



56-1 One Report 2023

JSP Pharmaceutical Manufacturing (Thailand) PCL.,

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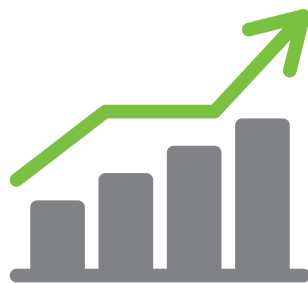
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Section 1

Business Operation and Performance



1 Structure and Operation of the Company

Policies and Business Overview

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. (the “Company” or “JSP”), is a company managed by Daengprasert family with extensive experience and expertise in pharmaceutical and herbal businesses since 1954, starting from a pharmacy business in the Hualumpong area under the name “Suphap Osot”. In 1975, the Daengprasert family expanded the business by establishing COX Laboratories (Thailand) Limited Partnership to operate the business of manufacturing and distributing conventional medicines. Later in 2005, Mr. Sittichai Daengprasert and Mr. Pissanu Daengprasert became management of the business and saw the growth opportunity in the dietary supplements market and then established JSP Pharmaceutical Manufactory (Thailand) Co., Ltd.

In 2018, the Company was converted into a public limited company (JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.) and on 2 November 2021, the Company listed in mai market with security symbol JP, which subsequently changed to “JSP” on 22 September 2022.

The Company has been certified for GMP (Good Manufacturing Practice) from the Food and Drug Administration, Ministry of Public Health (FDA), which is to certify that the Company's conventional medicine and herbal products meet the standards compliance with good procedures, consistent and equal to the principles of good drug production, Pharmaceutical Inspection Co-operation Scheme (PIC/S)¹, Good Distribution Practices for Pharmaceutical Industry (PIC/S GDP) which are international standards. The Company also had GMP certified by third-party certifiers for its dietary supplements which is a certification system for production methods, production tools and good preservation in the scope of food supplement production including being certified to use Halal certification mark. In addition, the Company has achieved the certification of the Quality Management System under the ISO Standard 9001:2015.

¹ Pharmaceutical Inspection Co-operation Scheme (PIC/S) is a collaborative framework established by a group of international GMP inspectors, especially in European countries. PIC/S was established in 1995 with the aim of aligning GMP audit standards in drug production in each country as well as the guideline, training, and inspector assessment officer and, build and expand a scope of international cooperation. There are currently more than 40 countries as member worldwide, including Thailand.

Visions, Objectives and Business Strategies



Vision

One of the prominent companies in research, manufacture and distribution of medicines, medical supplies, food and dietary supplements



Mission

1. Develop outstanding products, devote to the quality and create maximum value to human and animals
2. Develop personnel in order to be thoughtful to improve and to develop their operation and service efficiently and continually.
3. Encourage, support the quality of lives of the societies, communities and environment and use of resources worthily
4. Develop innovation in production, products and service to be modern according to the international standard, to have high competition capability and to always create customer satisfaction
5. Have good governance, be honest and responsible to the customers, vendors and stakeholders, together with accountability to the products and offered service sustainably



Business Strategies

1. **Present the innovation and new products with high potential growth via the Company's research and development**

The Company is determined to develop innovations and new products with high potential growth to meet the needs of the customers and to strengthen the business growth. The division of research and development of the Company has co-operated with other organisations, such as educational institutes and government agencies to research and develop to have new knowledge from educational division in order to have expansion towards commercial production. Currently, there are major research and development projects of the Company, such as (1) the project to research, develop and process Wolffia for commercial production. The Wolffia is a high-protein plant and can be developed to be plant-based dietary supplements, (2) the project to develop herbs from hemp and cannabis and (3) the project to research chewable soft gelatin capsules, which are the capsule pills that help accelerate the action of drugs and make the gelatin tastier and more edible. Additionally, the Company has researches and developments in order to constantly improve the production process of the Company, such as solution development and the process to clean greasy surface of the soft gelatin, which is a safe and edible chemical. As a result, this process allows the gelatin to be reused

in the production process again. Therefore, the wastes, the cost for raw materials and the cost for waste destruction were reduced. Currently, the Company is continuously submitting petty patents and that are being considered for approval.

2. Expand the business by focusing on product growth under the Company's own brand.

The Company foresees that the products under the Company's own brand have the potential to increase profitability and to decrease the risk from concentrating on the large-contract manufacturing customer base. The Company develops herbal products, dietary supplements with natural extracts and plant-based protein under brand name "Supap Osot™", and innovative dietary supplements such as using new raw materials or having new production process for both beauty and health under brand name "EVITON™". In addition, the Company is planning to develop and registration new conventional medicine continuously.

Moreover, the Company has a marketing policy to encourage the growth of revenue from the products under the Company's brand by emphasis in marketing to motivate the customers to be more health-conscious and focusing on scientifically correct information through advertising and providing academic information; accordingly, the mentioned methods are the strategies that support and encourage the consumers to be interested in the products of the Company. The Company expects that this strategy will make the overall market share and market size become larger. The Company has set aside budget for advertisement and public relation activities for the products under the Company's brand aiming at new consumers who are health-conscious through various communicational modes. Correspondingly, the Company uses online channels for marketing the business and have promotion activity at the Point of Purchase.

3. Expand the growth of online channel in order to meet the customer needs in digital age

The Company foresees the growing change of customer behavior towards online channels from the convenience of purchasing goods via their smart phones and the pandemic of COVID-19 urges certain customers avoid buying products at traditional stores. As a result, the Company has focused more on increasing revenue through online channels. In the past, the Company has used the marketing strategies through multi-channel marketing and has been constantly employing these strategies to reach customers as much as possible. The Company has aimed at creating brand awareness on social media and selling more products through online channels. It is clearly seen that the Company has used the constantly-developing marketing strategies in order to be in accordance with the continuous change of customer behavior.

Presently, the Company has advertising budget in Thailand, especially advertising to attract new customers through various channels. Additionally, the Company employs internet marketing and activities at Point of Sale.

- Public Relation of the Company's products and research papers through website www.jsppharma.com in order to present the Company's history, product, research and domestic and overseas distribution channels
- Advertising and distributing products through (1) TV channels, including digital TV and satellite TV, (2) the Company's social media namely "OEM food supplement by JSP Pharma", "ยาสมุนไพร ตรีผลาพรีเมียม" and "JSP Herbal Center รับจ้างผลิตสมุนไพร", etc. The Company has personnel who responsible for social media in order to support changes of consumers' behaviour that tend to use more of social media

4. Expand the market to the international level, especially in the CLMV, such as Cambodia, Laos, Myanmar, and Vietnam

The Company has the policies to emphasis more on international distribution since there is potential for the growth opportunity in the CLMV, comprises Cambodia, Laos, Myanmar, and Vietnam. In the past, the Company's products have been registered by related organisations in those countries in the CLMV, and the products also have been planned to be registered more. Moreover, the Company would like to appoint distributors in other countries that aim to purchase the Company's products for distribution and those distributors must be proficient in doing marketing in overseas to meet with constant growth. Nonetheless, the approval for importing product must be carried out by the distributors of those countries themselves. Nevertheless, the Company opens for business negotiation to appoint distributors overseas which the Company considered as increasing more opportunities for business in order to expand distribution channels and customer base in overseas.

5. Invest in other companies by the mean of merger and acquisition in the businesses of medicine, dietary supplements and other products for health with high potential growth

In order to encourage the future growth of the Company, the Company has sought for opportunities to invest in any business relating to medicines and products for health with high potential growth in order to support core business of the Company. Especially, the Company focuses mainly on selling products under the brand of the target company. The purchase includes buying product brands, trademarks and medical technologies of some specific products. The Company aimed at having business opportunities in the market of medicines and healthcare products that have high potential growth.

However, the Company will propose the transactions to the Risk Management Committee and/or the Audit Committee and the Board of Directors to consider before processing any further, in order to ensure that the Company will have the maximum benefits from the transactions. Additionally, the Company will follow the Notification of Capital Market Supervisory Board Tor.Jor. 20/2551 (2008) regarding guidelines about the regulation on significant transactions subjecting to be an acquisition or disposition 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 Assets, B.E. 2547 (2004) with other additional revision of Notifications, the Notifications of the Capital Market Supervisory Board Tor.Jor. 21/2551 (2008) regarding guidelines to Connected Transaction and the Notification of the The Board of the Stock Exchange of Thailand regarding Disclosure of Information and Act of Listed Companies Concerning the Connected Transaction, B.E. 2546 (2003) with other additional revision of Notifications

In case, the Company receives the opportunity to expand the business of medicines and dietary supplements as mentioned above; the consideration and the timing of transactions depend on various factors, such as opportunity to accept proposal, the sufficiency of source of fund of the Company, the worthiness in investing and due diligence.

Significant Changes and Development

Year 2005

- On 15 November 2005, JSP Pharmaceutical Manufactory (Thailand) Company Limited has been established and registered, with initial registered capital of Baht 1,000,000 divided into 10,000 ordinary shares at a par value of Baht 100 per share. The head office is located at 255,257, Soi Sathupradit 58, Bangphongphang Sub-district, Yannawa District, Bangkok 10120.

Year 2011

- Started constructing another new plant at 260 Moo.4 Sri Bua Ban Sub-District, Mueang Lamphun District Lamphun 51000 used in the production of dietary supplements and herbal products.

Year 2017

- The Company has been restructured by acquiring COX Laboratories (Thailand) Limited Partnership in which it was considered as business combination under common control since Daengprasert family is ultimate major shareholder pre and post transaction.

Year 2018

- The Extraordinary General Meeting of Shareholders had the resolution to convert the Company into a Public Company Limited i.e. JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.

Year 2021

- May:** The Extraordinary General Meeting of Shareholders has resolved to approve the plan to list the company on the Market for Alternative Investment (mai) with the following resolutions:
 - 1) Approved the registered capital increase from Baht 170,000,000 divided into 340,000,000 shares at a par value of Baht 0.50 per share, to Baht 227,500,000 divided into 455,000,000 shares at a par value of Baht 0.50 per share, by issuing 115,000,000 new ordinary shares at a par value of Baht 0.50 per share, totalling Baht 57,500,000 for Initial Public Offering.

2) Approved the allotment of the Company's newly issued ordinary shares in the amount of 115,000,000 shares at a par value of Baht 0.50 for the Initial Public Offering (IPO) or equivalent to 25.27% of the total paid-up capital post-IPO.

- November:** Ordinary shares of JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. has been traded in the Market of Alternative Investment (mai) since 2 November 2021.

Year 2022

- June:** The Board of Directors' Meeting has resolved to approve the establish of a subsidiary i.e. Caresutic Co., Ltd.; operates business in relation to Innovation Center and small-scaled production factory of dietary supplements and cosmetics, with initial registered capital of Baht 5,000,000 divided into 50,000 shares at a par value of Baht 100 per share which the Company held 99.99% of registered and paid-up capital.
- August:** The Extraordinary General Meeting of Shareholders had the resolutions in significant matters as follows:
 - 1) Changed utilisation objectives of the increase capital from IPO by adding objective about investing in a subsidiary in relation to Innovation Center and small-scaled production factory of dietary supplements and cosmetics and expand business in form of invest in other entities with potential to support and/or enhance the business.
 - 2) Issued the Warrants to Purchase Newly Issued Ordinary Shares of the Company No. 1 not exceeding 227,500,000 units for allotting to the existing shareholders in proportion of their respective shareholding with free-of-charge. The allotment ratio is 2 existing shares to 1 unit of the warrant. The warrant has 2-year maturity and exercise ratio at 1 unit of the warrant to 1 newly issued ordinary shares with Baht 2.50 exercise price.

- 3) Increased the Company's registered capital not exceeding Baht 113,750,000 from previously Baht 227,500,000 divided into 455,000,000 shares at a par value of Baht 0.50 per share, to Baht 341,250,000 divided into 682,500,000 shares at a par value of Baht 0.50 per share, by issuing 227,500,000 new ordinary shares at a par value of Baht 0.50 per share in order to support the exercise of the warrants to purchase newly issued ordinary shares of the Company No. 1.
- **September:** The Company has changed security symbol from "JP" to "JSP"
 - **September:** Caresutic Co., Ltd.; which is the Company's subsidiary, increased its registered capital amounting to Baht 25,000,000 from previously Baht 5,000,000 divided into 50,000 shares at a par value of Baht 100 per share, to Baht 30,000,000 divided into 300,000 shares at a par value of Baht 100 per share, by issuing 250,000 new ordinary shares at a par value of Baht 100 per share and allotted newly ordinary shares to the Company wholly. Therefore, the Company's ownership interest in the subsidiary did not change.
 - **December:** The Company has finished expanding conventional medicine production line at Bangkok. The new production line could produce conventional medicine totalled 20 - 25 million bottles per year.
 - **April:** The Extraordinary General Meeting of Shareholders had the resolutions in significant matters as follows:
 - 1) Invested in the academic laboratory research, scientific test and analysis, training and seminar, and consultancy for research fund application businesses of CDIP (Thailand) Public Co., Ltd. by the Company's newly established subsidiary company, with the consideration in cash not exceeding Baht 200,000,000.
 - 2) Entered into connected transaction and acquisition of ordinary shares of CDIP (Thailand) Public Co., Ltd. by the Company's subsidiary. The Company's subsidiary will acquire 156,000,000 ordinary shares, equivalent to 65.00% of registered and paid-up capital from Daengprasert family, which is the Company's major shareholder.
 - **May:** The Company acquired 21,118 ordinary shares of Grace Water Med Company Limited, which equivalent to 52.80% of registered and paid-up capital with consideration of Baht 43,900,000. Grace Water Med Company operates business in manufacturing and distributing of hemodialysis solution and related medical supplies.
 - **August:** JSP Pharma Holding Company Limited has completed acquisition of CDIP (Thailand) Public Co., Ltd. which was considered as business combination under common control since Daengprasert family is ultimate major shareholder pre and post transaction

Year 2023

- **February:** The Board of Directors' Meeting has resolved to approve the establish of a subsidiary i.e. JSP Pharma Holding Company Limited; operates business in investing in other businesses, with initial registered capital of Baht 200,000,000 divided into 2,000,000 shares at a par value of Baht 100 per share which the Company held 99.99% of registered and paid-up capital. The registration of company and paid-up share capital with the Ministry of Commerce have been completed in August 2023.

Use of IPO Fund Information Disclosure

The Company's Initial Public Offering was on 21, 25, and 26 October 2021, consisting of 115,000,000 newly issued ordinary shares which are Baht 7.00 each, then those ordinary shares were registered at mai on 2 November 2021. The Company received cash from this fundraising amounting to Baht 805.00 million and after deducted underwriting fees and other related expenses of the offering, the Company received Baht 755.38 million. Subsequently, the

Extraordinary Shareholders Meeting No. 1/2022 on 16 August 2022 approved to change the objectives of utilisation of proceed from IPO by adding objectives in relation to invest in other businesses and operate in Innovation Center and small-scaled factory of dietary supplements and cosmetics.

Report of use of fund from Initial Public Offering (IPO) ended on 31 December 2023 was detailed as follows.

Use of proceed objectives	Planned usage amount (Revised on 16 August 2022)	Remaining balance as of 31 December 2022	Actual use of proceed for the period ended 31 December 2023	Remaining balance as of 31 December 2023
(Unit: THB million)				
1. New product development	20.00	8.68	8.68	-
2. Develop, present and PR advertisements	70.00	29.30	23.98	5.32
3. Renovate and expand factories	223.00	28.28	28.27	0.01
4. Repayment of loans from financial institutions	100.00	-	-	-
5. Working capital for operations	112.38	12.59	12.59	-
6. Invest in business expansion in form of investment in other businesses	170.00	170.00	170.00	-
7. Invest in Innovation Center and small-scaled factory	60.00	28.14	28.14	-
Total	755.38	276.99	271.66	5.33

Revenue Structure

The Company's revenue structure for the years 2021 - 2023 is classified by product types as follows:

	2021		2022 ^{3/}		2523 ^{3/}	
	Baht million	%	Baht million	%	Baht million	%
Dietary supplements product	239.63	54.8	216.65	47.4	276.72	48.1
Conventional medicine	129.41	29.6	173.78	37.9	185.30	32.2
Herbal product	27.42	6.2	18.45	4.0	12.04	2.1
Hemodialysis product ^{1/}	-	0.0	-	0.0	64.65	11.2
Other product ^{2/}	40.99	9.4	49.19	10.7	36.87	6.4
Total	437.45	100.0	458.07	100.0	575.58	100.0

Remark : ^{1/} The Company had gain control over Grace Water Med Company Limited by acquiring ordinary shares from a third party since 23 May 2023. Revenue from hemodialysis was then accounted in the Company's consolidated financial statements after the date of acquisition.

^{2/} Other products such as cosmetics drug test kits, service revenue etc.

^{3/} The Company acquired CDIP's ordinary shares from controlling shareholders during 2023 which considered as business combination under common control. Therefore, CDIP's revenue was wholly included in the Company's consolidated financial statements for 2022 - 2023 to reflect operations as a single economic unit.

Characteristics of Products and Services

The Company develops, produces, and distributes conventional medicines, traditional medicines, herbal products, and dietary supplements, which covers product consulting, inventing and developing formulas by client's needs and innovative ideas, applying for medicine formula registration of Food and Drug Administration, designing the packaging to manufacturing under the production control with standard quality. The Company operates in 5 main businesses, which comprises (1) providing services in production and product distribution under the client's brand (OEM), (2) manufacturing and distributing under the Company's brand (Own Brand), (3) manufacturing and distributing hemodialysis solution, (4) providing services in relation to product research and development, laboratory testing, consulting, training and seminar and (5) other products. Details of each business are provided as follow:

1. Manufacturing and distribution under the client's brand (OEM) and
2. Manufacturing and distributing under the Company's brand (Own Brand)

The Company manufactures and distributes various products, operated by the Company and Caresutic Co., Ltd. There are 4 main types of products as below:

ก. ผลิตภัณฑ์เสริมอาหาร

Dietary Supplements according to the announcement from the Ministry of Public Health (Vol. 293) B.E. 2548 (2005) refer to products taken beyond usual dietary intake which hold nutrients or other substances as their constituents in the form of tablets, capsules, soft capsules, powder, flakes, liquid or other forms that not the usual dietary forms which customers expect health-promoting benefits.

The Company develops, manufactures, and distributes dietary supplements for health maintenance and beauty. Dietary supplements for health maintenance are products consumed in the desire to make the body function more effectively, which are consisted of a variety of essential vitamins and minerals for the body. For dietary supplements for beauty, the products are consumed for the body and skin.

The Company provides services to develop, manufacture, and distribute under the client's brand OEM and manufacturers to distribute under Own Brand such as EVITON™ including collagen extracts, multivitamins, and Coenzyme Q10, Ginkgo Biloba extract and สุปาฟโอสถ™ (Suphap-Osoth) including natural dietary supplements.

<p>EVITON™</p>	 <p>Examples of dietary supplements: 1000 mg. collagen extract tablets, etc.</p>
<p>สุภาพโอสถ™</p>	 <p>Examples of dietary supplements: Black Sesame and Rice Bran Oil dietary supplements, 4 Mix Oil, Spimor dietary supplements, Spirulina dietary supplements, PK beta dietary supplements, Houttuynia Cordata Extract, and beta-glucans, Wolffia Cap extract dietary supplements</p>

As of 31 December 2023, the Company had totalled 2,086 registered dietary supplement formulas (or food serial numbers with the FDA).

b. Conventional Medicines

Conventional medicines as defined in the Drug Act, B.E. 2510 (1967), means medicines intended for the practice of medicine, the practice of modern art of healing, or veterinary therapy.

The Company develops, manufactures, and distributes modern medicines for humans both manufacturing under the client's brand (OEM) and manufacturing under the Company's brand. The production under the Company's brand is COXTM whose products are widely recognized and well-known such as cough syrup and contraception pills.



As of 31 December 2023, the Company has totalled 66 registered conventional medicine formulas.

c. Traditional Medicines and Herbal Products

Traditional medicines as defined in the Drug Act, B.E. 2510 (1967), which means medicines intended for the practice of traditional medicines or treatment of disease in the traditional medicine textbook announced by the Minister or the Minister has declared as traditional medicines or medicines licensed to register its formula as traditional medicines with FDA.

The Company develops, manufactures, and distributes traditional medicines such as blood tonics, carminatives, capsules mixed with soft vines, and herbal products for external use such as balms, liquid balms, liniment oil, borneol, and herbal inhalers in a variety of packaging. In this regard, the Company manufactures under the client's brand (OEM) which provides services from developing formulas, applying for traditional medicine registration. Also, the Company distributes products under its brand by manufacturing under the Company's brands such as สุภาพโอสธ™ (Suphap-Osoth) including herbal cough lozenges and herbal pills, etc.



As of 31 December 2023, the Company has totalled 280 registered traditional medicine formulas.

d. Cosmetics and Cleaning Alcohol Products



Alcohol-based cleaning products in spray, liquid, and gel formulations

3. Manufacturing and distributing hemodialysis solution

On 23 May 2023, The Company invested in 21,118 ordinary shares, equivalent to 52.8% of registered and paid-up capital, of Grace Water Med Co., Ltd. (“GWM”). GWM operates business in relation to manufacturing and distributing hemodialysis solution for dialysis machine and distributing medical supplies for dialysis clinic. As of 31 December 2023, GWM had 12 registered formulas.

4. Providing services in relation to product research and development, laboratory testing, consulting, training and seminar

These services are operated by CDIP (Thailand) Public Co., Ltd. (“CDIP”), which the Company invested in 156,000,000 ordinary shares, equivalent to 65.0% of registered and paid-up capital on 24 August 2023.

5. Other Products

The Company purchases non-medicine pharmaceuticals for distribution to government and private agencies such as drug test kits to efficiently prevent and monitor drug problems. In addition, the

Company under the contract to manufacture products for distribution to the customer under the client’s brand because certain clients remain faithful in the Company’s top-quality management and continue to submit purchase orders through the Company. Therefore, the Company has hired a cosmetic manufacturing plant with the quality as specified and continues to sell them to the clients.

Product Research and Development

The Company has a research and development division to study and collect scientific data and evidence, including improving product formulas by focusing on the development of new products for industrial purposes based on the client’s need and following the Company’s development plan for new products by the certain situation of the health market, both current market demand or in the future. In addition, the Company had a subsidiary i.e. CDIP which operates principal activities in providing product research and development, laboratory testing, as well as organising training and seminar to develop entrepreneurs.

Key Marketing Policy of Products and Services

กลยุทธ์ทางการตลาด

The Company aims to continually strengthen the Company's brand (Own Brand) and expand the customer base for the contract manufacturing and distribution business under the customer's brand (OEM) by focusing on the implementation of the following strategies:

1. Strengthen the Company's brand by improving brand recognition and brand awareness through various media channels

To align with the corporate strategy that focuses on expanding revenue growth from products under the Company's own brand ("Own Brand"), namely COX™, EVITON™, สุขภาพโอสด™ (Suphap-Osot), and JSPTM, the Company plans to continually launch new products under Own Brand such as conventional medicine, traditional medicine, herbal products, and dietary supplement products. Therefore, the Company has employed marketing strategies to raise high brand recognition and brand awareness in order to reach consumers who are interested in health and/or beauty as well as encourage new consumer groups to be more interested in health and beauty. Thus, greater emphasis has been placed on presenting information that are scientifically correct through advertising and academic information. This includes more emphasis on production that meets standards and maintain consistent quality product to enhance credibility of the products and the Company's brand. This will help consumers recognise and remember the value of the Company's brand and became increasingly interested in the Company's products. Currently, the Company has set a budget for advertising and public relations for both the brand and the products under the Company's brand by focusing on new product users through a variety of communication channels (Multi-Channel Marketing), including internet marketing and creating in-store promotion or marketing campaign that takes place at the point-of-sale, etc.

2. Expand various distribution channels by focusing on online channels and television-shopping (TV Shopping) to be responsive to changing consumer behaviour

The Company expands its distribution channels from the traditional distribution channels such as traditional drug store, modern retail stores (Modern Trade), and convenience stores, etc. to a variety of channels. The Company has given more importance to online distribution channels (online marketplaces) such as Shopee and Lazada, etc. At the same time, the Company also focuses on advertising and distribution channels through television (TV Shopping), both normal television (Free TV) and satellite television. This is because the Company foresees the potential for revenue growth from its branded products through these channels. This is due to changes in communication technology and changes in consumer behavior. The Company can offer products under the Company's own brand (Own brand) directly at the same time. The presentation of the Company's products through these channels contributes to the promotion of the Company. This allows the Company to offer contract manufacturing services to customers who are interested in making their own brand (OEM) through these channels as well. Furthermore, the Company provides information on the background, its products and services and various research results, both of the Company and of various educational institutions, that are beneficial to consumers via the website, www.jsppharma.com, and via social media such as the Company's Facebook, "OEM food supplement by JSP Pharma", "ยาสมุนไพร ตราสุขภาพโอสด" and "JSP Herbal Center รับจ้างผลิตสมุนไพร", etc. The Company specifically assigns an employee to manage social media accounts to meet the changing behaviour of consumers who have increase their use social media and expect a quick response.

3. Enhance the potential of the sales team to maintain and expand customer base effectively

Due to the fact that the sales team is very important to maintain and expand the customer base, especially in the contract manufacturing and distribution (OEM) business. The Company recognises the importance of personnel development by consistently organising training to educate sales staff as well as promoting the values of engagement in problem-solving, honesty and sincerity towards customers, creating Company's brand loyalty. In addition, the Company also focuses to encourage the sales team to use two-way communication to build better relationships with customers and use suggestions or improvements as a guideline to further develop the sales team's potential.

Product Development Strategy

The Company has standardised production management systems and processes as each product is a health-related product. Therefore, the Company places special emphasis on every step of production and product quality control from the development of product formulations that produce good results for consumers, the selection process of quality raw materials, the cleanliness and of the machinery, equipment and locations, and the procedures for performing each process of production are in accordance with GMP standards and quality inspections are carried out in every work process from the receiving of raw materials for production, production and storage of products according to GMP standards as well as quality control after products are sold in the market. In addition, the Company's factory operates rigorously in accordance with the rules of the FDA. Therefore, the Company ensures that all products of the Company has been approved for product registration from the FDA before carrying out industrial production.

Characteristics of target customers and distribution channels

The Company has a proportion of revenue from the sales of products under the customer's brand (OEM) accounted for 64.9%, 54.4% and 50.1% of consolidated revenues from sales and services in 2021, 2022 and 2023, respectively. Most of the Company's customers are entrepreneurs either in form of individuals or companies, which will order products from the Company in form of productions under the customer's brand (OEM) to be sold to consumers through various distribution channels.

For products sold under the Company's brand (Own Brand), the Company had revenue proportion amounting to 33.1%, 36.9% and 33.5% of consolidated revenues from sales and services for 2021, 2022 and 2023, respectively. Most customers are consumers who need conventional or traditional medicines, and consumers who are interested in health or beauty products for dietary supplements and herbal products. The Company offers various distribution channels to suit the products and target customers. The Company sells its Own Brand products, which can be divided into 2 forms according to delivery conditions and revenue recognition, which are:

1. Consignment means the Company who owns the goods, called the consignor, delivers the goods to another person, called the consignee, who acts as a seller or agent for the goods. The consignment goods are sold upon delivery to the consignee's customer. The consignment goods are delivered to the distributor through various channels, but can be billed after the product is sold to the consignee's customer. The risks and rewards will remain with the Company until the goods are delivered to the distributor's customers. The consignment of Own Brand products will be distributed through direct shopping channels such as those who have shopping channels on television (TV/Home Shopping) or online channels (Online Shopping), etc.

2. Outright sales means that the Company delivers the product to the customer who is a distributor through various channels, and the Company can bill the distributor immediately. The risks and rewards will remain with the Company until the products are delivered to the distributors. The distribution channels of the selling of the Own Brand products in the form of outright sales are as follows:

- Convenient store
- Modern trade
- E-Marketplace e.g. Lazada, Shopee which the Company foresees growth potential and have a policy to strengthen this channel
- TV Shopping broadcasts to wide target market and enable to present the products efficiently which enhance deal closing process

The Company had revenue from hemodialysis solution accounted for 11.2% of consolidated revenues from sales and services for 2023. Customer group of this product is domestic dialysis clinic.

In 2021, 2022 and 2023, the Company sold products to customers to export and sell products abroad in Myanmar, Laos, China, Cambodia, Malaysia, Singapore, Sri Lanka, the Philippines and Kenya, with revenue of Baht 4.54 million, Baht 3.12 million and Baht 21.30 million, respectively. The Company has no plan to register a branch office abroad.

Pricing Policy

For products under the customer's brand (OEM), the Company determines standard price list of each product which covers the details of standard prices according to various appearances of products such as capsules, soft gelatin, powders, tablets, etc., and according to the package size of the product. Each type of product has a standard formula used in production. This allows the Company to set the same standard price; however, if there's any changes in formula during production process apart from the Company standardised formula, the Company will set a new selling price to meet the changing raw material

costs and expenses so that the Company can maintain a profit margin that is sufficient to support the selling expenses and expenses for the administration and operations of the Company.

For Own Brand products and hemodialysis solution, the Company determines the selling price using cost plus margin by considering costs and related expenses as well as other factors such as the product positioning, customer acceptance, purchase demand, packaging size, etc. The Company establishes appropriately standard price list of each product in each distribution channel and the selling price must be competitive with the competitors in the market. However, the Company may reduce the price of the product from the standard price in order to carry out promotional activities or promotions in various ways, such as price discounts, giveaways, etc. At the same time, the Company has procedures to determine whether such promotional activities or promotions are able to maintain profit margins at a sufficient level to support selling expenses, administrative expenses and various operating expenses of the Company compared to the increase in sales volume and/or the revenue.

Distribution and advertising channels

For products under the customer's brand (OEM), the Company has a sales team that acts as a contact person, coordinator, consultant and an individual who handles product development until the customer is able to distribute the products. This group of customers will sell the products to the end-users through the customer's distribution channels such as traditional drug stores, modern retail stores (Modern Trade), convenient stores, TV/Home Shopping and online channels, etc.

For Own Brand products, the Company's sales team will act as a contact person, present and provide product information for sale, coordinate various activities as well as jointly plan sales promotions with customers and monitor sales and deliveries in order to achieve sales targets set aside by the Company.

The Company has a sales team that consists of a total of 45 full-time employees (as of 31 December 2023), and the salespeople possess good knowledge and experience of the Company's products. The sales team is responsible for sales activities ranging from visiting customers to gain information on the customer needs, presenting products and product features, with sample products available for trial. This includes sales supervision and training on product information to various groups of customers are provided. Salespersons receive compensation in form of a regular salary and sales incentives or commissions, which are determined by the annual sales goals and reviewed annually with the approval of the management. The Company pays commissions to salespeople in installments according to the amount collected from customers and will only pay every installment for sales that have been paid in full.

In addition, for a group of customers the Company is unable to reach or the Company has limitations in coordinating such as a traveling for customer visit, etc. Therefore, it is necessary for the Company to appoint an agent to help in selling products for the Company. In 2021, 2022 and 2023, the Company had sales revenue from customers sold through agents amounting to Baht 92.05 million, Baht 129.09 million and Baht 13.06 million, respectively.

However, for such expenses to be incurred as necessary and reasonable. Therefore, the Company has established a policy and criteria for considering the appointment of agents and the payment of commissions as a measure to control the payment of such compensation, which has been approved by the Board of Directors Meeting No. 8/2021, dated 30 June 2021, and effective from 1 July 2021. The key contents are as follows:

- Set up agent fees (or commissions) to be payable to legal entities or natural persons who are involved in the transaction made from the customers' orders only.
- Establish a standard commission rate, if the commission rate exceeds the standard, it shall be presented to the Audit Committee to consider the necessity and rationality of the transaction and shall propose it to the Board of Directors for approval before entering into the transaction with that agent.

(The commission rate is the percentage of the sales revenue per customer)
- Establish the conditions of the compensation to be payable to agents/brokers, only if the Company receives payment in full from the sales of the referred products in order to receive such compensation.
- Require a review of the standard commission rate to suit the Company's business operations on a yearly basis through the consideration of the Board of Directors.

In addition, There are communication channels available for customers to receive news updates and gain the Company's product understanding through various media channels such as magazines, brochures, leaflets, company websites, etc. as well as keep up with the Company news and updates through online channels which are the website: www.jsppharma.com; Facebook: OEM food supplement by JSP Pharma: Line ID: @JSPSALE and customers can contact the Company for more information through Call Center at 02 284 1218 from 9.00 - 17.00 hours and via email: sale.os@jsppharma.com.

Competitive Conditions in Industry

The products sold by the Company has been related to the expansion and growth of various related industries, such as conventional and traditional medicines, herbal products and dietary supplement. The overview of each industry can be summarised as follows:

Conventional Pharmaceutical Industry

Conventional medicines can be categorized into two types:

- 1) **Original Drugs are new types of drugs that have been researched and developed.** The original drugs manufacturers will receive a monopoly patent on the drug production for a period of 20 years. When the patent expires, other manufacturers are then able to produce the drugs for distribution.
- 2) **Generic drugs are produced using the same formula from the original drugs.** They are manufactured under the trademark which is not the trademark of the medical patent holder but have the same types of active ingredients as original drugs. Generic drugs are produced only when the patent of the original drugs has expired. The manufacturing process of generic drugs relies on low-budget raw materials and requires no expense on pharmaceutical research. Therefore, the cost of generic drugs is lower than those of original drugs.

The industrial structure of the conventional medicines categorised by the production process

- (1) The initial stage is the research and development of new medicines.
- (2) The intermediate stage is the production of pharmaceutical raw materials used in the production of finished pharmaceutical products, including active Ingredients and inert substances for accelerated catalysis. This intermediate stage revolves around the production of drugs that have already been discovered and develops only production or modification techniques of the structure of prototype molecules to obtain such drugs. Therefore, it requires advanced technology and high investment cost.

- (3) The final stage is the production of finished pharmaceutical products. This is the process of pharmaceutical formulation development by importing raw materials of active ingredients from abroad to mix and produce finished pharmaceutical products in various forms such as tablets, capsules, liquids.

Most of conventional pharmaceutical industry in Thailand are in the final stage, that is the production of finished pharmaceutical products. Drugs produced domestically are generic drugs. The manufacturers import raw materials of active ingredients from abroad to mix and produce finished pharmaceutical products in various forms. According to the Food and Drug Administration, Ministry of Public Health (“FDA”), Thailand has 176 GMP-certified conventional medicines manufacturing plants (information as of August 2022). The government’s primary pharmaceutical manufacturer is the Government Pharmaceutical Organization (GPO). However, the Government Procurement and Inventory Management Act B.E. 2560 (2017) (effective in August 2017) indicates that the Government Pharmaceutical Organization holds the same position as other entrepreneurs to allow more competition among domestic pharmaceutical entrepreneurs. Entrepreneurs in the pharmaceutical market can be categorised into two groups as follows:

Group 1: Government agencies, namely the Government Pharmaceutical Organization and Defence Pharmaceutical Factory, focus on manufacturing generic drugs for domestic distribution to substitute medicines imported from abroad.

Group 2: Private pharmaceutical companies which can be divided into (1) Local pharmaceutical companies in which Thai people are majority shareholders. Most of these companies focus on producing generic drugs at an affordable price; and (2) Multinational pharmaceutical companies in which majority shareholders are foreigners. These companies act as agents for importing original drugs or original drugs to distribute at relatively high prices. Certain companies have established their plants to manufacture finished pharmaceutical products in Thailand.

Local manufacturing companies operate pharmaceutical manufacturing and distribution domestically. The domestically manufactured drugs are mainly used for domestic consumption, accounting for approximately 90% of the total production volume, especially in The Universal Coverage Scheme (UCS) which currently covers 99.78% of the population. This reflects more opportunities for Thai people to access healthcare and an increased trend of drug consumption. Private pharmaceutical manufacturers in the country are facing pressure from (1) the Ministry of Public Health and the Comptroller General's Department which have set central prices of medicines to control the pharmaceutical expenses, enabling public hospitals to purchase medicines at reasonable prices; (2) competition with inexpensive medicines from India and China that have lower manufacturing costs than Thailand; (3) Private pharmaceutical manufacturers in the country are relatively in a disadvantageous position to the Government Pharmaceutical Organization in terms of manufacturing costs and opportunities to access distribution channels. Furthermore, the production cost is increased due to the compliance with GMP PIC/S standards by becoming a member of the European Union's Pharmaceutical Inspection Co-operation Scheme (effective 1 August 2016).

Trends in Pharmaceutical Industry

In 2022, the value of domestic pharmaceutical distribution tended to increase by 4.5 - 5.0% from 2021 as a result of an increased demand for drugs and medical supplies in line with the recovered economic and social activities to near normal levels after concerns about the outbreak of COVID-19 had eased. Purchasing power tended to improve in line with the growth of domestic economy. Patients gradually returned to receive treatment in hospitals. The opening up of the country for tourism resulted in an increased demand for drug consumption, especially in tourist areas. In 2023 - 2025, it is expected that the value of pharmaceutical distribution will continue to grow in line with the increased likelihood of non-communicable diseases, the access to Universal Coverage Scheme, the increased number of foreign patients who tend to come back for medical services, and the trend of health consciousness and demand for preventive healthcare which is consistent worldwide.

Business challenges include (1) the fact that Thailand still lacks the potential to produce essential drugs and therefore must rely heavily on imports; (2) competition that is likely to become more intense from new entrepreneurs, both Thai and foreign; and (3) the cost burden of pharmaceutical manufacturers that tends to increase from having to improve pharmaceutical manufacturing plants to meet GMP-PIC/S standards, as well as the price of imported raw materials that are on an upward trend. These above-mentioned factors will limit the profits of the entrepreneurs.

In 2023 - 2025, it is expected that the value of pharmaceutical distribution will continue to grow in line with the increased likelihood of non-communicable diseases (NCDs), the access to Universal Coverage Scheme, the increased number of foreign patients who tend to come back for medical services, and the trend of health consciousness and demand for preventive healthcare which is consistent worldwide. In the midst of competition that tends to become more intense, the realisation of profits may be limited for entrepreneurs. The value of pharmaceutical distribution through hospitals will grow by an average of 6.3% per year, while distribution through pharmacy shops (OTC) will grow by an average of 5.0% per year.

Conventional medicine manufacturers' revenue is likely to continuously grow from (1) demand for medicines related to COVID-19 infection that still exists, as well as for vaccines to prevent disease as strict criteria for controlling the spread have been eased, resulting in the return of economic and social activities to near normal levels. As a result, more patients return to receive medical services in hospital; (2) the number of patients with NCDs continues to increase; (3) the access to medical and public health services through the government's health insurance systems has a positive effect on manufacturers who distribute medicines through hospitals, especially patented medicines; and (4) manufacturers also have the opportunity to increase distribution channels through pharmacy shops and expand the export market to ASEAN countries where there are continuous demand for medicines and vaccines.

Business challenges include (1) an increased competition from more entrepreneurs; (2) the price of imported raw materials of medicines tends to increase; (3) a price control policy from the

government over medicines in private hospitals results in the limitation of price increase; and (4) increased costs from renovating the plants to meet GMP-PIC/S standards. These above-mentioned factors will put pressure on the business's profitability.

Distributors of pharmaceutical products (retail/wholesale): Revenue is likely to grow gradually as a result of (1) the trend of health consciousness and demand for preventive healthcare tends to increase; (2) the recovery of the tourism sector has a positive impact on the pharmacy business, especially in tourist areas; (3) pharmaceutical distributors have marketing channels to reach more consumers, such as online counselling and selling applications, product advertising through digital media. However, entrepreneurs may face pressure from intense competition as follows:

The stand-alone pharmacy shops are under pressure from the continued expansion of chain stores of large pharmacy shops. For example, Fascino Pharmacy aimed to expand its branches in franchise to 200 branches by 2022 from 105 branches in 2020. Save Drug (Bangkok Hospital Group) planned a continuous expansion every year. Currently it has more than 80 branches nationwide. Pure (Big C Group) aimed to expand seven more branches in 2022 from 146 branches in 2021. In addition, there is an expansion of pharmaceutical distribution areas of modern retail stores such as discount stores and supermarkets (open an average of at least 50 branches in total per year) and convenience stores (such as 7-Eleven, which plans to open 700 branches per year).

Currently, wholesale pharmaceutical stores increasingly turn to the retail market and increase distribution and advertising channels through online media. This enables them to reach more consumers and therefore become relatively advantageous in terms of drug purchasing costs when compared to retail stores/stand-alone pharmacies.

Traditional Medicine and Herbal Product Industry

Traditional medicines and herbal products are new options for healthcare and health promotion, making them products with increased value. For Thailand, the government has a policy to promote herbs as industrial crops of the nation by creating a National Master Plan concerning the development of Thai herbs, No.1 B.E. 2560 - 2564 (2017 - 2021). With the

collaboration with the private sector, measures, plans and guidelines have been established to support the development of herbs, the promotion of Thai herbs and wisdom of traditional Thai medicine and folk medicine. This aligns with the National Strategy B.E. 2561 - 2580 (2018 - 2037) to develop, control and supervise herbal products. Therefore, the Herbal Products Act B.E. 2562 (2019) was promulgated to control, supervise, and promote the development of herbal products in a systematic, complete, and safe manner to ensure internationally accepted quality and standards. Traditional medicines have been added to the National List of Essential Medicines. Hospitals and governmental health facilities are encouraged to use herbs instead of importing conventional medicine to reduce the deficit from importing medicine from abroad. In addition, the COVID-19 outbreak in Thailand intensified since 2020, resulting in continuous demand of traditional medicines such as green chiretta and fingerroot. According to the Notification of the National Drug System Development Committee on the National List of Essential Herbal Medicines (No.2) B.E. 2564 (2021), effective on 4 June 2021, details regarding the use of green chiretta to relieve common cold and to treat COVID-19 were added. Therefore, the trend in the consumption of traditional medicines and herbal products will increase in the future.

Dietary Supplement Industry

The market value of the dietary supplement worldwide has continuously increased since the emergence of COVID-19 and it is estimated that this growth rate will continue for at least another seven years, with an average annual growth rate of up to 10%. Products with the highest market share of up to 30% of the world are vitamins while protein and amino acid products have the highest growth rate. The factors contributing to the growth direction of the dietary supplement industry are the behavior of people who has become health conscious after COVID-19 and the global social structure of an aged society, resulting in the rapid growth of manufacturers and distributors of dietary supplements.

The market value of the dietary supplement worldwide in 2022 was estimated at 152.3 billion US dollars and it is estimated that the value will reach as high as 269.5 billion dollars in 2030 with an average annual growth rate of 8.5% (Source: Vantagemarketresearch). The COVID-19 outbreak has caused the continuously increased demand for

supplements that help stimulate the immune system. This is especially evident in heavily affected countries in North America and Europe, such as the United States, Italy, Spain, the United Kingdom, France, and Germany. Therefore, in the recent past, the growth of the dietary supplement industry has been mostly clustered in these regions.

This assessment is consistent with information from Grandviewresearch which had an opinion that the market value of the dietary supplement worldwide will have an average growth rate of 9% between 2023 and 2030. Key factors driving growth are the increased number of elderly population. and the change from pharmaceuticals to nutraceuticals. This trend arises from the behavior of people who focus on preventive healthcare and food consumption with nutrition specifically catered for each individual. In addition, consumers are increasingly changing their behavior to take care of themselves.

Goods/products containing vitamins occupied a dominant position in the market in 2022, accounting for a share of 30.19% globally, mainly due to the increased launch of new multivitamin supplements as well as supported by an increased interest of consumers in overall health.

Dietary supplement market is led by North America as there are large manufacturers with high revenues and a high emphasis on physical appearance. Europe has an increased proportion of elderly population and chronic diseases. Meanwhile, Asia Pacific dominates the dietary supplement industry and accounted for the largest revenue share of 34.91% in 2022 due to an increased consumer base in various countries including India, China, South Korea, among others. This is due to increasing costs in health supplements in the region following an increase in income per capita.

The dietary supplement industry in Thailand tends to have a continuous growth. In 2022, the total market value was approximately Baht 87 billion, approximately 20% growth from 2021. According to a study by Nielsen CMV, in 2022 the purchase of products in the health and beauty group by Thai people was at 84%. The vitamin and dietary supplement group had grown 229%, or more than twice from 2019. The survey also found that the majority of consumers, approximately 60%, wanted to take dietary supplements to look younger. In addition, they wanted to have better skin. Therefore,

Nielsen CMV predicted that 2023 was still the year that people tended to change their eating habits for a more balanced diet by consuming dietary supplements and vitamins for health. In addition, herbal medicines were also highly popular.

The number of elderly people is increasing worldwide, especially in North America, Europe, and Asia Pacific which have a high purchasing power, hence, there are a large number of Silver Age customers. The elderly population in Thailand tends to increase. In 2023, the proportion of the elderly population was 18.03% and was expected to increase to 20.47% in 2030. The elderly population tends to consume more dietary supplements. As a result, the production and distribution of dietary supplements will continue to grow for many years to come. This generation have high education, high income and high purchasing power. The demand for dietary supplements from this group is higher than other groups, especially products that stimulate the immune system, maintaining good health, and anti-aging.

Online distribution channels are expected to have the highest CAGR of 9.7%. This is due to the COVID-19 outbreak accelerating the growth of e-commerce, resulting in an increase in online sales of dietary supplements. The modern world where there are more and more internet users makes it easy to access various brands. In addition, the hectic lifestyle of people in general, available products for sale 24/7, convenience of shopping at home, and the availability of a variety of products are all factors that drive online distribution channels of dietary supplements worldwide.

The market value of the Thai e-commerce was worth more than Baht 620 billion in 2022 and is likely to continue to grow 6% per year up to Baht 6.34 - 6.94 billion during 2023 - 2024. The product categories that consumers have preferred to buy through e-commerce channels in the past five years include the Personal & Household Care group, which covers products in the Beauty and Health category such as hair care products, cosmetics, vitamins, dietary supplements, and household cleaning products. Its sales revenue increased from Baht 36 billion in 2019 to Baht 139 billion in 2022, with market share increasing from 17% to 22% during the same period. According to a Nielsen CMV survey, in 2022 the purchase of products in the health and beauty

group through online channels accounted for 58%. The vitamin and dietary supplement group had grown 229% from 2019. The survey also found that the majority of consumers, approximately 60%, wanted to take dietary supplements to look younger while the second need was to have better skin.

Competition

Conventional pharmaceutical industry, traditional medicine industry, herbal product industry and dietary supplement industry are all occupied with many entrepreneurs in the market as they tend to have a continuous growth. Large entrepreneurs in each industry mainly focus on expanding their business with products under their own brands and focus on a particular type of product in which they have expertise. However, the Company has a different nature of business operation as it has a variety of product types and a significant proportion of business operating as an original equipment manufacturer (OEM). Factors affecting competition in the health product market include:

1. Regarding the number of domestic manufacturers in Thailand, there are 176 conventional medicine manufacturing companies certified by GMP PIC/S standards (data as of 19 August 2022) and 67 traditional medicine manufacturing companies (data as of March 2023). However, the Company has planned business strategies and market positioning that are different from other companies in the industry. The high-speed manufacturing process for customers is attributable to adequate production capacity and planning for raw materials. Their process is standardized by manufacturing in a cleanroom where dust, temperature, humidity, and air pressure are controlled to ensure quality manufacturing plants. In addition, the pharmaceutical and dietary supplement markets constantly have new entrepreneurs joining the market, causing a challenging issue regarding business sustainability. The Company is required to constantly adapt to the consumer situation and to compete with other operators. Thus, the Company focuses on creating product sustainability by increasing investment in research and development of new products, creating products that are different from competitors, and offering new products regularly. As substitute products are continuously
2. introduced into the market, relying only on sales of some products can lead to risks from changes in consumer preferences.
2. The demand for preventive healthcare is likely to increase. The trend towards healthcare has increased exponentially with the severe outbreak of COVID-19 in 2020. Consumers have increasingly adjusted their daily healthcare behaviors to prevent diseases. Meanwhile, hospitals and other non-hospital businesses are increasingly adjusting their strategies to operating healthcare business. Therefore, it is expected that there will be an increased demand for pharmaceutical products, especially medicines that enhance immunity or prevent diseases, such as vitamins, herbal medicines, dietary supplements, and nutritional supplement drinks. As a result, entrepreneurs in the pharmaceutical industry are likely to add business lines manufacturing or distributing health products to further penetrate this consumer market. This is in line with Euromonitor's estimation that the health product market worldwide will grow at an average of 5.7% per year from 2021 - 2025, higher than the average of 3.4% in the previous five years.
3. The likelihood of communicable and non-communicable diseases tends to increase. The communicable diseases with the highest morbidity are diarrhea, followed by pneumonia and dengue hemorrhagic fever. Emerging infectious diseases are likely to increase both domestically and internationally, such as SARS, bird flu, H1N1 flu (2009), Ebola virus disease, Zika virus disease, COVID-19 (Pfizer expects it to be endemic worldwide by 2024 and the virus has mutated more than 50 times from the original strain, reducing the effectiveness of the two-dose vaccine in protecting against infection), and the currently spreading monkeypox. Non-communicable diseases (NCDs) with the highest recurrence rate per population are high blood pressure, diabetes, chronic obstructive pulmonary disease, and cardiovascular disease. This is a result from Thailand has become an aging society (people over 60 years of age accounted for more than 10% of the population). The elderly often suffer from non-communicable diseases, especially high blood pressure (nearly half of all the elderly), diabetes, heart disease, stroke and cancer. It is expected that Thailand will completely enter an aging society (a proportion of over 20%)

and reach the highest level (a proportion of over 28%) in 2023 and 2033, respectively. This result in health expenses of the elderly to be Baht 230 billion (2.8% of GDP in 2022), increasing from 2.1% of GDP in 2010. (Source: National Health Development Plan No.12) Entry into urban society, with a lifestyle that requires competing against time, exposure to pollution, and lack of exercise, results in the risk of health problems, including depression. (Bangkok has the highest number of new cancer cases in the country and has the prevalence rate of depression of 5%, higher than the national average of 2.7%). The World Health Organization (WHO) reports that the death rate of Thai people caused by NCDs was as high as 76.6% (in 2019). This reflects the increased demand in the country for medicine consumption, especially patented medicines/original medicines used to treat complex diseases.

4. Government policies supporting investments related to the pharmaceutical industry include (1) investments under BOI promotional measures (BOX 2), such as an 8-year corporate income tax exemption for manufacturers of Active Pharmaceutical Ingredients (APIs) and a 5-year exemption for conventional pharmaceutical manufacturers to stimulate investment in medical businesses as well as medicines; (2) pharmaceutical manufacturing business is one of the New S-Curve in the Eastern Economic Corridor (EEC) zone, which is expected to lead to medicine research and development. This will make the cost cheaper than importing, especially in the pharmaceutical manufacturing with advanced technology. The government sector will support research budgets and provide tax benefits. (For the first half of 2022, investors requested the support for a research and development of Biotechnology with project worth Baht 3.7 billion); (3) Promotion measures for domestic pharmaceutical manufacturing industry in 2023 - 2027 aim to increase the value of pharmaceutical manufacturing by more than Baht 100 billion and expand the export market to Baht 13 billion in order to create drug security for the nation; and (4) strategic plan for driving Thailand with the BCG (Bio-Circular-Green Economy) economic model 2021 - 2027 (BOX 3) will help expand medical and health products from biodiversity.,create added

value in the medicine and vaccine market, and reduce imports, which enables more access to expensive medicines.

Challenges in the business include:

1. Thailand still lacks the manufacturing capacity of essential medicines for drug security. Majority of domestic manufacturing relies on imported raw materials from abroad for generic drugs. Medicines that rely on advanced technology come almost entirely from imports.
2. Competition tends to be more intense due to the following reasons:
 - (i) An increase in new investors from abroad who use Thailand as a generic drug manufacturing base to support the domestic and export markets. (For example, in 2019 - 2021, Japan requested the support for investment in medical industry as well as medicines, totalling 14 projects worth Baht 813.1 million, an increase from 2 projects worth Baht 347.8 million in 2018. While, South Korea requested the support for investment in medical industry in 2021 for the first year with one project worth up to Baht 10 billion)
 - (ii) An expansion of the investment scope of capital groups from other businesses, such as petrochemicals/chemicals and energy.
3. The cost burden of pharmaceutical manufacturers tends to increase from:
 - (i) The improvement of pharmaceutical manufacturing plants to meet GMP-PIC/S standards
 - (ii) The requirement that pharmaceutical manufacturers, importers, and pharmacies have to prepare appropriate drug storage facilities and drug distribution equipment
 - (iii) Prices of imported drugs/raw materials tend to increase.
4. Joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (pending consideration) may affect the registration of pharmacopoeia and the patent system. Patented drugs may have an exclusivity period of more than 20 years, adding to the uncertainty over the price of some drugs.

Procurement of Products and Services

Production strategy, raw material procurement, and product distribution

• Raw Material Procurement

The Company pays attention raw materials because they are the key to quality products. Although the Company currently selects quality raw materials from around the globe through local distributors, for products that require a lot of raw materials, the Company has a plan to import main raw materials by itself and/or sign a sole dealer contract and/or conduct research to improve local raw materials to enhance the Company's bargaining potentials of the raw materials, which will help reduce costs.

The Company supplies main raw materials to produce, which comprises 1. main medicines/ macronutrients or active ingredients 2. excipients like starches and lactose 3. lubricants such as talcum 4. flavours and 5. packaging. Active ingredients for conventional medicines and herbal products are the main active ingredients that are used to cure diseases but dietary supplements are extracts that are used as active ingredients such as vitamins, minerals.

Packaging is divided into packaging that comes into direct contact with products such as capsules, glass bottles, packets, and foils and packaging that does not come into direct contact with products such as paper box, plastic wrapper. The Company had domestic purchases of 95.05% from the total purchase value in 2023.

The Company orders raw materials and packaging from various suppliers without relying on any specific supplier and in 2023, the Company had not purchased raw materials and packaging from any specific supplier for more than 10% of the total purchase value of raw material and packaging. In the past, purchase orders of raw materials and packaging take approximately 10 - 120 days from ordering to receiving raw materials or packaging.

In this regard, the Company has the policy to manage raw materials and packaging in the warehouse and maintain them at an appropriate level for efficient

production under production and marketing plan and avoid being burdened by excessive stocking. The Company does not have long-term contracts in raw material procurement with any supplier but the Company will place orders depending on market price by sending purchase orders based on appropriate quantity in each period.

The Company selects supplier for raw materials and closely monitor the quality of raw materials to use as active ingredients. The suppliers and manufacturers must pass the evaluation under the requirements of the Company. They must have a license to operate a business, a license to manufacture pharmaceutical products or import registration certificate, and other standard certificates such as GMP or ISO or other related certificates, including Certificate of Analysis from manufacturers to ensure quality and properties of their raw materials. After the Company has received raw materials, the quality assurance division will monitor the quality of the raw materials in each lot to ensure the raw material quality meets the standard prior to using them.

In the past, the Company has never suffered a shortage of raw materials that significantly impact production.

• Production

The Company foresees an efficient production process that will meet the highest standards and will have a positive effect on the product quality and production costs. This will build up the Company's credibility in producing quality products and advantage in distributing products at competitive prices. The Company is continually improving the production process, such as investing in cutting-edge technology, reducing the dependency on humans to an appropriate level, and employing information technology for control and management systems, which allows the Company to monitor, process, and analyse the production process and machine quickly and precisely. This enables the Company to improve the production process. Furthermore, the Company also has a quality control division that monitors

the process of receiving raw materials to finished product storage. The inspection and analysis from the quality control division will correct any defects in the production process in timely manner which helps reduce waste in the process and minimise the impact of the interruption in the production process as well as prevent unqualified products to customers.

The Company can manufacture products with a variety of quantities, sizes, ingredients, product models, and packaging by focusing on quality and standard of

production which are accepted internationally with official certificates and systematic workflow in terms of securing ingredients from being contaminated by harmful substances as well as monitoring product quality in every step starting from inspection of raw materials and packaging, production process and finished products. In addition, there is also a laboratory to test raw material and packaging to ensure product quality before deliver to customers.

The Company has 4 manufacturing plants as follow:



JSP Bangkok plant

255,257 Soi Sathupradit 58, Bang Phong Phang,
Yan Nawa, Bangkok
Production of conventional medicine and
dietary supplement



JSP Lamphun plant

260 Moo 4, Sri Bua Ban, Mueang Lamphun, Lamphun
Production of dietary supplement, traditional
medicine and herbal product



Caresutic plant

48/4 Moo 4, Bigger Land Project Phase 4,
Lam Luk Ka, Lam Luk Ka, Pathum Thani
Production of dietary supplement and cosmetic



Grace Water Med and Waree Medical plant

13/7 Moo 8, Bang Muang - Bang Khu Lat,
Bang Muang, Bang Yai, Nonthaburi
Production of hemodialysis solution and purified
water system for industrial purposes

• Product Distribution

The Company has a strategy to effectively distribute products to meets customers' needs by scheduling the route and time for the most effective distribution including reducing empty delivering vehicles to avoid being burdened by transportation costs and fuel consumed. For product distribution through the

online sale channel, the Company has outsourced a Company with expertise in product management to provide a comprehensive product management rating from storage, preparation prior distribution to distribution for efficiency and to save product costs.

Operating Assets

1) Operating Fixed Assets

As of 31 December 2023, the Company had a list of operating fixed assets as follows:

Types/Descriptions of Assets	Book Value (Unit: Baht Million)	Types of Ownership	Encumbrance
1. Land			
• Land title deed no. 174616, 171417, 171418, 171422 and 1249 located in Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province with the area of 43-1-83.7 rai	114.10	The Company	Collateralised mortgages with financial institutions
• Land title deed no. 8060 located in Bang Phong Phang Sub-district, Yannawa District, Bangkok Province with the area of 0-2-27 rai	40.33	The Company	None
• Land title deed no. 171419, 171420, 171421 located in Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province with the area of 14-1-81.6 rai	35.98	The Company	None
• Land title deed no. 193223 located in Lam Luk Ka Sub-district, Lam Luk Ka District, Pathum Thani Province with the area of 0-3-96.9 rai	22.43	The Company	A collateralised mortgage with a financial institution
• Land title deed no. 14514 located in Mueang District, Lamphun Province with the area of 8-3-58.01 rai	15.00	The Company	A collateralised mortgage with a financial institution
2. Buildings and Building Improvements			
• Improvements of the office building / plant / warehouse no. 255, 257 Sathupradit 58, Bangpongpan Sub-district, Yannawa District, Bangkok	180.22	The Company	None
• Office building / plant / warehouse no. 48/4 Lak Luk Ka Sub-district, Lam Luk Ka District, Pathum Thani Province	82.76	The Company	None
• Office building / plant / warehouse no. 260 Moo. 4 Sri Bua Ban Sub-district, Mueang District, Lamphun Province	25.84	The Company	None
• Land and office building improvements in Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province	22.34	The Company	None
• Improvements of the office building / plant / warehouse no. 13/7 Moo 8, Bang Muang - Bang Khu Lat, Bang Muang, Bang Yai, Nonthaburi	11.94	The Company	None
• Improvement of the office building no. 131 Moo 9, Innovation Building Group 1, Thailand Science Park, Phahonyothin Road, Khlong Nueng, Khlong Luang, Pathum Thani	0.13	The Company	None
• Leasehold rights of the land / the plant for the production of medicine, dietary supplement, medical supplies and other products / warehouse	115.87	Lease agreements	None

Types/Descriptions of Assets	Book Value (Unit: Baht Million)	Types of Ownership	Encumbrance
3. Machinery and Equipment			
• Machinery and equipment used in the production of goods	126.93	The Company	None
• Softgel encapsulation machines and product analyser machine	5.27	Lease agreements	Collateralised mortgages with financial institutions
• Product analyser machine	0.09	Lease agreements	None
4. Vehicles			
• Vehicles used in the operations	1.64	The Company	None
• Vehicles used in the operations	4.54	Lease agreements	Collateralised mortgages with financial institutions
5. Furniture, Fixtures & Office Equipment	11.47	The Company	None
6. Construction-In-Progress	42.78	The Company	None
Total Property, plant and equipment, net	859.66		

2) Intangible Assets

As of 31 December 2023, the Group owned the registration of products and computer software with a net book value of Baht 4.92 million, in which the registration of products had useful lives for a period of 5 - 9 years and the computer software had useful life for 10 years.

3) Significant trademark

3.1 The trademark used in providing production of goods service under the clients' trademark (OEM).

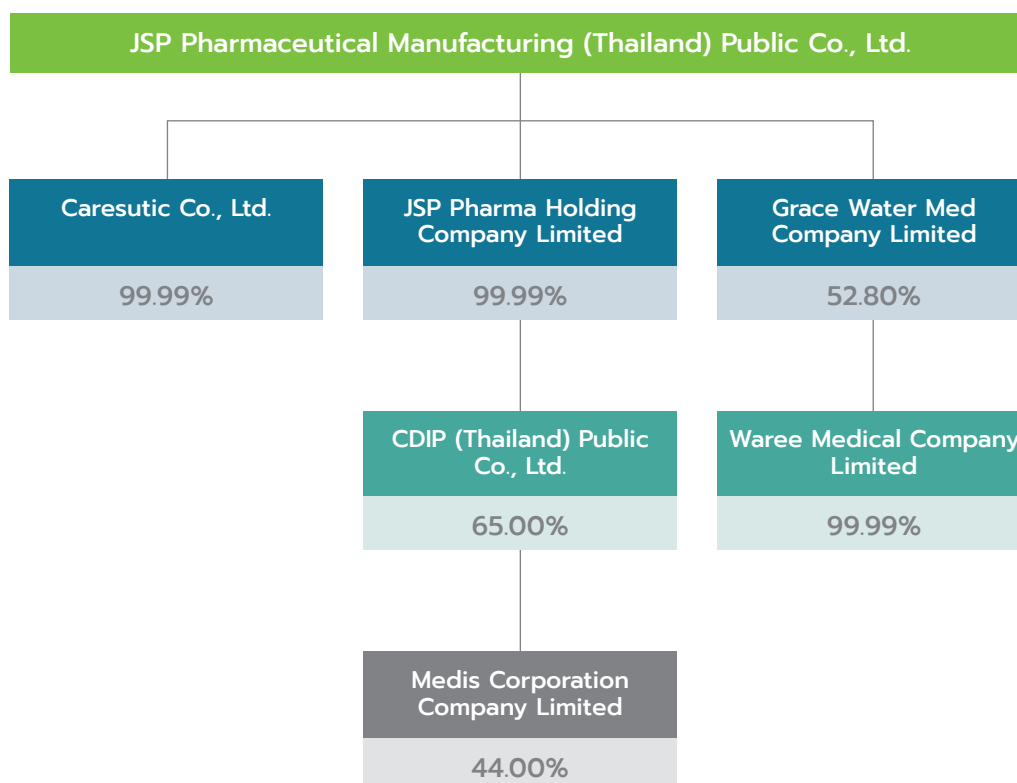
No.	Trademark	Ownership	Types of Products and Service	Registration No.	Registration Date	Expiration Date
1.		Company	Plant or animal-based dietary supplement (non-medical use)	201101214	14/09/2016	14/09/2026

The Company offered service to continually produce goods under the client's trademark as specified on the contract or as agreed with the client to display JSP trademark as a manufacturer of quality products on the packaging of the client's product as prescribed by law. The Company offers service to produce goods such as dietary supplements, conventional medicine, traditional medicine, herbal products and other various types of products.

3.2 The trademark used in the operation of the current product under the Company's trademark (Own Brand)

No.	Trademark	Ownership	Types of Products and Service	Registration No.	Registration Date	Expiration Date
1.		Company	Conventional medicine	201124311	20/09/2018	20/09/2028
2.		Company	Provide service on the business management of the sale of food and pharmaceutical products	191102326	01/08/2017	01/08/2027
3.		Company	Provide service on the business management of the sale of food and pharmaceutical products	191102325	01/08/2017	01/08/2027

The Group shareholding structure



Information of subsidiaries and associate

Company name	Business Description	Total Ownership Interest (%)	Paid-up capital (Baht million)
Direct subsidiaries			
Caresutic Co., Ltd.	Manufacture and distribute of dietary supplements and cosmetic products	99.99	30.00
JSP Pharma Holding Company Limited	Invest in other businesses	99.99	200.00
Grace Water Med Company Limited	Manufacture and distribute of hemodialysis solution and related medical supplies	52.80	40.00
Indirect subsidiaries			
CDIP (Thailand) Public Co., Ltd.	Academic laboratory research, scientific test and analysis, training and seminar, and consultancy for research fund application businesses	65.00	120.00
Indirect associate			
Medis Corporation Company Limited	Trade consumer staples and provide advertising services through automatic vending machine	44.00	10.00

Shareholders

List of Major Shareholders

As of 28 December 2023, the Company had 10 major shareholders according to shareholders' registration as follow:

List of shareholders	Number of shares	%
1. Daengprasert family		
• Suphap Group Company Limited ^{1/}	157,999,000	33.29
• Mrs. Jintana Santipisud	32,000,200	6.74
• Mr. Sittichai Daengprasert	31,988,000	6.74
• Mr. Pissanu Daengprasert	31,500,200	6.64
• Ms. Jirada Daengprasert	30,659,700	6.46
• Mr. Sorasit Daengprasert	31,765,200	6.69
• Mr. Prasitchai Daengprasert	3,390,800	0.71
2. Mr. Suwat Rojanasoontra	11,780,000	2.48
3. Mr. Kriangyot Jitsudjaphong	4,527,600	0.95
4. Ms. Melada O-larnchon	4,242,900	0.89
5. Mrs. Siriphorn Daengsupha	4,100,000	0.86
6. Mr. Metha Simawara	3,960,000	0.83
7. Mr. Teerapoj Jaroonsri	3,582,100	0.75
8. Mr. Wipong Techaphoonphol	3,100,000	0.65
9. Mr. Ekkachai Eiawsiwikul	3,031,000	0.64
10. Mr. Sombat Thanabhunyawat	3,000,000	0.63

Remark : ^{1/} Suphap Group Company Limited had registered capital of Baht 30.00 million, consisting of 300,000 ordinary shares with a par value at Baht 100 per share which are owned by (a) Mrs. Jintana Santipisud, (b) Mr. Sittichai Daengprasert, (c) Mr. Pissanu Daengprasert, (d) Ms. Jirada Daengprasert and (e) Mr. Sorasit Daengprasert.

Registered and Paid-up Capital

As of 31 December 2023, the Company's registered capital was Baht 341,250,000 divided into 682,500,000 ordinary shares with Baht 0.50 par value each. Whereby, paid-up capital was Baht 237,277,450 divided into 474,544,900 ordinary shares.

Convertible Securities

On 16 August 2022, the Extraordinary General Meeting of Shareholders had resolutions approve the issue of warrant to purchase the newly issued ordinary shares of the Company (JP-W1, which subsequently change security symbol to JSP-W1 on 22 September 2022) not exceeding 227.5 million units, to be allotted to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering) at the allotment ratio of every 2 existing ordinary shares for 1 unit of JSP-W1 warrant with exercise price of Baht 2.5 per share. The warrant had details as follow:

Description	Details
Grant date	: 31 August 2021
Exercise ratio	: 1 unit of warrant per 1 ordinary share, except there is a change according to the right adjustment conditions
Exercise price	: Baht 2.50 per share, except there is a change according to the right adjustment conditions
Exercise period and proportion	: The Warrantholders may exercise the rights under the warrants on the last Business Day of March and September throughout the Term of Warrants. The Warrantholders may exercise their rights for the first time on the last Business Day of March i.e. 31 March 2023 and the last time to exercise their rights is the date such that the Warrants have 2 years from the Warrant Issuance Date, which shall be 30 August 2024.

As of 31 December 2023, the Company had outstanding JSP-W1 warrant totalled 207.9 units.

Dividend Policy

The Company had dividend policy at the rate of not less than 40% of net income according to the Company's separated financial statements after deducting legal reserve and prescribed in law and the Company's Articles of Association. However, the dividend payment must not exceed than retained earnings according to the Company's separated financial statements and in case the Company had deficit in separated financial statements, the Company will not consider payment of dividend. Nevertheless, the Company may consider to pay dividend payment less than the defined rate depending on a financial performance, financial position, and the Company's liquidity including the needs of spending working capital, business expansion plan soon, and other factors related to the Company's supervision according to the Board of Directors' discretion.

The dividend payment must be approved by Shareholder's meeting, except interim dividend which the Board of Directors may approve to pay an interim dividend occasionally in case the company has an appropriate profit and the interim dividend payment must be informed in the next Shareholders' meeting.

The Company had not declared dividend payment from the annual financial performance ended on 31 December 2022 and 2023 due to outstanding deficit in separated financial statements.

2 Risk Management

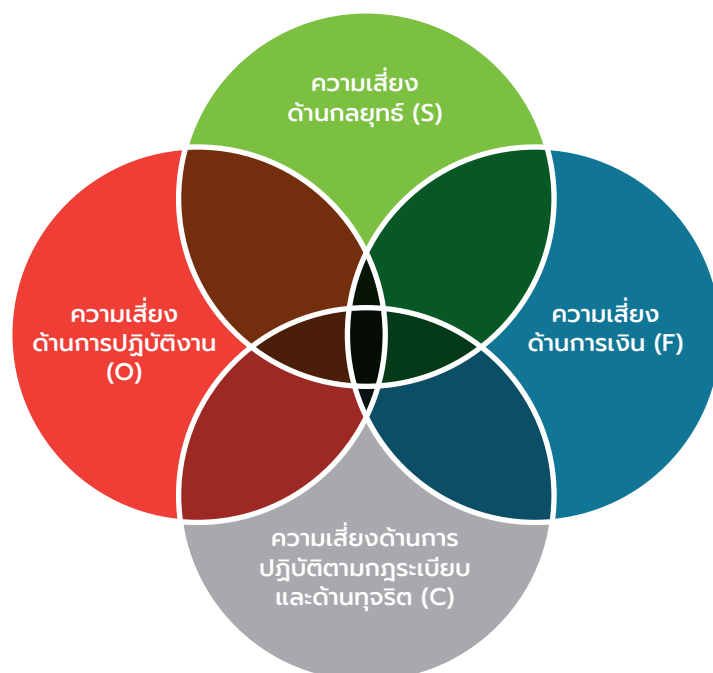
Risk Management Policy and Plan

JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited has set out the firmwide risk management policy, risk assessment and action plan implemented to manage risk into an acceptable level. The Company communicates, arranges of workshops for employees to raise awareness on the importance of risk management. The Company's risk management policy are as follows:

- To foster an environment and atmosphere conducive to risk management to create understanding, awareness and shared responsibility for risks, controls and impacts of risks to the Company in the management and operations processes throughout the Company.
- To provide procedures, guidelines and measures on appropriate quality risk management in an international scale. This includes identifying, analysing, evaluating, prioritising, managing, controlling, monitoring, reporting, assessing results and communicating information about risks on an ongoing and regular basis and carry out the practice throughout the Company.
- To provide qualitative risk analysis on the work system, such as reputational risk, company image and quantitative risk analysis such as financial performance, reduced income, increased expenses by considering potential opportunities and impacts.
- To provide a determination of acceptable risk levels to limit the damage that may occur to the level of risk at an acceptable level to the Company, including review the operator's action plan to manage the risk to an acceptable level.

The Company's Risk Management Plan

- 1) The formulation of risk management policy and criteria such as setting policy, objective, scope, responsibility, risk management criteria and guideline to align with the strategy, goal, plan and business direction, which the Company will review annually and will put into practice together with the business plan to ensure consistency. In this regard, the Company determinates the main guideline topics that cover the risk assessment and risk management as follow:



- **Strategic Risk (S)** refers to risk arises from formulation of strategic plan and the implementation of the plan that is inappropriate and the inconsistencies between policies, goals, strategies, organisational structures and competitive situation.
 - **Operational Risk (O)** refers to risk arises from all phases in the operation process that covers the factors related to the process, technology equipment and personnel in operation.
 - **Financial Risk (F)** refers to risk associated with reporting of various information with accuracy to build trust e.g. the Company financial performance report
 - **Compliance Risk (C)** refers to risk arises from the inability to comply with applicable laws and regulations or, inappropriate existing laws and regulations creating obstacles in the operations or corruption by the officials.
- 2) Analysis and assessing internal control to determine the level of risk remaining after the assessment. If it is still high or very high, there must be a risk management action plan of the operation system by the responsible management.
- 3) Risk management is done by determining a method for creating an action plan as it has been defined in the risk assessment steps. The acceptable method should be taken into account along with the acceptable level of risk, the costs and benefits analysis. A risk response may choose one or a combination of methods to reduce the likelihood of an event occurring and the severity of the impact of the incident was Avoid, Share or Transfer, Reduce and Risk Acceptance.
- 4) Monitoring of risk is done by the responsible person including the officer to consider the risk management or control activities, which are policies and operating procedures that are implemented to ensure that the Company have managed the risks according to the internal environment of the Company, the nature of the business, the structure and the organisational culture which may differ.
- 5) Risk management results are followed-up and reviewed according to the plan including risk management results assessment, which responsible by the Risk Management Committee and report to the Board of Directors.

Company's Business Risks

1) Health and Beauty Products Highly Competitive Market Risks

Currently, the market for health and beauty supplements is growing. This is a result of consumer behavior towards health care, including more attention to beauty and the value of consuming dietary supplements to build immunity or nourish the body. As a result, more entrepreneurs are entering this business as it is a business that does not require a very high initial investment. Both small and large businesses contract manufacturing operators and distributors work with entrepreneurs who have their production plants. Importers of goods from abroad for distribution, retailers, actors, and actresses who make additional careers from selling health products, including multinational companies to build manufacturing plants in Thailand. This makes the dietary supplement business more competitive. There is a replacement product with the same characteristics with similar features and are produced and released in large numbers under a variety of brands. Along with the awareness of information about the properties of various dietary supplements, giving consumers more choices. Manufacturers and distributors have to develop products to keep up with the market situation, trend and consumer behavior that changes according to the popularity and attitude towards each type of dietary supplement consumption. Therefore, if the Company cannot maintain production standards, it is unable to develop products to respond to changing consumer behavior. This may cause the Company to be unable to maintain its existing customer base and may prevent it from having additional new customers. This may affect the Company's performance in the long run.

Guidelines on Risk Management Practices

The Company is well aware of the following risks therefore, the Company focuses on the product quality along with product formulations that are suitable for each group of customers as the priority

and it is what the company has always adhered to. In addition, the Company also pays attention to the invention of new products, product diversification development to provide customers with choices that are suitable for them as well as continually develop product models to enter the market to reduce dependence on a particular product. The Company also increases the distribution channels to make the products easier customers to have access to the product, including advertise in various media to raise the product awareness among the customers. Although the health and beauty products business is highly competitive, the entrepreneurs can easily enter this market. However, most of the competitors in the business are small businesses that are just distributors, or it could be a contract manufacturing business with a small factory that is not a direct competitor of the same size as the Company and with the reputation of the Company that has been around for a long time which give the Company an advantage in competing with other competitors in the industry in the long run.

2) New Product Launch Risks

The Company recognises the importance of introducing new products to the market for overall business growth. The Company has established the strategies for introducing new products in its various product groups, especially products under its brand to prepare for future growth, however, the Company is aware of the risks that may occur in each step, as follows:

At the beginning of the new product launch, the Company need to test the feasibility, efficacy, and safety of their products to ensure that all products are standardised and efficient. The Company can then seek approval from the relevant regulatory authorities to legally sell the product on the market. In such a step, the Company has expenses and risks to manage, especially for the development and approval of modern medicines, because the research and development process is quite complicated. For

the approval process with relevant agencies such as the Food and Drug Administration (FDA), the Company may encounter delays in the registration and approval processes, or may not be approved by the relevant agencies to distribute the product if such risks arise. The Company may be adversely impacted by its business and operating results. This is because the Company may not be able to deliver the product within the required time frame which The Company may miss out on the opportunities to increase its market share as planned.

Guidelines on Risk Management Practices

The Company has a way to enhance its efficiency in developing new quality products. There are innovations to meet the needs of all groups of consumers based on being able to comply with the law. This ensures that the Company's products are approved by the relevant authorities and capable of continuous marketing communication within a strict legal framework. The Company has test results from both its departments and collaborates with universities across the country to support the efficiency, effectiveness, and reliability of its products as prescribed by law. The Company has a marketing team that is ready to study the market to formulate marketing strategies in accordance with the needs of customers and consumers.

3) Concentration On Major Customer Risks

The Company's products are pharmaceuticals and dietary supplements. Most of them sell products in form of contract manufacturing. In 2021 - 2023, there was no proportion of sales revenue from any particular customer that exceeded 30% of consolidated revenues from sales and services. The declining popularity of the consumer group is affected by the product life cycle during recessions or downturns. This may result in the Company receiving fewer orders from customers until it cancels production plans for the following year or reduces production orders. If the Company is unable to find other customers to replace them, it will significantly affect the revenue and operating results of the Company.

The Company's products have been recognised by customers for a long time because they can produce quality products that align with the standards and meet the needs and deadlines of customers, including the after-sales service. However, based on previous business operations the Company's major customers will continue to hire the Company to continually manufacture the products, and the Company will always be chosen for production.

Guidelines on Risk Management Practices

The Company is well aware of such risks and impacts. Therefore, the Company has a policy of seeking new customers and/or co-developing existing customers by offering a variety of new product formulas that is able to meet the needs of customers according to the trend of popularity in the market that has changed quite quickly in terms of products and brands of the Company. The Company has been trying to expand its customer base by diversifying its customer groups and expand the distribution of products under the Company's brand, including increasing the customer base to gain more foreign customers. This will be an important factor in reducing the risk of relying on major customer.

4) Compliance and Regulatory Risks

The main products of the Company are medicines and dietary supplements, which are the products that are important to consumers. Therefore, every product must be licensed and registered by the relevant authorities and is subject to the laws, rules, and regulations of the Food and Drug Administration, the Ministry of Public Health in various aspects. In addition, the Company shall strictly comply with the conditions of the licenses it received to operate the business. All product labels and advertising words must be authorized before the product can be sold. The product label must be displayed as specified by the FDA so that consumers can read the information clearly before making a purchase decision and to control the exaggeration of the product's advertising or boasting benefits in terms of being used for the treatment or treatment of diseases. Therefore, to

compliance with the laws, rules, regulations, and regulatory standards, as well as future changes, is very important to the Company's business operations. This can sometimes cause the Company to have additional expenses or costs. It may affect the reputation and operations of the Company in the future if the Company fails to comply with the relevant regulations or fails to register drug and dietary supplements as required by law.

Guidelines on Risk Management Practices

The Company has closely monitored various changes, including relevant compliance with regulations, Criteria and standards for various controls. The Company has a registration department that is directly responsible for this duty, including following the news, trends in changes in laws, rules, regulations, and standards that are relevant to the Company closely. Therefore, the Company will be prepared to deal with various changes that will occur in a timely manner.

5) Registered Product Expiration, Cancellation, and Nonrenewal Risks

In the production and distribution of the Company's products, especially the modern drug group. It is important that a product must be registered before it can be launched to the market. The registration of these products will have an expiration date and/or be re-evaluated in accordance with the period specified by the relevant government agencies. The Company is required to renew the term as required by laws and regulations in order to continue doing business and distribution. However, the renewal and assessment terms are subject to change. This makes it difficult for the Company to ensure that all product registrations can be renewed. In addition, product registrations can be canceled or revoked by government agencies. This may result in the Company losing revenue from the sale of products whose registration has been canceled.

Guidelines on Risk Management Practices

In respect of product registrations that may have expired or have been canceled. The Company has established the plans to minimize the risks by tracking the expiration dates of the registration owned by the Company. The Company also develop and update pharmaceutical reports on drug registration in accordance with the rules and regulations that may change from time to time following the ASEAN Agreement on Drug Registration Standards (ACTD) to ensure that the Company will be able to renew and comply with the rules in a timely manner and there will be no gaps that may result in the suspension of products being sold. In addition, the Company has a policy of regularly acquiring new product registrations according to the new drug research project by the Company's internal team with experience, including purchasing a product registration that can move the production location immediately in order to be able to quickly acquire a product registration that can be immediately sold to customers.

6) Damages Arising from Unsafe Products Risks

The Company's health products include modern medicines, traditional medicines, herbal products, and dietary supplements, which are the products that are consumed directly into the body, thus affecting the health and safety of consumers. Therefore, quality and safety are important to build the credibility of the Company's products. The Company's products may be at risk from product contamination or deterioration. This can occur at all stages of production, storage, transportation, and distribution, which may be beyond the control of the Company. For example, there may be contaminants from raw materials ordered by the Company from the supplier, and etc. If this is the case the consumers get adverse side effects, health problems, or harm to their health from using such products, causing allegations, complaints, or lawsuits to pay compensation for various damages. In addition, the Company may be at risk of being affected by the insecurity of the products of other

operators that are not the Company's products. From the news on various channels, as the drug and dietary supplement distribution business is a business that does not require much investment, it may result in many businesses who provide contract manufacturing services manufacture products that are not standardized or contain dirty ingredients. As a result, consumers will get sick and may lead to death as shown on the news in the media, which directly affects the Company when consumers get sick or die from taking drugs or dietary supplements. This will cause consumers to panic and refrain from purchasing drugs or dietary supplements for consumption that are similar to the news affecting the consumption behavior of consumers of drugs or dietary supplements in a wide range.

Guidelines on Risk Management Practices

The Company focuses on the quality, cleanliness, and safety of the products they sell through quality control and inspection in every step of production, starting from the selection of suppliers who deliver quality raw materials and packaging and possess reliable qualifications for the Company, raw material inspection, strict quality control of raw materials and production processes, determined transportation standard, storage of raw materials, and finished goods to be sold to ensure safety and product quality can be maintained. In order to be in compliance with the GMP PIC/S standard for manufacturing and good products, safe and harmless to consumers. In the past, the Company has never had any complaints about the safety of its products.

In addition, the Company is aware of the risks that may arise when unsafe products are found on the market by providing operational procedures in case of complaints related to product quality or safety. The Company possess a clear and correct work process when such unsafe products are found.

7) 2019 Coronavirus Disease Pandemic (COVID-19) Risks

A 2019 Coronavirus disease pandemic (COVID-19) has spread in many countries around the world, including Asia, Europe, and the Americas, which resulted in a large number of illnesses and deaths, It also affects the tourism and hospitality industries, and domestic and international investments, the manufacturing sector in various industries, the real estate sector. This also affects employment and wages, which inevitably affects the loss of income of individuals and the country's economy. For Thailand, cooperation are requested by the government for the people to stay at home to stop the spread of germs for the whole nation by asking people to cooperatively stay home throughout the year 2021 which will affect the Company's income both in the part of the customer base in the country and the customer base of foreign tourists visiting Thailand, especially if that customer base is from China, which is a country that has been heavily affected by the COVID-19 epidemic.

Guidelines on Risk Management Practices

The Company is well aware of such risks and impacts. Therefore, there has been increased consideration and caution in the investment and production planning of the Company's products. The Company also change the sales methods by focusing more on online sales channels, which is a popular product distribution channel due to the fact the rise of new normal lifestyle among the people. Furthermore, the Company oversees the business opportunity during the pandemic therefore, the Company has ordered the alcohol-based products for cleaning for Distribution under the Company's own brand and under the customer's brand.

3 Business Development for Long-term Sustainability

Sustainability Management Policy and Goal

Overview of Policy

At JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd., we understand the significance of conducting business sustainably while upholding our ESG. We prioritise stakeholders in the economy, society, and the environment, guided by strong moral, ethical, and conduct standards. Through responsible business operations, we aim to benefit the public and promote the growth of our company. In line with this objective, we have established a sustainable business development under ESG policy consisting of 3 sections, as follows:

1) E = Environment: Using natural resources efficiently, including preserving and reviving environment which have impact from business operations. The Company follows 3R's principle: Reduce, Reuse, Recycle in business operations and have management objectives as below:

- 1.1 Reduce usage of water, energy, as well as wastage as per unit of production
- 1.2 Strictly monitor air pollution from production process, together with direct and indirect carbon emission as per unit of production
- 1.3 Reduce impact from packaging wastage by innovation of sustainable packaging

2) S = Social: Supporting well-being by good quality of products and improve health, managing the organisation's human resources with equality, considering working environment and employees' health, as well as customers, communities and related stakeholders in supply chain. Management objectives in this area are as follow:

- 2.1 Deliver high quality of products / natural materials
- 2.2 Create products to improve quality of living, health and well-being of all group of customers
- 2.3 Develop disability's quality of living and reduce inequality

3) G = Governance: Operating business with transparency and audible, anti-corruption and have good corporate governance, together with fairly care benefits of stakeholders' interest. The Company disaggregates 6 groups of stakeholders and have proper guideline to manage expectations of each stakeholder in different channels of participation with the highest benefits of the stakeholders.

The Company is committed to supporting and enhancing the quality of life, society, community and environment, with a focus on creating sustainable livelihoods and income opportunities for farmers. As part of this mission, the company has developed plans to assist farmers in various communities by developing land in Bueng Kham Phroi District, Pathum Thani Province, and establishing a center for knowledge transfer on the cultivation of Khai Nam plants. The company also plans to support the planting and purchasing of produce from farmers in the future, including the development of dietary supplements from Wolffia with high nutritional value that can potentially be used as meat substitutes and various types of dietary supplements.

Stakeholder management in business value chain

Value Chain

The Company recognises the importance of operating the business in various contexts. Therefore, the Company hopes the operation of our employees with strategic cooperation from upstream to downstream will keep the Company operating and growing, creating diverse and efficient products and give benefits to customers and shareholders such as employment, tax payment, and community and environment development that cause positive effects to the whole value chain.

Strategic Cooperation (upstream to downstream)



Stakeholder Analysis in the business value chain

The Company believes that stakeholders' participation is the foundation to build a sustainable organisation. Therefore, the Company use the information to evaluate the key issues about all stakeholders which assists the Company to operate with decent methods. The Company holds a brainstorming with a related group of representatives for the purpose of identifying and prioritising interested persons fairly.

Summary table of stakeholders' participation

Stakeholder	Anticipation	Methods of operation	Communication and participation channels
Consumer 	<ul style="list-style-type: none"> • Safety quality and efficient products • Reasonable price and convenience to purchase 	<ul style="list-style-type: none"> • Supply products and quality service including consistent standard improvement • Provide accurate information or facts about products according to scientific principles, legal regulations and avoid providing fictitious information 	<ul style="list-style-type: none"> • Company Website • 56-1 One Report (Website) • Complaint channel
Distributor/ Partner 	<ul style="list-style-type: none"> • Fairtrade • Mutual growth • Keep trade secrets, intellectual property, and copyright • Debt payment in the specified time 	<ul style="list-style-type: none"> • No disclosure of confidential information of customers without consent or legal authorisation • Consider equality and mutual benefits with business partners • Fair selection of business partner • Follow business partner trading contracts and conditions 	<ul style="list-style-type: none"> • Company Website • 56-1 One Report (Website) • Conference, Factory inspection and visit • Telephone and Email • Complaint channel
Employee 	<ul style="list-style-type: none"> • Consistency and efficiency in business growth • Return on investment • Good corporate governance 	<ul style="list-style-type: none"> • Improve business efficiency • Treat shareholders equally • Transparent and reliable disclosure • Faithful in corporate governance 	<ul style="list-style-type: none"> • Company Website • 56-1 One Report (Website) • Shareholders' Meeting • Quarterly Financial Information • Investor Relations • Telephone and Email
Shareholder 	<ul style="list-style-type: none"> • Consistency and efficiency in business growth • Return on investment • Good corporate governance 	<ul style="list-style-type: none"> • Improve business efficiency • Treat shareholders equally • Transparent and reliable disclosure • Faithful in corporate governance 	<ul style="list-style-type: none"> • Company Website • 56-1 One Report (Website) • Shareholders' Meeting • Quarterly Financial Information • Investor Relations • Telephone and Email

Stakeholder	Anticipation	Methods of operation	Communication and participation channels
Community 	<ul style="list-style-type: none"> • Operate business responsibly • Economic community development and sustainable participation • Compliance with the law and regulations 	<ul style="list-style-type: none"> • Consistently held events and promote community and social development project • Compliance with the law, business regulations and environmental law • Promote activities related to energy and environmental conservation 	<ul style="list-style-type: none"> • Company Website • 56-1 One Report (Website) • Telephone and Email • Complaint channel

Besides the communication and contribution channel mentioned before, the Company also made a whistle-blowing channel on the Company's website so interested persons can report misbehavior in a correct way without having to reveal their identity throughout investigation process according to the Company's corporate governance policy.

Operating results on environmental

The Company believes that intention on sustainable development on increasing quality of living in the society, creating economic opportunities with equality and reduce environmental impact thorough the organisation's supply chain are foundation of sustainable business growth. This will enable the Company to take proper actions on opportunities and challenges; which occurs rapidly, by the power from employees to create sustainably growth.

The Company operates sustainable development under ESG by defining significant issues to the organisation and stakeholders covered social, environment and governance. Then the Company prioritise of the issue to take proper actions.

In 2023, the Company installed solar cell roof top on plant and warehouse at Lamphun province, which covered 4,814 sq.m. and generated electricity of 899,000 unit per year. This will reduce global warming problem resulted from increasing of carbon emission, which currently caused by electricity generation. The reduction of carbon emission is calculated below:

$$\begin{aligned} &(\text{Activity Data} \times \text{Emission Factor} = \\ &1,022,000 \text{ kWh} \times 0.6933 \text{ kgCO}_2\text{e/kWh} = \\ &708,552.6 \text{ kgCO}_2\text{e}) \end{aligned}$$

Therefore, the solar roof top reduces carbon emission by 708,552.6 kgCO₂e, or equivalent to growing plants of 88,569 units (planting and standing timber could absorb 8 kg of CO₂ per year).



In addition, the solar roof top has been installed as additional part on the plant's roof. This will create a shade area under the solar roof top and reduce heat in the building, which could reduce energy consumption on air conditioner.

Results of Social Activities



4 Management Discussion and Analysis

Executive Summary

During the third quarter of 2023, the Company acquired 65.0% ordinary shares of CDIP (Thailand) Public Co., Ltd.; operates in services of academic laboratory research, scientific test and analysis, training and seminar and consultancy for research application, from the Company's major shareholders. Therefore, the consolidated financial statements presented operating results, financial position and cash flows according to business combination under common control. In addition, the Company restated financial information for 2022 for comparative purposes.

Furthermore, during the second quarter of 2023, the Company acquired 52.8% ordinary shares of Grace Water Med Company Limited ("GWM"). GWM operates business in relation to manufacturing and distributing hemodialysis solution, medical supplies for dialysis and providing service related to install equipment for producing purified water for industrial purposes. The consolidated financial statements for 2023 have included operating results and cash flows of Grace Water Med Company Limited since acquisition date to the reporting date.

Significant operating results for the year 2022 ("FY22") and 2023 ("FY23") were summarised as table below:

Unit: Thousand Baht	FY22	FY23	%YoY
Revenue from sales and services	458,075	575,578	25.7%
Gross profit	144,962	144,474	(0.3%)
EBITDA	25,991	46,715	79.7%
Net profit (loss)	(3,067)	28,240	(1,020.8%)
Net profit (loss) to the Company	(17,483)	(1,269)	(92.7%)
Gross profit margin	31.6%	25.1%	(6.5%)
EBITDA margin	5.5%	7.2%	1.7%
Net profit (loss) margin	(0.6%)	4.4%	5.0%

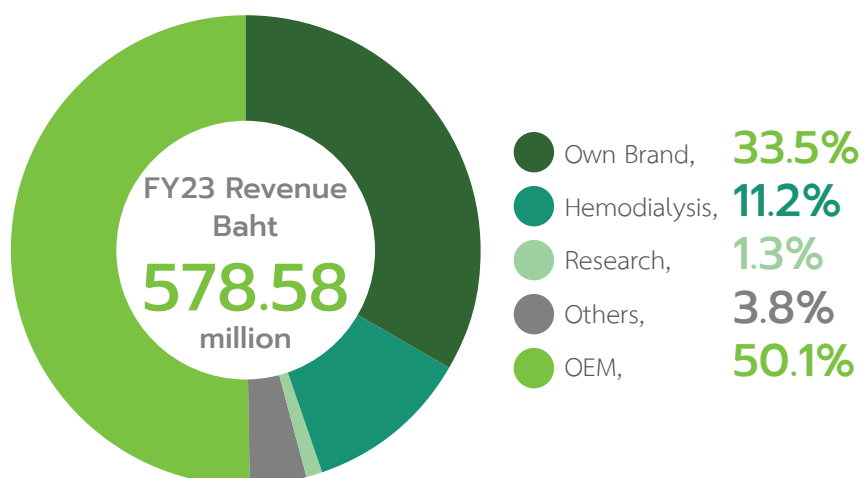
The Company had revenue from sales and services for FY23 increased from FY22 by 25.7%. This was because revenue from dietary supplements and conventional medicines, together with revenue recognition from subsidiaries acquired during the period, aligned with consumer's behaviour about higher awareness of healthcare for healthy, prevent and cure illness and beauty. Although the Company had gross profit margin for FY23 lower by 0.3% comparing with FY22, the

Company's EBITDA increased by 79.7% since higher balance of depreciation and amortisation from the Company's long-lived assets invested for business expansion upon IPO objectives and long-lived assets acquired through business combinations during FY23.

The Company had strong financial position, represented by debt-to-equity at 0.44 times and return of assets for FY23 at 2.1%.

Operating Results

Revenue from sales and services structure



Products under customer's brand (OEM)

- The Company had variety of product to support customer's demand.
- The Company's revenue principally derived from OEM customers.

Products under the Company's brand (Own Brand)

- The Company's brand consisted of COXTM, JSPTM, Suphap OsotTM, EVITONTM, which covered many channels of distribution
- The Company had product development and marketing plans to expand revenue from Own Brand segment.

Hemodialysis solution (Hemodialysis)

- The Company manufactures and distributes dialysis solution for domestic dialysis clinic

Research and development, training and seminar services (Research)

- The Company provides product research and development of products, training and seminar and consultancy for research fund application

Other products (Others)

- The Company trades certain products such as drug test kits.
- The Company provides installation services related to purified water system for industrial purposes.

Breakdown revenue from sales and services by product type

	FY22		FY23	
	Baht Thousand	%	Baht Thousand	%
OEM	249,379	54.4	288,493	50.1
Own Brand	168,914	36.9	192,735	33.5
Hemodialysis	-	-	64,665	11.2
Research	29,187	6.4	7,739	1.3
Others	10,595	2.3	21,946	3.9
Total	458,075	100.0	575,578	100.0

Source: Financial statements for FY23 (Audited) and management information

The Company had revenue from sales and services for FY22 totalled Baht 575.6 million, increased from FY22 by 25.7%. The Company had higher revenue in all product types with detailed analysis as follow:

OEM products

In FY23, the Company had revenue from OEM products amounting to Baht 288.5 million, higher than FY22 by Baht 39.1 million. This was primarily because the Company had more customers' orders, especially dietary supplements and conventional medicines. The unwind of COVID-19 outbreak resulted to higher level of economic activities and that had positive impact to entrepreneurs.

Own Brand products

In FY22 and FY23, the Company had revenue from Own Brand products amounting to Baht 168.9 million and Baht 192.7 million, respectively. The Company

expanded channels of distribution in FY23 into several TV Home Shopping and emphasis in selling dietary supplements products, namely สุภาพโอสถTM (Suphap Osot)) Black Sesame and Rice Bran Oil, and had positive feed back from customers. In addition, the Company developed new products under Own Brand in order to secure current group of customers and expand new target group.

Hemodialysis products

According to the business acquisition of Grace Water Med Company Limited in the second quarter of 2023, the Company then recognised revenue from hemodialysis products amounting to Baht 64.7 million, accounted for 11.2% of consolidated revenue from sales and services. This type of product is distributed to domestic dialysis clinic. Should business combination performed on 1 January 2023, this product type will generate Baht 107.1 million to consolidated revenue.

Breakdown of revenue from sales and services by product category

	FY22		FY23	
	Baht Thousand	%	Baht Thousand	%
Dietary supplements product	216,650	47.4	276,713	48.1
Conventional medicine	173,777	37.9	185,296	32.2
Herbal product	18,455	4.0	12,038	2.1
Hemodialysis product	-	-	64,665	11.2
Other products ^{1/}	49,193	10.7	36,866	6.4
Total	458,075	100.0	575,578	100.0

Source: Financial statements for FY23 (Audited) and management information

Note: ^{1/} Other products represented cosmetics, drug test kits and revenue from services

Dietary supplements product

In FY22 and FY23, dietary supplements products contributed 47.4% and 48.1% of the Company's total revenue from sales and services, respectively. During 2023, the Company increased channels of distribution, and also launched several forms of dietary supplements to support demand. This included Black Sesame and Rice Bran Oil Dietary Supplement, 4 Mix Oil Dietary Supplement.

Conventional medicine

The Company's revenue from conventional medicine for FY23 increased from FY22 by 6.6%. Major revenue from this category derived from OEM customers.

Gross profit

The Company had 31.6% and 25.1% gross profit margin for FY22 and FY23, respectively. Gross profit margin for FY23 tended to decline since the Company had higher cost of certain materials resulted to lower gross profit margin by 4.5%. Furthermore, the Company gradually recognised depreciation and amortisation from fixed assets acquired for business expansion purposes as reported in IPO fundraising objectives so that gross profit margin decreased by 1.7%. However, the Company had lower loss from write-down of inventories amounting to Baht 9.7 million.

Selling and administrative expenses

The Company had 32.5% and 25.3% selling expenses as a percentage of total revenue (revenue from sales and services and other income) for FY22 and FY23, respectively. The ratio tended to decline due to

expansion of total revenue. In addition, the Company had less advertising and promotion and goods distribution expenses for FY23 then FY22 totalled Baht 29.1 million.

The Company had administrative expenses for FY22 and FY23 amounting to Baht 81.3 million and Baht 112.3 million, respectively. The expenses increased since staff costs of Baht 16.2 million, subsidiaries' administrative expenses acquired during the year of Baht 7.3 million and research and development expense of Baht 2.3 million.

Net profit

The Company reported consolidated net profit of Baht (3.1) million and Baht 28.2 million for FY22 and FY23, respectively. The Company's net profit FY23 derived from increased of revenue from sales and services and gain on measurement of financial assets.

Financial Positions

Financial position of the Company as of 31 December 2022 and 2023 were tabulated below:

Unit: Baht Thousand	FY22	FY23	%YoY
Total current assets	518,024	245,612	(52.6%)
Total non-current assets	848,488	1,090,063	28.5%
Total current liabilities	142,002	194,798	37.2%
Total non-current liabilities	174,939	210,377	20.3%
Shareholders' equity of the Company	942,024	870,062	(7.6%)
Non-controlling interest	107,547	60,438	(43.8%)

Source: Financial statements for FY23 (Audited) and management information

Current assets as of 31 December 2023 primarily comprised trade receivables and inventories, accounted for 77.4% of total current assets. Cash and cash equivalents and short-term investments as of FY23 decreased from FY22 because the Company sold short-term investments for business acquisitions and long-lived assets for business expansion purposes.

As of FY23, the Company had property, plant and equipment accounted for 64.4% of total assets. The higher value of property, plant and equipment as of FY23 than FY22 because land acquired, renovation of production facility at Bangkok and acquired from business combinations.

Current liabilities of the Company as of FY23 was higher than FY22 by Baht 52.8 million. This was

because the Company had current interest-bearing liabilities increased totalled Baht 71.1 million. Whilst, current advances received from customers decreased by Baht 15.7 million.

Non-current liabilities as of FY23 increased from FY22 by 20.3% because the Company recognised long-term liabilities from subsidiaries from business combinations and additional long-term borrowing totalled Baht 30.3 million.

During FY23, the Company's equity declined since difference arising from business combination under common control amounting to Baht 118.8 million. However, the Company had additional equity from exercise of JSP-W1 totalled Baht 48.7 million.

Cash flows

Cash flows of the Company for FY22 and FY23 were illustrated as follow:

Unit: Baht Thousand	FY22	FY23
Opening cash balance	625,895	100,196
Operating activities	2,810	40,379
Investing activities	(463,902)	(202,523)
Financing activities	(64,607)	82,602
Closing cash balance	100,196	20,654

Source: Financial statements for FY23 (Audited) and management information

The Company's cash flows from operating activities for FY23 increased from FY22 amounting to Baht 37.6 million resulted from higher net profit and cash collected from customers. Cash used in investing activities for FY23 reported at Baht 202.5 million, which principally from acquisitions of property, plant and equipment for business expansion purposes by mean of cash amounting to Baht 172.9 million. While, the Company had cash flows generated from financing activities totalled Baht 82.6 million, which derived from new cash received from borrowings from financial institutions amounting to Baht 74.4 million.

Key Financial Ratios

	FY22	FY23
Current ratio (Times)	3.65	1.26
Cash conversion cycle (Days)	124	105
Gross profit margin (%)	31.6	25.1
EBITDA margin (%)	5.5	7.2
Net profit margin (%)	(0.6)	4.4
Return on assets (%)	(0.2)	2.1
Return on the Company's equity (%)	(1.9)	(0.1)
Debt-to-equity ratio (Times)	0.30	0.44

Source: Financial statements for FY23 (Audited) and management information

Current ratio of the Company for FY23 was at 1.26 times, decreased from FY22. This was because the decrease of cash, cash equivalents and short-term investments for business expansion in form of purchasing fixed assets and business acquisitions. However, cash conversion cycle for FY23 had positive trend since days sales outstanding and days inventories outstanding decreased 6 days and 36 days, respectively.

Factors that might have Effect to Future Operating Results and ESG Operations

According to current consumer's trend in importance of healthcare for better standard of living, this leads to new entrepreneurs to enter into healthcare industry and that increase competition in the market. Even though the regulators perform strictly oversight, certain entrepreneurs might not comply with rules and regulations stipulated. Therefore, the product launched into the market might have poor quality or harmful to consumers and that change consumer's image of the market. The Company mitigate the risk by set aside preventive measures, work procedures and quality control throughout supply chain. This will assist the Company to ensure that the products have good quality, safety and the highest effectiveness to consumers. Additionally, the Company is continuously performing research and development in order to launch new products with expectations to create brand awareness and increase alternatives to consume healthcare products.

Presently, stakeholders have more understanding and recognising business operations under ESG. Therefore, private sector has to adjust in this area to align with consumer's behaviour. In 2023, the Company performed activities under ESG by installing solar roof top at Lamphun plant in order to generate electricity for internal use and have completed installation in the fourth quarter in 2023. The Company expected that installing solar roof top will reduce carbon emission. Moreover, the Company had continuously improved production process to increase productivity, reduce waste in order to create economy of scale and use resources in the highest value.

In addition, the Company realised the importance of employees' quality of living, which was significant resources to the Company achieving aims and objectives. The Company encouraged employees in using equipment and information technology to assist operations, which reduce employees' work time and the Company will receive information correctly, reliably and in timely manner. The Company also created activities to enhance employees' knowledge to enable operations were performed with quality and efficiently. The contents included work skills, communication skills and health and safety at work.

5 General Information and Reference Information

General Information

Company name (Thai)	: บริษัท โรงงานเภสัชอุตสาหกรรม เจเอสพี (ประเทศไทย) จำกัด (มหาชน)
Company Name (English)	: JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited
Securities Initial	: JSP
Registered Name in the Stock Market	: The Market for Alternative Investment (mai)
Registration No.	: 0107561000480
Nature of Business	: Develops, manufactures, and distributes of conventional medicines, herbal products, dietary supplements, and sanitizers under customers' and company's trademarks.
Location	: Head Office 255, 257 Soi Sathupradit 58 Bangphongphang, Yannawa, Bangkok 10120 Branch 1 260 Moo 4 Sri Buaban, Muang Lumphun, Lumphun 51000 Branch 2 88, 88/1-3 Moo 11 Bang Chalong, Bang Phli, Samutprakarn 10540 Branch 3 88, 88/1-3 Moo 11 Bang Chalong, Bang Phli, Samutprakarn 10540
Tel.	: 02-284-1218
Fax.	: 02-294-0705
Website	: www.jsppharma.com
Registered Capital	: Baht 341,250,000 (Three hundred and forty-one million two hundred and fifty thousand Baht), consists of 682,500,000 ordinary shares (Six hundred and eighty-two million and five thousand ordinary shares)
Issued and Paid-up Share Capital	: Baht 237,277,450 (Two hundred and thirty-seven million two hundred and seventy-seven thousand four hundred and fifty Baht), consists of 474,554,900 ordinary shares (Four hundred and seventy-four million five hundred and fifty-four thousand nine hundred ordinary shares)
Par Value per Share	: 0.50 Baht (Fifty Satang)
Company Secretary	: Tel. : 02-284-1218 E-mail : jspcs@jsppharma.com
Investor Relations	: Tel. : 064-479-1691 E-mail : ir@jsppharma.com

Reference Information

Securities Registrar	: Thailand Securities Depository Company Limited 93 14 th Floor Ratchada-phisek Rd., Dindaeng, Bangkok 10400 Tel. : 02-009-9000 Fax. : 02-009-9991 TSD Contact Center : 02-009-9999
Auditor	: KPMG Phoomchai Audit Limited 50 th floor Empire Tower 1 South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120 Tel. : 02-677-2000 Fax. : 02-677-2222

Legal Disputes

On 11 September 2019, the Company was accused in trademark infringement case with claim amounting to Baht 50.0 million. On 14 December 2021, the Central Intellectual Property and International Trade Court (“the Court”) dismissed the case. Later on 20 May 2022, the plaintiff appealed the case to the Specialised Court of Appeal. The judgement was read on 16 January 2023 by the Specialised Court of Appeal to dismiss the case.

On 15 May 2023, the Central Intellectual Property and International Trade Court read the judgement from the Specialised Court of Appeal on 16 January 2023 to dismiss the case, and all parties did not submit the petition within period specified by law. The Company received the Central Intellectual Property and International Trade Court’s certificate of the case’s completion. The case then was in final judgement and that the Company did not liable for any loss from the case.

On 31 December 2023, the Company had no outstanding legal dispute caused by the Company’s business which might have negative effect more than 5% of consolidated total equity.



Section 2

Corporate Governance



6 Corporate Governance Policy

Policy Overview and Corporate Governance Guidelines

Objectives

JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited realises the importance of good corporate governance which is the key to gaining investors' confidence in the Company due to its efficient, transparent, auditable management and its awareness of all shareholders. In addition, it is also used as a guideline for the Board of Directors to govern corporate, ensure its good performance in a long term, and create sustainable value to the corporate.

The Board of Directors as the entity of leadership role that takes the biggest responsibilities plays a crucial role in the governance of the corporate. Hence, the Company has provided a guideline regarding good corporate governance that is by the Corporate Governance Code (CG Code). It contains 8 sections of the principles as well as the definition of roles, authorities, and responsibilities of the Board of Directors and Sub-committees which can be briefly summarised as follows:

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board to Create Sustainable Value to the Corporate

The Company has clearly defined roles and responsibilities of the Board of Directors in the Charter of Board of Directors. Their main responsibilities include considering and approving the vision, mission, and values of the Company as well as considering and approving the Company's strategic plans, operation directions, objectives, and policies as well as resource allocations. The Board of Directors understands the roles, duties, benefits, Corporate Governance Code to create sustainable value and shall monitor, evaluate, and supervise the Company and its subsidiary Company's operational report to ensure they are by objectives and goals.

In this regard, the Board of Directors shall supervise the Company's operation by conducting business under related laws and regulations, perform tasks by setting objectives and plans by assessing from the Company's operational conditions, both internal and external factors that might impact the organisation, analyse business trends as well as consider societal and environmental impacts for the Company to adjust its policy or strategy accordingly to the changing environment.

In addition, the Board of Directors has clearly defined the duties and responsibilities of Sub-committees, including the duties and responsibilities of the Chairman of the Board to ensure that directors and executives perform their duties with responsibility, caution, and honesty. They shall supervise the Company's operation to be by related laws, regulations, and the Board of Directors' resolution, shareholders' resolution, and Company's other policies.

Principle 2: Define Objectives that Promote Sustainable Value Creation

The Board of Directors greatly values the determination of objectives and goals for the business and organisation's sustainable growth. Objectives and goals are consistent with value creation and benefit the Company, clients, business partners, shareholders, interested persons, and society as a whole by encouraging the integration of the Company's main objectives and goals into the process of the determination and operation from personnel in all levels to become an enterprise culture under good corporate governance.

In this regard, the Board of Directors determines strategy and plans as well as supervises and evaluates the operating results on a usual basis to ensure they are by the Company's main objectives and

goals by employing suitable technology. Moreover, the realisation of the risk of determining objectives may lead to illegal or unethical misconduct along with supervising to ensure communication about objectives and goals through the organisation's strategies and plans.

Principle 3: Strengthen Board Effectiveness

The Board of Directors consists of knowledgeable and skilled personnel with expertise and experience to perform tasks for the benefit of the Company. Therefore, directors shall have qualifications and not have any prohibited characteristics as required by laws. The Board of Directors has duties and responsibilities to determine and review the Board of Directors' structure.

At least one-third of all independent directors must be qualified, and not less than three members must be qualified and not of a prohibited character under the Securities and Exchange Act or by the Securities and Exchange Commission's rules (the "SEC"). No characteristic implies a lack of appropriateness to be entrusted to manage publicly owned companies according to the SEC (as declared by the Board of Directors SEC At 3/2017 Re: Characteristic Definition on Lack of Trust of Directors and Executives of the Company). Currently, the Board of Directors is made up of independent board members and executive directors who ensure that the Company is managed transparently and ethically. As a result, at least a third of the total number of independent directors is required to adequately balance their powers. Sub-committees are also appointed to assist the Management Committee in promoting the efficiency and effectiveness of the Board of Directors to the extent specified in the Charter of each committee. In order to support efficiency and effectiveness of the Board's operations, the independent director should not have tenure more than 3 years and should not take a position for 3 consecutive periods. Except for the Board of Directors opines that taking a position for more than 3 consecutive period does not have impact to independence. However, the Board of Directors should disclose such opinion to the Shareholders.

The Chairman of the Board of Directors shall be appointed by the Board of Directors. The Chairman of the Board of Directors will be chosen among independent directors, and the Board of Directors will consider the rules and procedures for nominating qualified persons to serve as Chairman of the Board of Directors to assist the Board of Directors in recruiting qualified directors through a transparent and clear process and to be prepared to consider appropriate compensation before seeking shareholder approval.

The Board of Directors shall ensure that all directors are responsible for performing their duties and that sufficient time is allocated to them, and that the roles and responsibilities of the Board of Directors and sub-committees, and the number of meetings, the number of times each director attended a meeting in the previous year, and the performance of all sub-committees, are all disclosed. In addition, the Company has hired a Company Secretary to assist the board in its decisions, as well as to coordinate compliance with the board's resolutions and to oversee the conduct of board and shareholder meetings.

Principle 4: Ensure Effective President and People Management

The Board of Directors analyses the criteria and methods for selecting competent people, as well as the qualifications of directors and senior executives, to ensure that the Company has enough directors and senior executives to operate. It also emphasises the need for sustainable business operations. As a result, as defined in the succession planning policy, the Company has established a succession plan to ensure continuity in management for the management group at the level of the Chief Officer.

To that end, the Board of Directors has devised a remuneration structure for directors and executives, as well as an evaluation system that is appropriate for the extent of the assigned obligations. Directors will be compensated in the form of meeting allowances and bonuses. Salaries and bonuses will be paid to executive directors. This is based on the Company's performance, as well as the Board of Directors'

performance evaluation guidelines and the human resources performance evaluation rules as stipulated in the Board of Directors' Charter.

The Board of Directors will oversee employee management and development to ensure that they have the necessary knowledge, skills, experience, and incentives to effectively manage the business in compliance with strong corporate governance standards and continually improve operations.

Principle 5: Nurture Innovation and Responsible Business

The Board of Directors promotes and encourages innovation and the development of information systems to maximise the potential to fulfill the demands and capabilities of services for the benefit of consumers, as well as to support future market growth and expansion. In the event of a crisis or disaster, there is also a plan in place to ensure that business activities continue (Business Continuity Plan: BCP). Furthermore, the Board of Directors will oversee the management of business operations, ensuring that all stakeholders benefit and that the Company fulfills its social and environmental duties by promoting the Company's enrichment measures in response to changing environmental conditions. This could include business strategies, ways of thinking about enhancing service processes and processes, engaging with partners, and being prepared to compete fairly in business while not exploiting or unjustly exploiting others, as well as firmly adhering to the good governance framework. The Board of Directors understands the importance of stakeholder responsibilities and handles all stakeholders equally, fairly, and transparently, including:

Shareholder: The Company has a policy of conducting business transparently. It will make the most of our efforts to develop the business to grow and generate good returns for shareholders continuously and sustainably. It adheres to the principles of equitable treatment of shareholders.

Employee: The Company provides returns to employees based on fair and measurable performance against a set of criteria, to continuously promote and

develop personnel's knowledge and competence. Furthermore, the Company respects employee rights and provides avenues for employees to file complaints regarding unreasonable situations through various channels.

Customer: The Company establishes long-term partnerships and cooperation with customers based on honesty and trust. The Company is in charge of guaranteeing maximum customer satisfaction by taking responsibility and prioritising client needs based on ethics and providing good and efficient service.

Creditor: The Company establishes relationships with creditors and treats them with integrity, trust, and responsibility, prioritising the conditions under which the best agreement with creditors can be reached.

Partner: The Company treats its partners with fairness and equality to profit from fair business operations. To grow sustainably and be a long-term partner, the Company selects partners based on factors such as pricing, quality, dependability, compliance with the law, technical skill, and environmental protection.

Community and Environment: We ensure that the Company and its employees conduct business responsibly and beneficially for society and community and that they behave with the community living nearby with friendliness, assistance, and support for the community's development while not creating or causing negative environmental impact.

Fair Competition: We make certain that the Company works in an open, transparent, and non-discriminatory manner.

Government Agencies: We ensure that the Company complies with all applicable laws and regulations and that the Company handles governments and government agencies objectively, as outlined in the Code of Conduct and Anti-Corruption policies.

In addition to supporting innovation and development of information systems to support customer services and support business operations that are focused on society and the environment, allocation and resource management is also important. As a result, the Board of Directors is active in ensuring that the essential resources are used effectively and efficiently.

Principle 6: Strengthen Effective Risk Management and Internal Control

The Board of Directors is responsible for ensuring that the Company has a risk management system and internal controls in place to guarantee that the Company meets its objectives and complies with all applicable laws and requirements. The Board of Directors has appointed an audit committee, all of whom must be independent directors with no prohibited characteristics under applicable law, as well as have qualifications and duties by the rules of the SEC and the SET to perform various duties as assigned by the Board of Directors, including the duty to review financial reports, to ensure internal control, to compliance with the law, to consider auditor selection, to comment on the necessity and suitability of transactions between each other and persons who may have conflicts of interest or interests. Furthermore, the Board of Directors has established a risk management committee to assist the board of directors in overseeing the risk management system as defined in the risk management policy, which includes oversight of the security and management of information that may jeopardise the Company's credibility and business operations.

This is to ensure that the Board of Directors can oversee the risk management and internal control systems efficiently. The Board of Directors has adopted important policies to assist in governance management, which are grouped into five categories:

1. Corporate Governance
2. Financial Reports and Financial Management
3. Information Management and Information Technology
4. Human Resource Management
5. General Administration Policy

The Board of Directors has an anti-corruption policy that is communicated at all levels of the organisation and to third parties to achieve implementation, which includes overseeing the mechanisms for receiving and processing complaints or whistleblowing, as well as establishing clear guidelines in whistleblowing and complaint policies. Each issue has its own set of rules,

such as reporting requirements, investigations, code of conduct violations, receiving accusations of corruption, and misconduct in the case that a stakeholder raises a concern about the Company's operations. You can inquire about specifics, file a complaint, or provide information about legal wrongdoing, financial report mistakes, a faulty internal control system, or unethical business practices to the Company's independent directors or audit committees. Complaints and clues reported to the Company will be kept confidential, and the Independent Director, Audit Committee, or Chief Executive Officer will instruct the person assigned to review the information, find solutions (if any), and report to the Chief Executive Officer and/or the Board of Directors. The Company offers a method for receiving complaints and/or comments, as well as direct email channels to senior management for whistleblowers and grievances. The following are the channels via which the Company receives whistleblowers and complaints:

1. Feedback boxes and complaints within the Company
2. Feedback boxes and complaints within the Company
 - 2.1 Trustworthy Managers at all levels
 - 2.2 Human Resources Department
 - 2.3 Company Secretary
 - 2.4 Member of the Audit Committee
 - 2.5 Member of the Board of Directors
3. By E-mail: jspcs@jsppharma.com
Chairman of the Audit Committee: jspac@jsppharma.com
Company secretary: jspcs@jsppharma.com
4. By the Company's website: www.jsppharma.com
5. By mail: Directly to the Chairman of the Board of Directors or the Chairman of the Audit Committee.
JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited

Address: 255, 257 Soi Sathupradit 58
Bangphongphang, Yannawa, Bangkok 10120

All whistleblowing channels and complaints will be coordinated, received, followed up on, and collected by the Company Secretary, and whistleblowing information will be directed directly to the person responsible for this matter, including the Chairman of the Audit Committee and the Chief Executive Officer, who will take appropriate action and ensure that the information and stories provided by the whistleblower will be directly maintained and protected by those responsible. The Audit Committee will designate the Investigation Committee to act as needed if the Chief Executive Officer is a complainant.

Principle 7: Ensure Disclosure and Financial Integrity

The Board of Directors is responsible for overseeing the preparation of accurate, sufficient, and timely financial reports and disclosures by applicable rules, standards, and practices, as well as monitoring the adequacy of financial liquidity and the ability to pay debts by delegating financial analysis to the joint Company's accounting, finance, and management departments. If the Company runs into financial issues or is expected to run into financial difficulties, it has a plan in place to address problems and processes in place to solve financial problems so that it may continue to function.

In this regard, the Company has arranged for Investor Relations officers to communicate and promote information that is beneficial to shareholders, investors, analysts, and related parties in a timely, appropriate, and equitable manner, as well as to oversee the dissemination of the Company's information by the criteria set forth by the Securities and Exchange Commission, The Stock Exchange of Thailand, and related agencies in the form of annual listing and annual reports and/or Company websites, etc. This comprises critical information that influences the price of the Company's securities, as well as important, unimportant, and sufficient information that impacts the decision-making processes of the Company's investors and stakeholders.

Principle 8: Ensure Engagement and Communication with Shareholders

The Company's Board of Directors cherishes its shareholders, and the Company will ensure that all shareholders are treated equally and that they can exercise all of their core shareholder rights, including (1) Establishing criteria for minority shareholders to move the agenda ahead of the shareholders' meeting. The board should think about putting the issues raised by shareholders at the top of the agenda. If the board rejects an item submitted by the shareholders for the term, the board must explain its decision at the meeting. (2) Establishing Criteria for minority shareholders to appoint or remove directors, for consideration of remuneration of directors, for appointment of an auditor, for dividend payment, for capital increase and issuance of new shares, including the right to question the Board of Directors regarding the Board of Directors' reports and any other matters presented to the Meeting for consideration and approval. Furthermore, the Board of Directors must recognise and value the rights of shareholders by ensuring that shareholders participate in important Company decisions, ensuring that the implementation of the shareholders' meeting date is conducted in order, transparency, efficiency, and allows shareholders to exercise their rights, and ensuring the correct and complete disclosure of the shareholders' meeting resolutions and the preparation of the shareholders' meeting minutes.

The Board of Directors ensures that financial and other financial information and information related to the Company's business and performance are accurate, complete, adequate, consistent, timely, and demonstrate the Company's actual financial status and financial status, including the future of the Company's business, by strictly adhering to the SEC and SET's laws, regulations, and regulations relating to information disclosure. The Company organises contacts with shareholders and investors through additional channels, including the dissemination of information to shareholders, in addition to disclosing information in compliance with the SEC and SET standards. Investors and the general public have been kept fully informed about the Company through local and other media.

Business Code of Conduct

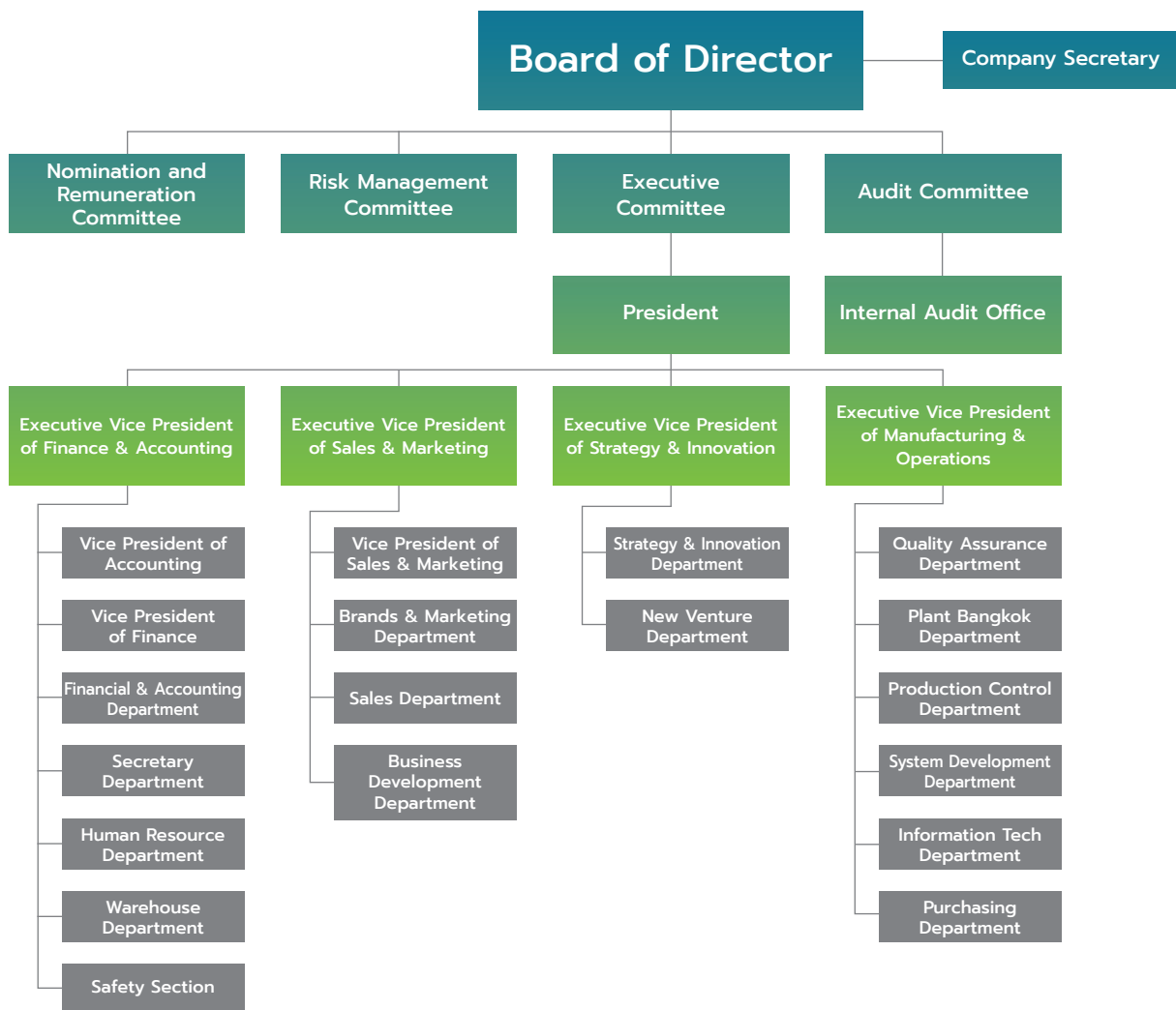
The Company has conducted a business with honesty, integrity and ethically as well as having been responsible for the respective duties and committed in operating the business in compliance with good governance practices which enables the Company to grow in a steady and sustainable manner. The Company has developed the Business Code of Conduct to establish the guidelines and practices for the Company's directors, management and employees to adhere and facilitate which enable the Company to conduct business transparently, honestly and lawfully as well as to avoiding any activity that could lead to a conflict of interest with the Company's business. This will build up trust and recognition at the national and international level, thereby resulting in the sustainable growth of the Company.

The Company set up a compulsory course on the Business Code of Conduct, which details include business ethics, information technology security, insider information protection, conflict of interest protection and anti-corruption, to enable directors, management and employees of the Company to conduct self-learning through the e-learning system and to sign an acknowledgment of the Business Code of Conduct on a yearly basis. In 2023, there was 100.00% of directors, management and employees learned and signed the acknowledgment of the Business Code of Conduct.

7

โครงสร้างการกำกับดูแลกิจการ และข้อมูลสำคัญ เกี่ยวกับคณะกรรมการ คณะกรรมการชุดย่อย ผู้บริหาร พนักงานและอื่น ๆ

โครงสร้างการกำกับดูแลกิจการ



Information of the Board of Directors

Composition of the Board of Directors

The Company's management structure consists of the Board and sub-committees; which consist of the Board of Directors, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Executive Committee.

Individual information of the Board of Directors and the authorised persons

As of 31 December 2023, the Company had 11 Board of Directors, consisting of:

Name - Surname		Position
1. M.D. Thongchai	Thavichachart	Independent Director / Chairman of the Board of Directors
2. Ms. Sopawadee	Lertmanaschai	Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee
3. Pharmacist Vinit	Usavakidviree	Independent Director / Member of the Audit Committee
4. Mr. Natthawut	Viboonpatanawong	Independent Director / Chairman of the Risk Management Committee
5. Asst. Prof. Dr. Lalita	Hongratanawong	Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee
6. Mrs. Jintana	Santipisud	Director / Chairman of the Executive Committee
7. Dr. Sittichai	Daengprasert	Director / Risk Management Committee/ Executive Committee/ President (CEO) /
8. Mr. Pissanu	Daengprasert	Executive Vice President of Research and Innovation
9. Ms. Jirada	Daengprasert	Director / Executive Committee / Executive Vice President of Sales and Marketing
10. Mr. Sorasit	Daengprasert	Director / Member of the Nomination and Remuneration Committee / Executive Committee / Executive Vice President of Finance and Accounting (CFO)
11. Mr. Tawat	Kitkungvan	Director / Risk Management Committee / Executive Committee / Executive Vice President of Manufacturing and Operations
		Director / Member of the Nomination and Remuneration Committee

Significant information about directors was reported as follow:

Name - Surname		Gender		Independent Director		Management	
		Male	Female	Yes	No	Yes	No
1. M.D. Thongchai	Thavichachart	<input type="radio"/>		<input type="radio"/>			<input type="radio"/>
2. Ms. Sopawadee	Lertmanaschai		<input type="radio"/>	<input type="radio"/>			<input type="radio"/>
3. Pharmacist Vinit	Usavakidviree	<input type="radio"/>		<input type="radio"/>			<input type="radio"/>
4. Mr. Natthawut	Viboonpatanawong	<input type="radio"/>		<input type="radio"/>			<input type="radio"/>
5. Asst. Prof. Dr. Lalita	Hongratanawong		<input type="radio"/>	<input type="radio"/>			<input type="radio"/>
6. Mrs. Jintana	Santipisud		<input type="radio"/>		<input type="radio"/>		
7. Dr. Sittichai	Daengprasert	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	
8. Mr. Pissanu	Daengprasert	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	
9. Ms. Jirada	Daengprasert		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	
10. Mr. Sorasit	Daengprasert	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	
11. Mr. Tawat	Kitkungvan	<input type="radio"/>			<input type="radio"/>		<input type="radio"/>
Total (person)		7	4	5	6	4	7
Percentage		63.6	36.4	45.5	54.5	63.6	36.4

Authorised Directors to bind the company

Mrs. Jintana Santipisud co-signed with Mr. Sittichai Daengprasert or Mr. Pissanu Daengprasert or Ms. Jirada Daengprasert or Mr. Sorasit Daengprasert, totaling as two and stamp the Company's seal.

Roles of the Board of Directors

The Board of Directors have authorities, duties, and responsibilities as follows:

1. Composition of the Board of Directors

- 1.1 The Board of Directors consists of at least 5 directors and cannot be more than 15 directors.
- 1.2 The Board of Directors consists of executive directors and independent directors with at least one-third and no less than three independent directors. Qualifications of independent directors are determined by the criteria of the Capital Market Supervisory Board and related agencies
- 1.3 The Board of Directors shall select an independent director to take the position of the Chairman of the Board, and the Board of Directors shall select one director or more to act as the Vice-chairman of the Board.
- 1.4 The Board of Directors shall select an individual to act as company secretary. The company secretary may or may not be a director.

2. The Board of Directors Qualifications

- 2.1 Board of Directors shall be ordinary individuals and of legal age. Selection of individuals to take the position of Board of Directors must be by Section 68 of the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act and/or related laws, rules, and regulations
- 2.2 Board of Directors can hold the director position in other listed companies but should not exceed than 5 companies. In this regard, holding the director position in other listed companies must not be a hindrance to performing the task as the company's director and shall be by the guidelines from The Office of the Securities and Exchange Commission and The Stock Exchange of Thailand.

- 2.3 Possess knowledge, capabilities, and experiences that benefit the business operations. Is devoted and ethical in business operations.
- 2.4 Able to exercise fair and honest judgment free from influence from management and other groups of interest
- 2.5 Able to dedicate sufficient time and be attentive to their duties according to their responsibilities
- 2.6 Must not operate a business in the same manner that is competing with the Company's business or joining to be a partner in Ordinary Partnerships or being a partner with unlimited liability in a limited partnership, or being a director of a private company or other companies that operate in the same manner that is competing with the Company's business no matter for their benefit or benefit of others unless declared in the shareholder meeting prior the appointment resolution
- 2.7 In addition, directors must not have prohibited characteristics under the Securities and Exchange Act B.E. 2535 or as rules stated by the Board of Securities and Exchange Committee, The Security and Exchange Commission, or related agencies as well as do not have any characteristics that indicate lack of suitability to be entrusted to manage a publicly held business.

3. Authorities, Duties, and Responsibilities of the Board of Directors

- 3.1 Directors shall perform their duties by-laws, objectives, and obligations of the Company, and resolutions from the shareholders' meeting with sincerity and vigilance in protecting the Company's interests.

- 3.2 Set a vision, policy, and direction of the Company's operations, business strategy, annual budget and supervise management to operate in accordance to the set policy with efficiency to optimize economic value to business and shareholder's utmost prosperity and sustainable growth
- 3.3 Make decisions in matters of significant importance such as policy, business plan, significant investment project, administrative authority, property acquisition or disposition, and other items required by-laws
- 3.4 Consider, determine, and change the list of authorised directors to bind the company
- 3.5 Determine authorities and levels of approval in transactions and operate other actions related to the Company's task for the Committee or individuals as it deems appropriate and is by related laws by providing a manual of authority and to review at least once a year.
- 3.6 Consider appointing a Sub-committee as appropriate by considering the size of the organisation's business to help alleviate the burden of the Board of Directors in the areas that require review or discussion in detail. To appoint Sub-committee, objectives, duties, responsibilities, and authorities of Sub-committees must be established, and for Sub-committees to operate effectively, the Board of Directors shall authorise Sub-committees to be assisted in the areas of information and personnel as well as authorise to communicate or seek for consultation with external parties as necessary at the expense of the Company. However, the delegation of authorities under the specified scope of authorities and duties shall not be in a manner of delegating authorities that allows the said Sub-committees to consider and approve transactions that may have other interests or conflicts of interest with the company or its subsidiary company (if any) except the approval of transactions that are in accordance to policies and rules that Board of Directors has already considered and approved
- 3.7 Supervise sub-committee's operations to be by the prescribed charter
- 3.8 Consider nominating and appointing a President and specify qualifications, roles, and duties as well as enable the President to hold the director position
- 3.9 Evaluate the performance and determine the remuneration for Top Executives
- 3.10 Supervise to ensure that the Company has an appropriate and effective risk management system
- 3.11 Appoint another party to operate the Company's business under the supervision of Board of Directors or delegate the said party certain authorities and/or within the time Board of Directors deems appropriate, which Board of Directors may cancel, revoke, change or adjust the authorities. In this regard, the delegation of authorities shall not give the authority to approve transactions that mentioned party or the party with potential conflicts ("the party with potential conflicts" is as defined in the announcements from the Securities and Exchange Commission and the Stock Exchange of Thailand) has interests or may have conflicts of interest in any manner with the company or its subsidiary company (If any))
- 3.12 Consider approving the Company's acquisition or disposition of assets, except in certain cases in which the transactions require approval from the Shareholder's meeting. In this regard, the approval of the transaction shall be by related announcements, regulations, and/or rules from The Stock Exchange of Thailand and The Security and Exchange Commission or related agencies
- 3.13 Consider approving connected transactions, except in certain cases in which the transactions require approval from the Shareholder's meeting. In this regard, the approval of the

transaction shall be by related announcements, regulations, and/or rules from The Stock Exchange of Thailand and The Security and Exchange Commission or related agencies

3.14 Approve interim dividend payment to the Shareholders and if it shows that the Company earns sufficient profits to do so, such payment shall be informed to the Shareholders in the next meeting.

3.15 Organise an accounting system, financial reporting, and reliable audit as well as provide a process for evaluating the suitability of internal control.

3.16 Approve the nomination of auditors and annual audit fee to propose to the Shareholder's meeting for approval

3.17 Report responsibilities of the Board of Directors in preparing financial reports and present together with auditor report in the annual report and cover important matters by the policy of good practice for directors that is listed in The Stock Exchange of Thailand

3.18 Following operations shall proceed only upon prior approval in the Shareholder's meeting:

- 1) Matters required by laws to have a resolution of the Shareholder's meeting
- 2) Transactions that directors have interests which laws and regulations of The Stock Exchange of Thailand require approval from the Shareholder's meeting
- 3) In following cases, approval from the Board of Directors' meeting shall be required and approved from the Shareholder's meeting with a vote no less than three-fourths of the total votes of the Shareholders that attend and vote in the meeting
 - The act of selling or transferring the whole or part of the Company to a third party.
 - Execute, amend and terminate contracts concerning the leasing of all or certain significant parts of the Company's business

- Assign personnel to manage the Company's business or the merger with other parties for the objectives of sharing profit and loss

- Issue new shares to pay the Company's creditors under the converting debt into equity program

- Reduce the Company's registered capital by reducing the number of shares or reducing the par value

- Increase capital, decrease capital, issue of debentures, the merger or dissolution of the Company

- Other as required by-laws

However, in matters that directors or other parties have interests or conflicts of interest with the Company or its subsidiaries (if any), directors who have said interests or conflicts of interests shall not vote in the matter

3.19 Take responsibility to Shareholders on regular basis, operate with the priority of the Shareholder's benefit, disclose significant information with accuracy, standards, and transparency to investors

3.20 Evaluate the performance on individual basis, evaluate the overall performance and review the charter at least once a year

3.21 Board of Directors delegates the duty to sign an invitation letter to the Board of Directors' and Shareholders' meetings to the Chairman of the Board of Directors. In the event the Chairman of the Board of Directors cannot perform the task, Company Secretary or President shall sign on their behalf

4. Tenure and Election of the Board of Directors

4.1 Board of Directors has their tenure by the Company's Articles of Association, that is, in every annual Shareholder's general meeting, one-third (1/3) of the total directors shall retire from the position. If the amount cannot be divided by three, the amount shall be the closest to one-third (1/3). Directors that have retired may be re-nominated to hold the position again

4.2 In addition to the conditions listed above, the directors will be dismissed from the office if:

- 1) Decease
- 2) Resign
- 3) Lack of qualifications or has prohibited characteristics as indicated in the Public Company Limited Act or the Securities and Exchange Act.
- 4) A Shareholder meeting with at least a three-fourths (3/4) vote of eligible shareholders and total shares of no less than half (1/2) of the shares held by attending eligible shareholders may vote directors out of the post before the term expires.
- 5) Court has an order to be terminated.

4.3 Any director who desires to retire must submit a letter of resignation to the Company. The resignation will take effect from the date the resignation letter reaches the Company. Directors who resigned as stated in the first paragraph may notify the registrar of their resignation.

4.4 If a director position becomes vacant for any reason other than term termination, the Board of Directors must appoint a new director who has qualifications and has no prohibited characteristics as stipulated in the Public Company Limited Act and the Securities and Exchange Act at the next Board of Directors meeting unless the former director has less than two (2) months left on their term, in which case the new director will serve for the remainder of the term. The resolution of the Board of Directors under the first paragraph must consist of votes no less than three-fourths (3/4) of the remaining directors.

5. The Board of Directors Meeting

5.1 The Board of Directors must hold a meeting to inform about the Company's operating results at least once every 3 months. In the meeting, the Board of Directors shall express opinions and use their judgment freely. Directors shall attend

every meeting, except in case of force majeure which company secretary shall be informed in advance. The Company shall report the Board of Directors' attendance in the annual report.

5.2 The Chairman of the Board shall call for the Board of Directors' meeting in each the Board of Directors' meeting to inform all directors in advance. The Chairman of the Board or the company secretary or others assigned by the Chairman of the Board shall send an invitation letter to all directors to inform them about the date, time, place and the agenda at least 3 days prior to the meeting. The company secretary shall collect the meeting documents from directors and management to send to directors in advance and those documents shall provide sufficient information for the directors' consideration and unbiased judgment.

5.3 The company secretary shall record the issues of the meeting to prepare minute of the meeting which shall have complete and sufficient contents and must be complete within 14 days from the date of the meeting to propose to The Chairman of the Board for signing. The minute shall be kept in a good storage system that is convenient to find and remain confidential.

5.4 The Board of Directors' meeting shall require a minimum of half of the total number of directors to constitute a quorum in the meeting.

5.5 The Company's director who has interests in the agenda shall not vote for the agenda.

5.6 Voting in the Board of Directors' meeting shall accept the majority vote of the participating directors, in case the votes are equal, the Chairman of the Board shall make the final vote. However, the opinions of other members of the Board of Directors who do not vote in alliance shall be recorded in the minute of meeting.

Individual Information of Member of the Audit Committee

Individual Information of Member of the Audit Committee

Name - Surname	Position
1. Ms. Sopawadee Lertmanaschai ^{1/}	Chairman of the Audit Committee
2. Pharmacist Vinit Usavakidviree	Member of the Audit Committee
3. Asst. Prof. Lalita Hongratanawong ^{1/}	Member of the Audit Committee

Remarks: ^{1/} Ms. Sopawadee Lertmanaschai and Asst. Prof. Lalita are well-educated members of the Audit Committee with sufficient experience to review the reliability of financial statements. Ms. Sopawadee Lertmanaschai has graduated with bachelor and master degrees in accounting from faculty of commerce and accountancy, Thammasat University. Asst. Prof. Lalita Hongratanawong has graduated with a bachelor's degree in accounting and a master's degree in information system in management from the faculty of commerce and accountancy, Chulalongkorn University / has graduated with a master degree in Finance and Ph.D. in financial management from Illinois Institute of Technology.

In addition, Ms. Jirada Daengprasert acted as secretary of the Audit Committee

Roles of the Audit Committee

Authorities, duties, and responsibilities of the Audit Committee are as follows:

- 1. Composition of the Audit Committee**
 - 1.1 The Audit Committee must be appointed from the Board of Directors' meeting and shall be consisted of at least 3 independent directors
 - 1.2 A member of the Audit Committee shall be appointed as the Chairman of the Audit Committee in the Board of Directors' meeting
 - 1.3 The Audit Committee shall appoint the secretary of the Audit Committee
- 2. The Audit Committee Qualifications**
 - 2.1 The Audit Committee must have suitable skills and expertise for assignments and have qualifications as specified in Public Company Limited Act, Securities, and Exchange Laws or rules, regulations, and announcements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, including related agencies.
 - 2.2 At least one member of the Audit Committee must have adequate knowledge and experienced in the accounting and finance fields in order to review the financial statements' reliability.
- 2.3 The Audit Committee must be independent directors
- 2.4 Must be able to perform tasks, express opinions, or report performance as assigned freely without being under influence of the Company's executives or major shareholders including associated party or close relatives of the said individual
- 2.5 Shall be trustworthy and vastly respected
- 2.6 Able to dedicate sufficient time to function as the member of the Audit Committee
- 3. Authorities of the Audit Committee**
 - 3.1 Consider and appoint an independent individual to function as auditor, including considering the Company's auditor's remunerations to the Board of Directors
 - 3.2 Evaluate independence, appoint, dismiss, and evaluate the performance of internal auditor
 - 3.3 Have authorities in performing duties within the scope for the Audit Committee to invite the Company's management, executives, or employees that are associated to give their opinions, attend meetings, or deliver relatable or necessary documents

- 3.4 Authorise to hire an external consultant or an expert by the Company's regulations, if necessary. The Company shall be responsible for the expense incurred

4. Duties and Responsibilities of the Audit Committee

4.1. Financial reporting

- 1) Review financial reports to ensure accuracy and reliability as well as disclose sufficient information by coordinating with external auditor and executives responsible for financial reports both quarterly and annually. The Audit Committee may suggest auditor's review or audit any item that deems necessary during the Company's audit

4.2. Risk Management and Internal Control

- 1) Review to ensure that the Company has an appropriate and effective risk management system
- 2) Review to ensure that the Company has an appropriate and effective internal control and internal audit, consider independence of internal audit function, and approve an appointment, transfer, and dismiss of the head of internal audit function or any agent responsible for internal audit. In addition, the Audit Committee may suggest reviewing any item that deems necessary along with report suggestions regarding significant and necessary improvements of internal control system to Board of Directors by reviewing with external auditor and head of internal audit function
- 3) Review the Company's annual audit plan of internal audit
- 4) Evaluate annual budget, manpower, and resources needed for internal audit function to operate and propose to the Board of Directors for approval

4.3. Compliance with laws and other regulations

- 1) Review the Company's compliance with the laws of Securities and Exchange, or regulations of The Stock Exchange of Thailand, policies, laws, rules, regulations, imperatives, and relevant laws enforced by the Company's businesses.
- 2) Consider if connected transactions or related-party transactions or transactions with conflict of interest conform with the laws and regulations of The Stock Exchange of Thailand as well as disclosure of Company's information in the matter to be accurate and complete to ensure that these transactions are reasonable and in the best interest for the company
- 3) Consider anti-corruption policy or review if the anti-corruption policy is appropriate for the business and the Company's environment and propose to the Board of Directors for approval
- 4) Receive report of matter on corruption that involve with individuals in the organisation and investigate as reported

4.4. Supervision of auditor's performance

- 1) Review the Company's annual audit plan of financial report
- 2) Attend meetings with auditor without management at least once a year

4.5. Miscellaneous

- 1) The Audit Committee shall assess performance through self-assessment and report problems and obstacles in performing tasks that may be a hindrance to the objectives of establishing the Audit Committee from succeeding to Board of Directors every year.
- 2) Consider, review, and revise the Charter of Audit Committee and propose to Board of Directors for approval when it deems necessary to rectify

- 3) Perform other tasks as assigned by the Board of Directors within the scope and responsibilities of the Audit Committee

5. Tenure

- 5.1 The Audit Committee shall hold the tenure by the tenure of the director. If a member of the Audit Committee retires upon expiration, the individual may be re-nominated and re-appointed again
- 5.2 In addition to retirement upon expiration or termination of the position of the Board of Directors, the members of the Audit Committee may retire from office when:
 - 1) Decease
 - 2) Resign
 - 3) Lack of the Audit Committee qualifications as stipulated in the Charter or as rules of the Stock Exchange of Thailand or related agents
 - 4) Board of Directors votes for retirement
- 5.3 If a member of the Audit Committee intends to retire, they shall submit a resignation letter to the Chairman of the Board through a written form at least 1 month in advance with reasons. When the Company is listed in the stock market, the Company shall have a duty to notify about resignation and provide a copy of the resignation letter to The Stock Exchange of Thailand.
- 5.4 In case there is availability in the Audit Committee due to other reasons beyond expiration, the Board of Directors shall appoint an individual who qualified to be a member of the Audit Committee within 90 days to fill in the Audit Committee as Board of Directors requires. The appointed individual shall hold the position in the Audit Committee only until the existing tenure of the person they fill in expires.

6. The Audit Committee Meeting

- 6.1 The Audit Committee must hold a meeting of the Audit Committee to discuss about financial reports and report results of internal audits and other matters at least 4 times a year. The Chairman of the Audit Committee may request a meeting in special circumstances to discuss about other urgent matters as they deem appropriate or upon request from the Audit Committee, internal auditor, auditor, or Chairman of the Board to discuss about problems that require collective perspectives.
- 6.2 The Audit Committee meeting shall require a minimum of half of the total number of the Audit Committee to constitute a quorum in the meeting.
- 6.3 The Chairman of Audit Committee shall be the Chairperson of the Audit Committee meeting. In case the Chairman of the Audit Committee is absent or unavailable, the participating members of the Audit Committee shall select one of the members of the Audit Committee to serve as the chairperson.
- 6.4 The member of the Audit Committee who has interested in the agenda shall not vote for the agenda.
- 6.5 Voting in the Audit Committee meeting shall accept the majority vote of the participating members of the Audit Committee. In case the votes are equal, the Chairperson shall make the final vote. However, the opinions of member of the Audit Committee who does not vote in alliance shall be presented as a vote against the Board of Directors.
- 6.6 The Chairman of the Audit Committee shall report results of the meeting to the next Board of Directors' meeting.

6.7 The secretary of the Audit Committee or appointed individual has duties to take responsibilities in the meeting preparation such as scheduling a meeting as assigned by the Chairman of the Audit Committee, preparing the agenda, delivering the documents to the members of Audit Committee within a decent time before the meeting (which should be at least 3 days prior to the meeting date), and record the minutes of the meeting.

7. Reporting of the Audit Committee

7.1 The Audit Committee shall report the performance to the Board of Directors in the Board of Directors' meeting at least 4 times a year

7.2 Prepare the Audit Committee's reports by the rules of The Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as published in the Company's annual report

7.3 If the following matters; which may significantly affect the Company's financial position and performance, are discovered or suspected during the operations. The Audit Committee shall report to the Board of Directors to resolve within the period that the Audit Committee considers appropriate.

- 1) Conflict of Interest
- 2) Fraud, abnormality, or significant deficiency of internal control
- 3) Infringement of the laws, rules, regulations, or requirements of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and other related laws

7.4 If the Audit Committee has reported to the Board of Directors about matters or actions that have a significant impact on financial position and performance but the Board of Directors remains passive to take corrective actions within the specified time. A member of the Audit Committee may report said items or actions that have a significant impact on financial position and performance to the Securities and Exchange Commission or the Stock Exchange of Thailand

Individual Information of the Risk Management Committee

As of 31 December 2023, the member of Risk Management Committee consisted of:

Name - Surname		Position
1. Mr. Natthawut	Viboonpatanawong	Chairman of the Risk Management Committee
2. Dr. Sittichai	Daengprasert	Member of the Risk Management Committee
3. Mr. Sorasit	Daengprasert	Member of the Risk Management Committee

In addition, Ms. Jirada Daengprasert acted as secretary of the Risk Management Committee

Roles of the Risk Management Committee

Authorities, duties, and responsibilities of the Risk Management Committee are as follows:

- 1. Composition of the Risk Management Committee**
 - 1.1 The Risk Management Committee must be appointed by the Board of Directors that consists of at least 3 directors and employees at the management level with at least 1 independent director
 - 1.2 The Board of Directors or Risk Management Committee must appoint a member of the Risk Management Committee to be the Chairman of the Risk Management Committee.
 - 1.3 The Risk Management Committee must appoint one employee who oversight of risk management function to be the Risk Management Committee Secretary
 - 1.4 The Risk Management Committee has the authority to appoint a risk management team to operate and support the Risk Management Committee
- 2. The Risk Management Committee Qualifications**
 - 2.1 Highly skilled in risk management and experienced in organisation management
 - 2.2 Integrity and being trustworthy and vastly respected
- 2.3 Good understanding and knowledge of the Company's business, products, and services
 - 2.4 Good understanding of the principles of management, analytical capabilities, vigilant decision-making skills, and ability to make suitable suggestions
 - 2.5 Creative, assertive, and open-minded attitudes
 - 2.6 Ability to dedicate sufficient time function as the member of the Risk Management Committee
- 3. Authorities, Duties, and Responsibilities of the Risk Management Committee**
 - 3.1 Establish risk management policies and structure to propose to the Audit Committee and the Board of Directors by the risk management guidelines of the Stock Exchange of Thailand and the Association of Internal Auditors of Thailand.
 - 3.2 Implement risk management strategies and prepare an operating manual of risk management to evaluate, follow up, and control each type of risk to be at an acceptable level by allowing various departments to participate in managing and monitoring risks
 - 3.3 Evaluate risk at the organisational level and establish procedures to manage risk to be at an acceptable level, including monitoring and supervising risk in accordance with provided strategies

- 3.4 Review risk management policies and sufficiently improve their efficiency to monitor risk
 - 3.5 Have the authority to summon an associated individual to give opinions, attend meeting, clarify or appoint and assign roles for operators at all levels to appropriately manage risks, and report to the Risk Management Committee to achieve objectives of risk management
 - 3.6 Report of the results of risk management to the Board of Directors at least once a year
 - 3.7 Arrange for the determination and assessment of a variety of risks as well as analysing damage and potential effect to the Company that may occur systematically and continuously to ensure that the risk survey covers every business process
 - 3.8 Develop a plan to prevent or minimise risks
 - 3.9 Evaluate and prepare a report on risk management
 - 3.10 Establish an integrated risk management system that connects with the information system
 - 3.11 Oversight to ensure a thorough communication about measures related to risk management among departments so that the employees could follow accordingly
 - 3.12 Support and improve continuous risk management throughout the organisation
 - 3.13 Review the accuracy of the reference and the self-assessed evaluation regarding the Company's anti-corruption under the Thai Private Sector Collective Action Coalition Against Corruption Project
 - 3.14 Perform other tasks as the Board of Directors deems fit
 - 3.15 The Risk Management Committee should conduct the self-evaluation assessment regarding their performance at least once a year by dividing evaluation into 2 parts i.e. individual performance evaluation of the member of the Risk Management Committee and performance evaluation of the Risk Management Committee as a whole and report problems that cause the operation its failure to achieve its goals and objectives as well as resolutions to the Board of Directors
- 4. Tenure**
- 4.1 The member of the Risk Management Committee shall serve for a tenure of 3 years per time with 1 year means the period between the date of annual general Shareholder meeting until the date of the next annual general Shareholder meeting and the member of the Risk Management Committee who has retired upon expiration may be re-nominated and re-appointed for another term.
 - 4.2 In case of a member of the Risk Management Committee who has retired from the position of the Risk Management Committee upon expiration and is re-appointed for another term, the mentioned member of the Risk Management Committee shall be a member of the Risk Management Committee for another term
 - 4.3 The member of the Risk Management Committee may retire when:
 - 1) Decease
 - 2) Resign
 - 3) Board of Directors votes for retirement
 - 4) Lack of Risk Management Committee qualifications as stated in the Charter
 - 5) Terminated from Board of Directors or employee (regulated from the case)

5. The Risk Management Committee Meeting

- 5.1 The Risk Management Committee must hold a meeting at least 2 times annually at their discretion.
- 5.2 The Risk Management Committee meeting shall require a minimum of half of the total number of the Risk Management Committee to constitute a quorum in the meeting.
- 5.3 The Chairman of Risk Management Committee shall be the Chairperson of the Risk Management Committee meeting. In case the Chairman of the Risk Management Committee is absent or unavailable, the participating members of the Risk Management Committee shall select one of the members of the Risk Management Committee to serve as the Chairperson.
- 5.4 Voting in the Risk Management Committee meeting shall accept the majority vote of the participating members of the Risk Management Committee. In case the votes are equal, the Chairperson shall make the final vote. Each member of the Risk Management Committee has one vote unless he/she is the interested of the agenda, he/she shall not vote for the agenda.
- 5.5 The Risk Management Committee Secretary has duties to take responsibility in the meeting preparation such as scheduling a meeting as assigned by the Chairman of Risk Management Committee, preparing the agenda, delivering the documents to the member of the Risk Management Committee within a decent time before the meeting (which should be at least 3 days prior to the meeting date), and record the minutes of the meeting including preparing the minutes of meeting

6. Reporting of the Risk Management Committee

- 6.1 The Risk Management Committee shall report performance and activities to the Board of Directors to acknowledge the Risk Management Committee activities and oversight the Administrative Department to ensure suitable and effective risk management such as
 - The Risk Management Committee minutes of meeting which clearly states resolutions and opinions on various agendas
 - Report activities that are considered and operated in the given year
 - Any report the Risk Management Committee opines that it should be presented to the Board of Directors for consideration or acknowledgment

Individual Information of the Nomination and Remuneration Committee

As of 31 December 2023, the Company's nomination and remuneration committee consists of:

Name - Surname		Position
1.	Assoc. Prof. Dr. Lalita Hongratanawong	Chairman of the Nomination and Remuneration Committee
2.	Ms. Sopawadee Lertmanaschai	Member of the Nomination and Remuneration Committee
3.	Mr. Tawat Kitkungvan	Member of the Nomination and Remuneration Committee
4.	Ms. Jirada Daengprasert	Member and Secretary of the Nomination and Remuneration Committee

Roles of the Nomination and Remuneration Committee

Authorities, duties, and responsibilities of the Nomination and Remuneration Committee are as follows:

1. Composition of the Nomination and Remuneration Committee

- 1.1 The Board of Directors is responsible for appointing the members of the Nomination and Remuneration Committee. This committee should have a minimum of three members, with at least half of them being independent directors. Additionally, the Chairman of the Board should not be a member of this committee.
- 1.2 The Chairman of the Nomination and Remuneration Committee should be an independent director who has been appointed by the Board of Directors.
- 1.3 The Company's executive of the Human Resources Division will serve as a director and secretary of the Nomination and Remuneration Committee, based on their position within the Company.

2. The Nomination and Remuneration Committee Qualifications

- 2.1 Have expertise appropriated for the assigned tasks. Be honest and entrusted and accepted.
- 2.2 Understand the principles of good management. Have discretion, decision-making skills, and the ability to analyse problems and provide appropriate feedback.

- 2.3 Have creativity and the ability to express opinions and listen to others' opinions.

- 2.4 Be sufficiently dedicated to performing duties as a Director of the Nomination and Remuneration Committee.

3. Authorities, Duties, and Responsibilities of the Nomination and Remuneration Committee

3.1 Nomination

- 1) Consider the structure, size, and composition of the Board of Directors and any sub-committees in relation to the Company's strategy and current circumstances. They should also evaluate the qualifications of these individuals to ensure they are suitable for their roles.
- 2) Consider the independence of each Independent Director to ensure that they are fully qualified.
- 3) Establish criteria and procedures for identifying and nominating qualified individuals to serve as directors and executives, in line with the Company's business strategy. One way to do this is by creating a Board Skill Matrix to aid in the nomination process. The committee should consider a variety of factors when selecting

individuals, including their qualifications, diversity in terms of profession, skills, age, experience, gender, race, religion, origin, expertise and any specific skills required for the role, as well as their contributions to the company and suggestions for the Board of Directors. This may involve looking at the list of nominees from previous Board of Directors, giving shareholders an opportunity to nominate directors, and other methods

- 4) When re-nominating Directors whose terms have expired, the Nomination and Remuneration Committee should carefully evaluate their past performance during their previous term. This evaluation should include assessing their contributions and attendance records at board meetings and shareholders' meetings. The committee should then provide this information, along with their recommendations, to the Board of Directors for approval before presenting the nominee for a final decision at the shareholders' meeting.
- 5) Oversee the creation and implementation of succession plans for key positions such as President, executives, and other key personnels. This includes planning for potential situations where these individuals may retire, resign, or be unable to perform their duties. The committee will also oversee the management and development of personnel to ensure the company has the appropriate number, knowledge, skills, experience, and motivation to continue its operations effectively.
- 6) Consider the development needs of the Board of Directors, sub-committees, and President and create a plan to enhance their knowledge and understanding of the Company's operations, roles, duties, and key developments such as economic and industrial landscapes, and relevant laws

and regulations. This plan should include training and development opportunities for both current and new personnels to ensure they are well-equipped to effectively fulfill their responsibilities.

3.2 Remuneration Consideration

- 1) Consider several factors when determining the remuneration and compensation schemes for directors and executives. This includes both monetary and non-monetary elements, and should take into account the practices of similar companies in the same industry and of similar size. The committee should also evaluate the performance, experience, duties, roles, and responsibilities of the individuals in relation to the Company's expansion plans, financial position, and overall performance in line with the Company's long-term strategy and goals. The aim of this evaluation is to provide incentives for good management and retain qualified directors and executives.
- 2) Conduct the performance assessment regulations for the Board of Directors, sub-committees, and executives to consider their annual remuneration and submit to the Board of Directors for approval.
- 3) Assess the remuneration of the executives to be in line with their performance by using the goals and assessment regulations linked to both short-term and long-term strategies and plans.

3.3 Others

- 1) In performing duties within the scope, the Nomination and Remuneration Committee shall have the authority to summon the related management division, executives, and employees to give their opinions, attend meetings, or submit documents that are deemed relevant and necessary.

- 2) The Company shall have the power to hire consultants or external experts under the Company's regulations, if necessary. The Company shall be responsible for any incurred costs.
- 3) The Nomination and Remuneration Committee shall evaluate the performance by conducting both self-assessments and group assessments and report the results along with operational obstacles which are potential failures to meet the objectives of establishing the committee to the Board of Directors annually.
- 4) Review and update the charter of the Nomination and Remuneration Committee and propose for the Board of Directors' approval when it deems it appropriate to amend it.
- 5) Perform other tasks assigned by the Board of Directors within the scope of duties and responsibilities of the Nomination and Remuneration Committee.

4. Tenure

- 4.1 The Nomination and Remuneration Committee's agenda should align with the term of office of the directors. If a director of the committee also serves as a director of the Company and their term ends, but they are subsequently appointed for another term, they should also continue to serve on the Nomination and Remuneration Committee for another term.
- 4.2 In addition to the term lapses or the lapses of status as a director of the Company, the Director of the Nomination and Remuneration Committee retires when:
 - (1) Decease
 - (2) Resignation
 - (3) Disqualification as a Director of the Nomination and Remuneration Committee under the charter.
 - (4) The Board of Directors has a resolution to vacate the position.

- 4.3 If any member of the Nomination and Remuneration Committee intends to resign, they shall submit a resignation letter to the Chairman of the Board of Directors with specifying reasons.

- 4.4 If a position on the Nomination and Remuneration Committee becomes vacant for any reason other than a term expiring, the Board of Directors should appoint a qualified individual to fill the position within three months. This is to ensure that the committee has the required number of members as specified by the Board. The appointed Director will only serve for the remaining term of the replaced director.

5. The Nomination and Remuneration Committee Meeting

- 5.1 The Nomination and Remuneration Committee should meet at least twice a year. The Chairman of the committee may also call special meetings as necessary to address urgent matters or upon request from a member of the committee or the Chairman of the Board of Directors to discuss important issues.
- 5.2 In the meeting of the Nomination and Remuneration Committee, a minimum of half of the committee's members must be presented to complete the quorum.
- 5.3 The Chairman of the Nomination and Remuneration Committee shall preside over the meeting. In case the Chairman is absent, the attending Directors of the Committee shall elect one to function as the Chairman of the meeting.
- 5.4 A director who has a stake in any matters has no rights to vote on such matter.
- 5.5 Decisions at meetings of the Nomination and Remuneration Committee should be made by a majority vote. In the event of a tie, the Chairman shall cast the deciding vote. However, any dissenting votes by members should be recorded and reported to the Board of Directors.

5.6 The Secretary of the Nomination and Remuneration Committee or their designated representative shall be responsible for preparing and organising the meetings, including scheduling them as directed by the Chairman. They should prepare the agenda, relevant meeting materials, and provide them to the Committee at least 3 days prior to the meeting date. Additionally, they should take and record the minutes of the meeting.

6. Reporting of the Nomination and Remuneration Committee

6.1 The Chairman of the Nomination and Remuneration Committee shall report the meeting summary to the following Board of Directors' meeting every time.

- The Nomination and Remuneration Committee's meeting minutes which consists of the thorough resolutions and opinions for each agenda.
- Report on activities considered and implemented in the year
- Any other reports that the Nomination and Remuneration Committee may agree to propose to the Board of Directors for consideration or acknowledgement, etc.

Individual Information of the Executive Committee

ณ วันที่ 31 ธันวาคม 2566 คณะกรรมการบริหารของบริษัทมีจำนวน 8 ท่าน ประกอบด้วย

Name - Surname		Position
1. Mrs. Jintana	Santipisud	Chairman of the Executive Committee
2. Dr. Sittichai	Daengprasert	Member of the Executive Committee
3. Mr. Pissanu	Daengprasert	Member of the Executive Committee
4. Ms. Jirada	Daengprasert	Executive Committee and Executive Committee Secretary
5. Mr. Sorasit	Daengprasert	Member of the Executive Committee
6. Mr. Kriangkrai	Rungruangthaweekul	Member of the Executive Committee
7. Ms. Nongnuch	Cheawpattayakorn	Member of the Executive Committee
8. Mr. Danaisuan	Kunarojanasombhat	Member of the Executive Committee

Roles of the Executive Committee

Authorities, duties, and responsibilities of the Executive Committee are as follows:

- 1. Composition of the Executive Committee**
 - 1.1 The Executive Committee must be appointed by the Board of Directors that consists of directors who are not independent directors and at least 5 employees at the management level.
 - 1.2 The Board of Directors must appoint a member of the Executive Committee who work to be the Chairman of the Executive Committee.
 - 1.3 The President must take the roles of Executive Committee dutifully.
 - 1.4 The Executive Committee may consider appointing an Executive Committee Secretary to assist in the operation of the Executive Committee regarding meeting appointments, agenda preparation, meeting documents submission, and meeting minutes recording.
- 2. The Executive Committee Qualifications**
 - 2.1 Highly skilled and experienced in organisational management
 - 2.2 Integrity, ethics, and authority in business operations, including being trustworthy and vastly respected
 - 2.3 Good understanding and knowledge of the Company's business, products, and services
 - 2.4 Good understanding of the principles of management, analytical capabilities, vigilant decision-making skills, and ability to make suitable suggestions
 - 2.5 Creative, assertive, and open-minded attitudes
 - 2.6 Ability to dedicate sufficient time function as to the member of the Executive Committee
 - 2.7 Be fully qualified, have no disqualification as indicated by the laws on Public Company Limited, Securities and Exchange laws, and other related laws, and have no characteristics indicating the lack of qualification to be trusted to operate the company having the public as shareholders according to the notification of the Capital Market Supervisory Board.
- 3. Authorities, Duties, and Responsibilities of the Executive Committee**
 - 3.1 Monitor and provide business management guideline of the Company by the law, objectives, regulations, Shareholders' meeting resolution, Board of Directors' meeting resolution, and the policy prescribed by the Board of Directors with integrity and discretion to maintain the Company's interest. Report the results to the Board of Directors with authority to give

- the order in command, issue regulations, announcements, and internal memos to ensure that the operations comply with the policy.
- 3.2 Consider assigning authorities and level of approval of each individual appropriately as well as segregate duties that may commit fraud, including establishing suitable procedures and methods to make a transaction with major shareholders, directors, executives, or those who are associated with said individuals to prevent the transfer of beneficial interest and present to the Board of Directors to approve of the principles as well as oversight with the approved principles and requirements
 - 3.3 Estimate the annual budget and procedures of the expenditure to present to the Board of Directors for approval and monitor expenses by the approved annual budget from the Board of Directors
 - 3.4 Consider improving the Company's business plan for the benefit of the Company
 - 3.5 Consider approving investments and investment budgets accordingly to manual of authority
 - 3.6 Consider signing contracts that shall bind the company accordingly to manual of authority
 - 3.7 Be responsible to provide sufficient important information of the Company for the Board of Directors and Shareholder consideration as well as provide reliable financial reports in accordance with the standards and transparent
 - 3.8 Consider the Company's profit and loss and propose an annual dividend to the Board of Directors
 - 3.9 Consider new business initiation or termination to propose to the Board of Directors
 - 3.10 Oversight the procedures for operators to reports unusual incidents or conducts or illegal actions against the Executive Committee promptly and the case of mentioned incidents have a significant effect, the Executive Committee must be informed promptly
 - 3.11 Proceed any action to support procedures mentioned above or as instructed or assigned by the Board of Directors
 - 3.12 Procedures presented in the Executive Committee meeting for a vote and/or approval in the Executive Committee meeting shall be reported to the Board of Directors in the next Board of Directors meeting. In this regard, the member of the Executive Committee may not approve with the agenda that he/she is interested or possible conflicts with the Company or subsidiaries (if any)
 - 3.13 The Executive Committee should conduct the self-evaluation assessment regarding their performance at least once a year by dividing evaluation into 2 parts i.e. individual performance evaluation of the member of the Executive Committee and performance evaluation of the Executive Committee as a whole and report problems that cause the operation its failure to achieve its goals and objectives as well as resolutions to Board of Directors
- #### 4. Tenure
- 4.1 The member of the Executive Committee shall serve for a tenure of 3 years per time with 1 year means the period between the date of the annual general Shareholder meeting until the date of the next annual general Shareholder meeting and the member of the Executive Committee who has retired upon expiration may be re-nominated and re-appointed for another term.

- 4.2 In case of a member of the Executive Committee who has retired from the position of the Executive Committee upon expiration and is re-appointed for another term, the mentioned member of the Executive Committee shall be a member of the Executive Committee for another term
- 4.3 In addition to the above retirement conditions, the member of the Executive Committee may retire when:
 - 1) Decease
 - 2) Resign
 - 3) Board of Directors vote for retirement
 - 4) Lack of Executive Committee qualifications as stated in the Charter
 - 5) Terminated from Board of Directors or employee (regulated from the case)
- 5. The Executive Committee Meeting**
 - 5.1 The Executive Committee must hold a meeting at least 4 times annually at their discretion.
 - 5.2 The Executive Committee meeting shall require at a minimum of half of the total number of the Executive Committee to constitute a quorum in the meeting.
 - 5.3 The Chairman of Executive Committee shall be the Chairperson of the Executive Committee meeting. In case the Chairman of the Executive Committee is absent or unavailable, the participating members of the Executive Committee shall select one of the members of the Executive Committee to serve as the Chairperson.
 - 5.4 The Executive Committee may invite the Company's management or other relevant personnel to the meeting to issue statements.
 - 5.5 Voting in the Executive Committee meeting shall accept the majority vote of the participating members of the Executive Committee, in case the votes are equal, the Chairperson shall make the final vote. Each member of the Executive Committee has one vote unless he/she is the interested of the agenda, he/she shall not vote for the agenda.
 - 5.6 To discuss the opinions independently, the interested member of the Executive Committee of the agenda shall leave the meeting during consideration of the agenda.
 - 5.7 The Executive Committee Secretary has duties to take responsibility in the meeting preparation such as scheduling a meeting as assigned by the Chairman of the Executive Committee, preparing the agenda, delivering the documents to the Executive Committee within a decent time before the meeting (which should be at least 3 days prior to the meeting date), and record the minutes and submit to each of the member of the Executive Committee within 30 days after the meeting finished.

Executives

Executives

As of 31 December 2023, the Company is composed of 8 management as listed below:

ชื่อ - สกุล		ตำแหน่ง
1. Mr. Sittichai	Daengprasert	President (CEO) / Executive Vice President of Research and Innovation
2. Mr. Pissanu	Daengprasert	Executive Vice President of Sales and Marketing
3. Ms. Jirada	Daengprasert	Executive Vice President of Finance and Accounting (CFO) (The person taking the highest responsibility in finance and accounting)
4. Mr. Sorasit	Daengprasert	Executive Vice President of Manufacturing and Operations
5. Ms. Poonsap	Ruangstri	Vice President of Accounting (The person supervising accounting)
6. Mr. Kriangkrai	Rungruangthaweeikul	Vice President of Finance
7. Ms. Nongnuch	Cheawpattayakorn	Quality Assurance Senior Manager
8. Mr. Danaisuan	Kunarojanasombhat	Plant Senior Manager

Remarks: Executive means a manager or an individual who holds the first four executive positions after the manager position who holds a position equivalent to all individuals holding a fourth executive level position and shall include persons holding an executive position in the accounting or finance at department manager level or, higher or, equivalent. The information of the Company's executives is shown on the attached document 1.

The Policy of the Remuneration of the Board of Directors and Executives

The Policy and Determination of the Remuneration and the Structure of the Remuneration of the Directors and the Structure of the Remuneration of Directors and Executives

In 2023, the Company has set director's remuneration in fixed amount per time and quarterly, together with financial performance-related remunerations for directors. The executives will receive monthly fixed and financial performance-related remunerations.

The Company has the policy to set the remuneration for the directors and executives to be in monetary and non-monetary forms at reasonable level by considering from the roles, responsibilities, performances and expected benefits. In addition, the rate is comparable to the similar business in order to encourage the Board of Directors and executives to achieve the goal of the Company. The remuneration of the directors must be in accordance with the strategies and goals of the Company. The Board of Directors will consider types of remuneration and make it reasonable by setting the criteria or

the remuneration setting method, which is fair and sensible in accordance with the Company turnover, for the directors, sub-committees, Chief Executive Officers and top executives. The information will be disclosed in the 56-1 One Report of the Company. However, the remuneration of the Board of Directors and the sub-committees will be proposed in the Shareholders' meeting to obtain approval annually.

Financial Compensation

• Board of Directors' Remuneration

At the Annual General Meeting of Shareholders for the year 2023 on 11 April 2023, the shareholders had a resolution to approve remuneration for the Board of Directors and the Sub-committees for the year 2023 as follow:

	Director's Remuneration (Excluding the Company's Executives)	
	Per Time	Quarterly
	(Unit: Baht)	
The Chairman of the Board	40,000	15,000
Director (not an employee of the Company)	12,000	-
Chairman of the Audit Committee	30,000	10,000
Member of the Audit Committee	15,000	-
Chairman of the Risk Management Committee	10,000	-
Member of the Risk Management Committee	7,500	-
Chairman of the Nomination and Remuneration Committee	10,000	-
Member of the Nomination and Remuneration Committee	7,500	-

In addition, the Company can provide extra remuneration in accordance with the annual turnover of the Company. The rate of the remuneration of Directors will be set as not more than 0.25% of the total revenue according to the annual financial statement of the Company.

For the year ended 31 December 2023, the Company has provided financial remuneration for the Directors and Sub-Committees for six persons as following,

Name - Surname		Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Total
		(Unit: Baht Million)				
1. Dr. Thongchai	Thavichachart	0.500	-	-	-	0.500
2. Ms. Sopawadee	Lertmanaschai	0.172	0.180	-	0.030	0.382
3. Pharmacist Vinit	Usavakidviree	0.132	0.090	-	-	0.222
4. Asst. Prof. Dr. Lalita	Hongratanawong	0.132	0.090	-	0.040	0.262
5. Mr. Nattawut	Viboonpatanawong	0.132	-	0.020	-	0.152
6. Mr. Tawat	Kitkungvan	0.132	-	-	0.030	0.162
Total		0.860	0.360	0.020	0.100	1.680

- Executives Remuneration**

In 2023, the Company has provided financial remuneration to 8 executives of the Company totalled Baht 20.94 million; the financial remuneration consists of salary, bonus, provident fund contribution, Social Security Fund contribution and post-retirement employee benefits.

Employee information

Number of employees

The Company had staff and employees (executive excluded) as of 31 December 2023, divided into each section as follows:

	Male	Female	Total
Unit: Persons			
Manufacturing and operations	92	165	257
Sales and marketing	10	35	45
Research and development	3	31	34
Human resources	12	19	31
Accounting and finance	6	13	19
General administration	24	24	48
Total	147	287	434

Employee Compensations

Employee Compensations (executive excluded); which comprise salary, bonus, allowance, travelling expenses, Social Security Fund contributions, provident fund contributions, and other benefits, for the year ended 31 December 2023 totalled Baht 130.97 million.

Provident Fund

The Company has established provident fund for full-time employees with Eastspring Asset Management (Thailand) Co., Ltd. to guarantee employees' future and to motivate the employees to work for the Company in the long-term. As of 31 December 2023, 222 employees were members of the provident fund. In addition, the Company paid contributions into the provident fund totalled Baht 1.40 million.

Employee's training

The Company emphasis on personnel's development. Training is a method to ensure that employees could perform works accurately and efficiently. This will assist the Company achieves objectives and strategies as expected. In addition, training will motivate employees to work with organisation continually. The Company trains employees to enhance knowledge and understanding in several topics. For instance, business operations policy, rules, methods and operating procedures, personal data protection and essential skills for work (both technical and soft skills).

In 2022 and 2023, the Company had training expenses totalled Baht 0.69 million and Baht 2.03 million, respectively, and had average training hours per headcount as tabulated below:

	Year 2022		Year 2023	
	Bangkok and Metropolitan factories	Lamphun factory	Bangkok and Metropolitan factories	Lamphun factory
Unit: Hours per headcount				
Internal training	11.79	17.84	15.44	21.38
External training	17.39	10.25	22.88	12.28
Total	29.18	28.09	37.81	33.66

Staff turnover ratio

The Group had 17.05% staff turnover ratio in 2023.

Litigation in relation to labour

- None -

Other Important Information

Company Secretary

According to the Regulations in the Section 89/15 of the Public Limited Companies Act, B.E. 2535 requires that the Board of Directors must provide a company secretary to be responsible on behalf of the Company or the Board of Directors. At the meeting of the Board of Directors No. 6/2018 on 15 November 2018, the Board of Directors has resolved to appoint Ms. Jirada Daengprasert as a company secretary (the profile of the position holder as a company secretary shown in the attached document)

The company secretary has the scope of duties and responsibilities as follows:

- 1) Provide preliminary suggestions about regulations, laws, and rules of the Company that the Board of Directors and Executives must be aware and ensure the correct and constant compliance, including reporting the changes of significant regulations and/or laws to the Board of Directors and Executives.
- 2) Arrange Shareholders' meetings and the Board of Directors' meetings to be in compliance with laws, rules of the Company, and related practices.
- 3) Create and keep the following documents
 - (a) Committee Registration
 - (b) The Notice of the Meeting Appointment of the Committee, Minutes and the Annual Report of the Company
 - (c) The Notice of the Meeting of the Shareholders and Shareholders' Minutes
- 4) Ensure the disclosure of information and report the information in the assigned parts to the agencies that direct the Company in accordance with the rules and regulations of the government agencies.

- 5) Keep the report of the conflict of interest reported by directors or executives and submit the copies of the report of the conflict of interest to the Chairman of the Board and the Chairman of Audit Committee within 7 business days, starting from the day that the Company receives the reports.
- 6) Arrange the system to completely and correctly keep the related documentary evidence
- 7) Contact and communicate with general shareholders to be notified about the privileges of the shareholders and the news of the Company

The Person Supervising Accounting

Ms. Poonsap Ruangsri is the person who is assigned to be directly responsible for accounting supervision. The main duty is to supervise the transaction process of the Company to be efficient and in compliance with the orders, regulations and other rules of the Company. She has assumed the position since 2015. The information and details related to the person supervising accounting are shown in the attached document.

Head of Internal Audit

The Company has the policy to hire internal auditors from outsourcing organisations. The Company appointed with ISBAR Corporation Company Limited as an Internal auditor of the Company for the year 2023, which had Mr. Sirisak Manitkunakarn to be the person in-charge of the Company. In addition, the Company appointed Mr. Sorasit Daengprasert; Executive Vice President of Manufacturing and Operations, as internal officer co-ordinating with the internal auditor.

The Audit Committee has considered the qualification of ISBAR Corporation Company Limited and deemed that the Company is knowledgeable, capable and experienced for acting as internal auditor due to the fact that the internal auditor had five years' experience in internal audit. The person in-charge had expertise in being audit committee member in listed companies in Thailand, central director of The Institute of Internal Auditors of Thailand (IIAT), consulting of government agencies and instructor of IIAT. In addition, the person in-charge has passed the following training courses: Certified Internal Auditor (CIA), The Institute of Internal Auditors (IIA), Certification in Risk Management Assurance (CRMA), The Institute of Internal Auditors (IIA), Certified Professional of Internal Audit Thailand (CPIAT), The Institute of Internal Auditors Thailand (IIAT), Certified Credit Skills (CSA), OMEGA. Since the internal auditor had no relationship to the Company in any way, they can freely and impartially audit and report the advices to the Company. (The qualification of the position holder of the head of internal audit shown in the attached document)

The consideration to approve the appointment, degradation or position transfer of the head of internal audit of the Company must be selected and agreed by the Audit Committee. After that, the Audit Committee will propose to the Board of Directors to consider and approve the appointment, including the negotiation of related expense. The agreement with the internal auditor will be terminated for the year ended 2023. The Company is still having the policy to hire internal auditors from outsourcing organisations in the following year, and the Board of Directors has resolved to appoint ISBAR Corporation Limited as an internal auditor for the year 2024.

Investor Relations

The interested persons can equally contact to inquire about the Company's information.

Tel. 06-4479-1691

Website <https://www.jsppharma.com/th/investor-relations/>

Email ir@jsppharma.com

Address Number 255, 257 Soi Sathupradit 58
Bangphongphang, Yannawa, Bangkok 10120

Head of Compliance

Head of compliance of the Company has duty to oversight the operations under related laws and regulations. The Company has assigned Mr. Kriangkrai Rungruangthaweekul to be head of compliance. The information and details related to the head of compliance are shown in the attached document.

Auditor's Remuneration

The Company paid remunerations to KPMG Phoomchai Audit Limited for financial statement audit for the accounting period 2021 - 2023 as follows:

	2021	2022	2023
	(Unit: Baht Million)		
Annual Financial Statement Audit Fee	1.80	1.80	1.55
Interim Financial Statement Review Fee	0.60	0.60	0.45
Total	2.40	2.40	2.00

The related parties to the auditor are not related to the Company. Moreover, the Company did not use any services from the audit firm and its affiliated in the previous accounting period.

8 Key Operational Results of Corporate Governance Report

Summary of the Performance Result of the Board of Directors in the Past Year

Nomination, Development and Performance Evaluation of Board of Directors

Independent Director

The Company sets out criteria for selection process of independent directors by considering the qualifications and prohibited characteristics of the directors in accordance with the Public Limited Company Act and the Securities and Exchange Act, Capital Market Supervisory Board Official Announcements, Exchange Commission Official Announcements including official announcements, rules, and/or other relevant regulations. In addition, the Board of Directors selects independent directors from their expertise, work experience and other suitability. The Company has the policy to appoint at least one-third of the total number of directors as independent directors and there shall not be fewer than three persons. The qualifications of independent directors are as follows:

- 1) An independent director shall hold no more than 1% of the total number of shares with voting rights of the Company, parent company, subsidiaries, associates, companies of major shareholder, companies of controlling person. This shall include the shares held by related persons of that independent director;
- 2) An independent director shall not be or has been a director who takes part in management, employee, consultant who receives a regular salary, or a controlling person of the Company, parent company, subsidiaries, associates, same-level subsidiaries, or a major shareholder unless they have retired from the aforementioned position for at least 2 years prior to the date of the company submits an application for offering to sell newly-issued shares to the public with

the the Office of the Securities and Exchange Commission or prior to the date of appointment as the Company's independent director (depending on the case). The prohibited characteristics exclude cases where an independent director was a government official or a public sector advisor who is a major shareholder or control person of the Company;

- 3) An independent director shall not be a person having consanguinity or a relationship by legal registration in the manner of a parent, spouse, sibling, and child, including spouse of a child of other directors, executives, major shareholders, control persons, or a person who will be nominated as a director, executive or control person of the Company or its subsidiaries;
- 4) An independent director shall not has or has ever had any kind of business relationship with the Company, its parent company, subsidiaries, associates, major shareholder or controlling person, in a manner that may interfere with their own independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person operating a business which has relationship with the Company, its parent company, subsidiaries, associates, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of the company submits an application for offering to sell newly-issued shares to the public with the the Office of the Securities and Exchange Commission or prior to the date of appointment as the Company's independent director (depending on the case);

- 5) An independent director shall not be or has been an auditor of the Company, parent company, subsidiaries, associates, major shareholder or controlling person of the Company and shall not be a significant shareholder, controlling person or a partner of the audit firm which has an auditor of the Company, parent company, subsidiaries, associates, major shareholder or the Company's controlling person working at the company unless they have retired from the aforementioned position for at least 2 years before the date of the Company submits an application for offering to sell newly-issued shares to the public with the the Office of the Securities and Exchange Commission or prior to the date of appointment as the Company's independent director (depending on the case);
- 6) An independent director shall not be or has been a professional service provider of any kind, including a legal or financial advisor who receives service fee in excess of Baht 2 million per year from the Company, parent company, subsidiaries, associates, major shareholder, or the Company's controlling person, and shall not be a significant shareholder, controlling person or partner of such professional service provider unless they have retired from the aforementioned position for at least 2 years before the date of the Company submits an application for offering to sell newly-issued shares to the public with the the Office of the Securities and Exchange Commission or prior to the date of appointment as the Company's independent director (depending on the case);
- 7) An independent director shall not be a director who has been appointed to represent the Company's director, major shareholder, or a shareholder who is related to a major shareholder;
- 8) An independent director shall not operate the same business and in significant competition with the business of the Company or its subsidiaries, or shall not be a significant partner in a partnership or a director who takes part in management, employee, advisor who receives a regular salary or holds more than 1% of the total voting shares of another company operating the same business and in significant competition with the Company or its subsidiaries;
- 9) An independent director shall not possess any characteristics indicating a lack of expressing independent opinions with regard to the Company's operations.

President

Qualifications of the President

The important qualifications of the President are as follows:

- 1) Possess knowledge in management and the ability to conduct good organisational management;
- 2) Operate the business with integrity and ethics that includes being an individual who are credible, trustworthiness and accepted by others;
- 3) Possess good understanding and knowledge in the company's business, products and services;
- 4) Possess good understanding in the principles of management, managerial decision making with the ability to clarify the problem and provide the suitable solution (problem-solving skill);
- 5) Be creative, assertive and open-minded;
- 6) Possess the ability to dedicate sufficient time to work in a position of the Management Director of the Company;

- 7) Possess full qualifications and shall not have any prohibited characteristics as prescribed in the Public Limited Company Act and the Securities and Exchange Act, Capital Market Supervisory Board Official Announcements, Exchange Commission Official Announcements and other relevant official announcement, rules, orders and/or regulations including shall not have the characteristics indicating a lack of appropriateness in respect of trustworthiness in managing a business whose shares are held by the public as specified in Capital Market Supervisory Board Official Announcements.
- 4) Possess the authority to set up terms of trade for the benefit of the Company;
- 5) Consider new business investment or business termination to be proposed to the Executive Committee and/or the Board of Directors;
- 6) Approve and appoint advisors in various fields that are necessary for operations according to the authority set forth in the summary table of the approval authority policy;
- 7) Take any action as assigned by the Executive Committee and/or the Director of the Company, in this regard, the president is unable to grant approval to any items that oneself or those who may have conflicts of interest, interests or may have conflicts of interest in other ways with the Company or its subsidiaries. The approval to proceed with such actions must be submitted to the Board of Directors and/or the Shareholders' meeting for consideration and approval, and must be reviewed by the Audit Committee according to the Company's regulations and as prescribed by The Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand;

Roles and Responsibilities of the President

The significant authority, roles and responsibilities of the president are as follows:

- 1) Control the business operations, plan an operational strategy and manage the day-to-day operations of the Company with the authority to perform any actions in the normal business administration of the Company and that are necessary for general management of the Company's business;
- 2) Posses the authority for the commanding, contacting, giving orders, as well as signing any contract, official order documents and notification letters to be in accordance with the authority set forth in the approval authority policy summary table;
- 3) Possess the authority to hire, appoint, transfer, dismiss, terminate employment of any employee as it deems appropriate; as well as determine the scope of authority and duties and compensation, wage, and bonuses that is deemed appropriate. Possess the authority to appropriately dismiss the employees at each levels to be in accordance with the authority set forth in the approval authority policy summary table;
- 8) The President shall evaluate their own performance at least once a year.

Directors' Meeting Attendances

Board of Directors and Sub-Committee Meetings

The details of 2022 Board of Directors and sub-committee meetings are as follows:

Name - Surname			Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Executive Committee
			No. of Attendance/ No. of Meeting				
1.	M.D. Thongchai	Thavichachart	11/11				
2.	Ms. Sopawadee	Lertmanaschai	11/11	6/6		3/3	
3.	Pharmacist Vinit	Usavakidviree	11/11	6/6			
4.	Asst. Prof. Dr. Lalita	Hongratanawong	11/11	6/6		3/3	
5.	Mr. Nattawut	Viboonpatanawong	11/11		2/2		
6.	Mr. Tawat	Kitkungvan	11/11			3/3	
7.	Mrs. Jintana	Santipisud	11/11				7/7
8.	Dr. Sittichai	Daengprasert	11/11		2/2		7/7
9.	Mr. Pissanu	Daengprasert	11/11				7/7
10.	Ms. Jirada	Daengprasert	11/11			3/3	7/7
11.	Mr. Sorasit	Daengprasert	11/11		2/2		7/7
12.	Mr. Kiangkrai	Rungruangthaweeikul					7/7
13.	Ms. Nongnuch	Chiewpattanakorn					7/7
14.	Mr. Danaisuan	Kunarojanasombhat					7/7

Shareholders' Meeting

The details of the Annual General Meeting and Extraordinary General Meeting are as follows:

Name - Surname			No. of Attendance/ No. of Meeting
1.	M.D. Thongchai	Thavichachart	1/1
2.	Ms. Sopawadee	Lertmanaschai	1/1
3.	Pharmacist Vinit	Usavakidviree	1/1
4.	Asst. Prof. Dr. Lalita	Hongratanawong	1/1
5.	Mr. Nattawut	Viboonpatanawong	1/1
6.	Mr. Tawat	Kitkungvan	1/1
7.	Mrs. Jintana	Santipisud	1/1
8.	Dr. Sittichai	Daengprasert	1/1
9.	Mr. Pissanu	Daengprasert	1/1
10.	Ms. Jirada	Daengprasert	1/1
11.	Mr. Sorasit	Daengprasert	1/1

Key Developments in Corporate Governance Policies, Guidelines, and Systems

The Company recognizes the importance of good corporate governance as an important aspect to promote efficient operations and sustainable growth, which leads to the utmost benefits for all stakeholders, including employees, investors, shareholders and other stakeholders. In this regard, the Board of Directors has regularly reviewed corporate governance policies, guidelines, and systems.

In 2023, the Company reviewed the appropriateness of all its policies and charters to ensure that they remain appropriate to the current business environment. The review was then presented to the Board of Directors for approval.

Compliance Monitoring with Corporate Governance Policies and Guidelines

Supervision of Subsidiaries and Associated Companies

This is to ensure the compliance with the corporate governance code regarding the establishment of a framework and mechanism for supervision of policies and operations of its subsidiaries, associated companies, and other businesses in which the Company has materially invested at an appropriate level to each business. The objective is to provide a framework and mechanism for direct and indirect supervision of policies and operations of its subsidiaries and associated companies, as well as measures to monitor their performances at an appropriate level. The aim is to manage benefits from the Company's investment more effectively, which will build more confidence for the Company's shareholders.

1. Appointment or Nomination of Persons as Directors or Executives in Subsidiaries and Associated Companies

- 1.1. The Company shall appoint persons as directors or executives of its subsidiaries and associated companies at least based on its shareholding proportion in such subsidiaries or associated

companies to ensure that the subsidiaries and associated companies effectively comply with the Company's policies, goals, vision, business plans, and strategic plans for business growth.

- 1.2. The appointed or nominated directors and executives have duties and responsibilities as follows:

- 1.2.1 Supervise subsidiaries and associated companies to comply with relevant laws, rules, measures, and regulations, as well as ensuring that they have good management and comply with the Company's good corporate governance, code of conduct, and anti-corruption policy and other relevant policies

- 1.2.2 Provide guidance in determining the direction of subsidiaries' strategies, policies and business plans to be in line with the Company's, as well as promoting innovation and implementation of technologies to increase their competitiveness

- 1.2.3 Report subsidiaries' performances and disclose their information to the Company accurately, completely and in a timely manner as required

- 1.2.4 Supervise subsidiaries' business operations to ensure efficiency and appropriately manage the Company's yield on investment in the subsidiaries

2. Information Disclosure of Subsidiaries and Associated Companies

- 2.1. The subsidiaries shall report their business plans, business expansion, large-scale investment projects as approved by the Company as well as investment with other entrepreneurs to the Company through monthly or quarterly performance reports as determined by the Company. They shall clarify and/or submit supporting documents for consideration in such cases when requested by the Company, except in cases where the

subsidiaries operate under their authority and no laws or subsidiaries' regulations requiring approval from the Company.

- 2.2. The subsidiaries' directors and executives shall organize appropriate and effective internal control system, risk management system, and anti-corruption system to ensure that their operations are truly and continuously compliance with the Company's policies, regulations, laws, and Notification on Good Corporate Governance of Listed Companies, as well as relevant notifications, regulations an criteria of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. A clear work system has been established to demonstrate that the subsidiaries have adequate systems for information disclosure and channels for the directors of the Company's directors to effectively follow up and request the subsidiaries to disclose their financial position, performances, related party transactions, acquisition or disposition of assets, transactions that may have conflicts of interest and/or other material transactions to the subsidiaries. In addition, mechanisms shall be established to audit such systems of the subsidiaries by enabling direct access of such information to a team of internal auditors and Company's directors. The audit results shall be reported to the Company's directors and executives to ensure that the subsidiaries regularly complies with the established work system.

3. Use of Internal information by Subsidiaries

Directors, executives, employees, officers or assignees of the subsidiaries, including their spouses and minor children, are prohibited from using internal information of the Company or its subsidiaries, whether derived from the implementation of their duties or in any other way, that has or may have a material impact on the Company's price of securities for the benefit of themselves or others, whether

directly and/or indirectly, and whether or not they receive any yield.

4. Transactions by Directors, Executives, or Related Persons of Subsidiaries

Director, executives, or related persons of the subsidiaries shall be able to transact with the subsidiaries only upon approval of the subsidiaries' Board of Directors and/or the Company's Board of Directors and/or the subsidiaries' shareholders' meeting and/or the Company's shareholders' meeting (as the case may be). It shall be according to the calculated transaction size (by applying, mutatis mutandis, the transaction calculation criteria as specified in the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand on related party transactions and/or the amended notifications in force at that time), unless the transaction is a commercial agreement in the same manner that a reasonable person would have with a general counterparty in the same situation with the bargaining power without any influence of his or her status as a director, executive, or related person as the case may be and approved by the Company's Board of Directors or in accordance with the principles approved by the Board of Directors.

Information Security

The Company has established an information security policy to ensure that its information technology system is appropriate, efficient, and secure for smooth operations. This includes preventing problems that may arise from an incorrect use of information technology system and/or various threats which may cause damage to the Company. The brief guidelines are as follows:

1. General Terms
2. Physical and Environmental Security Policy
3. Access Control Policy
4. Password Control Policy
5. Network Access Control Policy
6. Wireless Access Control Policy
7. Personal Computing Policy
8. Internet Usage Policy

9. E-Mail Usage Policy
10. Malicious Code Protection Policy
11. Backup System and Recovery Policy
12. Change Management Policy
13. Regulatory Requirement Policy

Prevention of Personal Use of Internal Information

The Company has strict requirements and criteria to prevent the personal use of internal information. In particular, the Company's financial information shall be audited / reviewed by a certified public accountant and approved by the Audit Committee every time, which then be proposed for approval to the Board of Directors and submitted to the Stock Exchange of Thailand or publicly disseminated.

1. Directors, executives, employees and officers who are aware of material internal information affecting changes in securities prices are prohibited from using such information to buy, sell, transfer, or accept the transfer of securities or futures issued by the Company before it is disclosed to the public, especially during the 30 days before the Company's financial statements or information affecting the price of securities are made available to the public. In addition, after the information has been disclosed, such persons are prohibited from buying, selling, transferring, or accepting the transfer of securities or futures issued by the Company until the people who receive such information have sufficient time to evaluate it (at least 24 hours from the date and time of publication). The persons involved in internal information shall not disclose such information to others until it has been reported to the Stock Exchange of Thailand.
2. Directors, executives, employees, and persons involved in internal information are prohibited from disclosing or transferring the Company's internal information or confidential information to unrelated persons, including their family members, relatives, friends, among others.
3. Information disclosure shall be conducted by the Company's executives or employees with disclosure authority. General employees are not obliged to disclose information. When asked to disclose any information beyond their scope, they shall refer the questioner to the person in charge of information disclosure to ensure that such disclosure is accurate and consistent.
4. Advice or guidance on the trading of the Company's securities shall not be provided, unless it is related to the duties assigned by the Company.

Conflict of Interest

The Company recognizes the importance of conducting business with honesty, transparency and accountability in accordance with the good corporate governance principles which enhance its efficiency. Therefore, it has established policies that its directors, executives, and employees shall refrain from any action that may be conflict of the Company's interests. In cases where such actions are inevitable, the Company shall ensure that the transaction is transparent and fair, like any transaction with a general third party, taking into account the best interests of the Company and being fair to related parties.

1. Directors shall not engage in business in competition with the Company unless approved by the shareholders' meeting prior to their appointment as directors.
2. Directors and executives shall not use the Company's opportunities or information for the benefit of themselves or others, including doing business in competition with the Company or doing relevant business.
3. Directors and executives shall not attend the meeting or abstain from voting on items related to themselves that may cause conflicts of interest with the Company. If it must be done for the benefit of the Company, such transaction shall be made in a similar manner to an arm's length basis.

4. For the consideration of conflicts of Interest and transactions by which conflicts of interest may arise, independent directors shall attend and consider every time and it shall be in accordance with “related party transaction criteria” as specified by the Company.
5. Directors, executives, and personnel who are aware of internal information shall refrain from using it for their own benefit or providing it for the benefit of others in an unlawful manner.

Anti-Corruption

The Company is committed to conducting business with integrity under the good corporate governance framework, adhering to good governance, code of conduct, and business ethics. This is to ensure that it maintains responsibilities for the society, environment, and all stakeholders, conducts business with transparency, fairness and accountability. Thus, the Company has established policies to demonstrate its intention and commitment to anti-corruption and that it supports the corporate culture of good and sustainable corporate governance and provides operational guidelines for its director, executives, and employees to build confidence among the Company’s stakeholders.

1. Do not engage in any behavior that demonstrates the intention of corruption, giving or accepting bribes to public officials and private employees or stakeholders related to the Company in order to obtain or maintain business or competitive advantages or for the benefit of themselves and related parties.
2. Do not neglect or ignore when witnessing any action considered to be related to corruption related to the Company. It is obliged to notify supervisors or responsible person and cooperate in investigation.
3. The Company recognizes the importance of disseminating knowledge and educating persons who have to perform duties related to the Company or may have an impact on the Company regarding compliance with the anti-corruption policy.

4. The Company regularly provides appropriate and efficient audit process and internal control system to prevent corruption.
5. The Company provides a human resource management process that reflects its commitment to anti-corruption measures, including selection, training, performance evaluation, compensation, and promotion.
6. The Company operates in a politically neutral manner and does not advocate or be in alliance with any political party with the objective of contributing business benefits to the Company.
7. Charitable donations either in the form of financial assistance or other forms, such as education or devotion, are allowed as part of corporate social responsibility as well as public relations and enhancement of the brand image without aiming for business yields.
8. Directors, executives, and employees shall refrain from accepting monetary and non-monetary gifts from business partners or persons related to the Company’s business, except in the case of festive events or normal practices to receive gifts or any benefits.

All the Company’s directors and executives are aware and understand that the Company’s business processes may be subject to risks from corruption and bribery. For such risk avoidance, directors and executives have scheduled a regular risk assessment of corruption and bribery that may occur in the Company at least once a year. Furthermore, they are responsible to review the current risk management measures to ensure that the measures remain appropriate for risk prevention at an acceptable level. In addition, the Company’s executives shall communicate to all employees at various levels for understanding and cooperation in order to effectively manage such risks.

Whistleblowing

The Board of Directors has overseen the establishment of a complaint and whistleblowing mechanism and established clear guidelines in the whistleblowing

and complaint policy. There are requirements regarding reporting and investigation of code of conduct violation, complaints of corruption and misconduct. In the event that stakeholders have observations regarding the Company's operations, they may ask for details or report complaints, clues of legal wrongdoing, inaccuracies of financial reports, defective internal control system, or business code of conduct violation through the Company's independent directors or audit committee members. The whistleblowing and complaints shall be kept confidential and independent directors, audit committee members or the Chief Executive Officer shall instruct the designated persons to investigate the internal information, find solutions (if any), and report to the Chief Executive Officer and/or the Board of Directors.

In addition, the Company has provided measures to report clues and/or complaints and/or express opinions on illegal acts, business code of conduct or behaviors that may imply corruption of directors, executives, or employees. It also provides a variety of communication channels to allow employees and stakeholders to report clues or complaints to the Company conveniently and appropriately. The whistle-blowers or complainants are required to indicate the details and their names, addresses, valid telephone numbers. The Company has established channels for whistleblowing and complaint as follows:

1. Suggestion box in the Company
2. Direct whistleblowing and complaints with
 - 2.1 Trusted supervisors at all levels
 - 2.2 Human Resources Department
 - 2.3 Company Secretary
 - 2.4 Audit Committee
 - 2.5 Company Director
3. via Email : jspcs@jsppharma.com
 Chairman of the Audit Committee :
jspac@jsppharma.com
 Company Secretary : jspcs@jsppharma.com

4. Company Website : www.jsppharma.com
5. via post : directly addressed to the Chairman of the Board or the Chairman of the Audit Committee
 JSP Pharmaceutical Manufacturing (Thailand)
 Public Company Limited
 255,257 Soi Sathupradit 58, Bangpongpan,
 Yannawa, Bangkok 10120

All channels for whistleblowing and complaints are used to coordinate for case submission and follow up on investigation results and collect details. The information received from the whistleblowing will be sent directly to the persons in charge, namely the Chairman of the Audit Committee and the Chief Executive Officer, for further action. This is to ensure the whistleblower that the reported information is managed and protected by those directly in charge. In the event that the Chief Executive Officer is the object of complaint, the Audit Committee shall appoint the Investigation Committee to investigate as appropriate.

Promotion of Employee's Quality of Life, Safety and Occupational Health

The Company recognizes that employees are considered the valuable success factor in achieving its goals. Therefore, the Company has stipulated in its mission to "develop personnel to thrive for ideas, improvement and development of work and services efficiently and continuously" with a focus on developing and supporting employees to have knowledge and capabilities in line with the goals set by the Company.

The employees' safety and occupational health is fundamental to business operations. Therefore, the Company promotes a safe and hygienic working environment for its employees to prevent dangers of accidents and enhance their well-being. The Company has set a safety goal of "Zero Lost Time Injury" and has provided various safety trainings for employees to raise awareness and strengthen the safety culture. In 2023, the Company had 2 lost time injuries.

Report of the Audit Committee

Dear Shareholders

The Audit Committee of JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited has independently performed its duties in accordance with the Audit Committee Charter, which complied with requirements and best practices for the Audit Committee of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee comprised 3 independent directors of the Company, namely Ms. Sopawadee Lertmanaschai, Chairman of the Audit Committee, Pharmacist Vinit Usavakidviree, and Asst. Prof. Dr. Lalita Hongratanawong, Members of the Audit Committee, with Ms. Jirada Daengprasert takes role as the secretary of the Audit Committee. The Audit Committee consists of members with accounting and finance knowledges, which are Ms. Sopawadee Lertmanaschai and Asst. Prof. Dr. Lalita Hongratanawong.

During the year 2023, the Audit Committee held a total of 6 meetings and held a meeting with the external auditor without the present of the management to perform duties within the scope of responsibilities specified in the Audit Committee Charter assigned by the Board of Directors, which complied with the regulations of the Stock Exchange of Thailand. The Audit Committee reported the results of every meeting to the Board of Directors. The results of the meeting were summarised as follows:

Reviewing of the Financial Reports

The Audit Committee reviewed significant information on the Company's quarterly and annually financial statements for 2023 to ensure that the Company's financial reports are prepared accurately in accordance with the current applicable accounting standards. The disclosure of information is sufficient and reliable. In addition, the Audit Committee held meetings with the auditor without the present of the management to discuss the key issues in the preparation of financial reports, internal control system in relation to accounting and finance, as well as the independence of the auditor to perform audits.

Reviewing Sufficiency and Appropriateness of Internal Control

The Audit Committee considered and approved annual internal audit plan for the year 2023 by evaluating the risks and the adequacy of the internal control system to determine the importance of each system to be in compliance with the goals of the organisation. This included considering any issues from internal audit results and providing recommendations that were useful to improve the efficiency of internal audit as well as regularly followed up on the results of the audit.

The Audit Committee reviewed the results of the internal control system together with the internal audit division on a quarterly basis, which covered financial accounting, safeguard of assets, operations, information technology, regulatory compliance and the reports of audit results of the internal audit department.

The Audit Committee considered that the Company's internal control was efficient and appropriate for the business environment, as well as having an independent internal audit system. The audit plan was consistent with the strategy and the risks of the Company.

Reviewing of the Company's Connected Transactions or Transactions with Possible Conflict of Interest

The Audit Committee reviewed and supervised the Company to operate the business in compliance with rules, policies, securities and exchange law, the regulation of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other laws related to the Company's businesses. The Audit Committee found no evidence indicating that there is a deficiency related to the non-compliance and/or operation which is obvious or conflict to relevant regulations, rules and laws.

Reviewing the System of Risk Management Practice

The Audit Committee reviewed the Company's policies and practices for risk management principles to ensure that there was appropriate risk management process. The Risk Management Committee reviewed and monitored risk management activities by considering both internal and external risk factors that may cause an impact and managing risks at the tolerable level. The Audit Committee considered that there is a risk management system that is suitable and sufficient for its business conditions, as well as the risk assessments were reviewed regularly to be carried out in a changing environment.

Compliance with the Law on Securities and Exchange, Regulations of the Stock Exchange of Thailand and the Laws Relating to the Company's Business

The Audit Committee has reviewed and supervised the Company to monitor, analyse, and report any laws, rules and regulations changes related to the Company ensuring that the Company properly complied with the laws, rules and regulations.

Process for the Nomination and Appointment of the Auditor for the Year 2024

The Audit Committee considered and nominated the Company's auditor, including the audit fees. In the past year, the Audit Committee considered factors such as the performance, knowledge, expertise and the independence of the auditor. As a result, it has shown that all qualifications meet the requirements that The Security and Exchange Commission has established. Then the Audit Committee proposed to the Board of Directors for approval at the 2024 Annual General Meeting of Shareholders to appoint Miss Kanokorn Phooriphanyawanit, CPA License No. 10512 and/or Miss Nadsasin Wattanapaisai, CPA License No. 10767 and/or Miss Sukanya Rodkroh, CPA License No. 12089 from KPMG Phoomchai Audit Limited as the auditors of the Company including the propose to approve the audit fee for year 2024.

In summary, The Audit Committee has performed all duties as stipulated in the Charter and perform duties independently by using knowledge, ability and careful consideration and deliberation as well as giving opinions and suggestions in a constructive way to benefit all stakeholders equally. The Audit Committee considers that the Company's financial reports are accurate, reliable, in accordance with financial reporting standards and generally accepted accounting principles. The Board of Directors and executives of the Company are committed to perform duties in order to efficiently achieve the Company's goals. In addition, the importance has been highlighted on the operations under good corporate governance, transparent and reliable as well as having appropriate and effective internal control and internal audit.

On and Behalf of the Audit Committee

Ms. Sopawadee Lertmanaschai

Chairman of the Audit Committee

9 Internal Control and Related Party Transaction

Internal Control

Sufficiency and Suitability of the Internal Control System

The Company pays attention to the good system of internal control, and the mentioned system is in accordance with the Corporate Governance Code. In other words, having a transparent, fair and credible cooperative system and accountable checks and balances will lead to the maximum benefit of the shareholders, staff, business partners, communities and other associates. The Company has the Audit Committee who review the sufficiency of the internal control system in order to ensure that the Company run the business in compliance with the regulations of The Security and Exchange Commission, the Stock Exchange of Thailand, Public Limited Companies Act, Securities and Exchange Act and other related regulations which involve the Company and/or Company business.

At the Board of Directors' meeting 1/2024 on 29 February 2024, all members of the Audit Committee attended the meeting. The Board of Directors has considered and approved the assessment of the adequacy of the internal control system of the Company that covers five components of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) as following,

1. Control Environment
2. Risk Management
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Board of Directors has reviewed and considered along with management division by examining the information from management division and referring to the audit report and evaluating the internal control system of ISBAR Corporation Company Limited ("Internal Auditor") and considering to evaluate the sufficiency of the internal control system.

After considering the assessment of the adequacy of the internal control system of the Company, the Board of Directors concluded that the Company had sufficient management and internal control systems, and they were efficient enough to protect the Company from potential risks. The Board of Directors and the Management Division have encouraged the staff in the organisation to be aware of the importance of the internal control and provided enough personnel in order to make the internal control system sufficient and suitable and to be adjustable in accordance with incessantly changing situations in order to achieve the goal of the Company which is in line with the related laws, regulation and the Corporate Governance Code. The Company has clearly defined the duty and responsibility, including the regulations, rules, policy and appropriate approval authority in written statement.

Moreover, the Company has provided the independent internal audit department to follow up and evaluate the internal control by engaging an outsourced organisation, which reports directly to the Audit Committee, to audit the internal control system. The Company has appointed the ISBAR Corporation Company Limited as an internal audit since 2023 to review and evaluate the Company's system of internal control, and the Company has constantly been given appropriate advices. In 2023, the Internal Auditor has performed audit over work flows, to follow up the revision and to evaluate the result of the internal control of the Company for 11 operating systems by planning the internal audit for each quarter for 2 to 5 systems in order for the Company to get fully audited for 11 systems for the year 2023 as follow:

Work System	Quarter			
	1	2	3	4
Accounting and finance system	✓			
Finished goods management system	✓			
Heman resources management system		✓		
Production system		✓		
Raw materials management system		✓		
Maintenance system		✓		
Quality assurance system		✓		
Information technology system			✓	
Purchase and procurement system			✓	
Sale system				✓
Strategy and innovation system				✓

In reviewing, evaluating the internal control system and to follow up each result of the revision, the Internal Auditor has reported the audit result and revisional progress to the Audit Committee to review and to provide advices for the internal control system of the Company on quarterly basis. In 2023, there was no significant observation on the internal control system that affects the operations of the Company.

Opinions of the Audit Committee

In considering the assessment of the adequacy of the internal control system of the Company by the Board of Directors with the three Members of Audit Committee of the Company participating in the meeting, there was no discrepancy in comments from the Board of Directors.

Related Parties Transactions

Persons who may have led to the conflict of interest of the Company involving in the transaction with the Company during 2022 and 2023 are as follows:

Persons who may have Conflict of Interest	Relationships
Suphap Group Company Limited	<ul style="list-style-type: none"> The ultimate parent company
Type of Business: Holding company	<ul style="list-style-type: none"> The common shareholders are Mrs. Jintana Santipisud, Mr. Sittichai Daengprasert, Mr. Pissanu Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert. The common directors are Mrs. Jintana Santipisud, Mr. Sittichai Daengprasert, Mr. Pissanu Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert.
Mr. Sittichai Daengprasert	<ul style="list-style-type: none"> Shareholder, director and the executive of the Company
Mr. Pissanu Daengprasert	<ul style="list-style-type: none"> Shareholder, director and the executive of the Company
Mr. Prasitchai Daengprasert	<ul style="list-style-type: none"> Shareholder of the Company and a father of the directors and executives of the Company, which are Mr. Sittichai Daengprasert, Mr. Pissanu Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert

Unit: Baht million

Unit: Baht million Persons who may have Conflict of Interest	Transaction type	2022	2023	Description, Necessity and Rationality
Suphap Group Company Limited	<i>Transactions</i> <ul style="list-style-type: none"> Rental 	1.73	1.73	<u>Rental</u> <ul style="list-style-type: none"> On 12 November 2020, the Board of Directors approved the Company to enter into a land and building lease agreement from Suphap Group Company Limited to manufacture of pharmaceuticals, dietary supplements, and medical supplies, with land title deed no. 8059, land no. 497, sub-district no. 1207, Bang Phong Phang Sub-district, Yannawa District, Bangkok, with an area of 1-0-40.0 Rai, with lease term of 3 years from 1 January 2021 to 31 December 2023 at the rental rate of Baht 0.14 million per month. The rental rate was based on the market rental rate assessed by an independent appraiser listed in the SEC office and the Company can renew the lease agreement twice, 3 years and 1 year each time, respectively from the ending date of each agreement. The rental rate will be increased by 10.00% for each renewal of the lease. On 30 June 2021, the Board of Directors' meeting approved to amend the land and building lease agreement for a total lease term of 19 years, starting from 1 January 2021 to 31 December 2039 by increasing the rental rate equivalent to 10.00% from the original rental rate every 3 years, with the first rental rate adjustment scheduled on 1 January 2024. Upon the expiration of the lease term the lessee has the first right to renew the lease of property according to the conditions and periods agreed by both parties. <p>Opinion of Audit Committee:</p> <ul style="list-style-type: none"> The Audit Committee has come to conclusion that Lease of land and factory buildings for the purpose of pharmaceuticals, dietary supplements and medical supplies production was necessary for the Company's business operations. The rental rate was reasonable since it was based on the market rental rate assessed by an independent appraiser listed in SEC, therefore, the transaction was reasonable and had a fair price

Unit: Baht million

Unit: Baht million Persons who may have Conflict of Interest	Transaction type	2022	2023	Description, Necessity and Rationality
Mr. Sittichai Daengprasert and Mr. Pissanu Daengprasert	Transactions • Rental	4.53	4.53	<p><u>Rental</u></p> <ul style="list-style-type: none"> The Company leased land and buildings from Mr. Sittichai Daengprasert and Mr. Pissanu Daengprasert for manufacturing of a pharmaceuticals, dietary supplements and medical supplies, with land title deeds no. 10241 and 10243, land no. 490 (1524), Sub-district no. 2541 and land no. 479 (1526), Sub-district no. 2543, Bang Phong Phang Sub-district, Yannawa District, Bangkok, with an area of 1-1-95.9 Rai under an agreement dated 30 March 2018, with a lease term of 10 years, from 1 January 2018 to 31 December 2027 at the rental rate of Baht 0.15 million per month. The rental rate was based on market rental rates assessed by an independent appraiser listed in SEC and the Board of Directors Meeting No. 3/2562 on 15 May 2019, it was resolved that the Company shall amend the terms of the lease agreement by increasing the rental rate by 1.00% annually referring to the general inflation rate. It is effective from 1 June 2019 and will update the rent annually on January 1 of each year. On 12 November 2020, the Board of Directors approved the Company to amend the rental rate to Baht 0.38 million per month. The rental rate was based on the rental rate assessed by an independent appraiser listed in SEC and the rental rate will be increased by 10.00% every 3 years. The contract will be effective on 1 January 2021. On 30 June 2021, the Board of Directors' meeting resolved to approve amending the land and building lease agreement for a total lease period of 22 years, starting from 1 January 2021 to 31 December 2039 with the first rental rate adjustment scheduled on 1 January 2024. Upon the expiration of the lease term the lessee has the first right to renew the lease of property according to the conditions and periods agreed by both parties. <p>Opinion of Audit Committee:</p> <ul style="list-style-type: none"> The Audit Committee has come to conclusion that Lease of land and factory buildings for the purpose of pharmaceuticals, dietary supplements and medical supplies production was necessary for the Company's business operations. The rental rate was reasonable since it was based on the market rental rate assessed by an independent appraiser listed in SEC, therefore, the transaction was reasonable and had a fair price.
Mr. Prasitchai Daengprasert	Transactions • Use of land	None	None	<p><u>Use of land</u></p> <ul style="list-style-type: none"> The Company has obtained written consent to utilise the commercial building owned by Mr. Prasitchai Daengprasert to install the main electrical control cabinet (MDB) on the vacant floor on floor 1 with an area of 11.7 Square meters and store electrical materials and equipment associated with the MDB cabinet and was free of charge and had no set time limit. The booths were located in the back of the building connected to the factory area. The front part was located at a crossroads where the building has been modified so there was no way out for the front part at all. Therefore, the exit from the building must go through the land that was connected to the Company's factory area only. The building has been in such condition since around 1974 - 1975. Moreover, the condition of the building was older than 40 years. The owner has considered that it was difficult to continue to use and if the building was to be used for the benefit or for the external parties, the owner must invest in building improvements and build an exit way to outside area. This will require a relatively high investment which may not be worth it. As a result, there is no plan to use them in the future at all. Therefore, the Company was allowed to use it as an area to install the main electrical control cabinet (MDB) of the factory. <p>Opinion of Audit Committee:</p> <ul style="list-style-type: none"> The Audit Committee has come to conclusion that area for placing the main electrical control cabinet (MDB) of the Bangkok factory, the Company's management should consider a plan to relocate the main electrical control panel of the plant to be installed in the Company's proprietary area in the future without affecting the Company's operations as a preventive plan for future risks if the main electrical control cabinet (MDB) cannot be set up in the following area.

As of 31 December 2023, the Company entered into several financial facilities agreements with financial institutions for operating purposes. The Company received guarantees from persons or juristic persons who may have conflict of interest with free-of-charge as follow:

Financial institution	Type of facilities	Credit facilities (Baht million)	Description of guaranteed made by persons or juristic persons who may have conflict of interest
Financial institution no. 1	Overdraft	7.50	<ul style="list-style-type: none"> The land located at Bangkok Province, owned by Mr. Sittichai Daengprasert and Mr. Pissanu Daengprasert Guaranteed by Mrs. Jintana Santipisud, Mr. Sittichai Daengprasert, Mr. Pissanu Daengprasert, Ms. Jirada Daengprasert, Mr. Sorasit Daengprasert and Suphap Group Company Limited
	Promissory note	15.00	
	Long-term loan	20.00	
	Bank guarantee	2.00	
Financial institution no. 2	Overdraft	19.80	<ul style="list-style-type: none"> Guaranteed by Mrs. Jintana Santipisud and Mr. Sittichai Daengprasert and Mr. Pissanu Daengprasert
Financial institution no.3	Overdraft	4.00	<ul style="list-style-type: none"> The land located at Bangkok, owned by Mrs. Jintana Santipisud
Leasing company	Hire purchase agreement	1.54	<ul style="list-style-type: none"> Toyota van Guaranteed by Mrs. Jintana Santipisud

Opinion of Audit Committee

The aforementioned guarantees incurred as necessary for normal business operations were reasonable and had the best interest of the Company.

1. Necessity and Rationality of the Connected Transactions

The Audit Committee has considered the aforementioned connected transactions in the table mentioned above and advised that the following connected transactions were deemed necessary and reasonable under the fair price and conditions and did not cause any damages to the Company.

2. Measures and Procedure for Approval of the Connected Transactions

The Company has established measures and procedures for approval of the connected transactions, which was approved at a meeting by the Board of Directors Meeting No. 3/2562 on 15 May 2019. If there is any necessity of connected transaction to an individual who may have a conflict of interest with the Company, the transaction can be done by assigning the Audit Committee to give opinions on the necessity and appropriateness of such transactions.

If the Audit Committee does not have expertise in considering connected transactions that may occur, the Company will assign an independent expert or the Company's auditor to give an opinion on the following connected transaction to be used in the decision of the Board of Directors and/or the Audit Committee and/or Shareholders as the case may be. A person who may have conflicts of interest or have an interest in the transaction will not be able to vote on approving the following connected transactions. The Company's policies on connected transactions are classified by type of transaction as follows:

- Normal business transactions and normal business supporting transactions such as the purchase and sale of goods, raw materials, and consulting services, etc. which such transactions shall be made under fair pricing and conditions, which do not lead to the benefit transfer comparing to the transactions between the Company and the general public, or transactions between persons who may have conflicts of interest with the general public, or transactions made in the same manner as those of other business owners. The Company establishes a policy for the Audit Committee

to consider and give opinions on the reasons and necessity of such transactions quarterly. It will comply with the law on securities and exchange and regulations, notifications, orders, or requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand, including compliance with the disclosure requirements of connected transactions.

- Other transactions besides normal business transactions and normal business support items, such as rental properties or transactions related to the sale of assets or financial assistance, etc. The Company establishes a policy for the Audit Committee to consider and give opinions on the reasons and necessity of such transactions. The Company will comply with the law on securities and exchange and regulations, notifications, orders, or requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand, including compliance with the regulations on disclosure of connected transactions and acquisition or disposition of important assets of the Company. The Company establishes no policy of lending money to individuals who may have conflicts of interest for them to conduct business or operate on behalf of the Company.

In this regard, the Board of Directors shall comply with the Securities and Exchange Act and regulations, notifications, orders or regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand, including compliance with the regulations on connected transactions and the acquisition or disposition of important assets of the Company. Therefore, the decision to enter into such transaction does not cause a conflict of interest and is in the best interests of all shareholders. The Company will disclose such connected transactions in the annual registration statement (Form 56-1 One Report) and the notes to the financial statements that have been audited by the Company's auditor.

3. Possibility of the Connected Transaction

The Company may enter into connected transactions with persons who may have conflicts of interest in the future. If it is a connected transaction that is a normal business transaction and a normal business support transaction which has general trading conditions. The Company will proceed according to the measures or procedures for approval of connected transactions as stated above. The Audit Committee will give opinions on the transactions and the price used for such item shall be appraised and comparable with the market price. In the event that there is no comparative price the price for such connected transaction must be the price that is appropriate and in the best interest of the Company and its Shareholders. If the Audit Committee have no expertise to consider connected transactions that may occur, the Company will arrange for independent experts to give opinions on the following connected transactions to be used in the decision of the Board of Directors, the Audit committee or Shareholders. However, the directors of the Company who have interests will not have voting right in such transactions and will be disclosed in the notes to the financial statements audited or reviewed by the Company's auditor and the annual registration statement

Transactions that may occur in the future that are related to the Company's directors must comply with the regulations set forth, and the directors must not approve any transaction in which they or any person may have a conflict of interest in any other manner with the Company and must disclose such transactions to the Board of Directors for consideration. The Company must comply with the law on securities and exchange and all regulations, notifications, orders, or regulations of the Stock Exchange of Thailand, as well as comply with the regulations relating to disclosure of connected transactions and the acquisition or disposition of assets of the Company and its subsidiaries and strictly follow financial reporting standards.

Report of the Board of Directors' Responsibilities for the Financial Reports

The Board of Directors is responsible for the consolidated financial statements of JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. (the "Company") and its subsidiaries, and the separated financial statements of the Company which have been prepared in accordance with the appropriate accounting policies and have been consistently applied. The management has used judgements on prudence basis and has reasonably estimated in accordance with financial reporting standards, guidelines promulgated by the Thai Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The notes to the financial statements have been adequately and transparently disclosed the significant information for shareholders and general users. The independent auditor of the Company has audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board of Directors has provided effectiveness systems of internal control and risk management in order to reasonably ensure that the financial information is accurate, complete and adequate to safeguard the Company's assets, as well as preventing any fraud or significant irregular operations.

The Board of Directors has appointed the Audit Committee, entirely comprised of independent directors, to oversight the accuracy and adequacy of the financial statements. In addition, the Audit Committee oversees adequacy of the internal control, internal audit, including the risk management, as well as the related parties transactions disclosure. The opinions of the Audit Committee on these issues are shown in the Audit Committee Report contained in this annual report (Form 56-1 One Report).

The Board of Directors opines that the internal control and the internal audit of the Company provide credibility to the consolidated financial statements of the Company and its subsidiaries and the separated financial statements of the Company for the year ended 31 December 2023 are fairly presented, in all material respects, the financial position, the financial performance and the cash flows with the financial reporting standards.

M.D. Thongchai Thavichachart

Chairman of the Director

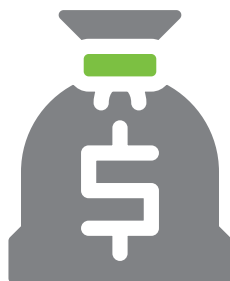
Dr. Sittichai Daengprasert

President



Section 3

Financial Statements



**JSP Pharmaceutical Manufacturing (Thailand)
Public Co., Ltd. and its subsidiaries**

Financial statements for the year ended
31 December 2023
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.

Opinion

I have audited the consolidated and separate financial statements of JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its subsidiaries (the “Group”) and of JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Acquisition of businesses	
Refer to note 4 in the consolidated financial statements	
The key audit matter	How the matter was addressed in the audit
<p>During the year, the Group acquired businesses and hired an independent valuer to determine the fair value of identifiable assets acquired and liabilities assumed. As a result, the Group recorded provisional goodwill of Baht 37 million in the consolidated statement of financial position as at 31 December 2023.</p> <p>The accounting for this transaction is material and complex due to the significant judgments of management that are required to determine the fair value of assets acquired and liabilities assumed. I considered this as key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Reading the sale and purchase agreement to obtain an understanding of key terms and conditions; - Evaluating the appropriateness of the identification of all assets acquired and liabilities assumed by the Group; - Evaluating the appropriateness of assumptions and methodologies used in valuing the fair value of assets acquired and liabilities assumed in the draft valuation report determined by an independent valuer and testing the calculation; - Evaluating knowledge, competency and independence of the independent valuer of the Group; - Involving the KPMG valuation specialist in evaluating financial variables used in determining the discount rate, the identification of intangible assets, the valuation methodology used and the appropriateness of the calculation relating to the identification of intangible assets; and - Evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards.

Valuation of inventories	
Refer to note 8	
The key audit matter	How the matter was addressed in the audit
<p>As modern medicine, traditional medicine, herbal product and dietary supplements are in highly competitive market where new products are continuously launched to meet customer's demand, sales of the Company's products are highly depend on market conditions. Consequently, certain inventories of the Company are obsolete and long outstanding, which result in the risk that the cost of inventory will be stated above their net realisable value.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Inquiry the management to obtain an understanding of the Company's policy in relation to the determination of an allowance for obsolete and slow-moving inventories and the Company's compliance with this policy; - Evaluating the design and implementation of internal controls related to the estimation of allowance for obsolete and slow-moving inventories; - Attending inventory counts and observed on sampling basis the condition of inventories;

Valuation of inventories	
Refer to note 8	
The key audit matter	How the matter was addressed in the audit
Due to the materiality of the inventory balance to the financial statements, and the significant judgment of management required in determining allowance for obsolete and slow-moving inventories. I considered the allowance for obsolete and slow-moving inventories as key audit matter.	<ul style="list-style-type: none"> - Testing the accuracy of inventory aging calculation in the inventory aging report with relevant supporting documents on sampling basis to ensure that inventories are classified within an appropriate range; - Assessment the reasonableness of management's assumptions used in determining the percentage of obsolete and slow-moving inventories by comparing with historical information, verifying with relevant supporting documents and tested calculation; - Evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards.

The impairment testing of property, plant and equipment	
Refer to note 11	
The key audit matter	How the matter was addressed in the audit
<p>During 2023, the management assessed the indication of impairment of property, plant and equipment leading to impairment testing of Lamphun's plant. The management determined the recoverable amount by applying value in use which estimated from discounted cash flow generated from utilisation of the plant.</p> <p>Due to the significant judgement involved in determining key assumptions used in estimating recoverable amount and the materiality of property, plant and equipment balance to the financial statements, I considered this as key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Assessment whether the identification of the cash generating units were appropriate; - Evaluating appropriateness of the discounted cash flow provided by the Company and the Company's assumptions applied in the value-in-use method against relevant documents as well as externally derived data; including evaluated the financial parameters applied to the discount rate; - Analysis historical information to support the precision in the Company's estimation process; - Assessment appropriateness of principles and mathematical calculation applied in discounted cash flow and evaluate sensitivity analysis around the key assumptions; - Evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

- 1) I draw attention to note 4 to the financial statements, during the year ended 31 December 2023, the Group has acquired businesses and hired an independent appraiser to determine the fair value of the identifiable assets acquired and liabilities assumed from the business acquisitions. As at the reporting date, the reviews have not yet been completed therefore the determination of the fair value and the allocation of the purchase price was determined provisionally and is subject to potential amendment.
- 2) I draw attention to note 4 to the financial statements, during the year ended 31 December 2023, the Group acquired shares of certain company which were under common control of the same ultimate controlling shareholder. The Group prepared the consolidated financial statements by including the company under common control to reflect the economic substances of the company within the Group as one economic unit before 1 January 2022, although the legal form of the relationship between the Group and the subsidiary was not effective until after that date.

My opinion is not modified in respect of these matters.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

(Kanokorn Phooriphanyawanit)
Certified Public Accountant
Registration No. 10512

KPMG Phoomchai Audit Ltd.
Bangkok
29 February 2024

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries**Statement of financial position**

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		(Restated)			
(in Baht)					
<i>Current assets</i>					
Cash and cash equivalents	6	20,654,072	100,195,809	10,696,113	91,336,087
Trade accounts receivable	5, 7	87,916,323	77,762,866	60,370,440	71,647,535
Current finance lease receivable	5	-	1,748,459	-	-
Other receivables	5	34,714,729	27,889,294	22,562,620	25,718,755
Short-term loans to related parties	5	-	-	89,800,000	13,500,000
Inventories	8	102,149,531	99,367,534	93,851,766	99,120,825
Current contract cost assets		177,589	249,387	177,589	249,387
Other current financial assets	24	-	209,811,712	-	209,811,711
Non-current assets classified as held for sale		-	999,500	-	-
Total current assets		245,612,244	518,024,561	277,458,528	511,384,300
<i>Non-current assets</i>					
Other non-current financial assets		11,989,000	14,935,278	4,500,000	8,946,278
Investment in associate	9	132,721,411	-	-	-
Investment in subsidiaries	10	-	-	273,899,000	29,999,500
Non-current finance lease receivable		-	7,296,924	-	-
Non-current contract cost assets		732,995	676,675	732,995	676,675
Long-term loans to a non-related parties		-	3,000,000	-	-
Long-term loans to related parties	5	5,000,000	100,686,063	-	-
Property, plant and equipment	11	859,658,408	670,229,722	744,475,096	633,315,535
Intangible assets	12	4,920,483	5,380,166	4,725,073	5,318,067
Goodwill	4	36,818,623	-	-	-
Deferred tax assets	21	23,033,433	30,239,422	17,679,279	19,779,128
Other non-current assets		15,188,356	16,043,305	931,682	13,138,226
Total non-current assets		1,090,062,709	848,487,555	1,046,943,125	711,173,409
Total assets		1,335,674,953	1,366,512,116	1,324,401,653	1,222,557,709

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries**Statement of financial position**

Liabilities and equity	Note	Consolidated financial statements		Seprate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
		(Restated)			
(in Baht)					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	14	87,707,730	19,391,385	65,219,271	-
Trade accounts payable		43,653,715	46,207,321	32,714,117	46,161,257
Current contract liabilities		11,155,525	26,886,824	9,633,783	26,781,274
Other payables	5	31,393,036	28,559,598	23,698,884	23,404,206
Current portion of long-term loans from financial institutions	14	10,526,089	10,056,280	10,526,089	6,592,166
Current portion of lease liabilities	5, 13, 14	10,361,440	8,062,425	7,502,468	6,454,311
Current provisions for employee benefits	15	-	100,000	-	-
Income tax payable		-	2,738,390	-	-
Total current liabilities		194,797,535	142,002,223	149,294,612	109,393,214
Non-current liabilities					
Long-term loans from financial institutions	14	46,268,069	37,621,918	46,268,069	37,621,918
Long-term loans from related parties	5	10,000,000	-	-	-
Lease liabilities	5, 13, 14	125,667,007	113,988,132	102,009,447	109,425,876
Non-current contract liabilities		10,691,913	9,951,815	10,691,913	9,951,815
Non-current provisions for employee benefits	15	16,591,792	13,377,099	15,191,026	13,008,189
Other non-current provisions		1,158,098	-	1,158,098	-
Total non-current liabilities		210,376,879	174,938,964	175,318,553	170,007,798
Total liabilities		405,174,414	316,941,187	324,613,165	279,401,012
Equity					
Share capital	16				
Authorised share capital		341,250,000	341,250,000	341,250,000	341,250,000
Issued and paid-up share capital		237,277,450	227,500,000	237,277,450	227,500,000
Share premium		772,492,224	733,462,520	772,492,224	733,462,520
Difference arising from common control transactions	4, 18	(130,348,696)	(11,539,171)	(11,539,171)	(11,539,171)
Retained earnings (Deficit)					
Appropriated					
Legal reserve	18	3,861,848	3,861,848	3,861,848	3,861,848
Unappropriated		(13,220,945)	(11,261,164)	(2,303,863)	(10,128,500)
Equity attributable to owners of the parent		870,061,881	942,024,033	999,788,488	943,156,697
Equity of other company in the Group					
before business restructuring		-	107,546,415	-	-
Non-controlling interests		60,438,658	481	-	-
Total equity		930,500,539	1,049,570,929	999,788,488	943,156,697
Total liabilities and equity		1,335,674,953	1,366,512,116	1,324,401,653	1,222,557,709

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries**Statement of comprehensive income**

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
		2023	2022 (Restated)	2023	2022
<i>(in Baht)</i>					
Income					
Revenue from sale of goods	19	552,236,719	428,887,965	483,434,575	428,457,519
Revenue from rendering of services	19	23,341,134	29,186,614	-	-
Other income	19	18,779,913	8,729,619	19,547,705	8,164,409
Total income		594,357,766	466,804,198	502,982,280	436,621,928
Expenses					
Cost of sale of goods	8, 20	412,022,642	306,216,762	355,384,809	305,842,896
Cost of rendering of services	8, 20	19,080,600	6,895,564	-	-
Distribution costs	20	50,928,725	73,205,374	41,304,966	73,262,508
Administrative expenses	20	112,324,489	81,391,728	85,403,242	71,156,659
Total expenses		594,356,456	467,709,428	482,093,017	450,262,063
Profit (loss) from operating activities		1,310	(905,230)	20,889,263	(13,640,135)
Finance costs		(12,995,563)	(9,187,947)	(9,539,039)	(7,301,997)
Gain (loss) on measurement of financial assets		39,912,209	8,890,580	(311,711)	311,711
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	7	10,057,008	(169,042)	(158,215)	607,778
Share of profit of an associate accounted for using equity method	9	577,531	-	-	-
Profit (loss) before income tax expense		37,552,495	(1,371,639)	10,880,298	(20,022,643)
Tax income (expense)	21	(9,312,745)	(1,695,824)	(2,291,011)	3,672,535
Profit (loss) for the year		28,239,750	(3,067,463)	8,589,287	(16,350,108)
Other comprehensive income (expense)					
Items that will not be reclassified subsequently to profit or loss					
Loss on remeasurements of defined benefit plans	15	(781,263)	(1,308,017)	(955,813)	(1,140,908)
Income tax relating to items that will not be reclassified subsequently to profit or loss	21	156,253	261,603	191,163	228,182
Other comprehensive income (expense) for the year, net of tax		(625,010)	(1,046,414)	(764,650)	(912,726)
Total comprehensive income (expense) for the year		27,614,740	(4,113,877)	7,824,637	(17,262,834)

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries**Statement of comprehensive income**

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	<i>Note</i>	2023	2022	2023	2022
			(Restated)		
		<i>(in Baht)</i>			
Profit (loss) attributable to:					
Owners of the parent		(1,268,854)	(17,482,771)	8,589,287	(16,350,108)
Non-controlling interests		(1,533,404)	(19)	-	-
Other company in the Group before business restructuring		31,042,008	14,415,327	-	-
		<u>28,239,750</u>	<u>(3,067,463)</u>	<u>8,589,287</u>	<u>(16,350,108)</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		(1,959,781)	(18,395,498)	7,824,637	(17,262,834)
Non-controlling interests		(1,467,487)	(19)	-	-
Other company in the Group before business restructuring		31,042,008	14,281,640	-	-
		<u>27,614,740</u>	<u>(4,113,877)</u>	<u>7,824,637</u>	<u>(17,262,834)</u>
Basic earnings (losses) per share	22	<u>(0.01)</u>	<u>(0.04)</u>	<u>0.02</u>	<u>(0.04)</u>
Diluted earnings (losses) per share	22	<u>(0.01)</u>	<u>(0.04)</u>	<u>0.02</u>	<u>(0.03)</u>

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries
Statement of changes in equity

	Note	Consolidated financial statements					
		Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Retained earnings (Deficit)	Equity attributable to owners of the parent	Equity of other company in the Group before business restructuring
					Unappropriated (Deficit) (in Baht)	to owners of the parent	Non-controlling interests
							Total equity
Year ended 31 December 2022							
Balance at 1 January 2022 - Restated		227,500,000	733,462,520	(11,539,171)	3,861,848	966,425,412	93,264,775
Transactions with owners, recorded directly in equity							
Distributions to owners of the parent							
Dividends to owners of the Company	23	-	-	-	-	(6,005,881)	-
Total distributions to owners of the parent		-	-	-	-	(6,005,881)	-
Changes in ownership interests in subsidiary							
Acquisition of subsidiary with non-controlling interests		-	-	-	-	-	500
Total changes in ownership interests in subsidiary		-	-	-	-	-	500
Total transactions with owners, recorded directly in equity		-	-	-	-	(6,005,881)	500
Comprehensive income (expense) for the year							
Profit (loss)		-	-	-	-	(17,482,771)	14,415,327
Other comprehensive income (expense)		-	-	-	-	(912,727)	(133,687)
Total comprehensive income (expense) for the year		-	-	-	-	(18,395,498)	14,281,640
Balance at 31 December 2022 - Restated		227,500,000	733,462,520	(11,539,171)	3,861,848	942,024,033	107,546,415
							481
							1,049,570,929

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries
Statement of changes in equity

		Consolidated financial statements							
		Retained earnings (Deficit)							

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries
Statement of changes in equity

Separate financial statements						
		Retained earnings (Deficit)				
		Issued and paid-up share capital	Share premium	Difference arising from common control transaction (in Baht)	Legal reserve	Unappropriated (Deficit)
Note						Total equity
	Year ended 31 December 2022					
	Balance at 1 January 2022	227,500,000	733,462,520	(11,539,171)	3,861,848	966,425,412
	Transactions with owners, recorded directly in equity					
	Distributions to owners					
	Dividends to owners of the Company	-	-	-	-	(6,005,881)
23	Total distributions to owners	-	-	-	-	(6,005,881)
	Comprehensive income (expense) for the year					
	Loss	-	-	-	-	(16,350,108)
	Other comprehensive income (expense)	-	-	-	-	(912,726)
	Total comprehensive income (expense) for the year	-	-	-	-	(17,262,834)
	Balance at 31 December 2022	227,500,000	733,462,520	(11,539,171)	3,861,848	943,156,697

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries
Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Difference arising from common control transaction (in Baht)	Retained earnings (Deficit) Legal reserve Unappropriated (Deficit)	
Year ended 31 December 2023							
Balance at 1 January 2023		227,500,000	733,462,520	-	(11,539,171)	3,861,848	943,156,697
Transactions with owners, recorded directly in equity							
Contributions to owners							
Share subscriptions received in advance	17	-	-	48,887,250	-	-	48,887,250
Share options exercised		9,777,450	39,029,704	(48,887,250)	-	-	(80,096)
Total contributions by owners		9,777,450	39,029,704	-	-	-	48,807,154
Comprehensive income (expense) for the year							
Profit		-	-	-	-	8,589,287	8,589,287
Other comprehensive income (expense)		-	-	-	-	(764,650)	(764,650)
Total comprehensive income (expense) for the year		-	-	-	-	7,824,637	7,824,637
Balance at 31 December 2023		237,277,450	772,492,224	-	(11,539,171)	3,861,848	999,788,488

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries**Statement of cash flows**

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
		2023	2022	2023	2022
			(Restated)		
			(in Baht)		
<i>Cash flows from operating activities</i>					
Profit (loss) for the year		28,239,750	(3,067,463)	8,589,287	(16,350,108)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax expense (income)	21	9,312,745	1,695,824	2,291,011	(3,672,535)
Finance costs		12,995,563	9,187,947	9,539,039	7,301,997
Depreciation and amortisation	11, 12	46,714,481	26,896,148	40,645,428	25,838,850
Gain on disposal of other financial assets		(1,822,177)	(1,857,500)	(1,822,177)	(1,857,500)
(Gain) loss on fair value adjustment		(39,912,209)	(8,890,580)	311,711	(311,711)
Share of profit of an associate accounted for using equity method		(577,531)	-	-	-
(Reversal of) impairment loss in accordance with TFRS9	7	(10,057,008)	169,042	158,215	(607,778)
Employee benefits expense related to defined benefit plans	15	2,291,464	1,341,871	1,576,607	1,273,871
(Reversal of) loss on inventories devaluation	8	(104,249)	8,962,339	(130,537)	8,962,339
Gain on disposal of equipment		(280,894)	(802,624)	(280,894)	(714,108)
Loss on write-off of equipment		24,941	-	24,941	-
(Gain) loss on lease modification		4,381,914	(14,792)	(32,292)	-
Interest income		(1,555,122)	(1,426,215)	(3,172,723)	(1,206,533)
		49,651,668	32,193,997	57,697,616	18,656,784
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		30,984,249	(45,660,285)	11,118,880	(40,128,866)
Other receivables		1,916,438	3,800,018	(1,204,872)	6,475,651
Inventories		6,979,002	1,147,045	5,399,596	1,393,753
Current and non-current contract cost assets		15,478	-	15,478	-
Other non-current financial assets		2,946,278	(42,147)	4,446,278	(42,147)
Other non-current assets		274,196	(274,339)	108,571	(231,022)
Trade accounts payable		(21,393,822)	5,850,430	(13,447,140)	5,889,380
Current and non-current contract liabilities		(17,100,469)	5,931,949	(16,407,393)	5,923,599
Other payables		(7,610,605)	1,366,754	621,677	(1,958,158)
Paid employee benefit relating to defined benefit plans	15	(449,584)	-	(349,584)	-
Net cash generated from (used in) operations		46,212,829	4,313,422	47,999,107	(4,021,026)
Taxes received (paid)		(5,866,625)	(1,503,677)	5,066,187	-
Net cash from (used in) operating activities		40,346,204	2,809,745	53,065,294	(4,021,026)

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries**Statement of cash flows**

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2023	2022	2023	2022
	(Restated)			
	(in Baht)			
Cash flows from investing activities				
Proceeds from disposal of non-current assetes classified as held for sale	999,500	-	-	-
Acquisition of subsidiaries, net of cash acquired	(258,886,318)	-	(243,899,500)	(29,999,500)
Proceeds from sale of equipment	341,246	849,866	341,246	756,084
Acquisition of property, plant and equipment	(172,892,446)	(288,703,713)	(137,491,979)	(250,812,527)
Acquisition of intangible assets	(675,766)	(1,825,479)	(530,936)	(1,762,479)
Payment of short-term loan to susidiaries	-	-	(76,300,000)	(13,500,000)
Payment of long-term loan to an associate	(2,000,000)	-	-	-
Payment of long-term loan to a non-related parties	-	(3,000,000)	-	-
Proceeds from repayment of long-term loans to related parties	18,166,104	11,135,693	-	-
Payment of long-term loan to related parties	-	(3,120,000)	-	-
Proceeds from sale of other financial asset	578,822,177	568,857,092	578,822,177	568,857,092
Payment of other financial asset	(367,500,000)	(749,500,000)	(367,500,000)	(749,500,000)
Interest received	1,135,394	1,404,965	2,487,566	1,149,204
Net cash used in investing activities	(202,490,109)	(463,901,576)	(244,071,426)	(474,812,126)
Cash flows from financing activities				
Cash received from advanced shares subscriptions	48,887,250	-	48,887,250	-
Payment of registration to increase company capital service	(100,120)	-	(100,120)	-
Cash received of share capital from non-controlling interests in subsidiaries	500	500	-	-
Payment of bank overdrafts and short-term loans from financial institutions - net	68,316,344	378,936	65,219,271	-
Payment of short-term loans from a non-related party	(10,000,000)	-	-	-
Proceeds from long-term loans from financial institutions	19,900,000	-	19,900,000	-
Payment of long-term loans from financial institutions	(10,784,039)	(42,751,823)	(7,518,941)	(38,191,084)
Payment of lease liabilities	(9,272,021)	(7,041,322)	(6,720,249)	(2,529,798)
Dividends paid to owners of the Company	(119)	(6,003,506)	(119)	(6,003,506)
Dividends paid of other company in the Group before business restructuring	(10,998,720)	-	-	-
Interest paid	(13,346,907)	(9,189,870)	(9,300,934)	(7,011,210)
Net cash from (used in) financing activities	82,602,168	(64,607,085)	110,366,158	(53,735,598)
Net decrease in cash and cash equivalents	(79,541,737)	(525,698,916)	(80,639,974)	(532,568,750)
Cash and cash equivalents at 1 January	100,195,809	625,894,725	91,336,087	623,904,837
Cash and cash equivalents at 31 December	20,654,072	100,195,809	10,696,113	91,336,087

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2023	2022	2023	2022
			(Restated)		
		(in Baht)			
Disclosure of additional cash flows information					
<i>Property, plant and equipment acquired during the year were detailed as follows:</i>					
Total property, plant and equipment acquired during the year	11	187,174,205	303,078,388	152,157,563	265,841,474
Add Payment made to payables of plant and equipment					
at beginning of the year		952,807	4,149,132	423,465	4,149,132
Advances payments of plant and equipment at ending of the year		13,690,117	14,574,684	188,460	12,286,433
Less Payables of plant and equipment at ending of the year		(6,667,673)	(952,807)	(1,215,594)	(423,465)
Advances payments of plant and equipment at beginning of the year		(14,574,684)	(9,431,620)	(12,286,433)	(9,431,620)
Plant and equipment acquired from right-of-use assets		(3,182,326)	(22,714,064)	(1,775,482)	(21,609,427)
Equipment acquired from finance lease termination		(4,500,000)	-	-	-
Cash paid for acquisition of plant and equipment		172,892,446	288,703,713	137,491,979	250,812,527
Non-cash transactions					
(a) Lease modification which remeasured the right-of-use asset and lease liabilities		-	4,143,464	-	4,143,464
(b) Repayment of long-term loans to related parties by transferred to investment in an associate		132,143,880	-	-	-

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 29 February 2024.

1 General information

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd., the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in November 2021. The Company’s registered office are as follows:

Head Office	:	No. 255, 257, Sathu Pradit 58, Bang Pongphang, Yan Nawa, Bangkok
Branch no. 1	:	No. 260, Moo 4, Si Bua Ban, Mueang Lamphun, Lamphun
Branch no. 2	:	No. 88, 88/1-3 Moo 11, Bang Chalong, Bang Phli, Samut Prakan
Branch no. 3	:	No. 88/5-6, Moo 11, Bang Chalong, Bang Phli, Samut Prakan

The Company’s major shareholder during the financial year were Suphap Group Co., Ltd. and Daengprasert family, with 33.29% and 31.78% shareholding, respectively (2022: *Daengprasert family and Suphap Group Co., Ltd., with 37.56% and 34.73% shareholding, respectively*).

The principal activities of the Company are manufacturing and selling of pharmaceutical, dietary supplementary, traditional medicine and herbal products. Subsidiaries (together referred to as “Group’s”) principal activities are research, development and manufacturing dietary supplementary and cosmetic, manufacturing and selling hemodialysis solution and related medical supplies, manufacturing and selling of purified water system for industrial purposes, service of laboratory research, scientific test and analysis, training and seminar and consultancy for research fund application businesses. Details of the Company’s subsidiaries as at 31 December 2023 and 2022 are given in notes 10.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency and rounded in the note to the financial statements to the nearest thousand unless otherwise stated. The accounting policies described in note 3, have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associate.

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Associate is those entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognised investment in associate using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequence changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Business combination under common control is accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) *Investment in subsidiaries and associate*

Investments in subsidiaries and associate in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) *Foreign currencies*

Transactions in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are recognised in profit or loss.

(d) *Financial instruments*

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3(f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(d.4) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, lease receivables, and loan commitments issued which are not measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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For the year ended 31 December 2023

(d.5) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.6) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances and highly liquid short-term investments which have maturities of a three month or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first in first out principle. Cost includes direct costs incurred in acquiring inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

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For the year ended 31 December 2023

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Buildings and building improvement	5 - 30	years
Machinery and equipment	5 - 10	years
Vehicles	5	years
Furniture, fixtures and office equipment	3 - 5	years

(j) Contract cost assets

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on systematic basis over the term of the contract it relates to, consistent with the related revenue recognition.

(k) Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

(l) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

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For the year ended 31 December 2023

The estimated useful lives are as follows:

Product registrations	5 - 9	years
Software licences	10	years

No amortisation is provided on software under development.

(m) *Leases*

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

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which are recognised as an expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(n) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

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The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(p) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(r) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

(s) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(t) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax, or other sale taxes, and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sale for the estimated products to be returned.

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Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

Other income

Other income is recognised on accrual basis.

(u) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

(w) Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control, or has significant influence over the financial and managerial decision-making.

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(x) Segment information

Segment results that are reported to the Group's chief executive officer, include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Acquisitions of businesses including business combination under common control

(a) Grace Water Med Company Limited

On 23 May 2023, the Group obtained control of Grace Water Med Company Limited, a manufacturer and distributor of hemodialysis solution and related medical supplies, by acquired 21,118 ordinary shares at Baht 2,078.8 per share, totaling Baht 43.9 million, equivalent to 52.8% of total ordinary shares.

During the year from acquisition date to 31 December 2023, Grace Water Med Company Limited contributed revenue and net profit of Baht 70.7 million and Baht 0.8 million to the Group's results, respectively. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have increased by Baht 131.3 million and consolidated profit for the year ended 31 December 2023 would have increased by Baht 1.1 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

The following summarises consideration transferred and the recognised amounts of assets acquired and liabilities assumed as at 23 May 2023:

Identifiable assets acquired and liabilities assumed

	Note	Fair value (in thousand Baht)
Cash and cash equivalents		2,307
Trade accounts receivable		38,756
Other receivables		4,500
Inventories		5,721
Property, plant and equipment	11	48,219
Deferred tax assets	21	1,523
Other non-current assets		305
Trade accounts payables		(18,077)
Other payables		(2,745)
Loans		(20,000)
Lease liabilities		(21,491)
Non-current provisions for employee benefits		(492)
Total identifiable net assets		38,526
Less Non-controlling interests (47.2%)		(18,187)
Total identifiable net assets received		20,339
Goodwill arising from the acquisition		23,561
Purchase consideration transferred		43,900
Net cash acquired with the subsidiary		2,307
Cash paid		(43,900)
Net cash outflows		(41,593)

The goodwill is attributable mainly to the skills and technical talent of Grace Water Med Company Limited's work force, a manufacturer and distributor of hemodialysis solution and related medical supplies. None of the goodwill recognised is expected to be deductible for income tax purposes.

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

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For the year ended 31 December 2023

According to the acquisition of such subsidiary, the Group hired an independent appraiser to appraise the fair value of the acquired assets and liabilities but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date. However, the Group is to review the value during the measurement period. If new information is obtained within one year from the acquisition date to reflect its facts and circumstances at the acquisition date, its accounting treatment will be revised.

(b) Waree Medical Company Limited

On 23 May 2023, Grace Water Med Company Limited, a subsidiary of the Company, acquired Waree Medical Company Limited, a manufacturer and distributor of purified water system for industrial purposes, by acquired 4,999 ordinary shares at Baht 3,760.8 per share, totaling Baht 18.8 million, equivalent to 99.9% of total ordinary shares.

During the year from acquisition date to 31 December 2023, Waree Medical Company Limited contributed revenue and net loss of Baht 10.9 million and Baht 1.0 million to the Group's results, respectively. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have increased by Baht 15.5 million and consolidated profit for the year ended 31 December 2023 would have decreased by Baht 0.1 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

The following summarises consideration transferred and the recognised amounts of assets acquired and liabilities assumed as at 23 May 2023:

Identifiable assets acquired and liabilities assumed

	Note	Fair value (in thousand Baht)
Cash and cash equivalents		1,507
Trade accounts receivable		1,593
Other receivables		1,020
Inventories		3,936
Property, plant and equipment	11	1,091
Deferred tax assets	21	81
Trade accounts payables		(763)
Other payables		(813)
Contract liabilities		(2,109)
Total identifiable net assets		5,543
Less Non-controlling interests (0.02%)		(1)
Total identifiable net assets received		5,542
Goodwill arising from the acquisition		13,258
Purchase consideration transferred		18,800
Net cash acquired with the subsidiary		1,507
Cash paid		(18,800)
Net cash outflows		(17,293)

The goodwill is attributable mainly to the skills and technical talent of Waree Medical Company Limited's work force, a manufacturer and distributor of purified water system for industrial purposes. None of the goodwill recognised is expected to be deductible for income tax purposes.

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According to the acquisition of such subsidiary, the Group hired an independent appraiser to appraise the fair value of the acquired assets and liabilities but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date. However, the Group is to review the value during the measurement period. If new information is obtained within one year from the acquisition date to reflect its facts and circumstances at the acquisition date, its accounting treatment will be revised.

Acquisition-related costs

The Group incurred acquisition-related costs of Grace Water Med Company Limited and Waree Medical Company Limited by Baht 3.1 million which included under costs related to acquisition of subsidiaries in the statement of comprehensive income of the Group.

Businesses combination under common control

(c) *CDIP (Thailand) Public Co., Ltd. ("CDIP")*

On 24 August 2023, JSP Pharma Holding Company Limited, a subsidiary of the Company, acquired CDIP (Thailand) Public Co., Ltd., services provider of laboratory research, scientific test and analysis, training and seminar, and consultancy for research fund application businesses from major shareholders of ultimate parent company, by acquired 156.0 million ordinary shares at Baht 1.3 per share, totaling Baht 200.0 million, equivalent to 65.0% of total ordinary shares.

The Group and CDIP are under common control of the same ultimate controlling shareholders. Consequently, the Group obtained control over CDIP from the acquisition date and the consolidated financial statements have been prepared according to business combination of entities under common control principle. In this regard, the Group prepared the consolidated financial statements using a method similar to pooling of interests' which included the financial statements of CDIP before 1 January 2022. Such presentation reflects the economic substances for CDIP as one economic unit occurred before 1 January 2022, although the legal form of the relationship between the Group and CDIP was not effective until after that date.

The book value of assets acquired and liabilities assumed recognised at the date of the business combination under common control are summarised as follows:

Identifiable assets acquired and liabilities assumed

	Book value (in thousand Baht)
Cash and cash equivalents	3,146
Trade accounts receivable	161
Current finance leases receivable	2,498
Other receivables	2,097
Inventories	56
Non-current assets classified as held for sale	1,000
Other non-current financial assets	5,989
Investment in an associate	132,144
Non-current finance leases receivable	6,329
Long-term loans to a non-related parties	5,000
Long-term loans to related parties	8,372
Property, plant and equipment	1,461
Deferred tax assets	1,311
Other non-current assets	231
Bank overdraft	(18,668)

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For the year ended 31 December 2023

Identifiable assets acquired and liabilities assumed

	Book value (in thousand Baht)
Trade accounts payables	(405)
Other payables	(16,480)
Income tax payable	(2,738)
Current portion of long-term loans from financial institution	(745)
Lease liabilities	(5,305)
Non-current provisions for employee benefits	(546)
Total identifiable net assets	124,908
Less Non-controlling interests (35.0%)	(43,718)
Total identifiable net assets received	81,190
Difference arising from common control transaction	118,810
Purchase consideration transferred	200,000
Net cash acquired with the subsidiary	3,146
Cash paid	(200,000)
Net cash outflows	(196,854)

The impact of the restatement on the consolidated financial statements as at 31 December 2022 and statement of comprehensive income for the year ended 31 December 2022 of the Group are as follows:

<i>Statement of financial position as at</i>	Consolidated financial statements		
	31 December 2022		
	Previous reported	Adjustment	As adjusted
	(in thousand Baht)		
Assets			
Current assets			
Cash and cash equivalents	95,800	4,396	100,196
Trade accounts receivable	71,648	6,115	77,763
Current finance leases receivable	-	1,748	1,748
Other receivables	26,195	1,694	27,889
Inventories	99,121	246	99,367
Current contract cost assets	249	-	249
Other current financial assets	209,812	-	209,812
Non-current assets classified as held for sale	-	1,000	1,000
Total current assets	502,825	15,199	518,024
Non-current assets			
Other non-current financial assets	8,946	5,989	14,935
Non-current finance leases receivable	-	7,297	7,297
Non-current contract cost assets	677	-	677
Long-term loans to a non-related party	-	3,000	3,000
Long-term loans to related parties	-	100,686	100,686
Property, plant and equipment	669,080	1,150	670,230
Intangible assets	5,380	-	5,380
Deferred tax assets	20,062	10,178	30,240
Other non-current assets	15,426	617	16,043
Total non-current assets	719,571	128,917	848,488
Total assets	1,222,396	144,116	1,366,512

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For the year ended 31 December 2023

<i>Statement of financial position as at</i>	Consolidated financial statements		
	31 December 2022		
	Previous reported	Adjustment	As adjusted
	<i>(in thousand Baht)</i>		
Liabilities and equity			
Current liabilities			
Bank overdrafts and short-term loans from financial institution	-	19,391	19,391
Trade accounts payable	46,161	46	46,207
Current contract liabilities	26,781	106	26,887
Other payables	24,375	4,185	28,560
Current portion of long-term loans from financial institutions	6,592	3,464	10,056
Current portion of lease liabilities	6,454	1,609	8,063
Current provisions for employee benefits	-	100	100
Income tax payable	-	2,738	2,738
Total current liabilities	110,363	31,639	142,002
Non-current liabilities			
Long-term loans from financial institutions	37,622	-	37,622
Lease liabilities	109,426	4,562	113,988
Non-current contract liabilities	9,952	-	9,952
Non-current provisions for employee benefits	13,008	369	13,377
Total non-current liabilities	170,008	4,931	174,939
Total liabilities	280,371	36,570	316,941
Equity			
Share capital			
Authorised share capital	341,250	-	341,250
Issued and paid-up share capital	227,500	-	227,500
Share premium	733,463	-	733,463
Difference arising from common control transactions	(11,539)	-	(11,539)
Retained earnings (Deficit)			
Appropriated			
Legal reserve	3,862	-	3,862
Deficit	(11,261)	-	(11,261)
Equity attributable to owners of the parent	942,025	-	942,025
Equity of other company in the Group before business restructuring	-	107,546	107,546
Total equity	942,025	107,546	1,049,571
Total liabilities and equity	1,222,396	144,116	1,366,512

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

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Statement of comprehensive income for the year ended 31 December 2022

Consolidated financial statements

Previous reported Adjustment As adjusted
(in thousand Baht)

Income

Revenue from sale of goods	428,458	430	428,888
Revenue from rendering of services	-	29,187	29,187
Other income	7,996	734	8,730
Total income	436,454	30,351	466,805

Expenses

Cost of sale of goods	305,843	374	306,217
Costs of rendering of services	-	6,896	6,896
Distribution costs	73,263	(58)	73,205
Administrative expenses	72,404	8,988	81,392
Total expenses	451,510	16,200	467,710

Loss from operating activities

Finance costs	(7,302)	(1,886)	(9,188)
Gain on measurement of financial assets	312	8,579	8,891
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	608	(777)	(169)
Loss before income tax expense	(21,438)	20,067	(1,371)

Tax income (expense)	3,955	(5,651)	(1,696)
Loss for the year	(17,483)	14,416	(3,067)

Other comprehensive income

(expense) for the year, net of tax	(913)	(133)	(1,046)
Total comprehensive income (expense) for the year	(18,396)	14,283	(4,113)

Profit (loss) attributable to:

Owners of parent	(17,483)	-	(17,483)
Other company in the Group before business restructuring	-	14,415	14,415
	(17,483)	14,415	(3,068)

Total comprehensive income (expense) attributable to:

Owners of parent	(18,395)	-	(18,395)
Other company in the Group before business restructuring	-	14,282	14,282
	(18,395)	14,282	(4,113)

Basic losses per share (in Baht)

	(0.04)	-	(0.04)
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Diluted losses per share (in Baht)

	(0.04)	-	(0.04)
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Notes to the financial statements

For the year ended 31 December 2023

5 Related parties

Relationships with parent, ultimate parent, subsidiaries and associate are described in note 1, 9 and 10. Other related parties which the Group had significant transactions during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships			
7 Days Dialysis Company Limited	Thailand	Common directors			
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company			
Significant transactions with related parties At 31 December	Consolidated financial statements		Separate financial statements		
	2023	2022 (Restated) (in thousand Baht)	2023	2022	
Ultimate parent company					
Interest on lease liabilities	1,185	1,208	1,185	1,208	
Subsidiaries					
Sales of goods	-	-	593	-	
Interest income	-	-	2,885	172	
Other income	-	-	97	-	
Purchases of goods	-	-	106	-	
Other expenses	-	-	77	-	
Associate					
Interest income	645	-	-	-	
Other expenses	4,714	-	-	-	
Other related parties					
Sales of goods	14,199	-	-	19	
Interest expense	220	-	-	-	
Other expenses	-	-	-	331	
Key management personnel					
Interest on lease liabilities	3,094	3,156	3,094	3,156	
Interest expense	330	-	-	-	
Key management personnel compensation					
Short-term employee benefit	23,413	22,334	22,258	22,334	
Post-employment benefits	472	293	421	293	
Total key management personnel compensation	<u>23,885</u>	<u>22,627</u>	<u>22,679</u>	<u>22,627</u>	

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<i>Balances with related parties At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022 (Restated)	2023	2022
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable</i>				
Subsidiaries	-	-	94	-
Other related party	3,681	-	-	-
Total	3,681	-	94	-
<i>Short-term loans to</i>				
Subsidiaries	-	-	89,800	13,500
Total	-	-	89,800	13,500
<i>Long-term loans to</i>				
Associate	5,000	-	-	-
Key management personnel	-	100,686	-	-
Total	5,000	100,686	-	-
<i>Other receivables</i>				
Subsidiaries	-	-	734	57
Associate	2,172	-	-	-
Total	2,172	-	734	57
<i>Other payables</i>				
Key management personnel	1,788	1,556	1,600	1,556
Other related parties	19	-	-	-
Total	1,807	1,556	1,600	1,556
<i>Long-term loans from</i>				
Key management personnel	6,000	-	-	-
Other related parties	4,000	-	-	-
Total	10,000	-	-	-
<i>Lease liabilities</i>				
Ultimate parent company	26,363	26,911	26,363	26,911
Key management personnel	68,856	70,290	68,856	70,290
Total	95,219	97,201	95,219	97,201

Significant agreements with related parties

Rental agreements

Ultimate parent company

On 1 January 2021, the Company entered into 3-year land and buildings rental agreement of head office for operating purposes with the ultimate parent company, effective from 1 January 2021 until 31 December 2023, with monthly rental fee of Baht 0.1 million. The Company can renew rental agreement 2 more times; for another 3 years and 1 year after the end of contract, respectively, with 10.0% incremental rental fee for each renewal.

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For the year ended 31 December 2023

On 30 June 2021, the Company entered into addendum of land and buildings rental agreement with the ultimate parent company. The addendum amended conditions of agreement to 19-year term, effective from 1 January 2021 until 31 December 2039 with monthly rental fee of Baht 0.1 million, and 10.0% incremental rental fee every three years and first right of renewal. During the contractual period, if the lessor intends to sell or transfer the leased property, the lessor must notify the Company to consider the first right of purchasing of the leased property.

Key management personnel

On 30 June 2021, the Company entered into addendum of land and buildings rental agreement of head office for operating purposes with the key management personnel. The addendum amended conditions of agreement from 10-year term, effective from 1 January 2018 until 31 December 2027, with monthly rental fee of Baht 0.4 million and 10.0% incremental rental fee every three years to 22-year term, effective from 1 January 2018 until 31 December 2039, with monthly rental fee of Baht 0.4 million since 1 January 2021, and 10.0% incremental rental fee every three years and first right of renewal. During the contractual period, if the lessor intends to sell or transfer the leased property, the lessor must notify the Company to consider the first right of purchasing of the leased property.

Payment of lease liabilities and related interest expense for rental agreement with ultimate parent company and key management personnel for the year ended 31 December 2023 were Baht 1.6 million and Baht 4.3 million, respectively (2022: *Ultimate parent company and key management personnel were Baht 1.7 and Baht 4.5 million, respectively*).

Associate

On 30 July 2022, a subsidiary; as a lessor, entered into lease agreement with associate for renting equipment. The lease term was 5 years from 15 August 2022 to 14 August 2027 with monthly rental fee of Baht 0.1 million. In addition, the lessee had a right to purchase equipment amounting to Baht 0.3 million at the end of lease term.

On 30 July 2022, a subsidiary; as a lessor, entered into lease agreement with associate for renting equipment. The lease term was 5 years from 1 September 2022 to 31 August 2027 with monthly rental fee of Baht 0.1 million. In addition, the lessee had a right to purchase equipment amounting to Baht 0.5 million at the end of lease term.

On 1 October 2023, subsidiary and associate entered into a memorandum to terminate all equipment rental agreements. As a result, subsidiary recorded loss from lease modification amounting to Baht 4.4 million in statement of comprehensive income for the year ended 31 December 2023.

Short-term loan to agreements

Subsidiaries

On 20 September 2022, the Company; as a lender, entered into short-term loan agreement in form of promissory note with a subsidiary for operating purposes, with amount not exceeding Baht 40.0 million. The loan bore 5.0% interest per annum. As at 31 December 2023, the subsidiary drawdown loan of Baht 40.0 million which will be due within January to April 2024 (2022: *Baht 13.5 million which will be due within 27 January 2023*).

On 23 May 2023, the Company; as a lender, entered into short-term loan agreement in form of promissory note with a subsidiary for operating purposes, with amount not exceeding Baht 20.0 million. The loan bore 5.0% interest per annum.

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For the year ended 31 December 2023

On 5 September 2023, the Company entered into the addendum for short-term loan agreement in form of promissory note with a subsidiary, with amount not exceeding Baht 20.0 million to amend interest rate from 5.0% per annum to the loan bore interest at the average minimum loan rate (MLR) stipulated by four commercial banks with margin of 0.7% per annum. As at 31 December 2023, the subsidiary drawdown loan of Baht 20.0 million which will be due within January 2024.

On 30 June 2023, the Company; as a lender, entered into short-term loan agreement in form of promissory note with a subsidiary for operating purposes, with amount not exceeding Baht 10.0 million. The loan bore 5.0% interest per annum.

On 5 September 2023, the Company entered into the addendum for short-term loan agreement in form of promissory note with a subsidiary, with amount not exceeding Baht 10.0 million to amend interest rate from 5.0% per annum to 5.5% per annum. As at 31 December 2023, the subsidiary drawdown loan of Baht 8.8 million which will be due within January 2024.

On 5 September 2023, the Company; as a lender, entered into short-term loan agreement in form of promissory note with a subsidiary for operating purposes, with amount not exceeding Baht 30.0 million. The loan bore interest at the average minimum loan rate (MLR) stipulated by four commercial banks with margin of 0.7% per annum. As at 31 December 2023, the subsidiary drawdown loan of Baht 21.0 million which will be due within January to April 2024.

Long-term loan to agreements

Associate

On 28 November 2022, the subsidiary as a lender, entered into long-term loan to agreement with an associate for operating purposes amounting to Baht 5.0 million with interest rate of 8.5% per annum. The loan had maturity on 28 December 2025. As at 31 December 2022, the associate drawdown loan of Bath 3.0 million which recorded under the caption of *“Long-term loan from non-related parties”*.

On 1 February 2023, the associate drawdown long-term loan of Bath 2.0 million. As at 31 December 2023, the subsidiary had long-term loans to of Baht 5.0 million which recorded under the caption of *“Long-term loans to related parties”*.

Key management personnel

During 2015 to 2023, a subsidiary entered into several long-term loan agreements with ultimate parent company and key management personnel totaling Baht 204.4 million. The loans had maturity in 2028 and had no interest. The Group recognises income or expenses in each period based on term of the loan by using effective interest rate method in accordance to financial reporting standards. As at 31 December 2022, the subsidiary had outstanding long-term loans to totaling Baht 150.3 million.

On 17 August 2023, the subsidiary entered into memorandum of understanding with ultimate parent company and key management personnel to acquire 44,000 shares of Medis Corporation Company Limited by means of repayment of long-term loans amounting to Baht 132.1 million, which equal to fair value of acquired ordinary shares assessed by an independent financial advisor. In addition, the subsidiary received Baht 18.2 million cash for repayment of remaining long-term loan balance during the year ended 31 December 2023.

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Long-term loan from agreements

Key management personnel

On 1 June 2022, a subsidiary entered into a loan agreement with key management personnel for operating purposes amounting to Baht 6.0 million. The loan had 3-years term and bore 5.5% interest per annum.

Other related parties

On 1 June 2022, a subsidiary entered into loan agreements with other related parties for operating purposes amounting to Baht 4.0 million. The loan had 3-years term and bore 5.5% interest per annum.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(Restated)		
		(in thousand Baht)		
Cash on hand	77	99	30	55
Cash at banks	20,577	100,097	10,666	91,281
Total	20,654	100,196	10,696	91,336

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(Restated)		
		(in thousand Baht)		
Within credit terms	38,832	43,596	24,579	43,580
Overdue				
Less than 3 months	41,952	32,981	32,193	26,882
3 - 6 months	6,541	1,118	3,154	1,118
6 - 12 months	2,967	72	495	72
Over 12 months	8,155	4,316	3,650	3,539
Total	98,447	82,083	64,071	75,191
Less allowance for expected credit loss	(10,531)	(4,320)	(3,701)	(3,543)
Net	87,916	77,763	60,370	71,648
<i>Allowance for expected credit loss</i>				
At 1 January	4,320	4,162	3,543	4,162
Acquisitions through business combinations	6,868	-	-	-
Additions	158	169	158	-
Reversal	(815)	-	-	(608)
Write-off	-	(11)	-	(11)
At 31 December	10,531	4,320	3,701	3,543

Information of credit risk is disclosed in note 24 (b.1).

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8 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(Restated)			
	(in thousand Baht)			
Finished goods	62,512	57,644	59,909	57,593
Work in progress	6,623	6,459	5,332	6,459
Raw materials	31,650	32,715	27,198	32,533
Packaging materials	19,362	20,565	19,297	20,551
Total	120,147	117,383	111,736	117,136
Less allowance for decline in value	(17,997)	(18,015)	(17,884)	(18,015)
Net	102,150	99,368	93,852	99,121
Inventories recognised in				
cost of sales of goods and cost of				
rendering of services				
- Cost of sales of goods and cost of				
rendering of services	431,207	304,150	355,516	296,881
- (Reversal of) write-down to net				
realisable value	(104)	8,962	(131)	8,962
Total	431,103	313,112	355,385	305,843

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its Subsidiaries

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9 Investment in an associate

Consolidated financial statements												
Associates	Type of business	Country of operation	Ownership interest (%)		Paid-in capital		Cost		At equity method		Dividend income	
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(in thousand Baht)									
Medis Corporation	Selling of consumer products and provide advertising media via vending machine	Thailand	44	-	10,000	-	132,144	-	132,721	-	-	-
Limited							132,144	-	132,721	-	-	-
Total												

None of the Group's associate are publicly listed and consequently do not have published price quotations.

The Group has additional recognised share of profit of investment accounted for using the equity method the profit of associate amounting to Baht 0.6 million (2022: Nil).

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<i>Material movement</i> <i>Year ended 31 December</i>	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
<i>Associate</i>		
Purchase investment in Medis Corporation Company Limited	132,144	-

In August 2023, the Group acquired 44,000 ordinary shares in Medis Corporation Company Limited; equivalent to 44.0% of total ordinary shares, amounting to Baht 132.1 million by mean of repayment of long-term loans to key management personnel of subsidiary (see note 5).

Material associate

The following table summarises the financial information of the material associate as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company.

	Medis Corporation Company Limited 2023 <i>(in thousand Baht)</i>
Revenue	5,127
Total comprehensive income (100%)	2,019
Group's share of total comprehensive income	577
Current assets	2,170
Non-current assets	3,413
Current liabilities	(10,720)
Non-current liabilities	(9,631)
Net liabilities (100%)	(14,768)
Group's share of net liabilities	(6,498)
Goodwill	139,219
Carrying amount of interest in associate	132,721

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10 Investment in subsidiaries

Investment in subsidiaries as at 31 December 2023 and 2022 and dividend income for each of the year end as follow:

Separate financial statements										
Type of business		Country of incorporation	Ownership interest		Paid-in capital		Cost		Dividend income	
			2023	2022	2023	2022	2023	2022	2023	2022
(in thousand Baht)										
<i>Direct subsidiaries</i> Caresutic Co., Ltd.	Research and development, manufacture and distribute of dietary supplements and cosmetics	Thailand	99.99	99.99	30,000	30,000	30,000	30,000	-	-
	Manufacturing and selling of hemodialysis products and supplies	Thailand	52.80	-	40,000	-	43,900	-	-	-
	Invest in other companies	Thailand	99.99	-	200,000	-	199,999	-	-	-
	Total					270,000	30,000	273,899	30,000	-

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Detail of the increase in investment in a subsidiaries during the years ended 31 December 2023 and 2022 were as follows:

	Separate financial statements	
	2023	2022
	(in thousand Baht)	
New investment in Caresutic Co., Ltd.	-	30,000
Purchase of investment in Grace Water Med Company Limited	43,900	-
New investment in JSP Pharma Holding Company Limited	199,999	-
Total	243,899	30,000

An additional investment in direct subsidiaries during the year

2023

On 23 May 2023, the Company invested of 52.8% in Grace Water Med Company Limited which was incorporated in Thailand, with authorised share capital and paid-up of Baht 40.0 million (40,000 ordinary shares with a Baht 1,000 par value).

On 2 February 2023, the Board of Directors of the Company approved the registration of JSP Pharma Holding Company Limited for investment in the other company, with authorised share capital of Baht 200.0 million (divided into 2,000,000 ordinary shares with par value at Baht 100 per share) and to call for paid-up share capital at 100% amounting to Baht 200.0 million. In this regard, the Company had 99.9% ownership interest in the subsidiary's paid-up share capital. The registration of the authorised share capital with the Ministry of commerce and the paid-up share capital were completed on 18 August 2023 and 21 August 2023, respectively.

2022

On 28 June 2022, the Board of Directors of the Company approved the registration of Caresutic Co., Ltd. with authorised share capital of Baht 5.0 million (divided into 50,000 ordinary shares with par value at Baht 100 per share) and to call for paid-up share capital at 100% amounting to Baht 5.0 million. In this regard, the Company had 99.99% ownership interest in the subsidiary's paid-up share capital. The principal activities of a subsidiary are research, development and manufacturing dietary supplementary and cosmetic. The registration of the authorised share capital with the Ministry of commerce and the paid-up share capital were completed on 26 July 2022.

On 20 September 2022, the shareholders of a subsidiary approved to increase the authorised share capital from Baht 5.0 million to Baht 30.0 million (divided into 300,000 ordinary shares with par value at Baht 100 per share) by issuing newly ordinary shares of 250,000 shares with par value at Baht 100 per share and to call for paid-up share capital at 100% amounting to Baht 25.0 million. In this regard, the Company had 99.99% ownership interest in the subsidiary's paid-up share capital. The registration of the authorised share capital with the Ministry of commerce and the paid-up share capital were completed on 28 September 2022.

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11 Property, plant and equipment

Consolidated financial statements								
	Land	Buildings and building improvements	Leasehold of land and building	Machinery and equipment <i>(in thousand Baht)</i>	Vehicles	Furniture, fixtures and office equipment	Assets under construction and installation	Total
Cost								
At 1 January 2022 - Restated	165,085	177,779	109,548	105,525	9,667	8,914	7,664	584,182
Additions	22,430	9,398	18,223	57,961	3,087	4,694	187,286	303,079
Lease modification	-	-	(5,231)	-	-	-	-	(5,231)
Transfers	-	32,624	-	2,540	-	583	(35,747)	-
Disposals	-	-	-	(420)	(1,399)	(613)	(38)	(2,470)
At 31 December 2022 and 1 January 2023 - Restated	187,515	219,801	122,540	165,606	11,355	13,578	159,165	879,560
Additions	40,327	6,406	2,534	39,633	2,686	7,537	88,050	187,173
Acquisitions through business combinations - cost <i>(see note 4)</i>	-	12,195	21,230	14,736	883	266	-	49,310
Lease termination	-	-	(1,557)	-	-	-	-	(1,557)
Transfers	-	190,956	-	12,631	-	849	(204,436)	-
Disposals	-	-	-	-	(889)	(585)	-	(1,474)
Write-off	-	-	-	(47)	-	(107)	-	(154)
At 31 December 2023	227,842	429,358	144,747	232,559	14,035	21,538	42,779	1,112,858
Depreciation and impairment losses								
At 1 January 2022 - Restated	-	87,728	11,342	74,179	7,187	5,381	-	185,817
Depreciation charge for the year	-	5,918	7,504	9,232	1,030	2,253	-	25,937
Disposals	-	-	-	(417)	(1,399)	(608)	-	(2,424)
At 31 December 2022 and 1 January 2023 - Restated	-	93,646	18,846	82,994	6,818	7,026	-	209,330
Depreciation charge for the year	-	12,493	10,193	17,303	1,921	3,669	-	45,579
Lease termination	-	-	(166)	-	-	-	-	(166)
Disposals	-	-	-	-	(889)	(524)	-	(1,413)
Write-off	-	-	-	(31)	-	(99)	-	(130)
At 31 December 2023	-	106,139	28,873	100,266	7,850	10,072	-	253,200

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Separate financial statements								
	Land	Buildings and building improvements	Leasehold of land and building	Machinery and equipment <i>(in thousand Baht)</i>	Vehicles	Furniture, fixtures and office equipment	Assets under construction and installation	Total
Cost								
At 1 January 2022	165,085	177,779	107,810	102,687	9,667	7,399	7,664	578,091
Additions	-	385	17,118	57,570	3,087	4,151	183,530	265,841
Lease modification	-	-	(4,143)	-	-	-	-	(4,143)
Transfers	-	32,404	-	2,540	-	443	(35,387)	-
Disposals	-	-	-	(374)	(1,399)	(166)	(38)	(1,977)
At 31 December 2022 and 1 January 2023	165,085	210,568	120,785	162,423	11,355	11,827	155,769	837,812
Additions	40,327	5,497	1,127	27,752	2,631	5,752	69,071	152,157
Lease termination	-	-	(1,557)	-	-	-	-	(1,557)
Transfers	-	174,109	-	11,347	-	849	(186,305)	-
Disposals	-	-	-	-	(889)	(585)	-	(1,474)
Write-off	-	-	-	(47)	-	(107)	-	(154)
At 31 December 2023	205,412	390,174	120,355	201,475	13,097	17,736	38,535	986,784
Depreciation and impairment losses								
At 1 January 2022	-	87,728	10,907	71,596	7,187	4,133	-	181,551
Depreciation charge for the year	-	5,749	6,917	9,101	1,031	2,083	-	24,881
Disposals	-	-	-	(371)	(1,399)	(166)	-	(1,936)
At 31 December 2022								
1 January 2023	-	93,477	17,824	80,326	6,819	6,050	-	204,496
Depreciation charge for the year	-	11,386	8,194	15,249	1,552	3,141	-	39,522
Lease termination	-	-	(166)	-	-	-	-	(166)
Disposals	-	-	-	-	(889)	(524)	-	(1,413)
Write-off	-	-	-	(31)	-	(99)	-	(130)
At 31 December 2023	-	104,863	25,852	95,544	7,482	8,568	-	242,309

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	Separate financial statements					
	Land	Buildings and building improvements	Leasehold of land and building	Machinery and equipment	Vehicles	Total
					(in thousand Baht)	
<i>Net book value</i>						
At 31 December 2022						
Owned assets	165,085	117,091	-	76,213	852	520,787
Right-of-use assets	-	-	102,961	5,884	3,684	112,529
	<u>165,085</u>	<u>117,091</u>	<u>102,961</u>	<u>82,097</u>	<u>4,536</u>	<u>633,316</u>
At 31 December 2023						
Owned assets	205,412	285,311	-	100,662	1,074	640,162
Right-of-use assets	-	-	94,503	5,269	4,541	104,313
	<u>205,412</u>	<u>285,311</u>	<u>94,503</u>	<u>105,931</u>	<u>5,615</u>	<u>744,475</u>

In 2022, the Company entered into a lease agreement to lease land and building. The term of agreement is 3 years ending 2025 and have fixed rental fee over the lease term. Subsequently, the Company terminated certain leased spaces resulted to right-of-use assets decreased by Baht 4.1 million.

In 2023, the Company terminated a lease agreement with certain lessor. As a result, right-of-use assets decreased by Baht 1.4 million and the Company recognised gain on termination of lease of Baht 0.03 million in the statement of comprehensive income.

In 2023, the Group entered into a lease agreement to lease land and building with 2 years term ending 2025. The Group can renew the lease two more times; for another 3 years and 1 year after the end of contract, respectively, with 10.0% incremental rental fee for each renewal.

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Impairment losses

In 2015, the Company ceased operations at Lamphun plant. The Company's management determined recoverable amount of property, plant and equipment in relation to Lamphun plant by appointing independent valuers to determine fair value based on cost approach. The appraised value of buildings and building improvements were less than net book value; therefore, the Company recorded impairment losses amounting to Baht 45.0 million in the 2015 financial statements.

As at 31 December 2020, the management assessed recoverable amount of Lamphun plant based on value in use approach. As a result, the Company recorded additional impairment losses amounting to Baht 2.0 million in the financial statements for the year ended 31 December 2020.

As at 31 December 2023, the management assessed recoverable amount of Lamphun plant based on value in use approach and concluded that impairment losses were not substantially changed from the latest appraisal date.

The recoverable amount of Lamphun plant was assessed based on value in use approach, whereby discounting expected cash flows. The measurement has been categorised as a Level 3 fair value.

The key assumptions used in the estimation of value in use are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	2023	2022
		(%)
Discount rate	12.38	12.43
Terminal value growth rate	0.00	0.00

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 8.4% (2022: 5.1%) at a market interest rate of 7.12% (2022: 5.8%).

The cash flow projections included specific estimates for next 5 years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate, consistent with the assumptions that a market participant would make.

Following the impairment losses of Baht 45.0 million recorded in 2015 and the additional impairment losses of Baht 2.0 million in 2020, the recoverable amount was approximate to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

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12 Intangible assets

	Consolidated financial statements			
	Product registrations	Software licences (in thousand Baht)	Software under development	Total
<i>Cost</i>				
At 1 January 2022	2,570	3,560	295	6,425
Additions	1,000	825	-	1,825
Transfers	-	295	(295)	-
At 31 December 2022 and 1 January 2023	3,570	4,680	-	8,250
Additions	-	675	-	675
At 31 December 2023	3,570	5,355	-	8,925
<i>Amortisation</i>				
At 1 January 2022	1,040	871	-	1,911
Amortisation for the year	535	424	-	959
At 31 December 2022 and 1 January 2023	1,575	1,295	-	2,870
Amortisation for the year	642	493	-	1,135
At 31 December 2023	2,217	1,788	-	4,005
<i>Net book value</i>				
At 31 December 2022	1,995	3,385	-	5,380
At 31 December 2023	1,353	3,567	-	4,920
	Separate financial statements			
	Product registrations	Software licences (in thousand Baht)	Software under development	Total
<i>Cost</i>				
At 1 January 2022	2,570	3,560	295	6,425
Additions	1,000	762	-	1,762
Transfers	-	295	(295)	-
At 31 December 2022 and 1 January 2023	3,570	4,617	-	8,187
Additions	-	531	-	531
At 31 December 2023	3,570	5,148	-	8,718
<i>Amortisation</i>				
At 1 January 2022	1,040	871	-	1,911
Amortisation for the year	535	423	-	958
At 31 December 2022 and 1 January 2023	1,575	1,294	-	2,869
Amortisation for the year	642	482	-	1,124
At 31 December 2023	2,217	1,776	-	3,993
<i>Net book value</i>				
At 31 December 2022	1,995	3,323	-	5,318
At 31 December 2023	1,353	3,372	-	4,725

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13 Leases

The periods to maturity of lease liabilities as at 31 December were as follows:

	Consolidated financial statements					
	2023			2022 (Restated)		
	Lease payments over the remaining term of the lease liabilities	Interest	Carrying value of lease liabilities (in thousand Baht)	Lease payments over the remaining term of the lease liabilities	Interest	Carrying value of lease liabilities
Within one year	16,564	(6,203)	10,361	13,629	(5,567)	8,062
After one year but within five years	54,699	(19,908)	34,791	47,449	(18,110)	29,339
After five years	114,834	(23,958)	90,876	110,784	(26,134)	84,650
Total	186,097	(50,069)	136,028	171,862	(49,811)	122,051

	Separate financial statements					
	2023			2022		
	Lease payments over the remaining term of the lease liabilities	Interest	Carrying value of lease liabilities (in thousand Baht)	Lease payments over the remaining term of the lease liabilities	Interest	Carrying value of lease liabilities
Within one year	12,205	(4,703)	7,502	11,475	(5,021)	6,454
After one year but within five years	39,063	(16,000)	23,063	41,911	(17,135)	24,776
After five years	101,468	(22,521)	78,947	110,784	(26,134)	84,650
Total	152,736	(43,224)	109,512	164,170	(48,290)	115,880

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022 (Restated)	2023	2022
	<i>(in thousand Baht)</i>			

Amounts recognised in profit or loss

Depreciation charge of right-of-use assets:

- Leasehold of land and building	10,193	7,504	8,194	6,917
- Machinery and equipment	662	266	615	266
- Vehicles	1,280	839	1,280	839
Interest on lease liabilities	6,252	4,800	5,011	4,685
Expenses relating to leases of low-value assets	419	994	202	854

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the year ended 31 December 2023 were Baht 9.3 million and Baht 6.7 million, respectively (2022: Baht 7.0 million and Baht 2.5 million, respectively).

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The Company entered into lease agreements with local companies and related parties to lease property, plant and equipment. Under the term of agreements, the Company had to comply with the conditions related to leased assets.

14 Interest-bearing liabilities

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

Consolidated financial statements							
		2023			2022 (Restated)		
	Note	Current	Non-current	Total	Current	Non-current	Total
(in thousand Baht)							
Secured							
Bank overdrafts (a)		46,708	-	46,708	19,391	-	19,391
Short-term loans from financial institutions (a)		41,000	-	41,000	-	-	-
Long-term loans from financial institutions (b)		10,526	46,268	56,794	10,056	37,622	47,678
Lease liabilities	13	10,361	125,667	136,028	8,062	113,989	122,051
Unsecured							
Long-term loans from related parties	5	-	10,000	10,000	-	-	-
Total interest-bearing liabilities		108,595	181,935	290,530	37,509	151,611	189,120
Separate financial statements							
		2023			2022		
	Note	Current	Non-current	Total	Current	Non-current	Total
(in thousand Baht)							
Secured							
Bank overdrafts (a)		24,219	-	24,219	-	-	-
Short-term loans from financial institutions (a)		41,000	-	41,000	-	-	-
Long-term loans from financial institutions (b)		10,526	46,268	56,794	6,592	37,622	44,214
Lease liabilities	13	7,502	102,010	109,512	6,454	109,426	115,880
Total interest-bearing liabilities		83,247	148,278	231,525	13,046	147,048	160,094

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Assets pledged as security for interest-bearing liabilities and credit facilities, excluding lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(in thousand Baht)		
Other non-current financial assets	11,989	8,946	4,500	8,946
Property, plant and equipment - at cost	136,534	70,087	114,104	70,087
Total	148,523	79,033	118,604	79,033

The periods to maturity of interest-bearing liabilities, excluding lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(Restated)		
		(in thousand Baht)		
Within one year	98,234	29,447	75,745	6,592
After one year but within five years	51,110	28,884	41,110	28,884
After five years	5,158	8,738	5,158	8,738
Total	154,502	67,069	122,013	44,214

As at 31 December 2023, the Group and the Company had unutilised credit facilities amounting to Baht 73.6 million and Baht 56.3 million, respectively (2022: Baht 72.3 million and Baht 71.5 million, respectively).

(a) Bank overdrafts and short-term loans from financial institutions

As at 31 December 2023, the Group had bank overdrafts of Baht 46.7 million, which bore the rates of MOR-2.55%, MOR+1.5% and MOR+1% per annum and were secured by land owned by the Group, the Group's bank deposits with financial institutions, Thai Credit Guarantee Corporation (TCG) and key management personnel (2022: Baht 19.4 million which bore the rates of MOR+1.5% and MOR+1% per annum).

As at 31 December 2023, the Company had bank overdrafts of Baht 24.2 million, which bore the rates of MOR-2.55% per annum and had secured by land owned by the Company (2022: Nil).

As at 31 December 2023, the Group and the Company had promissory notes from financial institutions totaling Baht 41.0 million and Baht 41.0 million, respectively, which the rate of Market interest rate and MLR-1% per annum. The promissory notes were secured by land owned by the Company (2022: Nil).

As at 31 December 2023, the Group and Company have to comply with financial debt covenants on bank overdraft facilities amounting to Baht 75.0 million and Baht 60.0 million, respectively (2022: nil). The covenants required the Company to maintain (1) debt-to-equity ratio not exceed than 1.0 time for the year 2022 onwards (2) debt service coverage ratio (DSCR) not less than 1.2 times for the year 2022 onwards and (3) interest-bearing debt to EBITDA not exceed than 4.5 times for the year 2022, not exceed than 3.0 times for the year 2023 and 2024 and not exceed than 2.0 times for the year 2025 onwards.

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The Group and the Company did not comply with financial covenants for financial statements for the year ended 31 December 2023. However, on 21 December 2023, the financial institution issued waiver letter and not exercise right on such breach of covenants.

Long-term loans from financial institutions

As at 31 December 2023, the Group and the Company had long-term loans from several financial institutions of Baht 56.8 million and Baht 56.8 million, respectively (2022: Baht 47.7 million and Baht 44.2 million, respectively). These loans had various monthly repayment schedule for principal and interest up to 2030 as follows:

	Maturity of the last installment	Collaterals	Consolidated financial statements	
			2023	2022 (Restated)
Interest rate			<i>(in thousand Baht)</i>	
Year 1: MLR-4.1%, Year 2 - 3: MLR-3.1%, Year 4 - 5: MLR-2.1%, Year 6 - maturity: MLR-1.6%	2030	Land owned by the Company	22,340	25,086
Year 1 - 3: MLR-2.55% Year 4 - maturity: MLR-2.3%	2028	Land owned by the Company and a subsidiary	18,927	-
Year 1 - 2: MLR-2.0%, Year 3 - maturity: MLR-1.0%	2027	Key management personnel and Thai Credit Guarantee Corporation (TCG)	14,666	17,782
Year 1 - 2: 2.0% Year 3-maturity: 7.0%	2026	Thai Credit Guarantee Corporation (TCG)	861	1,194
Prime rate	2023	Land owned by key management personnel of a subsidiary, key management personnel of a subsidiary and Thai Credit Guarantee Corporation (TCG)	-	3,464
2.0% per annum	2023	Bank guarantee from a financial institution	-	152
Total			56,794	47,678

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Interest rate	Maturity of the last installment	Collaterals	Separate financial statements	
			2023 (in thousand Baht)	2022
Year 1: MLR-4.1%, Year 2 - 3: MLR-3.1%, Year 4 - 5: MLR-2.1%, Year 6 - maturity: MLR-1.6%	2030	Land owned by the Company	22,340	25,086
Year 1 - 3: MLR-2.55% Year 4 - maturity: MLR-2.3%	2028	Land owned by the Company and a subsidiary	18,927	-
Year 1 - 2: MLR-2.0%, Year 3 - maturity: MLR-1.0%	2027	Key management personnel and Thai Credit Guarantee Corporation (TCG)	14,666	17,782
Year 1 - 2: 2.0% Year 3-maturity: 7.0%	2026	Thai Credit Guarantee Corporation (TCG)	861	1,194
2.0% per annum	2023	Bank guarantee from a financial institution	-	152
Total			56,794	44,214

As at 31 December 2023, the Group and Company have to comply with financial debt covenants on long-term loan from financial institution amounting to Baht 20.0 million and Baht 20.0 million, respectively (2022: nil). The covenants required the Company to maintain (1) debt-to-equity ratio not exceed than 1.0 time for the year 2022 onwards (2) debt service coverage ratio (DSCR) not less than 1.2 times for the year 2022 onwards and (3) interest-bearing debt to EBITDA not exceed than 4.5 times for the year 2022, not exceed than 3.0 times for the year 2023 and 2024 and not exceed than 2.0 times for the year 2025 onwards.

The Group and the Company did not comply with financial covenants for financial statements for the year ended 31 December 2023. However, on 21 December 2023, the financial institution issued waiver letter and not exercise right on such breach of covenants. The Group and the Company then presented such long-term loan as “Long-term loans from financial institutions” in the consolidated and separate statement of financial position as at 31 December 2023.

15 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2023	2022 (Restated)	2023	2022
	(in thousand Baht)			
Post-employment benefits				
Current	-	100	-	-
Non-current	16,592	13,377	15,191	13,008
Total	16,592	13,477	15,191	13,008

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Defined benefit plan

The Group operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plan exposes the Group to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2023	2022 (Restated) (in thousand Baht)	2023	2022
At 1 January	13,477	10,827	13,008	10,593
Acquisitions through business combinations	492	-	-	-
<i>Included in profit or loss</i>				
Current service costs	1,822	1,050	1,131	987
Interest on obligation	470	292	446	287
	2,292	1,342	1,577	1,274
<i>Included in other comprehensive income</i>				
Actuarial (gain) loss				
- Demographic assumptions	52	477	-	496
- Financial assumptions	396	(1,026)	507	(1,016)
- Experience adjustment	333	1,857	449	1,661
	781	1,308	956	1,141
<i>Others</i>				
Benefit paid	(450)	-	(350)	-
At 31 December	16,592	13,477	15,191	13,008

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2023	2022 (Restated) (%)	2023	2022
Discount rate	2.92 - 3.63	3.33 - 3.45	3.12 - 3.15	3.44 - 3.45
Future salary growth	4.00 - 5.00	4.00 - 5.00	5.00	5.00
Employee turnover	1.91 - 34.38	2.87 - 34.38	5.73 - 28.65	5.73 - 28.65

Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 31 December 2023, the weighted-average duration of the defined benefit obligation was 13 - 23 years (2022: 15 - 17 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

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<i>Effect to the defined employee benefit obligation increase (decrease)</i>	Consolidated financial statements	
	Assumption change Increase	Decrease
	<i>(in thousand Baht)</i>	
At 31 December 2023		
Discount rate (1% movement)	(1,646)	1,965
Future salary growth (1% movement)	1,849	(1,583)
Employee turnover (20% movement)	(2,189)	2,718
At 31 December 2022 - Restated		
Discount rate (1% movement)	(1,327)	1,583
Future salary growth (1% movement)	1,491	(1,276)
Employee turnover (20% movement)	(1,762)	2,286
<i>Effect to the defined employee benefit obligation increase (decrease)</i>	Separate financial statements	
	Assumption change Increase	Decrease
	<i>(in thousand Baht)</i>	
At 31 December 2023		
Discount rate (1% movement)	(1,507)	1,802
Future salary growth (1% movement)	1,702	(1,455)
Employee turnover (20% movement)	(2,021)	2,607
At 31 December 2022		
Discount rate (1% movement)	(1,306)	1,561
Future salary growth (1% movement)	1,480	(1,265)
Employee turnover (20% movement)	(1,722)	2,236

16 Share capital

	Par value per share <i>(in Baht)</i>	Consolidated and Separate financial statements			
		2023		2022	
		Number	Baht	Number	Baht
		<i>(thousand shares/in thousand Baht)</i>			
Authorised					
At 1 January					
- Ordinary shares	0.5	682,500	341,250	455,000	227,500
Increase of new shares	0.5	-	-	227,500	113,750
At 31 December					
- Ordinary shares	0.5	<u>682,500</u>	<u>341,250</u>	<u>682,500</u>	<u>341,250</u>
Issued and paid-up					
At 1 January					
- Ordinary shares	0.5	455,000	227,500	455,000	227,500
Increase of new shares	0.5	<u>19,555</u>	<u>9,777</u>	-	-
At 31 December					
- Ordinary shares	0.5	<u>474,555</u>	<u>237,277</u>	<u>455,000</u>	<u>227,500</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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During the year ended 31 December 2023, the Company had transactions about share capital as follows:

Exercise of warrant

During the year ended 31 December 2023, there were 19,554,900 units of JSP-W1 warrant exercised into 19,554,900 ordinary shares at exercise price of Baht 2.50. The Company has fully received cash for such capital increased and has registered the increase of share capital of 19,489,800 shares and 65,100 shares with the Ministry of Commerce on 12 April 2023 and 2 October 2023, respectively.

During the year ended 31 December 2022, the Company had transactions about share capital as follows:

Issue and allotment of ordinary shares

On 16 August 2022, the Extraordinary General Meeting of Shareholders had resolutions approved the increase of authorised share capital from Baht 227.5 million (455.0 million shares at par value of Baht 0.5 per share) to Baht 341.3 million (682.5 million shares at par value of Baht 0.5 per share). The Company newly issued 227.5 million shares at par value of Baht 0.5 per share, totaling Baht 113.8 million. The Company has registered the increase of share capital with the Ministry of Commerce on 18 August 2022.

On that day, Shareholders had resolutions approved the allotment of the newly issued share capital totaling 227.5 million shares at a par value of Baht 0.50 to accommodate the exercise of JP-W1 warrant (subsequently change security symbol to JSP-W1 on 22 September 2022) totaling 227.5 million units, which allotted to the existing shareholder of the Company pro rata to their respective shareholdings.

Share premium

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

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17 Warrants

On 16 August 2022, the Extraordinary General Meeting of Shareholders had resolutions approve the issue of warrant to purchase the newly issued ordinary shares of the Company (JP-W1, which subsequently change security symbol to JSP-W1 on 22 September 2022) not exceeding 227.5 million units, to be allotted to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering) at the allotment ratio of every 2 existing ordinary shares for 1 unit of JSP-W1 warrant. The warrant had details as follow:

Description	Details
Grant date	31 August 2022
Exercise ratio	1 unit of warrant per 1 ordinary share, except there is a change according to the right adjustment conditions
Exercise price	Baht 2.50 per share, except there is a change according to the right adjustment conditions
Exercise period and proportion	The Warrant holders may exercise the rights under the warrants on the last Business Day of March and September throughout the Term of Warrants. The Warrant holders may exercise their rights for the first time on the last Business Day of March i.e. 31 March 2023 and the last time to exercise their rights is the date such that the Warrants have 2 years from the Warrant Issuance Date, which shall be 30 August 2024.

Movement of the warrant JSP-W1 is as follow:

	Number of warrants (unit)	Number of ordinary shares (share)	Exercise price per share (Baht)	Cash received from exercise of warrants (in thousand Baht)	Paid-up capital which increase from exercise of warrants (in thousand Baht)	Registration date of increase in paid-up capital with the Ministry of Commerce
2023						
March	19,489,800	19,489,800	2.50	48,725	48,675	12 April 2023
September	65,100	65,100	2.50	163	132	2 October 2023
	19,554,900	19,554,900		48,888	48,807	

As at 31 December 2023, there were 207.9 million units unexercised warrants outstanding.

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18 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

According to the Public Limited Companies Act B.E. 2535 (1992), Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Difference arising from common control transaction

The difference arising from common control transaction represented excess between consideration and book value of acquired entities or businesses under common control. This difference is presented as a component of equity, which will not be distributed and remain until acquired entities or businesses are disposed.

19 Segment information and disaggregation of revenue

Management determined that the Group has four reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments.

Segment 1	Manufacture and distribution of products under customer’s brand name (OEM)
Segment 2	Manufacture and distribution of products under the Company’s brand name (Own brands)
Segment 3	Manufacture and distribution of hemodialysis solution and related medical supplies
Segment 4	Service, research and development, and healthcare products training

Other segments include revenue from sales of goods and service. None of these segments meets the quantitative thresholds for determining reportable segments in 2023 or 2022.

Each segment’s performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group’s CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments.

The Group and the Company’s main revenue is derived from contracts with customers and recognised at a point in time.

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<i>Year ended 31 December</i>	Segment 1 2023	Segment 2 2023	Consolidated financial statements Segment 3 2023 (in thousand Baht)	Segment 4 2023	Other segments 2023	Total 2023
Revenues from sales of goods and rendering of services	288,493	192,735	64,665	7,739	21,946	575,578
Segment operating profit	38,074	44,226	8,786	693	1,767	93,546
Unallocated revenues						18,780
Unallocated expenses						(112,325)
Gain on measurement of financial assets						39,912
Reverse of impairment loss in accordance with TFRS 9						10,057
Share of profit of an associate accounted for using equity method						578
Finance costs						(12,996)
Profit before income tax						37,552
<i>Year ended 31 December (Restated)</i>						
Revenues from sales of goods and rendering of services	249,379	168,914	-	29,187	10,595	458,075
Segment operating profit (loss)	28,579	21,331	-	21,973	(126)	71,757
Unallocated revenues						8,730
Unallocated expenses						(81,392)
Gain on measurement of financial assets						8,890
Impairment loss in accordance with TFRS 9						(169)
Finance costs						(9,188)
Loss before income tax						(1,372)

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Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customers

Revenues from two major customers for the year ended 31 December 2023 of the Group and the Company were approximately Baht 118.1 million and Baht 106 million, respectively (2022: Baht 125.5 million and Baht 119.5 million, respectively).

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(Restated)		
		(in thousand Baht)		
Trade accounts receivable	98,447	82,083	64,072	75,191
Less allowance for expected credit loss	(10,531)	(4,320)	(3,701)	(3,543)
Net	87,916	77,763	60,371	71,648
Contract liabilities				
- Product deposits received	11,156	26,887	9,634	26,781
- Long-term advances received	10,692	9,952	10,692	9,952

Product deposits received and long-term advances received primarily relate to sales of made-to-order products which the Group will recognise revenue from sales on the date on which the products are delivered to customers. The Group's and Company's contract liabilities amounted to Baht 10.7 million and Baht 10.7 million, respectively (2022: Baht 10.0 million and Baht 10.0 million, respectively), are expected to be recognised as revenue when the products are delivered after 12 months from the reporting date.

Contract cost assets

The contract cost assets primarily relate to advance commission paid as incremental cost to obtain a long-term contract with customer. Therefore, the Group recognise such cost as an asset and systematically amortise over the term of the contract it relates to, consistent with the related revenue recognition.

The Group and the Company amortise contract cost assets for the year ended 31 December 2023 amounting to Baht 0.02 million (2022: Nil).

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20 Expenses by nature

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022 (Restated)	2023	2022
	<i>(in thousand Baht)</i>			
<i>Included in cost of sale of goods and cost of rendering of services</i>				
Changes in inventories of finished goods and work in progress	184	(2,141)	(1,189)	(1,909)
Raw materials and packaging materials used	269,492	193,897	222,767	193,603
Employee benefit expenses	65,302	53,597	57,525	51,350
Depreciation and amortisation	36,165	20,935	33,109	20,809
Cost of trading goods	7,220	5,612	7,053	5,291
Others	52,740	41,212	36,120	36,699
Total	431,103	313,112	355,385	305,843
<i>Included in distribution costs</i>				
Employee benefit expenses	27,262	25,251	21,615	25,251
Advertising and promotion expenses	7,264	22,623	6,364	22,714
Depreciation and amortisation	1,971	830	1,656	830
Others	14,432	24,501	11,670	24,468
Total	50,929	73,205	41,305	73,263
<i>Included in administrative expenses</i>				
Employee benefit expenses	61,294	45,073	50,953	40,987
Professional fees	17,912	15,161	12,621	11,641
Depreciation and amortisation	8,578	5,131	5,880	4,200
Travelling expenses	3,294	2,111	3,031	2,089
Others	21,246	13,916	12,918	12,239
Total	112,324	81,392	85,403	71,156

During the year 2023, the Group and the Company have contributed provident funds for their employees amounting to Baht 1.4 million (2022: Baht 1.3 million), which included in employee benefit expenses.

21 Income tax expense

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2023	2022 (Restated)	2023	2022
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	347	3,428	-	-
	347	3,428	-	-
Deferred tax expense				
Movements in temporary differences	8,966	(1,732)	2,291	(3,673)
Total tax expense (income)	9,313	1,696	2,291	(3,673)

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Consolidated financial statements						
		2023		2022 (Restated)		
	Before	Tax	Net of	Before	Tax	Net of
<i>Income tax</i>	tax	(expense)	tax	tax	(expense)	tax
		benefit	(in thousand Baht)		benefit	
Recognised in other comprehensive income						
Actuarial loss	(781)	156	(625)	(1,308)	262	(1,046)
Separate financial statements						
		2023		2022		
	Before	Tax	Net of	Before	Tax	Net of
<i>Income tax</i>	tax	(expense)	tax	tax	(expense)	tax
		benefit	(in thousand Baht)		benefit	
Recognised in other comprehensive income						
Actuarial loss	(956)	191	(765)	(1,141)	228	(913)
Reconciliation of effective tax rate						

Consolidated financial statements				
	2023		2022 (Restated)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax		37,552		(1,372)
Income tax using the Thai corporation tax rates	20	7,510	20	(274)
Share of profit of associate accounted for using equity method		(115)		-
Expenses not deductible for tax purposes		2,488		2,246
Additional expenses deductible for tax purposes		(570)		(343)
Written off unutilised deferred tax asset		-		67
Total	25	9,313	(124)	1,696
Separate financial statements				
	2023		2022	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax		10,880		(20,023)
Income tax using the Thai corporation tax rates	20	2,176	20	(4,005)
Expenses not deductible for tax purposes		680		608
Additional expenses deductible for tax purposes		(565)		(343)
Written off unutilised deferred tax asset		-		67
Total	21	2,291	18	(3,673)

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Deferred tax At 31 December	Consolidated financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
		(Restated)		(Restated)
		<i>(in thousand Baht)</i>		
Total	24,691	32,288	(1,658)	(2,049)
Set off of tax	(1,658)	(2,049)	1,658	2,049
Net deferred tax assets	23,033	30,239	-	-

Deferred tax At 31 December	Separate financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
		(in thousand Baht)		
Total	19,449	21,832	(1,770)	(2,053)
Set off of tax	(1,770)	(2,053)	1,770	2,053
Net deferred tax assets	17,679	19,779	-	-

Deferred tax	At 1 January (Restated)	Consolidated financial statements			At 31 December
		(Charged) / Credited to		Acquired through business combinations	
		Profit or loss	Other comprehensive income		
(in thousand Baht)					
2023					
Deferred tax assets					
Trade accounts receivable	2,200	487	-	-	2,687
Allowance for doubtful accounts	864	(149)	-	1,374	2,089
Other receivables	220	(29)	-	72	263
Allowance for decline in value of inventories	3,603	(21)	-	17	3,599
Loans to related parties	9,925	(9,925)	-	-	-
Allowance for impairment losses on non-financial assets	7,108	(396)	-	-	6,712
Contract liabilities	510	(19)	-	-	491
Other payables	248	(30)	-	-	218
Deferred expenses	36	16	-	-	52
Non-current provisions for employee benefits	2,695	330	156	98	3,279
Difference arising from under common control transaction	1,355	(252)	-	-	1,103
Loss carry forward	3,524	656	-	18	4,198
Total	32,288	(9,332)	156	1,579	24,691
Deferred tax liabilities					
Inventories	(998)	(371)	-	-	(1,369)
Other current financial assets	(62)	62	-	-	-
Contract cost assets	(92)	3	-	-	(89)
Property, plant and equipment	(897)	672	-	25	(200)
Total	(2,049)	366	-	25	(1,658)
Net	30,239	(8,966)	156	1,604	23,033

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	At 1 January	Consolidated financial statements (Charged) / Credited to			At 31 December
		Profit or loss	Other comprehensive income (in thousand Baht)	Acquired through business combinations	
Deferred tax					
2022 (Restated)					
Deferred tax assets					
Trade accounts receivable	3,714	(1,514)	-	-	2,200
Allowance for doubtful accounts	1,504	(640)	-	-	864
Other receivables	-	220	-	-	220
Allowance for decline in value of inventories	1,817	1,786	-	-	3,603
Loans to related parties	11,643	(1,718)	-	-	9,925
Allowance for impairment losses on non-financial assets	7,504	(396)	-	-	7,108
Contract liabilities	510	-	-	-	510
Other payables	171	77	-	-	248
Deferred revenues	11	(11)	-	-	-
Deferred expenses	-	36	-	-	36
Non-current provisions for employee benefits	2,165	268	262	-	2,695
Difference arising from under common control transaction	1,524	(169)	-	-	1,355
Loss carry forward	483	3,041	-	-	3,524
Total	31,046	980	262	-	32,288
Deferred tax liabilities					
Inventories	(1,351)	353	-	-	(998)
Other current financial assets	-	(62)	-	-	(62)
Contract cost assets	(92)	-	-	-	(92)
Deferred expenses	(13)	13	-	-	-
Property, plant and equipment	(1,345)	448	-	-	(897)
Total	(2,801)	752	-	-	(2,049)
Net	28,245	1,732	262	-	30,239

	At 1 January	Separate financial statements (Charged) / Credited to			At 31 December
		Profit or loss	Other comprehensive income (in thousand Baht)		
Deferred tax					
2023					
Deferred tax assets					
Trade accounts receivable	2,200	487	-	-	2,687
Allowance for doubtful accounts	709	32	-	-	741
Other receivables	220	-	-	-	220
Allowance for decline in value of inventories	3,603	(26)	-	-	3,577
Allowance for impairment losses on non-financial assets	7,108	(396)	-	-	6,712
Contract liabilities	510	(19)	-	-	491
Other payables	248	(30)	-	-	218
Deferred expenses	36	16	-	-	52
Non-current provisions for employee benefits	2,602	245	191	-	3,038

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	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
Difference arising from common control transaction	1,355	(252)	-	1,103
Loss carry forward	3,241	(2,632)	-	610
Total	21,832	(2,575)	191	19,449
Deferred tax liabilities				
Inventories	(999)	(371)	-	(1,370)
Other current financial assets	(62)	62	-	-
Contract cost assets	(92)	3	-	(89)
Property, plant and equipment	(900)	590	-	(311)
Total	(2,053)	284	191	(1,770)
Net	19,779	(2,291)	191	17,679
2022				
Deferred tax assets				
Trade accounts receivable	3,714	(1,514)	-	2,200
Allowance for doubtful accounts	832	(123)	-	709
Other receivables	-	220	-	220
Allowance for decline in value of inventories	1,817	1,786	-	3,603
Allowance for impairment losses on non-financial assets	7,504	(396)	-	7,108
Contract liabilities	510	-	-	510
Other payables	171	77	-	248
Deferred revenues	11	(11)	-	-
Deferred expenses	-	36	-	36
Non-current provisions for employee benefits	2,119	255	228	2,602
Difference arising from common control transaction	1,524	(169)	-	1,355
Loss carry forward	483	2,758	-	3,241
Total	18,685	2,919	228	21,832
Deferred tax liabilities				
Inventories	(1,352)	353	-	(999)
Other current financial assets	-	(62)	-	(62)
Contract cost assets	(92)	-	-	(92)
Deferred expenses	(13)	13	-	-
Property, plant and equipment	(1,350)	450	-	(900)
Total	(2,807)	754	-	(2,053)
Net	15,878	3,673	228	19,779

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22 Earnings (losses) per share

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022 (Restated)	2023	2022
<i>(in thousand Baht/thousand shares)</i>				
Profit (loss) for the year attributable to ordinary shareholders of the Company (basic and diluted)	<u>(1,269)</u>	<u>(17,483)</u>	<u>8,589</u>	<u>(16,350)</u>
Ordinary shares outstanding				
Number of ordinary shares outstanding at 1 January	455,000	455,000	455,000	455,000
Effect of shares issued on 12 April 2023	14,097	-	14,097	-
Effect of shares issued on 2 October 2023	16	-	16	-
Weighted average number of ordinary shares outstanding (basic) at 31 December	<u>469,113</u>	<u>455,000</u>	<u>469,113</u>	<u>455,000</u>
Effect of exercise of warrants	55,978	25,413	55,978	25,413
Weighted average number of ordinary shares outstanding (diluted) at 31 December	<u>525,091</u>	<u>480,413</u>	<u>525,091</u>	<u>480,413</u>
Earnings (losses) per share (basic) (in Baht)	<u>(0.01)</u>	<u>(0.04)</u>	<u>0.02</u>	<u>(0.04)</u>
Earnings (losses) per share (diluted) (in Baht)	<u>(0.01)</u>	<u>(0.04)</u>	<u>0.02</u>	<u>(0.03)</u>

23 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Dividend payment date	Dividend per share (Baht)	Amount (in thousand Baht)
2022				
2021 Annual dividend	5 April 2022	May 2022	0.0132	6,006

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23 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated and Separate financial statements				
	Carrying amount		Fair value		
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Level 1	Level 2
				Level 3	Total
					(in thousand Baht)
At 31 December					
2022					
Financial assets					
Investment in short-term structured note	-	209,812	-	-	209,812
					209,812

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(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The risk management committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 19.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The Group reviews credit limit to each customer on annually basis. Revenue of sales which exceeds than credit limit has to be approved by chief financial officer.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 120 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Information relevant to trade accounts receivables is disclosed in note 7.

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(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements					
Contractual cash flows					
	Carrying	1 year	More than 1 year but less than 5 years	More than 5 years	Total
<i>At 31 December</i>	Value	or less	<i>(in thousand Baht)</i>		
2023					
Non-derivative financial liabilities					
Trade account payables	43,654	43,654	-	-	43,654
Other payables	31,393	31,393	-	-	31,393
Lease liabilities	136,028	16,564	54,699	114,834	186,097
Bank overdrafts	46,708	46,708	-	-	46,708
Short-term loans from financial institutions	41,000	41,000	-	-	41,000
Long-term loans from financial institutions	56,794	13,688	46,664	5,349	65,701
Long-term loan from related parties	10,000	-	10,779	-	10,779
	365,577	193,007	112,142	120,183	425,332
2022 (Restated)					
Non-derivative financial liabilities					
Trade account payables	46,207	46,207	-	-	46,207
Other payables	28,560	28,560	-	-	28,560
Lease liabilities	122,051	13,629	47,449	110,784	171,862
Bank overdrafts	19,391	19,391	-	-	19,391
Long-term loans from financial institutions	47,678	12,900	34,290	9,328	56,518
	263,887	120,687	81,739	120,112	322,538

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<i>At 31 December</i>	Carrying Value	1 year or less	Separate financial statements Contractual cash flows		Total
			More than 1 year but less than 5 years (in thousand Baht)	More than 5 years	
2023					
<i>Non-derivative financial liabilities</i>					
Trade account payables	32,714	32,714	-	-	32,714
Other payables	23,699	23,699	-	-	23,699
Lease liabilities	109,512	12,206	39,062	101,467	152,735
Bank overdrafts	24,219	24,219	-	-	24,219
Short-term loans from financial institutions	41,000	41,000	-	-	41,000
Long-term loans from financial institutions	56,794	13,688	46,664	5,349	65,701
	287,938	147,526	85,726	106,816	340,068
2022					
<i>Non-derivative financial liabilities</i>					
Trade account payables	46,161	46,161	-	-	46,161
Other payables	23,404	23,404	-	-	23,404
Lease liabilities	115,880	11,475	41,911	110,784	164,170
Long-term loans from financial institutions	44,214	8,914	34,290	9,328	52,532
	229,659	89,954	76,201	120,112	286,267

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group do not have purchase nor sale in foreign currency. Thus, the Group is not exposed to significant foreign currency risk.

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because most of loan interest rates are mainly floated. The Group is primarily exposed to interest rate risk (see note 14).

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	Consolidated financial statements		Separate financial statements	
<i>Exposure to interest rate risk at 31 December</i>	2023	2022 (Restated) (in thousand Baht)	2023	2022
<i>Financial instruments with fixed interest rates</i>				
Long-term loans from financial institution	861	1,346	861	1,346
Long-term loans from related parties	10,000	-	-	-
<i>Financial instruments with variable interest rates</i>				
Bank overdrafts	46,708	19,391	24,219	-
Short-term loans from financial institutions	41,000	-	41,000	-
Long-term loans from financial institutions	55,933	46,332	55,933	42,868

25 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2023	2022 (in thousand Baht)	2023	2022
<i>Capital commitments</i>				
Building and building improvements	28,732	34,019	27,930	32,264
Furniture, fixtures and office equipment	-	229	-	229
Total	28,732	34,248	27,930	32,493
<i>Other commitments</i>				
Bank guarantees	2,656	2,831	2,656	2,831

As at 31 December 2023, the Company had bank guarantees with a financial institution, issued to Provincial Electricity Authority to guarantee for electricity usage amounting to Baht 1.8 million and issued to Metropolitan Electricity Authority for electricity usage amounting to Baht 0.9 million (2022: the Company had bank guarantees with a financial institution, issued to Provincial Electricity Authority to guarantee for electricity usage amounting to Baht 1.8 million, issued to Metropolitan Electricity Authority for electricity usage amounting to Baht 0.6 million, issued to Safety, Health and Environmental At Work Fund for securing a borrowing amounting to Baht 0.4 million, and issued to Mahidol University (Faculty of Dentistry) amounting to Baht 0.1 million).

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27 Contingent liabilities

On 11 September 2019, the Company was accused in trademark infringement case with claim amounting to Baht 50.0 million. On 14 December 2021, the Central Intellectual Property and International Trade Court (“the Court”) dismissed the case. Later on 20 May 2022, the plaintiff appealed the case to the Specialised Court of Appeal. The judgement was read on 16 January 2023 by the Specialised Court of Appeal to dismiss the case.

On 15 May 2023, the Central Intellectual Property and International Trade Court read the judgement from the Specialised Court of Appeal on 16 January 2023 to dismiss the case, and all parties did not submit the petition within period specified by law. The Company received the Central Intellectual Property and International Trade Court’s certificate of the case’s completion. The case then was in final judgement and that the Company did not liable for any loss from the case.

28 Event after the reporting period

On 29 February 2024, the Board of Director meeting approved the Company to enter into short-term loan agreement in form of promissory note with a subsidiary amounting to Baht 20.0 million. The loan bore interest at the average minimum loan rate (MLR) stipulated by four commercial banks with margin of 0.7% per annum.

29 Reclassification of accounts

Certain accounts in the consolidated and separate statement of financial position as at 31 December 2022 have been reclassified to conform to the presentation of the financial statements as at 31 December 2023. The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group’s business.

Consolidated financial statements			
2022			
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<i>As at 31 December 2022 (Restated)</i>			
Current contract cost assets	717	(468)	249
Non-current contract cost assets	209	468	677
Current contract liabilities	28,569	(1,682)	26,887
Non-current contract liabilities	8,270	1,682	9,952
		<u>-</u>	
Separate financial statements			
2022			
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<i>As at 31 December 2022</i>			
Other receivables	25,662	57	25,719
Long-term loans to related parties	13,557	(57)	13,500
Current contract cost assets	717	(468)	249
Non-current contract cost assets	209	468	677
Current contract liabilities	28,463	(1,682)	26,781
Non-current contract liabilities	8,270	1,682	9,952
		<u>-</u>	



Appendix



Appendix 1

Information on Directors, Executives, Controllers, Company Secretary and Head of Compliance

Name Surname/ Position/Date of appointment	Academic Qualifications	Shareholding Ratio as of 31 December 2023	Family Relationship with Executives	Duration	Positions	Organisation Name / Company	Nature of Business
1. Mr. Thongchai Thavichachart Age 74 Years • The Chairman of the Board of Director • Independent Director	<ul style="list-style-type: none"> • Ph.D. in Pediatrics Specialist, Chulalongkorn University • Master of Science, Chulalongkorn University • Bachelor of Science Program in Medical Sciences, Chulalongkorn University 	-	-	None	None	None	None
Date of Appointment 21 July 2020							
2. Ms. Sopawadee Lertmanaschai Age 70 Years • Independent Director • Chairman of the Audit Committee • Member of the Nomination and Remuneration Committee	<ul style="list-style-type: none"> • Master of Science (Accounting), Thammasat University • Bachelor of Law, Thammasat University • Bachelor of Science (Accounting), Thammasat University 	-	-	2019 - present	Director and Chairman of the Audit Committee	The Stock Exchange of Thailand and Thailand Securities Deposit	Stock Exchange Market
				2018 - present	Independent Director and Chairman of the Audit Committee	Central Plaza Hotel Public Company Limited	Hotel and Restaurant Business
				2015 - present	Independent Director and Chairman of the Audit Committee	Maybank Securities (Thailand) Public Company Limited	Securities Company
				2014 - 2021	Independent Director, Audit and Risk Committee and Corporate Social Responsibility Committee (CSR Committee) for Sustainable Development	Intouch Holdings Public Company Limited	Satellite business, internet business, telecommunications media and advertising business
Date of Appointment 24 March 2021				2019 - 2021	Independent Director	Dohome Public Company Limited	Retail, wholesale and construction materials and furnishing one-stop services
Positions taken in other companies or organisations							
				2022 - present	Director	Cheese Digital Network Company Limited	Digital Content gateway, Solution & Agency
				2020 - present	Independent Director and Chairman of the Audit Committee	Chotiwat Manufacturing Public Company Limited	Canned seafood business (tuna)
				2019 - present	Director and the Chairman of Audit Committee	The Stock Exchange of Thailand	The Stock Exchange of Thailand
				2018 - present	Chairman and Independent Director	KTBST REIT Management Company Limited	Real Estate Investment Trust fund management service

Name Surname/ Position/Date of appointment	Academic Qualifications	Shareholding Ratio as of 31 December 2023	Family Relationship with Executives	Duration	Positions	Organisation Name / Company	Nature of Business
6. Mrs. Jintana Santipisud Age 68 Years • Director • Chairman of the Executive Committee Date of Appointment 3 December 2018	<ul style="list-style-type: none"> Bachelor of Business Administration (Marketing), Assumption University 	6.74%	Mother of Mr. Sittichai Daengprasert, Mr. Pisanu Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert	2014 - present 1981 - present	Director Managing Partner	Suphap Group Company Limited COX Laboratories (Thailand) Limited Partnership (The Company is no longer in operations)	A holding company Pharmaceutical and chemical products manufacturing
7. Mr. Sittichai Daengprasert Age 41 Years • Director • Members of the Executive Committee • Members of the Risk Management Committee • President (CEO) • Executive Vice President of Research and Innovation Date of Appointment 3 December 2018	<ul style="list-style-type: none"> Ph.D. in Technopreneurship and Innovation Management (TIP) (Ph.D.) Master of Business Administration (MBA) Thammasat University Bachelor of Science Program in Biotechnology, Faculty of Agro-Industry (B.Sc.), Kasetsart University 	6.74%	A Child of Mrs. Jintana Santipisud and a sibling of Mr. Pisanu Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert	2014 - present 2012 - present	Director Director	Suphap Group Company Limited JSP Trading Supply Company Limited (The company is no longer in operation)	A holding company Medical supplies distributor
8. Mr. Pisanu Daengprasert Age 41 Years • Director • Members of the Executive Committee • Executive Vice President of Sales and Marketing Date of Appointment 3 December 2018	<ul style="list-style-type: none"> Master of Business Administration, Entrepreneurship Management, King Mongkut's University of Technology Thonburi 	6.64%	A Child of Mrs. Jintana Santipisud and a sibling of Mr. Sittichai Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert	2014 - present 2014 - present	Director Director	Suphap Group Company Limited JSP Better Life Company Limited (The Company is no longer in operation)	A holding company General merchandise wholesaler on a fee or contract basis

Name Surname/ Position/Date of appointment	Academic Qualifications	Shareholding Ratio as of 31 December 2023	Family Relationship with Executives	Duration	Positions	Organisation Name / Company	Nature of Business
9. Ms. Jirada Daengprasert Age 39 Years • Director • Member of the Nomination and Remuneration Committee • Members of the Executive Committee • Company Secretary • Executive Vice President of Accounting and Finance (A person taking the highest responsibility in finance and accounting; CFO)	• Master of Business Administration (MBA) Thammasat University • Bachelor of Accounting Program, Thammasat University	6.46%	A Child of Mrs. Jintana Santipisud and a sibling of Mr. Sittichai Daengprasert, Mr. Pisanu Daengprasert and Mr. Sorasit Daengprasert	2014 - present 2008 - present 2013 - 2022	Director Director Director	Positions taken in other companies or organisations Suphap Group Company Limited Zeutkal Bio Sci Company Limited Duldee Company Limited (Dissolved on 2 September 2022)	A holding company Wholesale of textiles, clothing, footwear, leather goods and household goods Accounting, bookkeeping and auditing activi- ties; tax consultancy
Date of Appointment 3 December 2018							
10. Mr. Sorasit Daengprasert Age 37 Years • Director • Members of the Executive Committee • Members of the Risk Management Committee • Executive Vice President of Manufacturing and Operations	• Bachelor of International Business Management, Kasetsart University	6.69%	A Child of Mrs. Jintana Santipisud and a sibling of Mr. Sittichai Daengprasert, Mr. Pisanu Daengprasert and Ms. Jirada Daengprasert	2014 - present	Director	Positions taken in other companies or organisations Suphap Group Company Limited	A holding company
Date of Appointment 6 February 2019							

Name Surname/ Position/Date of appointment	Academic Qualifications	Shareholding Ratio as of 31 December 2023	Family Relationship with Executives	Organisation Name / Company			Nature of Business
				Duration	Positions	Positions taken in other companies or organisations	
11. Mr. Tawat Ktikungvan Age 40 Years • Director • Member of Nomination and Remuneration Committee Date of Appointment 18 March 2020	<ul style="list-style-type: none"> • MSc. Risk Management, Imperial College of London • Bachelor of Engineering, Mechanical Engineering, Chulalongkorn University 	-	-	2021 - present	Director	DRUL Group Company Limited	Selling cosmetics
				2021 - 2021	Director	DRUL Holdings Co., Ltd. (Merged on 30 November 2021)	A holding company
				2021 - present	Director	New Paradigm Company Limited	Distributing funds other than by making loans
				2021 - present	Director	Cuisine Partners (2004) Company Limited	Food services in restaurant
				2021 - present	Director	Phantera Partners Company Limited	A holding company
				2021 - 2021	Director	Master Motor Services (Thailand) Co., Ltd.	Maintenance and repair of motor vehicle engines and other parts
				2021 - present	Director	DRJ Holding Co., Ltd.	A holding company
				2016 - present	Director	Hatton Equity Partner (Thailand)	A holding company
				2020 - present	Director	MFIP 1 Company Limited	Provide service on being a manager and take care of benefits, collect benefits and manage assets for other people
				2016 - present	Director	Tom N Toms Tasse 1 Company Limited	Non-alcoholic beverage service
				2018 - present	Director	TKK Corporation Company Limited	Retail-wholesale of the tools, spare parts, equipment used with machines in general factories
				2016 - present	Director	TASSE Company Limited	Other activities that enhance financial services activities not classified elsewhere
				2019 - present	Director	Bangkok Healthcare Service Company Limited	Operate nursing home with residential facilities and day care provided full-time staff for elderly people
				2017 - present	Director	Momoko Bag and Shoes Spa Company Limited	Footwear and leather goods repair service
				2020 - present	Director	Microfiber Industries Company Limited	Insulation machines & equipment
				2017 - present	Director	Wright Partners (Thailand) Company Limited	Other activities that enhance financial services activities
				2018 - present	Director	Linksmen LP Company Limited	Financial services not classified elsewhere
				2018 - present	Director	HEP Holdings 1 Company Limited	Other activities that enhance financial services activities
				2019 - present	Director	HEP Holdings 3 Company Limited	Other activities that enhance financial services activities not classified elsewhere
				2019 - present	Director	HEP Holdings 4 Company Limited	Other activities that enhance financial services activities not classified elsewhere
				2021 - present	Director	HEP Holdings 5 Company Limited	Other activities that enhance financial services activities not classified elsewhere
				2020 - present	Director	MFIP Company Limited	Other activities that enhance financial services activities not classified elsewhere
				2017 - present	Director	MMK (GP) Company Limited	Provide service on being a manager and take care of benefits, collect benefits and manage assets for other people
				2017 - present	Director	MMK (BETA) Company Limited	Other activities that enhance financial services activities not classified elsewhere
				2017 - present	Director	MMK (ALPHA) Company Limited	Other activities that enhance financial services activities not classified elsewhere
				2017 - present	Director	MM E&M Company Limited	Non-alcoholic beverage service
				2017 - present	Director	MM E&M Holdings Company Limited	Activities of holding companies that do not primarily invest in financial businesses

Name Surname/ Position/Date of appointment	Academic Qualifications	Shareholding Ratio as of 31 December 2023	Family Relationship with Executives	Duration	Positions	Organisation Name / Company	Nature of Business
12. Mr. Kiangkrai Rungrangthaweekul Age 38 Years • Members of the Executive Committee • Vice President of Finance • Head of the Company's Compliance	<ul style="list-style-type: none"> Master of Science in Financial Engineering, Chulalongkorn University Bachelor of Accounting, Thammasat University 	0.02%	-	2019 - present	Director	BB KK Advisory Company Limited	Accounting, bookkeeping, auditing and tax consultancy
Date of Appointment 15 November 2018							
13. Mrs. Nongnuch Cheawpattayakorn Age 47 Years • Members of the Executive Committee • Senior Quality Assurance Manager	<ul style="list-style-type: none"> Master of Business Administration (MBA), Khon Kaen University Bachelor of Pharmacy Program, Rangsit University 	-	-	None	None	None	None
Date of Appointment 18 January 2021							
14. Mr. Danaisuan Kunarojanasombhat Age 42 Years • Members of the Executive Committee • Senior Plant Manager	<ul style="list-style-type: none"> Bachelor of Engineering Program (Industrial Engineering), Thammasat University 	-	-	None	None	None	None
Date of Appointment 18 January 2021							
15. Ms. Poonsap Ruangsri Age 57 Years • Vice President of Accounting • A person who is responsible for supervising, tracking and controlling accounting activities	<ul style="list-style-type: none"> Master of Information Technology, King Mongkut's University of Technology Thonburi Bachelor of Accountancy, Ramkhamhaeng University 	-	-	None	None	None	None
Date of Appointment 1 January 2015							

Details of Directorships in Subsidiaries

Name list			Subsidiaries				
			CST	GWM	WAREE	JSPPH	CDIP
Mr. Thongchai	Tavichachat	C, ID		D	D		
Ms. Sopawadee	Lertmanaschai	ID, CAC, NC					
Mr. Vinit	Usawakidviree	ID, AC					
Mr. Nattawut	Viboonpatanawong	ID, CRM					
Ms. Lalita	Hongratanawong	ID, AC, CNC					
Mr. Tawat	Kitkungvan	D, NC					
Mrs. Jintana	Santipisud	D, CEC	D			D	
Mr. Sittichai	Daengprasert	D, RM, EC, CEO	D	D	D	D	D
Mr. Pissanu	Daengprasert	D, EC, EVP					D
Ms. Jirada	Daengprasert	D, NC, EC, CFO, CS	D	D		D	D
Mr. Sorasit	Daengprasert	D, RM, EC, EVP					D
Mr. Kiangkrai	Rungraungthaweeikul	EC, MF, HC					
Ms. Nongnuch	Cheawpattayakorn	EC					
Mr. Danaisuan	Kunarojanasombhat	EC					
Ms. Phoonsap	Ruangsi	MA					

Remark:

JSP	=	JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited	CRM	=	Chairman of Risk Management Committee
CST	=	Caresutic Co., Ltd.	RM	=	Member of Risk Management Committee
GWM	=	Grace Water Med Company Limited	CNC	=	Chairman of Nomination and Remuneration Committee
WAREE	=	Waree Medical Company Limited	NC	=	Member of Nomination and Remuneration Committee
JSPPH	=	JSP Pharma Holding Company Limited	CEO	=	Chief Executive Office
CDIP	=	CDIP (Thailand) Public Co., Ltd.	EVP	=	Executive Vice President
C	=	Chairman	CFO	=	Chief Financial Officer
D	=	Director	MA	=	Vice President of Accounting
EC	=	Member of Executive Committee	MA	=	Vice President of Accounting
CEC	=	Chairman of Executive Committee	MF	=	Vice President of Finance
ID	=	Independent Director	CS	=	Company Secretary
CAC	=	Chairman of Audit Committee	HC	=	Head of Compliance
AC	=	Member of Audit Committee			

Securities Holding Movement Report of Directors and Executives

Name list		Opening balance (Shares)	Increase / (Decrease) (Shares)	Closing balance (Shares)
Mr. Thongchai	Tavichachat	-	-	-
Ms. Sopawadee	Lertmanaschai	-	-	-
Mr. Vinit	Usawakidviree	-	-	-
Mr. Nattawut	Viboonpatanawong	100,000	(40,000)	60,000
Ms. Lalita	Hongratanawong	-	-	-
Mr. Tawat	Kitkungvan	-	-	-
Mrs. Jintana	Santipisud	30,000,200	2,000,000	32,000,200
Mr. Sittichai	Daengprasert	29,602,300	2,385,700	31,988,000
Mr. Pissanu	Daengprasert	30,000,200	1,500,000	31,500,200
Ms. Jirada	Daengprasert	42,559,700	(11,900,000)	30,659,700
Mr. Sorasit	Daengprasert	29,965,200	1,800,000	31,765,200
Mr. Kiangkrai	Rungraungthaweeikul	100,000	(9,200)	90,800
Ms. Nongnuch	Cheawpattayakorn	-	-	-
Mr. Danaisuan	Kunarojanasombhat	-	-	-
Ms. Phoonsap	Ruangsi	6,000	(6,000)	-

Appendix 2

Information on Head of Internal Audit

Subject	Details
Head of Internal Audit (Outsource)	ISBAR Corporation Company Limited Address: 75/3 Muang Samut, Change Moi, Muang Chiangmai, Chiangmai 50300 Tel: 053-232084 Mobile: 081-823-3198 E-mail: bee.isbar@gmail.com
Head of Internal Audit	Mr. Sirisak Manitkunakarn
Educational Qualifications	<ul style="list-style-type: none"> • Master of Business Administration, Graduate School, Payap University • Bachelor of Accounting, Faculty of Accounting and Finance, Payap University
Diploma/Certificate	<ul style="list-style-type: none"> • Certified Internal Auditor (CIA), The Institute of Internal Auditors (IIA) • Certification in Risk Management Assurance (CRMA), The Institute of Internal Auditors (IIA) • Certified Professional of Internal Audit Thailand (CPIAT), The Institute of Internal Auditors of Thailand (IIAT) • Certified Credit Skills (CSA), OMEGA
Work Experience	2018 - Present Chief Executive Officer, ISBAR Corporation Company Limited 2021 - Present Board of Director and member of the Audit Committee, Hinsitsu (Thailand) Public Company Limited 2023 - Present Board of Director and member of the Audit Committee, Mukdahan International Hospital Co., Ltd. 2018 - Present Central Committee, The Institute of Internal Auditors of Thailand and Lecturer of The Institute of Internal Auditors of Thailand 2022 - Present General Counsel, Government Agencies 2011 - 2018 Assistant Vice President (AVP), Krung Thai Bank PCL.
Relevant Trainings	2022 Ethical Audit, The Institute of Internal Auditors of Thailand 2021 Institute of Directors (IOD), Director Accreditation Program (DAP) 2018 Institute of Directors (IOD), CAC SME Certification project





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