' equity	46,001	29%	49,692	31%	67,047	39%	137,169	51%
Total Liabilities and Shareholders' equity	156,821	100%	160,411	100%	173,726	100%	270,779	100%

Profit or Loss				
Thousand Baht	19 Jun 19	19 Jun 20	19 Jun 21	19 Jun 22
Revenue				
Service income	166,662	158,128	161,575	339,476
Other income	2,394	3,980	2,784	5,803
Total Revenue	169,055	162,108	164,359	345,278
Expense				
Servic cost	129,209	121,882	113,598	206,066
Selling expense and administrative	35,986	33,560	30,700	48,185
Total Expense	165,195	155,441	144,297	254,251
Profit before finance cost and income tax	3,860	6,666	20,061	91,028
Finance cost	(3,316)	(2,976)	(1,644)	(1,888)
Corporate income tax	0	0	(1,063)	(19,017)
Net profit	544	3,691	17,355	70,122
Add back interest, income tax	3,316	2,976	2,707	20,906
<i>Profit before finance cost and income tax</i>	<i>3,860</i>	<i>6,666</i>	<i>20,061</i>	<i>91,028</i>
Add back depreciation	10,235	8,551	8,230	8,560
Profit before finance cost, income tax, depreciation and amortization expenses	14,095	15,217	28,291	99,588
<i>Gross profit margin</i>	<i>22%</i>	<i>23%</i>	<i>30%</i>	<i>39%</i>
<i>Profit margin before finance cost and income tax</i>	<i>2%</i>	<i>4%</i>	<i>12%</i>	<i>26%</i>
<i>Profit margin before finance cost, income tax, depreciation and amortization expenses</i>	<i>8%</i>	<i>9%</i>	<i>17%</i>	<i>29%</i>
<i>Net Profit Margin</i>	<i>0%</i>	<i>2%</i>	<i>11%</i>	<i>20%</i>

Remars: The reason why Nakhon Patana has a significant growth in profit and income in 2022 is due to the epidemic situation of Coronavirus Disease 2019 (COVID-19) which Nakhon Patana Hospital has made an agreement with the fund of any eligible person who has the right to receive health services according to the National Health Security Act. under the guidelines of the Ministry of Public Health. In this regard, the hospital earns money from treating patients with COVID-19 in mid-2021 and mid-2022 (according to the hospital's accounting period, June 20, 2021, ending June 19, 2022), whereas in the FA's projection, the projection of revenue earning from COVID-19 is excluded.

5. Value of Purchased Assets:

As of June 19, 2022, the book value of Nakhon Patana is 137.16 million Baht

6. Criteria Used to Determine the Value of Compensation and Payment Value

The Company has set criteria to determine the Value of Compensation in various methods based on the financial status of Nakhon Patana Company Limited as of June 19, 2022 as follows:

- A. Book value
- B. Adjusted Book Value
- C. Discounted Cash Flow

Value of shares of Nakhon Patana Company Limited based on various criteria can be summarized as follows:

Criteria	Value of Shares (Million Baht)
1. Book Value	137.16
2. Adjusted Book Value	303
3. Discounted Cash Flow	773.48 – 891.82

In this regard, the share price of Nakhon Patana Company Limited, which the Company will purchase in the proportion of 50%, is equal to 400 million baht. Which is equal to the share value 100% of Nakhon Patana is equal to 800 million baht. The Board of Directors has considered that the price is reasonable and acceptable. This is because the price is in the valuation range calculated by the net present value of cash flows method, which is equal to 773.48 – 891.82 million baht prepared by Discover Management Company Limited which is Financial advisory company under the approval of the SEC.

In summary, the key assumptions of the financial projection of Nakhon Patana Company Limited can be summarized as follows:

Lists	Assumptions
Revenue from sales and services	<ul style="list-style-type: none"> ■ Revenues are divided by type: Outpatient (OPD) and Inpatient (IPD), with 10 OPD examination rooms and 59 beds. ■ Set an average of 160 OPD patients per day and a per capita income of 1,581 baht, based on the 2020-2022 average. ■ And had an IPD (Conversion Rate) patient conversion rate of 6.11% with a median sleep rate of 3.06 nights per person at an average nightly income of 11,480 baht. ■ From 2023 onwards, the number of patients is set to increase by 5% per year in accordance with the growth trend of the private hospital business and the company plan.
Cost of sales and services	<ul style="list-style-type: none"> ■ Comprised of medicines, medical supplies, food costs, other medical examination services costs, etc., referring to the average year 2019 - 2021 (53.88% of sales and service revenue). ■ Salary for doctors and nurses Scheduled based on the average year 2020 – 2022 and increased by 3% per year (accounting for 7.00% of sales and service revenue) ■ Utilities Determined based on the average year 2020 – 2022 and adjusted for inflation. ■ Depreciation Set reference according to company policy.

Selling and administrative expenses	<ul style="list-style-type: none"> ■ Salary and benefits Scheduled based on the average year 2020 - 2022 and increased by 3% per year, which is approximately 18 - 20 million baht. ■ Other expenses include electricity, water, miscellaneous expenses and other administrative expenses Set a reference for the year 2020 - 2022 and adjust the inflation rate.
Future projects	<ul style="list-style-type: none"> ■ Consisting of Trauma Center, Beauty Center, Sleep Lab, Allergy Clinic and Hearing Center.
Discount Rate	6.51% per year
Total income	Between 313.86 - 426.86 million baht per year
Net profit	Between 39.81 – 68.78 million baht per year
Company value	Between 773.48 – 891.82 million baht

7. Criteria Used to Determine the Value of Compensation and Payment Value:

The said transaction is considered an asset acquisition transaction with the size of the transaction equal to 28.66 % calculated from the consolidated financial statements as of June 30, 2022. In this regard, the Company has an asset acquisition transaction in the past 6 months before the Board of Directors' meeting approves this transaction. equal to 2.32%, resulting in the total transaction size equal to 30.98%. The transaction size is according to the calculation criteria, which is the total value of consideration criteria which compares the total value paid with the total assets of the company as stipulated in the Notification of the Capital Market Supervisory Board No. Thor.Jor. 20/2551 regarding criteria for making significant transactions that are considered as acquisition or disposition of assets and the announcement of the Stock Exchange of Thailand regarding the disclosure of information and the operations of listed companies regarding the acquisition or disposal of assets 2547 ("Announcement of Acquisition or Disposal of Transactions"), to which the Company has the duty to disclose information relating to transactions with the Stock Exchange of Thailand under the account (1) Attached to the announcement on acquisition or disposal and to send a circular letter to shareholders within 21 days from the date the information is notified to the SET.

Criteria	Calculation Method	Calculation	Transaction Size (%)
1. Assets Value Criteria (NTA)	$\frac{(\text{NTA of investment} \times \text{proportion acquired})}{\text{NTA of the Company}}$	$\frac{(137.169 \times 50\%)}{374.18}$	18.33
2. Net Profit Criteria	$\frac{(\text{Net profit of investment} \times \text{Proportion of acquired})}{\text{Net profits of the Company for the past 4 quarters}}$	$\frac{(70.122 \times 50\%)}{122.33}$	28.66
3. Criteria for Total Value of Compensation	$\frac{\text{Value of transaction received}}{\text{Total assets of the Company}}$	$\frac{400}{1,855.32}$	21.56
4. Criteria for Value of Securities	$\frac{\text{Equity shares issued for the payment of assets}}{\text{Paid-up shares of the Company}}$	-	Cannot be calculated since no shares were issued to purchase assets

8. Source of Funding:

The company will use the source of funds received from the capital increase from the offering of capital increase shares to a private placement on August 10, 2022, which is the use of funds for the purpose of a capital increase to the expansion of health-related businesses as specified in the objective of the capital increase when offering capital increase shares to a private placement.

9. Expected benefits to the company from entering the transaction

Acquisition of the hospital business this time complies with the Company's business goals, which aim to operate a business related to health more comprehensively. To extend the Company's business operations from upstream to downstream, which is starting from the pharmaceutical business and drugstore business as well as the hospital business. The Management has considered the preliminary information and found that Nakhon Patana Company Limited operates the hospital business, and has continued to grow both in terms of income and profit because Nakhon Patana Company Limited has a good business plan. Such business is one of the businesses that the Company has goals for and is in the Company's expansion plans. It is also a business that the Company has disclosed in the way of using the capital increase which has been approved by the SEC and has been approved by the shareholders' meeting already. Therefore, the Management has proposed to invest in the hospital business at this time. This business is considered a business that tends to have good operating results. It can expand the current business of the Company. Besides, it also allows the Company to continue to grow sales and profits, and diversification of the Company's business risks because the hospital business is a relatively low-risk business.

10. Opinion of the Board of Directors regarding the transaction

The Board of Directors have expressed their opinions that the above mentioned acquisition of shares of Nakhon Patana Company Limited is a transaction that is appropriate and beneficial to the Company due to its

current direction and strategy is aiming to grow fast and steadily (Growth Strategy). The Company, therefore, gears towards buying or merging with other businesses in order to benefit from being a larger size (Economy of Scale) and ability to cover a variety of products and services, resulting in greater bargaining power. Furthermore, business expansion will be an essential strategy for the Company to drive business growth and making more profit and being stable in the future. Thus, having entered into the said transaction, therefore, responding to the Company's profit growth plan in the future and also that the price that is within the net present value range of cash flows, namely 386.74 - 445.91 million Baht, which is a reasonable price and has a return on equity equal to 11.19% - 13.61% which is a reasonable rate of return as well, therefore, have an opinion that the said transaction is appropriate and reasonable.

11. Opinion of the Audit Committee and / or Directors that were different from the opinions of the Board of Directors

None