



# JSP

56-1 ONE REPORT

# 2024



JSP



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# Section 1

Business Operation  
and Performance



# 1 Structure and Operation of the Company

## 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 Hualumphong area under the name “Suphap Osot”. In 1975, the Daengprasert family expanded the business by establishing COX Laboratories (Thailand) Limited Liabilities Partnership to operate the business of manufacturing and distributing conventional medicines. Later in 2005, Mr. Sittichai Daengprasert and Mr. Pissanu Daengprasert foresaw 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 Company Limited) 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), 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.



<sup>1</sup> 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

Being a prominent company 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 academic institutes and government agencies to research and develop to have new knowledge from academic 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 "EVITONTM". 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](http://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 ตราสุขภาพ ไชยสถาน" 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.

According to the Board of Directors Meeting No. 11/2567 (2023) dated 7 December 2023, the Board of Directors resolved to approve the mission, vision and strategies as mentioned above. In addition, the Board of Directors assigned the management to report progress of strategies implementation on quarterly basis.



## Significant Changes and Development

### 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.

### 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.

### 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.

### 2018

- The Extraordinary General Meeting of Shareholders had the resolution to convert the Company into a Public Company Limited

### 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:
  - 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.
  - 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 25.3% of the total paid-up capital post-IPO.
- November:** Ordinary shares of JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited has been traded in the Market of Alternative Investment (mai) since 2 November 2021.

## 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 99.9% of registered and paid-up capital.
- **August:** The Extraordinary General Meeting of Shareholders had the resolutions in significant matters as follows:
  - 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.
  - Issued the warrants to purchase newly issued ordinary shares of the Company No. 1 (JSP-W1) 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.
  - Increased the Company's registered capital 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 accommodate the exercise of the warrants to purchase newly issued ordinary shares of the Company No. 1 (JSP-W1).
- **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.



## 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 99.9% 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.
- **April:** The Annual General Meeting of Shareholders had the resolutions in significant matters as follows:
  - 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.
  - 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 65.0% 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 52.8% 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

## 2024

- **January:** The Company relocated production plant of dietary supplement products from Bangkok to Lamphun Province
- **August:** The warrant to purchase newly issued ordinary shares of the Company No. 1 (JSP-W1) became expire. Whereby, there were 19,574,921 units of JSP-W1 exercised and the Company received totalled Baht 48,937,302.50 from such exercised throughout the term of warrant.
- **November:** The Extraordinary General Meeting of Shareholders had the resolutions in significant matters as follows:
  - Decreased the Company's registered capital reduction amounting to Baht 103,962,539.50 from previously Baht 341,250,000 divided into 682,500,000 ordinary shares at a par value of Baht 0.50 per share, to Baht 237,287,460.50, divided into 474,574,921 ordinary shares at a par value of Baht 0.50 per share, by eliminating 207,925,079 unissued ordinary shares at a par value of Baht 0.50 per share. Whereby, the unissued ordinary shares were for accommodating the exercise of the warrants to purchase the Company's ordinary shares No. 1 (JSP-W1) which has already expired.
  - Issued the warrants to purchase newly issued ordinary shares of the Company No. 2 (JSP-W2) not exceeding 237,287,460 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 4.00 exercise price.
  - Increased the Company's registered capital Baht 118,643,730 from previously Baht 237,287,460.50 divided into 474,574,921 shares at a par value of Baht 0.50 per share, to Baht 355,931,190.50 divided into 711,862,381 shares at a par value of Baht 0.50 per share, by issuing 237,287,460 new ordinary shares at a par value of Baht 0.50 per share in order to accommodate the exercise of the warrants to purchase newly issued ordinary shares of the Company No. 2 (JSP-W2).

## 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.

The Extraordinary General Meeting of Shareholders No.

1/2022 approved the issuance of the warrants to purchase the newly issued ordinary shares of the Company No. 1 ("JSP-W1") with exercise ratio 1:1 and exercise price THB 2.50 per share. As of 31 August 2024 (the expiration date of JSP-W1), the Company had net proceed from exercise of JSP-W1 totalled THB 48.84 million (net of share issuance costs).

In addition, the Extraordinary General Meeting of Shareholders No. 1/2024 approved the issuance of the warrants to purchase the newly issued ordinary shares of the Company No. 2 ("JSP-W2") with exercise ratio 1:1 and exercise price THB 4.00 per share. As of 31 December 2024, the Company has not received proceed from exercise of JSP-W2.

Report of use of fund from Initial Public Offering (IPO) ended on 31 December 2024 was detailed as follows.

Unit : THB Million

Use of proceed objectives	Planned usage amount	Remaining balance as of 31 December 2023	Additional proceed for the period ended 31 December 2024	Actual use of proceed for the period ended 31 December 2024	Remaining balance as of 31 December 2024
<b>Proceed from Initial Public Offering (IPO)</b>					
1. New product development	20.00	-	-	-	-
2. Develop, present and PR advertisements	70.00	5.32	-	(5.32)	-
3. Renovate and expand factories	223.00	0.01	-	(0.01)	-
4. Repayment of loans from financial institutions	100.00	-	-	-	-
5. Working capital for operations	112.38	-	-	-	-
6. Invest in business expansion in form of investment in other businesses	170.00	-	-	-	-
7. Invest in Innovation Center and small-scaled factory	60.00	-	-	-	-
<b>Total</b>	<b>755.38</b>	<b>5.33</b>		<b>(5.33)</b>	
<b>Proceed from exercise of JSP-W1</b>					
1. Working capital for operations	48.84	-	0.05	(0.05)	-
<b>Total</b>	<b>48.84</b>	<b>-</b>	<b>0.05</b>	<b>(0.05)</b>	<b>-</b>
<b>Proceed from exercise of JSP-W2</b>					
1. Working capital for operations	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Financial Highlight

	2022	2023	2024
<b>Financial Information (Baht million)</b>			
Revenue from sales and services	458.07	575.58	824.49
Profit (loss) from operations	(0.91)	(1.07)	105.03
Net profit (loss)	(3.07)	27.39	(33.17)
Profit (loss) attributed to owners of the parent	(17.48)	(1.72)	4.52
Total assets	1,366.51	1,337.40	1,326.65
Total interest-bearing liabilities	189.12	290.53	288.41
Total shareholders' equity	1,049.57	931.83	882.52
Cash flows from operating activities	2.81	40.35	132.12
<b>Financial Ratios</b>			
Gross profit margin (%)	31.6	24.9	37.0
Operating profit (loss) margin (%)	(0.2)	(0.2)	12.4
Net profit (loss) margin (%)	(0.7)	4.6	(3.9)
Return on assets (%) <sup>1/</sup>	(0.2)	2.0	(2.5)
Return on equity (%) <sup>2/</sup>	(1.8)	(0.2)	0.5
Cash conversion cycle (Days)	123.9	105.2	100.0
Debt-to-equity ratio (Times)	0.30	0.44	0.50
Earnings (losses) per share (Baht per share)	(0.04)	(0.004)	0.01

Remark: <sup>1/</sup> Return on assets =  $\frac{\text{Net profit}}{\text{Average total assets}}$

<sup>2/</sup> Return on equity =  $\frac{\text{Profit attributed to owners of the parent}}{\text{Average shareholders' equity attributed to owners of the parent}}$

## Revenue Structure

The Company's revenue structure for the years 2022 - 2024 is classified by product types as follows:

	2022 <sup>3/</sup>		2023 <sup>3/</sup>		2024	
	Baht million	%	Baht million	%	Baht million	%
Dietary supplements product	216.65	47.4	276.72	48.1	424.28	51.4
Conventional medicine	173.78	37.9	185.30	32.2	183.54	22.3
Herbal product	18.45	4.0	12.04	2.1	25.59	3.1
Hemodialysis product <sup>1/</sup>	-	0.0	64.65	11.2	140.03	17.0
Other product <sup>2/</sup>	49.19	10.7	36.87	6.4	51.05	6.2
<b>Total</b>	<b>458.07</b>	<b>100.0</b>	<b>575.58</b>	<b>100.0</b>	<b>824.49</b>	<b>100.0</b>

Remark: <sup>1/</sup> 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.

<sup>2/</sup> Other products such as cosmetics drug test kits, service revenue etc.

<sup>3/</sup> The Company acquired ordinary shares of CDIP (Thailand) Public Company Limited from controlling shareholders during 2023 which considered as business combination under common control. Therefore, revenue from CDIP (Thailand) Public Company Limited 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:

### a. Dietary Supplements

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 EVITONTM including collagen extracts, multivitamins, and Coenzyme Q10, Ginkgo Biloba extract and สุขภาพโอสธ™ (Suphap-Osoth) including natural dietary supplements.

EVITON™

EVITON



Examples of dietary supplements:  
1000 mg. collagen extract tablets, etc.

สุขภาพโอสธ™

สุขภาพโอสธ™  
ยาสมุนไพรไทย



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

As of 31 December 2024, the Company had totalled 471 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 COX™ whose products are widely recognized and well-known such as cough syrup and contraception pills.



As of 31 December 2024, the Company has totalled 63 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 สุภาพโอสถ™ (Suphap-Osoth) including herbal cough lozenges and herbal pills, etc.



As of 31 December 2024, 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 to dialysis clinic.

### 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.

In addition, the Company's research and development department had collaborations with academic institute and public sector to extend knowledge from academic to commercial and industrial practices.





## Key Marketing Policy of Products and Services

### Marketing Strategy

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.](http://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 54.4%, 50.1% and 37.4% of consolidated revenues from sales and services in 2022, 2023 and 2024, 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 36.9%, 33.5% and 40.9% of consolidated revenues from sales and services for 2022, 2023 and 2024, 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% and 17.0% of consolidated revenues from sales and services for 2023 and 2024, respectively. Customer group of this product is domestic dialysis clinic.

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. However, revenues earned from this channel were insignificant i.e. less than 5.0% of consolidated revenues from sales and services throughout 2022 - 2024. In addition, the Company has no plan to register a branch office abroad. In addition, the Company had no revenue from any single customer accounted more than 30% of consolidated revenues from sales and services for 2022 - 2024.

### 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. In addition, the Company has hired famous persons for advertising Own Brand products since 2024 in order to strengthen brand recognition, persuade consumers to acknowledge product in massive level and influence new group of customers who take care of their health.

The Company has a sales staff that consists of a total of 36 full-time employees (information as of 31 December 2024), and the salespersons 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. The management considered the expenses incurred and concluded that they incurred as necessary and reasonable.

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](http://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: [sales@jsppharma.com](mailto:sales@jsppharma.com).



## Competitive Conditions in Industry

The products sold by the Company has been related to the expansion and growth of various related industries, which comprised conventional medicine, dietary supplement and herbal products. The overview of each industry were 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.

## Trends in Pharmaceutical Industry

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. 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.

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.

**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:

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.

## 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 have become health conscious after COVID-19 and the global



demographic structure of an aging 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.

## Herbal Product Industry

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.

## 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 147 conventional medicine manufacturing companies certified by GMP PIC/S standards (information updated as of February 2025) and 67 traditional medicine manufacturing companies (information updated 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. There 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 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 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 has 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 plastic bottles, glass bottles, PVC, and foils. Also, packaging that does not come into direct contact with products such as paper box, plastic wrap. The Company had principally purchased from domestic.

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 3 - 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 of 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 emphasis in efficient production with the highest standard, in compliance with Good Manufacturing Practice (GMP). The GMP is important standard to ensure that production processes are performed accurately and safely. The standard covers materials management, production, together with warehousing. The GMP standard assists the Company to upgrade product quality, cost management, gain trust in producing product with quality in sustainable ways and increase competitiveness.

The Company is improving production process continuously by installing advanced machinery, reduce labour reliance in appropriate sense and use information technology to monitor and administrate process. These help the Company can quickly and accurately inspect, process and analyse machinery works and production process, which in line with GMP standard determination about principles of monitor and inspect all production processes to ensure safety and quality of products.

In addition, the Company has quality control department to work in accordance with GMP standard throughout production process from incoming of materials to warehousing of finished goods. The inspection and analysis from this department help the Company enables to resolve



problems in timely manner, reduce wastage from production and prevent business interruption. In addition, this could protect distribution low quality of products to consumers.

The Company is able to 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 gives importance in efficient transporting of goods for customers' satisfaction. This includes carefully plan for route and delivery timing to prevent unnecessary expense from backhaul, which help decrease transportation costs and use of fuels appropriately. In addition, the Company complies with Good Distribution Practice (GDP) which is important standard in transporting medicine and healthcare products to preserve quality and safety of products throughout transportation processes, especially temperature control and managing appropriate environment for certain medicine which need special attention.

For delivering goods through online sale channel, the Company hires external party (Outsource) that have comprehensive expertise in inventory management including warehousing, preparing before deliver, delivering to customer with efficiency. By complying with GDP standard, goods are delivered to receiver without loss of quality.

## Operating Assets

### 1) Operating Fixed Assets

As of 31 December 2024, the Company had a list of operating fixed assets as follows:

Types/Descriptions of Assets	Book Value (Unit: Baht million)	Types of Ownership	Encumbrance
<b>1. Land</b>			
• 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 Group	Pledged 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 Group	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 Group	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 Group	Pledged with financial institutions
• Land title deed no. 14514 located in Mueang District, Lamphun Province with the area of 8-3-58.01 rai	15.00	The Group	Pledged with financial institutions
<b>2. Buildings and Building Improvements</b>			
• Improvements of the office building / plant / warehouse no. 255, 257 Sathupradit 58, Bangpongpan Sub-district, Yannawa District, Bangkok	192.08	The Group	None
• Office building / plant / warehouse no. 48/4 Lak Luk Ka Sub-district, Lam Luk Ka District, Pathum Thani Province	117.61	The Group	None
• Office building / plant / warehouse no. 260 Moo. 4 Sri Bua Ban Sub-district, Mueang District, Lamphun Province	29.24	The Group	None
• Land and office building improvements in Bueng Kham Phroi Sub-district, Lam Luk Ka District, Pathum Thani Province	21.14	The Group	None
• Improvements of the office building / plant / warehouse no. 13/7 Moo 8, Bang Muang - Bang Khu Lat, Bang Muang, Bang Yai, Nonthaburi	15.63	The Group	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	0.12	The Group	None
• Leasehold rights of the land / the plant for the production of medicine, dietary supplement, medical supplies and other products / warehouse	106.49	Lease agreements	None
<b>3. Machinery and Equipment</b>			
• Machinery and equipment used in the production of goods	122.60 49.59	The Group Lease agreements	None Pledged with financial institutions




Types/Descriptions of Assets	Book Value (Unit: Baht million)	Types of Ownership	Encumbrance
<b>4. Vehicles</b>			
• Vehicles used in the operations	2.46	The Group	None
	1.00	Lease	None
	6.60	Lease	Pledged with financial institutions
<b>5. Furniture, Fixtures &amp; Office Equipment</b>	<b>13.07</b>	<b>The Group</b>	<b>None</b>
<b>Total Property, plant and equipment, net</b>	<b>905.47</b>		

## 2) Intangible Assets

As of 31 December 2024, the Group owned the registration of products, computer software and customer relationships which derived from business combination with a net book value of Baht 5.45 million.

## 3) Significant trademark

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

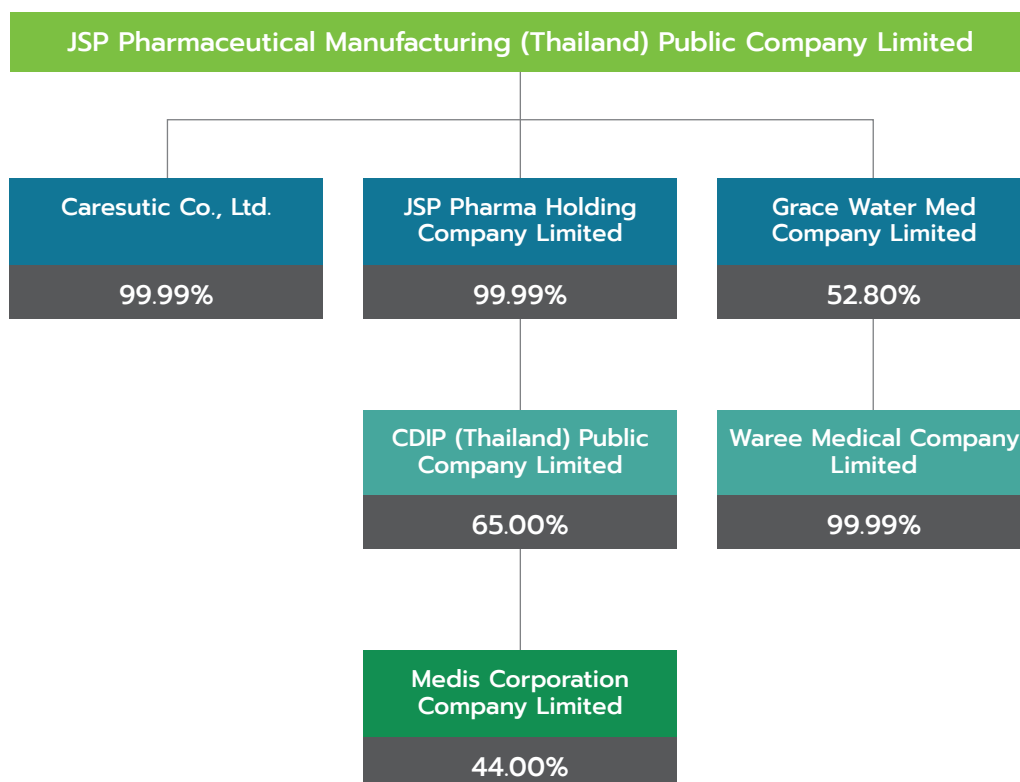
No.	Trademark	Ownership	Types of Products and Service	Registration No	Registration Date	Expiration Date
1.		Company	Plant or animal-based dietary supplement (non-medical use)	201101214	14/09/2016	14/09/2026

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)
<b>Direct subsidiaries</b>			
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
<b>Indirect subsidiaries</b>			
CDIP (Thailand) Public Co., Ltd. (Shares held by JSP Pharma Holding Company Limited)	Academic laboratory research, scientific test and analysis, training and seminar, and consultancy for research fund application businesses Manufacture and distribute of purified water system for industrial purposes,	65.00	120.00
Waree Medical Company Limited (Shares held by Grace Water Med Company Limited)	Manufacture and distribute of purified water system for industrial purposes,	99.99	2.50
<b>Indirect associate</b>			
Medis Corporation Company Limited (Shares held by CDIP (Thailand) Public Co., Ltd.)	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 <sup>1/</sup>	157,999,000	33.29
• Mrs. Jintana Santapisud	32,000,200	6.74
• Mr. Sittichai Daengprasert	32,089,000	6.76
• Mr. Pissanu Daengprasert	30,925,200	6.52
• 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. Somchai Padpai	7,801,000	1.64
3. Mr. Natphatchara Sombatworraphat	4,482,000	0.94
4. Mr. Kriangyot Jitsudjaphong	4,119,100	0.87
5. Mrs. Siriphorn Daengsupha	4,100,000	0.86
6. Mr. Boonchai Supphasasin	3,754,500	0.79
7. Mr. Ekkachai Eiawsiwikul	3,682,800	0.78
8. Mr. Teerapoj Jaroonsri	3,397,900	0.72
9. Mr. Wipong Techaphoonphol	3,100,000	0.65
10. Mr.Sombat Thanabhunyawat	3,000,000	0.63

Remark: <sup>1/</sup> 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 Santapisud, (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 2024, the Company's registered capital was Baht 355,931,190.50 divided into 711,862,381 ordinary shares with Baht 0.50 par value each. Whereby, paid-up capital was Baht 237,287,460.50 divided into 474,574,921 ordinary shares.

### Convertible Securities

#### Warrant to purchase the newly issued ordinary shares of the Company No. 1 (JSP-W1)

On 16 August 2022, the Extraordinary General Meeting of Shareholders No. 1/2565 (2022) had resolutions approve the issue of warrant to purchase the newly issued ordinary shares of the Company No. 1 (JSP-W1) 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. 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.

As of 31 December 2024, the outstanding unexercised JSP-W1 warrant of 207.9 million units was expired.

#### Warrant to purchase the newly issued ordinary shares of the Company No. 2 (JSP-W2)

On 14 November 2024, the Extraordinary General Meeting of Shareholders No. 1/2567 (2024) had resolutions approve the issue of warrant to purchase the newly issued ordinary shares of the Company No. 2 (JSP-W2) not exceeding 237.3 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-W2. The warrant had details as follow:

Description	Details
Grant date	9 December 2024
Exercise ratio	1 unit of warrant per 1 ordinary share, except there is a change according to the right adjustment conditions
Exercise price	Baht 4.00 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 only a time at maturity date of the warrant, which shall be 8 December 2025.

As of 31 December 2024, the Company had outstanding unexercised JSP-W2 warrant totalled 237.3 million 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 2023 and 2024 because the Company had deficit in separate financial statements. However, during the year 2024, the Company declared interim dividend payment from operating results for the six-month period ended 30 June 2024 amounting to Baht 0.0316 per share, totalled Baht 15.0 million. As of that date, the Company had net profit and unappropriated retained earnings amounting to Baht 22.9 million and Baht 20.6 million, respectively. The Company has already reported the interim dividend payment to the shareholders at the Extraordinary General Meeting of Shareholders No. 1/2024 on 14 November 2024.



## 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.
- To consider emerging risk that might have impact to the business e.g. risk of technology disruption, risk of change in regulations and risk of changes in society and environment. This will enable the Company to adapt with rapid change in business environment.
- To give importance on ESG (Environmental, Social and Governance) risk. The environmental risk included waste management, use of resources sustainably and reduce carbon emission. Social risk comprised oversight of human rights and promotion of health and safety. Governance risk consisted of transparent management and strictly comply with rules and ethics standard. This consideration will enable the Company to adapt and grow in rapid change society and create long-term growth.

### 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.
  - **Finance 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

	Risk factors	Impact	Measures to mitigate risks
1	<b>Health and Beauty Products Highly Competitive Market Risks</b>		
	<p>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 high initial investment, which influence new rivals in many forms e.g. small and large contract manufacturing operators and distributors work with entrepreneurs who have their production plants or importers of goods for distribution, retailers, actors who make additional careers from selling health products and multinational companies to build manufacturing plants in Thailand. This makes the dietary supplement business more competitive, have many substitute products, and have similar features. Along with the awareness of information about the properties of various dietary supplements, giving consumers have more choices. Manufacturers and distributors then 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.</p>	<p>If the Company cannot maintain production standards or unable to develop products to respond to changing consumer behavior, the Company will unable to maintain its existing customer base and may prevent it from having additional new customers. This may affect the Company's long-term performance.</p>	<ul style="list-style-type: none"> <li>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 research and development of new products, increase variety of product to suit for all groups of customers in order to provide more choices to customers. 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.</li> </ul>
2	<b>New Product Launch Risks</b>		
	<p>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 the Company's brand (Own Brand). The Company aware of need to test the feasibility, efficacy, and safety of their products to ensure that all products are standardised and efficient. The Company can then obtain approval from the relevant regulatory authorities to legally sell the product on the market. In the processes mentioned earlier, the Company has expenses and risks to manage, especially for the development and approval of conventional medicines, because the research and development process is quite complicated. For the approval process with relevant agencies such as the Food and</p>	<p>The Company may not be able to deliver the product within the required time frame so that the Company may miss out on the opportunities to increase its market share as planned.</p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

Risk factors	Impact	Measures to mitigate risks
<b>2 New Product Launch Risks</b>		

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.

### 3 Compliance and Regulatory Risks

The core products of the Company are conventional medicines, herbals and dietary supplements, which are the products that have direct effect 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.

In addition, the Company shall strictly comply with the conditions of the licenses it received to operate the business. All product labels and advertising medias must be permitted before the product can be sold. These will enable consumers to read the information clearly before making decision to purchase and to control the exaggeration of the product's advertising.

The Company might have additional expenses or costs from such changes. It may harm the reputation and operations of the Company in the future if the Company fails to comply with the relevant regulations.

- The Company has a product registration department that is directly responsible to closely follow and comply the changes in laws, rules, regulations, and standards, including news and trend of change that might occur which are relevant to the Company. Therefore, the Company will be prepared to deal with various changes that will occur in a timely manner.
- In this period, there was no change in laws, rules and regulations related to business operations.

### 4 Registered Product Expiration, Cancellation, and Nonrenewal Risks

In the production and distribution of the Company's products, especially the conventional medicine 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 Food and Drug Administration. The Company is required to renew the term as required by laws and regulations in order to prevent business interruption. 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 might be cancelled or revoked by government agencies.

The Company might lose revenue from the sale of products if registration is cancelled or revoked. The cancellation or revocation might result from expiration or fail to update information in accordance with ASEAN Common Technical Dossier (ACTD).

- The Company has established the plans to minimise the risks by tracking the expiration dates of the registration, developing and updating pharmaceutical reports on drug registration in accordance with the rules and regulations that may change from time to time following the ASEAN Common Technical Dossier (ACTD). This will help 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.

Risk factors	Impact	Measures to mitigate risks
<b>5 Damages Arising from Unsafe Products Risks</b>		
<p>Conventional medicines, herbal products, and dietary supplements are the products 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</p>	<p>In case of consumers have side effects or have health and safety problems, illness or harmful from product consumption, The Company might be complained or sued to compensate on such incidents.</p>	<ul style="list-style-type: none"> <li>• The Company focuses on the quality and safety of the products sell as priority. The Company has measures over quality control and inspection in every step of production, starting from the selection of suppliers and/or producers of raw materials, incoming procedures over quality of raw and packaging materials, strictly control over production process, storage of raw materials and finished goods with safety and maintain quality of products under the standard GMP PIC/S</li> <li>• Determined transportation standard GDP to ensure that the products delivered by the Company are accurate, complete and have quality as the standard specified.</li> <li>• 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.</li> <li>• In this period, the Company has no any complaints about the safety of products.</li> </ul>
<b>6 Pandemic of Disease Risks</b>		
<p>According to COVID-19 outbreak in past several years, scientists believe that human will have to live with this disease. Moreover, they anticipate that there will be much of viruses that might mutate to other diseases so that pandemic might occur frequently and be assumed normal in the future.</p>	<p>The pandemic might create business interruption and encourage the change of consumers' behaviour to new normal.</p>	<ul style="list-style-type: none"> <li>• The Company developed channel of distribution to be convenient and ease to access in every platform in order to encourage customers to purchase goods and services easily. In addition, the Company foresaw business opportunity so that the Company developed products in respond of such changes.</li> </ul>

Risk factors	Impact	Measures to mitigate risks
<b>7 Business Investment and Expansion Risks</b>		
<p>The Company had continuous business expansion plan, which might have certain risks. For instance, change of investment value, successful in project initiation, commitments from contracts, permission approval and related laws and regulations</p>	<p>New project investment might not success as expected and project failure might have negative effect to the Company's operating results, reputation and financial position.</p>	<ul style="list-style-type: none"> <li>• The Company had measures to oversight new project development. This includes careful criteria and process for investment decision. Sometimes, the Company might engage with experts which have experiences e.g. legal advisor, accounting advisor to work together with the Company's staff who have expertise. The Company performed due diligence to ensure that the Company will success from the transaction in creating profit as targeted, together with complying with related laws and regulations. In addition, the Company had a measure to mitigate risk by considering joint investment with business partner that have knowledge and expertise in such areas of business.</li> </ul>

<b>8 Profitability of the Group Risks</b>		
<p>Pursuant to change of economics and politics, there might be effect to supply chain management, business environment, competitiveness and consumers' behaviour. This will result to the Company's maintenance of profitability.</p>	<p>The Company have problem in net working capital management. The Company might unable to pay dividend or breach in financial covenants with credit facilities agreements</p>	<ul style="list-style-type: none"> <li>• The Company gives importance in profitability is various aspects e.g. (a) determination of selling price in accordance with pricing policy indicated by the Executive Committee, as well as (b) cost management by developing employees' productivity and employing technology in production and administration to reduce costs, (c) managing cash by controlling reasonable levels of trade receivables, trade payables and inventories to enhance business value, (d) the management team considers various investment opportunities by conducting investment analysis, feasibility study, as well as risk analysis and management. These will help the Company to ensure that the investment will make appropriate long-term returns to the Company.</li> </ul>

<b>Emerging Risks</b>		
<b>9 Change of Demographic Structure to Super-aged Society Risks</b>		
<p>Since birth rate declines worldwide and world citizens have longer age, demographic structure changes to super-aged society. Thailand will be super-aged society in the near future years. Presently, elderly persons want the best products with the highest safety and the easiest way to use, including technology devices that will provide convenient on living.</p>	<p>Elderly persons are likely to have high savings and have higher interested in goods and services in relation to health. Moreover, a decline in working age population has impact to labour supply which results to higher wages.</p>	<ul style="list-style-type: none"> <li>• Developed products in respond with elderly persons' wants and expand channels of distribution to such target group.</li> <li>• The Company planned to decrease reliance on labour by using machinery and information technology in operations. Moreover, the Company continuously trained employees in order to react with changes appropriately.</li> </ul>

Risk factors	Impact	Measures to mitigate risks
<p><b>10 Sustainability Risk (ESG Risk)</b></p> <p>Currently, “Sustainable Business Operations under ESG principle” is in interested widely from both of listed companies and investors worldwide. Investors seek for investment in company which have operations with care of sustainability of company and overall society. The investors consider company's ESG performance to evaluate sustainable and competitiveness in long-run, together with value creation to all stakeholders, in their investment decisions.</p>	<p>Climate change might have effect to infrastructures, supply chain and business operations. It might result to property damages, business interruption and lost of revenue. The Company might have additional expenses from environmental changes e.g. investment in green technology, improving health and safety at workplace and supporting community development campaign. In addition, operating business under ESG principle could make complexity in business management since the Company has to establish effective ESG monitoring system and performance evaluation system.</p>	<ul style="list-style-type: none"> <li>• The Company realise the importance of ESG risk management in order to prepare for prevention and adaptation of various exposures and seek for business opportunities from such risks efficiently. The Company set aside business objectives align with ESG principle e.g. give importance in ESG issues in order to get ready to solve the problems which occur in current pr future periods. This will create trust to all stakeholders.</li> </ul>





## 3

## Business Development for Long-term Sustainability

### Sustainability Management Policy and Goal

#### Overview and Goal

At JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited, 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.

In 2024, the Company studied and developed strategies and goals for sustainability, together with action plans to achieve such strategies and goals. The Company expects to attend ESG survey for being opted sustainability stock (SET ESG Ratings) in 2025.

#### Sustainability issues

In 2024, the Company analysed and evaluated significant topics in relation to sustainability (Material Topics) in order to determine guidelines and plan in sustainability development. The materiality assessment procedures expressed material topics to the Company and stakeholders, which enable to manage each topic for creating positive impacts and reduce negative impacts efficiently. The determination of material topics consisted of 2 key stages i.e. identifying material topics and assessing of material topics. To identify material topics, the Company considered risk and opportunities from business's activities in the whole value chain, participation of stakeholders, comparing material topics in similar industries, together with urgent significant topics in global which related to the Company's operations. After the Company had identified material topics, the Company then assessed importance of the topics to the Company and stakeholders. Finally, the Company concluded the highest material topics as depicted below:

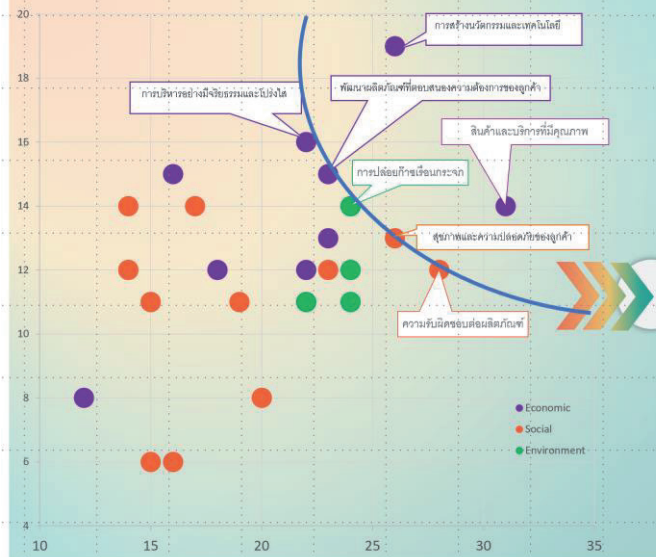
## Value Chain &amp; Materiality Assessment

## Sustainability Framework with Sustainability Topics

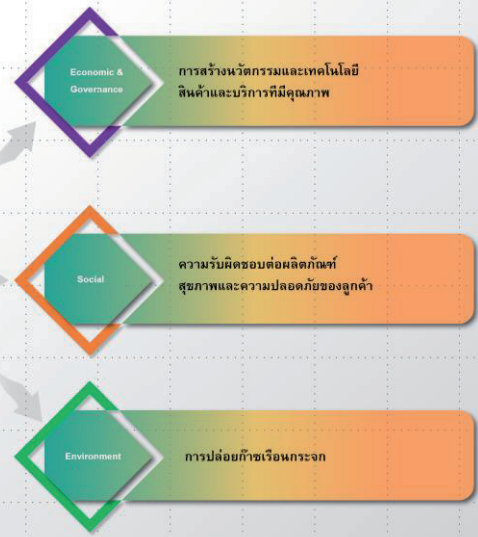


## Value Chain &amp; Materiality Assessment

## Material Assessment



## Material Topics



## Material topics management

Refer to materiality assessment process, the Company had 5 material topics as follow:

- 1 Innovation and technology**
- 2 Manufacturing products with quality**
- 3 Accountability to products**
- 4 Hygiene and safety to customers**
- 5 Carbon emission**

All material topics had significant impact to the Company and stakeholders. Currently, the Company had plan to manage such topics in accordance with mission and strategy plan.

## Sustainability management structure

In sustainability management and operations, the Company set aside sustainability working team to enforce sustainability development in the Company. This will enable the Company to ensure that sustainability management is done effectively and able to achieve sustainability goals appropriately. The sustainability working team consists of President, senior management and manager level from all departments. President; who is also director, is head of the working team. The sustainability working team communicates organisation development under ESG policy to all staff for their information and execution.



## Stakeholder management in business value chain

### Value Chain

Value chain management has a direct relationship with business operations in various aspects, especially adding value to the products offered. The Company gives importance in using raw materials produced domestically and development of raw materials with local community to create product value and support economic growth in the local community, respectively. In addition, the Company keeps offering product with quality and reliable to consumers, also realises the importance of accountability for environment, social and governance (ESG) in order to create business sustainability. The details were provided as below:


<b>Innovative research and development</b>	To accommodate higher market demand, especially in conventional medicines and dietary supplements. The Company conducted domestic economic plant development e.g. development in collaboration with local community and farmers for herbs and plants as materials for medicines and dietary supplements to increase competitiveness in local and global markets.
<b>Relationship development with suppliers</b>	Work jointly in materials and process developments to ensure that the products deliver to consumers have quality and safety.
<b>Investment and expand production</b>	Invest in more advance machinery and technology to reduce consumption of resources and increase production efficiency. In addition, the Company develops employees' skill continuously to support business growth.
<b>Creating customers satisfaction</b>	Give importance on respond to consumers' demand by deliver goods and services with high quality and provide useful research information in order to make satisfaction and trust in our brands.
<b>Intent ESG principle in business operations</b>	Emphasis in reducing effect to environment by resources and energy management efficiently, creating safety and fairly working environment to employees and complying with good governance principle. These actions are not only mitigating risks in business operations, but also increasing long-term sustainability to the Company.
<b>Continuously development in employee's ability</b>	Through training and development programmes in several areas e.g. technical, technology and management to accommodate with changes of technology and demand in the market. The Company encourages employees to develop personal skill and technical expertise in work because the Company believes that employees is a key engine to develop organisation sustainably.

## 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
<b>Consumer</b> 	<ul style="list-style-type: none"> <li>• Safety quality and efficient products</li> <li>• Reasonable price and convenience to purchase</li> </ul>	<ul style="list-style-type: none"> <li>• Supply products and quality service including consistent standard improvement</li> <li>• Provide accurate information or facts about products according to scientific principles, legal regulations and avoid providing fictitious information</li> </ul>	<ul style="list-style-type: none"> <li>• Company Website</li> <li>• 56-1 One Report (Website)</li> <li>• Complaint channel</li> </ul>
<b>Distributor/ Partner</b> 	<ul style="list-style-type: none"> <li>• Fairtrade</li> <li>• Mutual growth</li> <li>• Keep trade secrets, intellectual property, and copyright</li> <li>• Debt payment in the specified time</li> </ul>	<ul style="list-style-type: none"> <li>• No disclosure of confidential information of customers without consent or legal authorisation</li> <li>• Consider equality and mutual benefits with business partners</li> <li>• Fair selection of business partner</li> <li>• Follow business partner trading contracts and conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Company Website</li> <li>• 56-1 One Report (Website)</li> <li>• Conference, Factory inspection and visit</li> <li>• Telephone and Email</li> <li>• Complaint channel</li> </ul>
<b>Employee</b> 	<ul style="list-style-type: none"> <li>• Fair compensation</li> <li>• Safety life and assets</li> <li>• Knowledge and career development</li> <li>• Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Promote employee skills development</li> <li>• Promote safe workplace environment</li> <li>• Promote teamwork</li> <li>• Respect privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Company Website</li> <li>• 56-1 One Report (Website)</li> <li>• Internal conference and annual employee training</li> <li>• Annual Performance Evaluation</li> <li>• Complaint channel</li> <li>• Suggestion box</li> </ul>
<b>Shareholder</b> 	<ul style="list-style-type: none"> <li>• Consistency and efficiency in business growth</li> <li>• Return on investment</li> <li>• Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Improve business efficiency</li> <li>• Treat shareholders equally</li> <li>• Transparent and reliable disclosure</li> <li>• Faithful in corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Company Website</li> <li>• 56-1 One Report (Website)</li> <li>• Shareholders' Meeting</li> <li>• Quarterly Financial Information</li> <li>• Investor Relations</li> <li>• Telephone and Email</li> </ul>

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

Besides the communication and contribution channel mentioned before, the Company also made a whistle-blowing channels for inquiry 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. By E-mail:

Chairman of the Audit Committee: [jspac@jsppharma.com](mailto:jspac@jsppharma.com)

Company secretary: [jspcs@jsppharma.com](mailto:jspcs@jsppharma.com)

### 2. By the Company's website: [www.jsppharma.com](http://www.jsppharma.com)

[www.jsppharma.com](http://www.jsppharma.com)

### 3. 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

In 2024, the Company had not received any complaints or information about wrongdoing from stakeholders. In addition, the Company has a measure to prevent compliant and wrongdoing clue by communicating with employees, management and directors to aware about importance of good corporate governance and guidelines to prevent corruption activities.





## Operating results on environmental

### Environmental management objectives

The Company determines environmental policy to create positive impact to stakeholders, which is summarised as below:

- (a) Strictly comply with laws, rules and requirements to control environmental impact
- (b) Set aside goals and objectives in relation to environment to decrease impact and increase positive impact
- (c) Create conscious mind, provide knowledge to employees and workers under the Company's control to give rise importance in environment issues
- (d) Manage energy, utilities and wastage to the highest benefits
- (e) Reviewing and improving work process to build appropriate and safety work environment
- (f) Build good relationship with society, including public and private sectors and other agents in preserving natural resources and environment activities

The Company determined environmental objectives for 2024 as follow:

Objectives	Indicators	Results
Encourage in use of alternative/clean energy in the Company	80% completion of installing solar roof top at Lamphun plant	100% complete of installing solar roof top at Lamphun plant
Quality of waste water under laws stipulated	100% complies with laws	Quality of waste water in line with laws stipulated
Reduce waste from production	Reduce use of single-use plastic which equivalent to 2,000 kg CO <sub>2</sub> carbon emission	Use stainless steel tank instead of plastic bag in production

### Energy management

In 2024, 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:

$$(Activity\ Data \times Emission\ Factor = 1,022,000\ kWh \times 0.6933\ kgCO_2e/kWh = 708,552.6\ kgCO_2e)$$

Therefore, the solar roof top reduces carbon emission by 708,552.6 kgCO<sub>2</sub>e, or equivalent to growing plants of 88,569 units. 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.

## Water management

The Company aware of risk in water shortage; therefore, the Company decreased use of water per a unit of production. In addition, the Company set aside waste water management plan by using biological waste water treatment with Oxygen (Activated Sludge Process: AS) and monitor waste water treatment system to work efficiently. The released waste water should have quality align with laws stipulated and quality of waste water should be measured prior to release to external.

## Waste management

1. Separate garbage by type from activities in office and provide bins at workspace
2. Label type of garbage clearly on every bins
3. Separate recyclable garbage
4. Encourage use of papers in both sides instead of single side to reduce garbage

## Carbon emission management

With importance of climate change issue, the Company collected Carbon Footprint for Organisation. In 2024, the Company used solar energy technology to replace fossil-based electricity.



## Results of Social Activities - Employees

The Company believes that appropriate treatments with employees should create happiness to employees and they will work efficiently. The Company acted with employees with equality and fairly under ESG principles, which comprised.

### 1. Hiring

The Company set aside work regulations in accordance with Labour Protection Act by not limited to gender, race, religion and culture. Currently, the Company had employees with variety of age, gender, education background and experience. The Company hired 3 underprivileged persons which did not meet with requirements by laws. However, the Company has completely contribution funds into Empowerment for Person with Disabilities Fund on time.

### 2. Employees' compensation and welfare

According to human resources management policy, the Company has policy of fairly employees' compensation and welfare and builds up job security and growth opportunities. In addition, the Company provides several employees' welfare in both regulated by laws e.g. leave and Social Security Fund and beyond the laws e.g. provident fund, life and health insurance, annual medical check-up and allowances for incidents.

### 3. Personnel development

The Company supports people development for all levels in various aspects, which enable employees to have knowledge and ability in work. There are many methods the Company applies to develop employees, which consisted of orientation/induction training, coaching, on-the-job training and off-the-job training. The Company encourages personnels to fully utilise knowledge and express their skills. In addition, the Company groups training programme with objectives by considering knowledge management, work application and employees' interests. In 2024, the Company had significant training programme to employees as follow:

- Good Manufacturing Practice (GMP) & Good Distribution Practice (GDP)
- Health, Safety and Environment at Work
- Procedures for development and manufacturing processes of medicine, herbal product and dietary supplement
- ESG DNA (ESG101 & P01)
- Lean management for performance improvement
- Process development system with Kaizen
- Using office software (MS Office, Google Workspace)
- Canva - online software package

### 4. Safety in workplace

The Company strictly complies with Labour Law and employees' welfare so that the Company overlooks good working environment for better health, safety and properties of employees.

### 5. Collective bargaining for employees' welfare

The Company appoints welfare committee, which comprises the Chairman of welfare committee which is the Company's management, welfare members (the Company's representatives) and welfare members (employees' representatives). The welfare committee meets up every three months to discuss, opine and propose process to manage welfare to employees.

- a. No use of child labour
- b. Equal treatment with disaggregation of gender, race, religion and culture
- c. Have sufficient headcounts for the Company's operations
- d. Have quality employees to support the Company's growth
- e. Have fair, transparent and equal opportunity to employees

In 2024, the Company had had no claim in relation to human rights violation.



## Results of Social Activities - Customers

### (A) Product development with customers

The Company worked with customers to develop products in 3 categories, which comprised conventional medicine, dietary supplement and herbal products. The Company had professional staff in each category to develop products with quality and match with customer's need as follow:

<b>Development of product to match with customer's need</b>	The Company developed manufacturing formula to have identity, colour, scent and taste under customer's requirement with reasonable cost and registered in accordance with related regulations.
<b>Additional quality procedures for conventional medicines</b>	The Company added analytical procedures to ensure quality of products and studied about stability of formula, which was an essential procedure for registration of products in accordance with related regulations.

### Results in 2024

The Company had results in relation to product development with customers as tabulated below:

	Number of customers	Number of developed licenses	Number of registered licenses
Conventional medicine	16	17	5
Dietary supplement	103	361	40
Herb	23	106	9

### (B) Relationship and satisfaction with customers management

The Company aims to develop goods and services to meet up with customer's requirement in order to make the highest satisfaction. The Company collected and processed customer's satisfaction information to improve quality of goods and services with ongoing basis. In addition, the Company had separate unit to manage problems, claims and suggestions from customers to secure satisfaction and build sustainably relationships with customers. The results of customer's satisfaction survey were presented below:

2023 Actual	2024	
	Target	Actual
91%	80%	89%



## 4 Management Discussion and Analysis

### Executive Summary

During 2024, the Company relocated production facilities of dietary supplements to Lamphun Province. The new facilities could support production in various forms e.g. tablet, soft gelatin, capsule powder. In addition, the Company has completed construction of new finished goods warehouse in order to support business growth.

Grace Water Med Company Limited; which is the Company's subsidiary, has completed the expansion of dialysis solution plant. As a result, production capacity was doubled from the original one.

CDIP (Thailand) Public Co., Ltd.; which is the Company's subsidiary, has installed 200 vending machines.

The Company has performed valuation exercise to determine fair value of assets and liabilities acquired through business combination and completed since the

first quarter of 2024. Therefore, the Company adjusted financial statements for the year ended 31 December 2023 retrospectively to report financial position, performance and cash flows from such fair value incurred.

Furthermore, the Extraordinary General Meeting of Shareholders No. 1/2024 on 14 November 2024 had resolutions to issued and allotted the warrant to purchase the newly issued ordinary shares of the Company No. 2 (JSP-W2) to existing shareholders with respective to their shareholding in the amount not exceed than 237.3 million units at allotment ratio of 2 existing ordinary shares to 1 unit of warrant. The exercise price is Baht 4.0. The warrant to purchase the newly issued ordinary shares of the Company No. 2 (JSP-W2) has been traded in the Stock Exchange of Thailand since 17 December 2024.

Significant operating results for the year 2023 ("FY23") and 2024 ("FY24") were summarised as table below:

Consolidated financial statements	2023	2024	%YoY
<b>Financial information (Baht thousand)</b>			
Revenue from sales and services	575,578	824,485	43.2%
Gross profit	143,522	304,994	112.5%
EBITDA	46,717	167,135	257.8%
Profit (loss) from operations	(1,064)	105,034	9,971.6%
<b>Net profit (loss)</b>	<b>27,388</b>	<b>(33,172)</b>	<b>(221.1%)</b>
<b>Profit (loss) attributed to owners of the parent</b>	<b>(1,719)</b>	<b>4,525</b>	<b>363.2%</b>
<b>Financial ratios (%)</b>			
Gross profit margin	24.9	37.0	12.1
EBITDA margin	7.2	19.8	12.6
Operating profit (loss) margin	(0.2)	12.4	12.6
<b>Net profit (loss) margin</b>	<b>4.2</b>	<b>(3.9)</b>	<b>(8.1)</b>

Source: Financial statements for FY24 (Audited) and management information

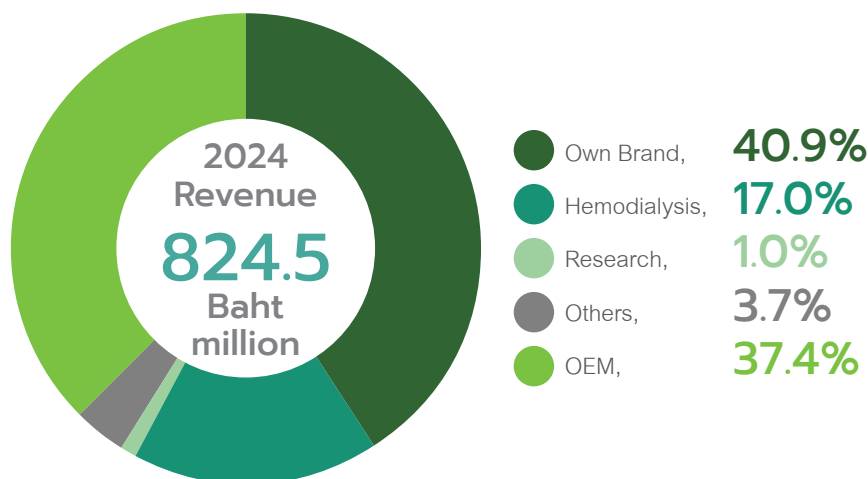
The Company had revenue from sales and services for FY24 increased from FY23 by 43.2%. This was because revenue from dietary supplements increased by Baht 146.9 million resulted from good respond from customers in advertising of Own Brand products. Furthermore, revenue from hemodialysis solutions and supplies rose up by Baht 75.4 million derived from the expansion of production facility which could support demand of new customers, together with full period revenue recognition from a subsidiary in 2024. According to revenue growth, more of production

capacity and that resulted to gross profit margin for FY24 elevated by 12.1%, comparing with FY23. Although the Company had selling and administrative expenses for FY24 higher than FY23 totalled 35.5%, the Company reported profit from operations for FY24 by Baht 105.0 million. Lastly, the Company had net loss amounting to Baht 33.1 million since the Company recorded impairment loss from non-financial assets amounting to Baht 116.0 million.

The Company had strong financial position, represented by debt-to-equity at 0.50 times as of 31 December 2024 and return of equity for FY24 was 0.5%.

## 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

Consolidated financial statements	2023		2024	
	Baht thousand	%	Baht thousand	%
OEM	288,493	50.1	308,388	37.4
Own Brand	192,735	33.5	337,199	40.9
Hemodialysis	64,665	11.2	140,026	17.0
Research	7,739	1.3	8,037	1.0
Others	21,946	3.9	30,835	3.7
<b>Total</b>	<b>575,578</b>	<b>100.0</b>	<b>824,485</b>	<b>100.0</b>

Source: Financial statements for FY24 (Audited) and management information

The Company had consolidated revenue from sales and services for FY24 totalled Baht 824.5 million, increased from FY23 by 43.2%. The Company had higher revenues in all product types with detailed analysis as follow:

**OEM products**

In FY24, the Company had revenue from OEM products amounting to Baht 308.4 million, higher than FY23 by Baht 19.9 million. This was primarily because the Company had more customers' orders, especially herbal products which resulted from the increase of Chinese tourists. In addition, revenue from conventional medicine inform of syrup and hormones elevated as well.

**Own Brand products**

In FY23 and FY24, the Company had revenue from Own Brand products amounting to Baht 192.7 million and Baht 337.2 million, respectively. The Company expanded

channels of distribution in FY24 into several TV Home Shopping. In addition, the Company hired prominent persons to advertise Black Sesame and Rice Bran Oil dietary supplements product, namely สุภาพโอสถ™ (Suphap Osot), which had good respond from customers. Additionally, the Company developed new products under Own Brand in order to secure current group of customers and expand new target group.

**Hemodialysis products**

In FY24, Grace Water Med Company Limited has increased production capacity which enable new customers operated in domestic dialysis clinic. Moreover, the Company has recognised revenue from such subsidiary fully in FY24 so that revenue from hemodialysis products for FY24 soared from FY23 by 116.5% and proportion of revenue from this type of product accounted for 17.0% of FY24 consolidated revenue from sales and services.

## Breakdown of revenue from sales and services by product category

Consolidated financial statements	2023		2024	
	Baht thousand	%	Baht thousand	%
Dietary supplements product	276,713	48.1	424,275	51.4
Conventional medicine	185,296	32.2	183,544	22.3
Herbal product	12,038	2.1	25,591	3.1
Hemodialysis product	64,665	11.2	140,026	17.0
Other products 1/	36,866	6.4	51,049	6.2
<b>Total</b>	<b>575,578</b>	<b>100.0</b>	<b>824,485</b>	<b>100.0</b>

Source: Financial statements for FY24 (Audited) and management information

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



### Dietary supplements

Dietary supplements products contributed 48.1% and 51.4% of the Company's consolidated revenue from sales and services for FY23 and FY24, respectively. During 2024, the Company increased channels of distribution, and also launched several forms of dietary supplements to support demand. This included products under brand name สุภาพ โอสมTM (Suphap Osot) e.g. Black Sesame and Rice Bran Oil, 4 Mix Oil. The increase of revenue was from using prominent persons to promote the products into target group and that assist in product awareness.

### Gross profit

The Company had 24.9% and 37.0% gross profit margin for FY23 and FY24, respectively. Gross profit margin for FY24 extremely increased from additional orders received in relation to dietary supplements and conventional medicine helped the Company utilised production capacity efficiently. Moreover, the Company adjusted selling price upwards on certain products in order to match with current market environment.

## Financial Position

Financial position of the Company as of 31 December 2023 and 2024 were tabulated below:

Consolidated financial statements Unit: Baht thousand	2023	2024	%YoY
Total current assets	245,612	313,660	27.7%
Total non-current assets	1,091,788	1,012,990	(7.2%)
Total current liabilities	194,798	228,454	17.3%
Total non-current liabilities	210,770	215,673	2.3%
Shareholders' equity attributed to owners of the parent	869,611	857,999	(1.3%)
Non-controlling interest	62,221	24,524	(60.6%)

Current assets as of 31 December 2024 primarily comprised trade receivables and inventories, accounted for 76.2% of total current assets. Cash and cash equivalents, trade receivables and inventories as of FY24 increased from FY23 because the Company had more of cash flows from operating activities, expansion of channels of distribution to Own Brand product and higher production and warehousing of Own Brand products to support demand.

As of 31 December 2024, the Company had property, plant and equipment accounted for 68.3% of total assets. The higher value of property, plant and equipment as of FY24 than FY23 because construction of new finished goods warehouse and acquisition of vending machines.

### Selling and administrative expenses

The Company had 8.5% and 11.4% selling expenses as a percentage of total revenues for FY23 and FY24, respectively. The ratio tended to increase due to increase of staff costs and advertising expenses totalled Baht 42.2 million.

The Company had administrative expenses for FY23 and FY24 amounting to Baht 112.6 million and Baht 125.3 million, respectively. The expenses increased since staff costs and management fees for vending machine were higher amounting to Baht 13.6 million.

### Profit from operations and Net profit

In FY24, the Company had higher profit from operations amounting to Baht 106.0 million, comparing with FY23. This was because the Company had higher revenue from mass advertising. Also, gross profit increased from higher utilisation of capacity created economy of scale. However, the Company reported net loss for FY24 amounting to Baht 33.2 million because the Company recorded impairment loss of non-financial assets totalled Baht 116.0 million which computed from discounted cash flow method.

Current liabilities of the Company as of FY24 was higher than FY23 by Baht 33.7 million. This was because the Company had current operating liabilities increased by Baht 39.5 million which derived from other current payables and income tax payable. Whilst, current interest-bearing liabilities decreased by Baht 5.8 million.

During FY24, the Company's equity changed from proceeds from the last exercise of JSP-W1 amounting to Baht 0.1 million, comprehensive loss amounting to Baht 34.4 million and interim dividend paid to the Company's shareholders amounting to Baht 15.0 million.

## Cash flows

Cash flows of the Company for FY23 and FY24 were illustrated as follow:

Consolidated financial statements Unit: Baht thousand	2023	2024
Opening cash balance	100,196	20,654
Operating activities	40,379	132,115
Investing activities	(202,523)	(56,638)
Financing activities	82,602	(66,641)
Closing cash balance	20,654	29,490

Source: Financial statements for FY24 (Audited) and management information

The Company's cash flows from operating activities for FY24 increased from FY23 amounting to Baht 91.7 million resulted from higher profit from operations and increase of other current payables. Cash flows used in investing activities for FY24 reported at Baht 56.6 million, which principally from acquisitions of property, plant and equipment by mean of cash amounting to Baht 56.4 million. In addition, the Company had cash flows used in financing activities totalled Baht 66.6 million, which mainly derived from cash paid for loans and leases totalled Baht 62.3 million.

## Key Financial Ratios

Consolidated financial statements	2023	2024
Current ratio (Times)	1.26	1.37
Cash conversion cycle (Days)	105.2	100.0
Gross profit margin (%)	24.9	37.0
EBITDA margin (%)	7.2	19.8
Net profit (loss) margin (%)	4.2	(3.9)
Earnings (losses) per share (Baht per share)	(0.004)	0.01
Return on assets (%) <sup>1/</sup>	2.0	(2.5)
Return on equity (%) <sup>2/</sup>	(0.2)	0.5
Debt-to-equity ratio (Times)	0.44	0.50

Source: Financial statements for FY24 (Audited) and management information

Remarks:

<sup>1/</sup> Return on assets =  $\frac{\text{Net profit}}{\text{Average total assets}}$

<sup>2/</sup> Return on equity =  $\frac{\text{Profit attributed to owners of the parent}}{\text{Average shareholders' equity attributed to owners of the parent}}$

Current ratio of the Company for FY24 was at 1.37 times, increased from FY22. This was because the increase of current assets in line with business expansion. Cash conversion cycle of the Company had better trend in FY24 since average days to collect from customers decreased by 4 days. Return on equity for FY24 elevated from FY23 since the Company had profit attributed to owners of the parent.

## 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. Furthermore, the Company registered research and development as intellectual property in order to prevent piracy.

Political situations in recently years were volatiles and economic growth was low. According to information disclosed by the Ministry of Finance, Thai economy was expected to grow by 2.7% and 3.0% for FY24 and FY25, respectively (information as of 31 October 2024), which influenced consumers to aware of consumption. Moreover, raw materials sometimes cannot be delivered to the Company on time due to international trade barriers. Hence,

the Company might have negative impact in sourcing materials and deliver finished goods in timely manner. However, the Company responds for those risks by carefully plan for production on integrated basis, which considers lead time, production time and delivery time to ensure that the Company could have product and deliver to customers on time with quality.

Presently, stakeholders have more understanding and realising importance of business operations under ESG principle. Therefore, private sector has to adjust in this area to align with consumer's behaviour. In 2024, the Company had 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. In addition, the Company had employee relations activities to increase employees' participation in order to keep quality of employees and boost up loyalty to the organisation.



## 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	: <b>Head Office</b> 255, 257 Soi Sathupradit 58 Bangphongphang, Yannawa, Bangkok 10120 <b>Branch 1</b> 260 Moo 4 Sri Buaban, Muang Lumphun, Lumphun 51000 <b>Branch 2</b> 88, 88/1-3 Moo 11 Bang Chalong, Bang Phli, Samutprakarn 10540 <b>Branch 2</b> 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 355,931,190.50 (Three hundred fifty-five million nine hundred thirty-one thousand one hundred ninety Baht fifty Satang), consists of 711,862,381 ordinary shares (Seven hundred eleven million eight hundred sixty-two thousand three hundred eighty-one shares)
Issued and Paid-up Share Capital	: Baht 237,287,460.50 (Two hundred thirty-seven million two hundred eighty-seven thousand four hundred sixty Baht fifty Satang), consists of 474,574,921 ordinary shares (Four hundred seventy-four million five hundred seventy-four thousand nine hundred twenty-one ordinary shares)
Par Value per Share	: 0.50 Baht (Fifty Satang)
Company Secretary	: Tel.: 02-284-1218 E-mail: jspsc@jsppharma.com
Investor Relations	: Tel.: 064-479-1691 E-mail: ir@jsppharma.com

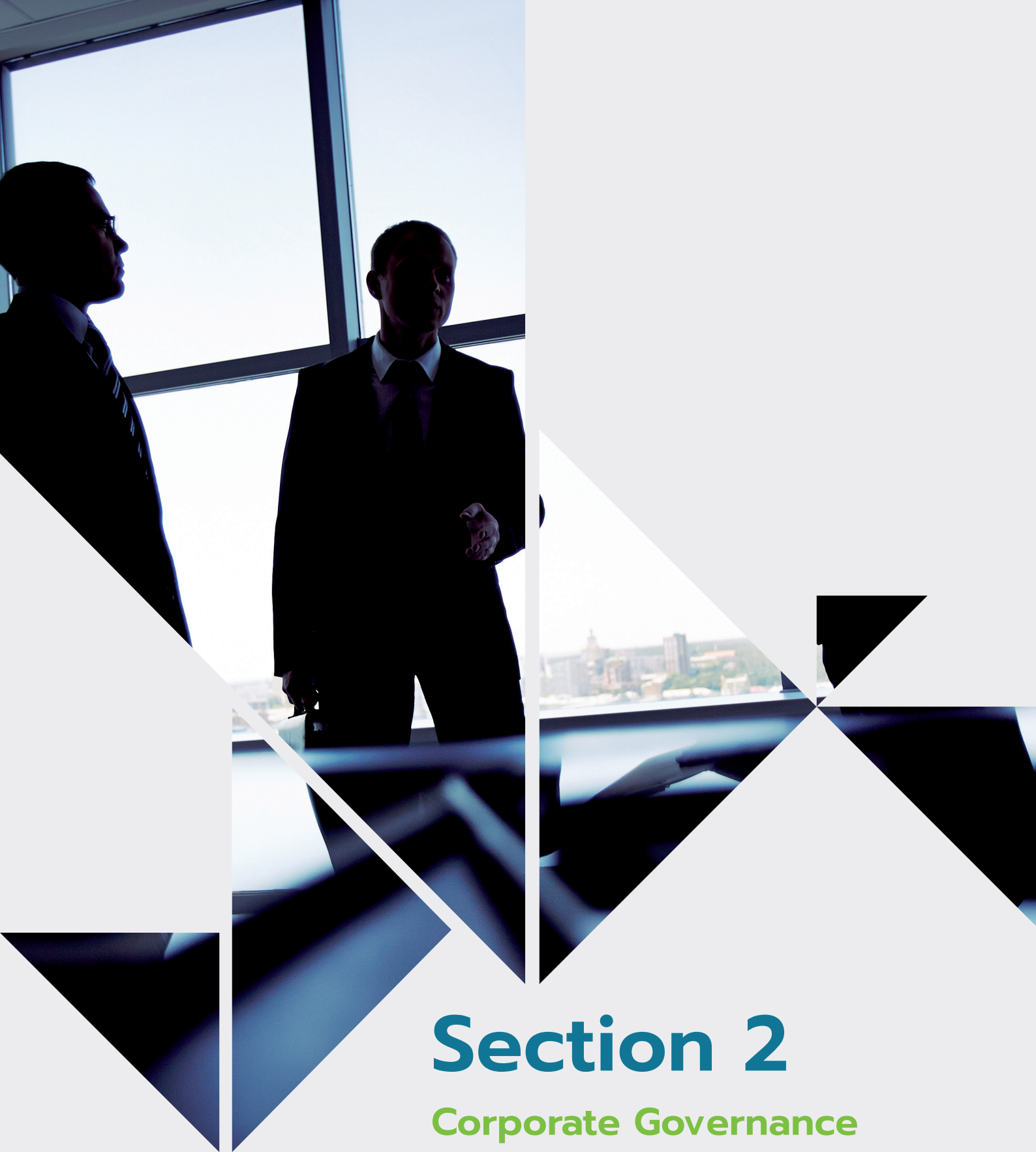
## Reference Information

Securities Registrar	: Thailand Securities Depository Company Limited 93 14 <sup>th</sup> 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 <sup>th</sup> floor Empire Tower 1 South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120 Tel.: 02-677-2000 Fax.: 02-677-2222

## Legal Disputes

On 31 December 2024, 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) for listed companies B.E. 2560 (2017). 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. Via E-mail:
 

Chairman of the Audit Committee: [jspac@jsppharma.com](mailto:jspac@jsppharma.com)

Company secretary: [jspcs@jsppharma.com](mailto:jspcs@jsppharma.com)
4. Via the Company's website: [www.jsppharma.com](http://www.jsppharma.com)
5. Via 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.

Information about corporate governance policy is presented in "Appendix 3: Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies".

### **Review of policy and communication to comply**

In 2024, the Board of Directors reviewed corporate governance policy and communicated with stakeholders to ensure that it was followed efficiently and align with current situations.

### **Exemptions from compliance with corporate governance policy**

The Company considered not to comply with certain matters of Corporate Governance Code (CG Code) for listed companies B.E. 2560 (2017) as follow:

- The Company does not set a policy to directors and management to inform the Board of Directors for the Company's security trading at least a day prior to trading execution because it does not flexible to comply.
- The Company does not appoint Corporate Governance Committee (CG Committee) since the Company has considered the Board of Directors' and sub-committees' charters and concluded that scope of work included overseeing under CG Code. In addition, the Company has organisation units e.g. internal audit, company secretary, together with various channels to stakeholders for submitting complaints to the Company. The Company concluded that such actions are sufficient and efficient enough to comply with internal control and corporate governance.
- The Company does not set a policy about minimum quorum at least two-thirds of total directors when the Board of Directors vote in the meeting. However, the Company set minimum quorum at least a half at voting point which comply with relevant laws about board meeting. Furthermore, the Chairman of Board of Directors regularly oversight the Board of Directors meeting to ensure that at least 75% of directors attend the meeting.
- The Company does not disclose detailed of CEO's emoluments since this is personal information.



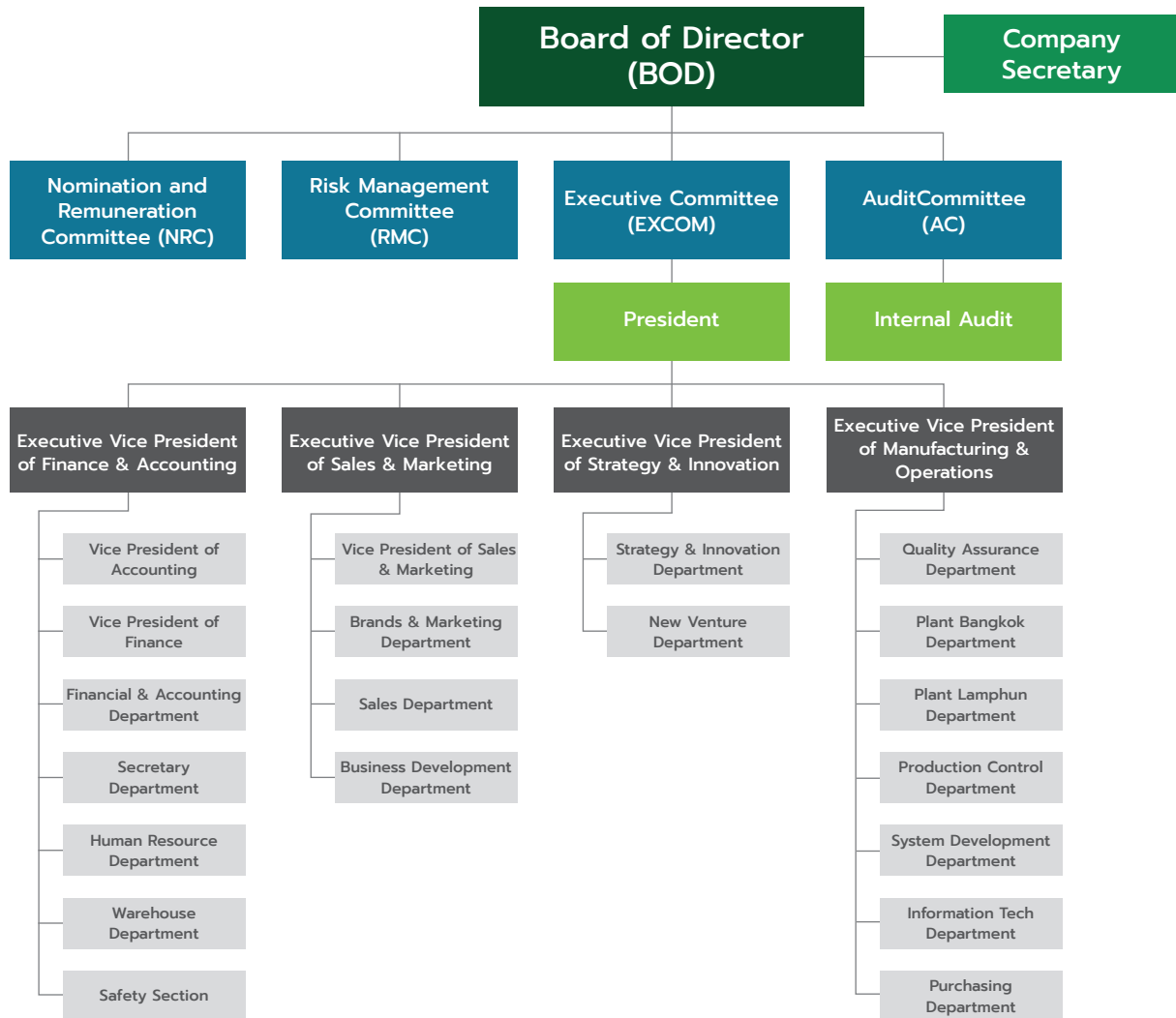
## Business Code of Conduct

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. Information about code of conduct is presented in "Appendix 3: Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies".

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 2024, all of directors, management and employees learned and signed the acknowledgment of the Business Code of Conduct. In addition, the Company had no any violation case of the code of conduct.



## 7 Management Structure





## 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 2024, 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) / Executive Vice President of Research and Innovation
8. Mr. Pissanu	Daengprasert	Director / Executive Committee / Executive Vice President of Sales and Marketing
9. Ms. Jirada	Daengprasert	Director / Member of the Nomination and Remuneration Committee / Executive Committee / Executive Vice President of Finance and Accounting (CFO)
10.Mr. Sorasit	Daengprasert	Director / Risk Management Committee / Executive Committee / Executive Vice President of Manufacturing and Operations
11.Mr. Tawat	Kitkungvan	Director / Member of the Nomination and Remuneration Committee

#### *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, totalling 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. Roles and duties of the Chairman of the Board of Directors**

- 4.1 Call for Board of Directors meeting, be the chairman of the Board of Directors meeting and Shareholders meeting, as well as determine meeting agendas with president, management and company secretary
- 4.2 Oversight the directors to perform duties with full capabilities, efficiently and independent in accordance with roles, duties, accountabilities and corporate governance principles
- 4.3 Support and advise management team in business operations with authority granted from the Board of Directors

- 4.4 Take responsibilities as a leader of the Board of Directors in oversight, follow up of work to achieve objectives as stated in business policies
- 4.5 Be the chairman in the Board of Directors meeting and Shareholders meeting
- 4.6 Perform other duties as determined by law

Full charter document is presented in “Appendix 3: Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies”.

## Segregation of duties between directors and management

The Company set aside matrix of authorities (MOA) as a guideline to director, management and employees in executing business operations. The MOA complies with internal control and good corporate governance. In addition, the Company considers appropriateness of approval limit in each level with aims for (a) prevent employee or management commit fraud, (b) reduce risk in reliance of particular personnel, (c) create check and balance in operations and (d) execution flexibility. The Company determines a procedure to review MOA at least once a year and need to obtain approval from the Board of Directors meeting for review and/or add and/or withdraw and/or amend.

The Company clearly segregates duties of directors and management. The Board of Directors should consider business operations policies, firm-wide oversight, material transactions which might have impact to the Company’s operating results and financial position, together with transactions that might have conflict of interest. The management has duties in monitoring recurring works.



## Individual Information of Member of the Audit Committee

As of 31 December 2024, the members of Audit Committee consisted of:

Name - Surname	Position
1. Ms. Sopawadee Lertmanaschai <sup>1/</sup>	Chairman of the Audit Committee / Independent Director
2. Pharmacist Vinit Usavakidviree	Member of the Audit Committee / Independent Director
3. Asst. Prof. Lalita Hongratanawong <sup>1/</sup>	Member of the Audit Committee / Independent Director

**Remarks:** <sup>1/</sup> 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 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
- 3.2 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 course of 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. 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 internal audit function

### 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 whether significant acquisition/disposal of assets or connected transactions or related-party transactions or transactions with conflict of interest have rationale of transaction, details, existence of counterparties, risk and rewards, especially legal, financial position and operating results aspects.

Additionally, the audit committee will consider whether disclosures made were conformed with the laws and regulations of The Stock Exchange of Thailand to ensure that the transaction was made for the highest benefits to the Company. Furthermore, the audit committee has a duty to follow up and inquire for transaction progress and oversight the Company to appropriately disclose progress to shareholders.

- 3) Consider details and follow up activities over utilisation of fundraising e.g. feasibility of capital project, reasonableness of investment value, fundraising channels and progress report on utilisation to ensure that it conforms with disclosed objectives.
- 4) 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
- 5) 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) Consider and appoint an independent individual to function as auditor, including considering the Company's auditor's remunerations to the Board of Directors
- 2) Review the Company's annual audit plan of financial report
- 3) Attend meetings with auditor without management at least once a year

### 4.5. Supervision of internal auditor's performance

- 1) Evaluate independence, appoint, dismiss, and evaluate the performance of internal auditor
- 2) Review the Company's annual audit plan of internal audit
- 3) Evaluate annual budget, manpower, and resources needed for internal audit function to operate and propose to the Board of Directors for approval

#### 4.6. 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

- 5.4 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

Full charter document is presented in “Appendix 3: Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies”.

### 5. Reporting of the Audit Committee

- 5.1 The Audit Committee shall report the performance to the Board of Directors in the Board of Directors' meeting at least 4 times a year
- 5.2 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
- 5.3 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



## Individual Information of the Risk Management Committee

As of 31 December 2024, the member of Risk Management Committee consisted of:

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

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. Reporting of the Risk Management Committee

- 4.1 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

Full charter document is presented in "Appendix 3: Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies".



## Individual Information of the Nomination and Remuneration Committee

As of 31 December 2024, the members of Nomination and Remuneration Committee consists of:

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

### 4.1 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.

Full charter document is presented in "Appendix 3: Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies".





## Individual Information of the Executive Committee

As of 31 December 2024, the members of Executive Committees consisted of:

Name - Surname		Position
1. Mrs. Jintana	Santipisud	Chairman of the Executive Committee / Director
2. Dr. Sittichai	Daengprasert	Member of the Executive Committee / Director
3. Mr. Pissanu	Daengprasert	Member of the Executive Committee / Director
4. Ms. Jirada	Daengprasert	Member of Executive Committee / Director / Secretary of the Executive Committee
5. Mr. Sorasit	Daengprasert	Member of the Executive Committee / Director
6. Mr. Kiangkrai	Rungruangthaweeul	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

Full charter document is presented in "Appendix 3: Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies".



## Executives

As of 31 December 2024, the Company had 8 management consisted of:

Name - Surname		Position
1. Dr. 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. Kiangkrai	Rungruangthaweeul	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, all individuals who hold a position equivalent to the 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 "Appendix 1: Information on Directors, Executives, Controllers, Company Secretary and Head of Compliance".

## Executives' remunerations

### Policy, procedure and structure of remunerations for the President and executives

In 2024, the Company has set remunerations of President and executives in fixed monthly amount and performance-related remunerations based on the Company's operating results and executives' performance evaluation results. The Company has the policy to set the remuneration for the President and executives to be in monetary and non-monetary forms at reasonable level by considering roles, responsibilities, performances and expected benefits. In addition, the rate is comparable to the similar business in order to encourage the President and executives to achieve the goal of the Company. The remuneration of the President and executives should align 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's performance, for the President and executives. The information will be disclosed in the 56-1 One Report of the Company.

### Monetary remunerations

The Company provided monetary remuneration to the President and executives for the year ended 31 December 2024 totalled Baht 27.1 million. The monetary remuneration consisted of salary, bonus, provident fund contribution, Social Security Fund contribution and provision for post-retirement benefits.

## Employee information

### Number of employees

The Company had employees (executives excluded) as of 31 December 2024, divided into each section as follows:

	Male	Female	Total
	Unit: Persons		
Manufacturing and operations	91	179	270
Sales and marketing	25	38	63
Research and development	2	24	26
Human resources	6	20	26
Accounting and finance	10	22	32
General administration	10	15	25
<b>Total</b>	<b>144</b>	<b>298</b>	<b>442</b>

#### Employee compensations

Employee compensations (executives excluded); which comprise salary, bonus, travelling expenses, Social Security Fund contributions, provident fund contributions, and other welfares, for the year ended 31 December 2024 was Baht 154.3 million, with a ratio of male and female employees' benefits at 1 : 2.04.

#### Supporting of disabled persons

The Company supports in equality of employment; therefore, the Company hires disabled persons or makes contribution into the Empowerment for Person with Disabilities Fund. As of 31 December 2024, the Company hired 3 disabled persons as employees and the Company has completely contributed into the Empowerment for Person with Disabilities Fund in the specified time period.

#### 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 2024, 225 employees were members of the provident fund. In addition, the Company paid contributions into the provident fund totalled Baht 1.4 million.

#### Staff turnover ratio

The Company had 12.36% staff turnover ratio in 2024.

#### Litigation in relation to labour

- None -

#### Promotion of employee's quality of living, safety and occupational health

The Company recognises 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 2024, the Company had 8 lost time injuries.

### Employees training

The Company emphasis on personnel 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). The Company offers training to employees in both on site and online to facilitate employees to access the knowledge.

In 2024, the Company had training expenses totalled Baht 1.4 million, respectively, and had average training hours per headcount as tabulated below:

	Bangkok and Metropolitan factories	Lamphun factory
	Unit: Hours per headcount	
Internal training	19.46	20.00
External training	18.42	10.26
<b>Total</b>	<b>37.88</b>	<b>30.26</b>

### Human relations

In order to strengthen relationships between the Company and employees, widen communication for organisation's objectives and work guidelines and support employees' participation, the Company organises various human relations activities e.g. Town Hall meeting, Suggestion project for organisation development contest and New year staff party.





## Other Important Information

### Company Secretary

According to Section 89/15 of the Public Limited Companies Act, B.E. 2535 (1992) 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; who has graduated in accounting field and has joined a training program in relation to company secretary organised by Thai Institute of Directors (Thai IOD), as a company secretary.

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 of Directors 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.

### Investor Relations

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

Name: Mr. Kriangkrai Rungruangthaweekul

Tel.: 06-4479-1691

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

Email: [ir@jsppharma.com](mailto:ir@jsppharma.com)

Address: No. 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 of company secretary, the person supervising accounting and head of compliance was presented in "Appendix 1: Information on Directors, Executives, Controllers, Company Secretary, and Head of Compliance".



## Auditor's Remuneration

The Company paid remunerations to KPMG Phoomchai Audit Limited for financial statement audit for the accounting period 2022 - 2024 as follows:

	2022	2023	2024
	(Unit: Baht million)		
Annual Financial Statement Audit Fee	1.80	1.55	1.79
Interim Financial Statement Review Fee	0.60	0.45	0.51
<b>Total</b>	<b>2.40</b>	<b>2.00</b>	<b>2.30</b>

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 of Directors and Executives

##### Director and Independent Director

In the process of nominating directors for the Company, the Nomination and Remuneration Committee is responsible for establishing recruitment policies and screening suitable candidates to be nominated as directors before submitting recommendations to the Board of Directors and/or the Shareholders' meeting for the appointment of such persons. This process adheres to relevant charters, articles of association, applicable rules or laws, and the Company's corporate governance policy. The consideration of suitable candidates for directors must take into account the structure of the Board of Directors and the diversity of the Board of Directors e.g. gender, age, race, nationality, experience. In addition, the Company will consider the required director skills by using the Board skill matrix, including knowledge, abilities, and skills essential to the Company's business, as well as considering potential conflicts of interest.

The Company has a director nomination process that considers a director pool or uses external consultants. To protect the rights of the Company's shareholders, the Board of Directors and the Nomination and Remuneration Committee provide an opportunity for shareholders to participate in nominating suitable candidates for consideration for election as directors in advance. In addition, when voting to elect directors at the Shareholders' meeting, the Company allows shareholders to vote for directors individually, allowing shareholders to cast all their votes for each nominated director.

The Company has additional nomination 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 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 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 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 and Senior Executives

The Board of Directors has a duty to nominate suitable President and senior executives. The Board has assigned the Nomination and Remuneration Committee to determine the criteria and processes for recruiting individuals with the appropriate qualifications to hold senior executive positions, including the President and other executive officers.

## Succession of President and Senior Executives

The Company sets aside a succession planning policy, which requires the Company to develop succession plan with primary processes of (a) identifying key positions that require succession planning, (b) determining essential qualifications and competencies for these key positions, (c) identifying potential successors, (d) determining development plan for the potential successors and (e) evaluating performance of the potential successors.

The Board of Directors has a duty to oversight developing and executing of succession planning to ensure that the Company will have smooth transition. The Board of Directors has assigned the Nomination and Remuneration Committee to consider and advise the management in operations of this matter. The management team has a responsibility to execute and follow up progress on succession planning and report to the Nomination and Remuneration Committee at least once a year.

In 2024, the Company carried out the succession plan and reported to the Board of Directors and the Nomination and Remuneration Committee meetings to inform and review, respectively.

## Directors' Knowledge Development

The Company considers directors' knowledge development is crucial because it will enable the directors to stay updated on current situations and enhance skills essential for performing as director. As a result, the directors will carry out duties efficiently and lead the organisation towards achieving strategies and objectives as expected. All of the Company's directors have completed the foundation courses for directors (DCP/DAP), organised by Thai Institute of Directors (Thai IOD).

In case of Company appoints new director, the Company provides induction training to the new directors to guide the new director in fulfilling his/her duties. The training includes mission, vision, strategy, business operations, management structure, Board of Directors and sub-committees' structures, as well as business policies in relation to corporate governance, anti-corruption and interested person reporting.

In 2024, 7 directors attended training and seminars in various topics as follow:

Name - Surname		Training program / Organiser
Ms. Sopawadee	Lertmanaschai	• Subsidiary Governance Program 10/2024 / Thai Institute of Directors (Thai IOD)
Asst. Prof. Dr. Lalita	Hongratanawong	• Strategic Board Master Class 14/2024 / Thai Institute of Directors (Thai IOD) • Advanced Audit Committee Program 53/2024 / Thai Institute of Directors (Thai IOD)
Mr. Natthawut	Viboonpatanawong	• Executive Relationship Development Program (Phor Sor Bor. Tor Ror.) / Royal Thai Navy
Mrs. Jintana	Santipisud	• Advanced Master of Management Program / National Institute of Development Administration (NIDA)
Mr. Pissanu	Daengprasert	• Modern Organisation Part 1, 2 / National Science and Technology Development Agency (NSTDA)
Ms. Jirada	Daengprasert	• Modern Organisation Part 1, 2 / National Science and Technology Development Agency (NSTDA) • ESG Risk Management Workshop / The Stock Exchange of Thailand (SET) • Leadership for Sustainable Success / National Science and Technology Development Agency (NSTDA)
Mr. Sorasit	Daengprasert	• Strategic Management Accounting / Federation of Accounting Professions • Modern Organisation Part 1, 2 / National Science and Technology Development Agency (NSTDA) • ESG Risk Management Workshop / The Stock Exchange of Thailand (SET) • Leadership for Sustainable Success / National Science and Technology Development Agency (NSTDA) • PDPA/IP Digital Marketing Laws related / National Science and Technology Development Agency (NSTDA)

## Directors' Performance Evaluation

In accordance with good corporate governance policy, the Company provides the Board of Directors and sub-committees to evaluate performance in self-assessment format every year. The evaluation comprises two forms i.e. committee-level and individual-level. Then the Company will use the results to improve and develop procedures, together with directors' development plan, in order to assist the directors to fulfill their duties.

There are 5 levels in the Board of Directors and sub-committees' performance evaluation.

- 4** Strongly agree or have excellent operations in such matter
- 3** Highly agree or have good operations in such matter
- 2** Agree or have fair operations in such matter
- 1** Disagree or have a few operations in such matter
- 0** Strongly disagree or none of operation in such matter

Detailed of the Board of Directors and sub-committees' performance evaluation results for 2024 were tabulated below:

	Evaluated topics	Scores	
		Committee-level	Individual-level
Board of Directors	1. Structure and qualifications	3.73	3.75
	2. Duties, roles and responsibilities	(93.2%)	(93.6%)
	3. Directors' meeting		
	4. Agendas consideration in the meeting		
	5. Relationship with management		
	6. Others		
Audit Committee	1. Structure and qualifications	3.62	3.69
	2. Directors' meeting	(90.4%)	(92.4%)
	3. Duties, roles and responsibilities		
Risk Management Committee	1. Structure and qualifications	3.77	3.77
	2. Directors' meeting	(94.3%)	(94.3%)
	3. Duties, roles and responsibilities		
Nomination and Remuneration Committee	1. Structure and qualifications	3.50	3.64
	2. Directors' meeting	(87.5%)	(91.0%)
	3. Duties, roles and responsibilities		
Executive Committee	1. Structure and qualifications	3.70	3.72
	2. Directors' meeting	(92.5%)	(92.9%)
	3. Duties, roles and responsibilities		

## President's and Senior Executives' Performance Evaluation

Every year, the Board of Directors has a duty to approve key performance indicators (KPIs) for the President and senior executives, which is reviewed by the Nomination and Remuneration Committee. Key performance indicators are set aside from the Company's aims or annual business plan with emphasis in progress of work and measure in several dimensions e.g. leadership, setting up strategies, execution of strategies, relationships with directors, employees and external parties, allocating and administrating resources and supporting organisation culture.

After the end of accounting period, the management team prepares report expressing performance results in the past year and the President and senior executives' performance evaluation results to the Nomination and Remuneration Committee for reviewing. Then, the results will be proposed to the Board of Directors for approval.

In 2024, the President had got 3.14 marks out of 4.00 marks (equivalent to 78.5%) on annual performance evaluation.

## Significant Developments in Corporate Governance Policies, Guidelines, and Systems

The Company recognises 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 2024, 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

### Encouraging Shareholders to Attend the Shareholders' Meeting

The company recognises the significance of respecting the rights and equality of all shareholders, as outlined in corporate governance principles, which mandate equitable treatment of all stakeholders. The Board of Directors has thus established a policy to safeguard shareholder rights and facilitate their ability to exercise these rights. This includes both domestic and foreign, retail and institutional investors. Key practices include:

1. Shareholders can propose meeting agendas and nominate persons to be elected as directors in the Annual General Meeting of Shareholders within time period specified.
2. For the Annual General Meeting of Shareholders, the Company will send out invitation letter, together with supporting documents to the shareholders via postage at least 14 days prior to meeting date. In addition, the Company will disclose the invitation letter and supporting documents in both Thai and English on the Company's website at least 28 days prior to the meeting date.
3. Prior to the meeting date, the shareholders can send opinion, suggestion and inquiry in advance. The Company clearly set out criteria on sending inquiry and inform the shareholders through the invitation letter to the Shareholders' meeting.
4. To facilitate the shareholders who cannot attend the meeting by themselves, the Company will attach proxy form and list of supporting evidences required for granting proxies together with invitation letter to the Shareholders' meeting. In order to assist the shareholders in preparing proxy documents accurately and prevent a problem in joining the Shareholders' meeting by proxy, understandable instructions for granting proxies will be attached herewith the invitation letter as well. Furthermore, the shareholders have an option to download proxy form at the Company's website. The

- Board of Directors will provide the shareholders a list of independent directors at least 1 person as an option to grant proxy. The Company will attach detailed about name and background of such independent directors herewith the invitation letter to the Shareholders' meeting.
5. The Shareholders have equal rights to express opinion or inquire during the Shareholders' meeting. The Company will allot time appropriately and sufficiently and will completely record significant inquiries and suggestions in minute of the Shareholders' meeting.
  6. Inform resolution and voting results of each agenda through electronic system for disclosure of the Stock Exchange of Thailand in timely manner.
  7. Prepare and disclose minute of the Shareholders' meeting through the Company's website and the electronic system for disclosure of the Stock Exchange of Thailand in timely manner.
  8. The Company encourages to use technology in the Shareholders' meeting, including shareholder registration, counting and presenting of voting. This will enable the meeting carry out quickly and accurately.
- On 11 April 2024, the Company had the Annual General Meeting of Shareholders for the year 2024 by mean of electronic solely (E-AGM), complied with related laws, AGM Checklist of Thai Investor Associations and CGR Checklist of Thai Institute of Directors (Thai IOD). Detailed of significant activities were as follow:

### Pre-meeting

- During 10 October 2023 to 25 November 2023 (46 days), the Company allowed the shareholders to propose meeting agendas and nominate a person to elected as a director in the Annual General Meeting of Shareholders. However, none of shareholder propose meeting agenda nor nominate person to be elected as a director.
- The Company disclosed invitation to the Annual General Meeting of Shareholders and supporting documents, which comprised details, explanations and supporting reasons for each of agendas sufficiently to shareholders through the Company's website. In addition, the Company disclosed news through electronic system for disclosure of the Stock Exchange of Thailand in both Thai and English not less than 28 days prior to the meeting date (Published on 13 March 2024, which was 29 days prior to the meeting date).
- The Company sent out the completed invitation letter and supporting documents for the Annual General Meeting of Shareholders via postage at least 14 days prior to the meeting date (Postal stamp on 21 March 2024, which was 21 days prior to the meeting date).
- The Company welcomed shareholders to send opinion, suggestion and inquiry in advance prior to the meeting date. The Company clearly set out criteria on sending inquiry and inform the shareholders through the invitation letter to the Shareholders' meeting.
- The Company attached proxy form and list of supporting evidences required for granting proxies together with invitation letter to the Shareholders' meeting. In order to assist the shareholders in preparing proxy documents accurately, understandable instructions for granting proxies were attached herewith the invitation letter as well. Furthermore, the shareholders had an option to download proxy form at the Company's website.
- The Board of Directors provided the shareholders 2 independent directors as an option to grant proxy. The Company attached detailed about name and background of such independent directors herewith the invitation letter to the Shareholders' meeting.

## At the meeting date

- The Company had the Annual General Meeting of Shareholders on 11 April 2024, which was not public holiday.
- The Company used E-AGM system; provided by OJ International Company Limited, for registering shareholders who attended the meeting, voting and presentation of the meeting's voting results. This system complied with standards stipulated by Emergency Decree on Electronic Meetings B.E. 2563 (2020) and other relevant laws and regulations. In addition, the electronic meeting system has been certified by Electronic Transactions Development Agency (ETDA).

## Post-meeting

- The Company promptly disclosed resolutions; which comprised voting results in each of agendas, through the electronic system for disclosure of the Stock Exchange of Thailand in both Thai and English (Published on 11 April 2024).
- The Company disclosed minute of the Annual General Meeting of Shareholders in both Thai and English languages through the Company's website. Moreover, the Company published a news through the electronic system for disclosure of the Stock Exchange of Thailand within 14 days after the meeting date (Published on 24 April 2024, which was 13 days after the meeting).

## Supervision of Subsidiaries and Associated Companies

To comply with good 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 material investments at an appropriate level to each business, The Company sets aside supervision of subsidiaries and associated companies policy with 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 investments 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. การเปิดเผยข้อมูลของบริษัทย่อยและบริษัทร่วม

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 businesses 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 organise appropriate and effective internal control system, risk management system, and anti-corruption system to ensure that their operations are truly and continuously comply with the Company's policies, regulations, laws, and Notification on Good Corporate Governance of Listed Companies, as well as relevant notifications, regulations and 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, connected 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 comply 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 benefit.

## 4. Transactions with 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 connected transactions and/or the amended notifications effectively at that time), unless the transaction is a commercial agreement in the same manner that a rationale 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.

The Company had certain procedures to supervise subsidiaries and associated companies by applying ruling to subsidiaries and associated companies in the same manner as the Company for material acquisition or disposal of assets transaction, connected transaction, transaction that might have conflict of interest and transaction that might have significant impact to operating results and/or financial position. In addition, the subsidiaries and associated companies have to notify the Company of such transactions prior to execution to ensure that such transactions align with overall business direction. The subsidiaries and

associated companies have to provide information about reason, investment plan, expected benefits, investment worthiness, timeline and progress. Furthermore, the Company supervised subsidiaries and associated companies to prepare reliably and timeliness financial information which will assist the Company to prepare consolidated financial information in timely manner. And in certain circumstances, the Company could provide suggestions in relation to accounting and finance for new transactions in order to conform with related financial reporting standards.

### 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

To comply with the policy, the Company carried out tasks, including backup testing and use of backup resources according to business continuity plan, assess risk and prepare operational risk management plan for IT security, inspect equipment in server room and develop internal IT system to enhance work efficiency and reduce resource consumption.

### Prevention of Using of Insider Information for Personal Benefits

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 reviewed and concluded 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. Inform directors and executives and related parties to directors/executives; which consists of spouse or domestic partners, minor children, legal entity that directors/executives or persons who are related to directors/executives collectively hold more than 30% of total voting rights and have the largest holding in such legal entity, regarding duties to report securities or futures holdings to the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. Directors, executives and related parties to directors/executives are required to report the change of securities and futures holdings to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 business days after the date of change
3. Directors, executives, employees and officers who are aware of material insider 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.

4. Directors, executives, employees, and persons involved in insider information are prohibited from disclosing or transferring the Company's internal information or confidential information to unrelated persons, including their family members, relatives and friends.
5. 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.
6. 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.

The Company had measures to protect the use of insider information as part of code of conduct and all of directors, executives and employees have to sign-off for acknowledge every year. In addition, the company secretary provides announcement and e-mail to directors, executives and employees to prohibit persons who are aware of insider information trade the Company's security (Blackout period). Moreover, the company secretary prepares report on securities or futures holding by directors and management and then reports to the Board of Directors every quarter.

### Conflict of Interest

The Company recognises the importance of conducting business with integrity, transparency and accountability in accordance with the good corporate governance principles which enhance its efficiency. Therefore, the Company 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 conducted transparently and fairly, 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. Directors and executives shall report interested in relation to management of the Company and subsidiaries according to "Principles of interested person reporting" and shall disclose conflict of interest every year or when incur.
5. 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.
6. 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.

The Company had measures to protect the conflict of interest as part of code of conduct and all of directors, executives and employees have to sign-off for acknowledge every year. In addition, the Company set out procedures about considering and approving transaction that might have conflict of interest in writing and determine clearly that directors or executives who have interested in transaction must not participate in approval.

## Anti-Corruption

The Company is committed to conduct 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 recognises 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 benefits.
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 oversight mechanism of a complaint and whistleblowing and set aside 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, deficiency of 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 President (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 whistleblowers 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:**

Chairman of the Audit Committee:  
jspac@jsppharma.com  
Company Secretary: jspsc@jsppharma.com

**4. Company Website:** www.jsppharma.com

**5. via post :** directly addressed to the Chairman of the Board of Directors 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.

Statistics about violations and claimants of the corporate governance policy for the year ended 31 December 2024 were as follow

	Violations	Claimants
Corporate governance	- None -	- None -
Insider information	- None -	- None -
Conflict of interest	- None -	- None -
Anti-corruption	- None -	- None -

In 2024, there was no violation case in order to rules and regulations stipulated by public oversight agencies.

Information about corporate governance and other significant business policies are presented in "Appendix 3: Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies".



## Directors' Meeting Attendances

### Board of Directors and Sub-Committee Meetings

The attendance details of 2024 Board of Directors and Sub-committee meetings in hybrid format were as follows:

Name - Surname		Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Executive Committee
		Number of attendances / Number of meetings				
1. M.D. Thongchai	Thavichachart	9/9				
2. Ms. Sopawadee	Lertmanaschai	9/9	5/5		3/3	
3. Pharmacist Vinit	Usavakidviree	9/9	5/5			
4. Asst. Prof. Dr. Lalita	Hongratanawong	9/9	5/5		3/3	
5. Mr. Nattawut	Viboonpatanawong	9/9		2/2		
6. Mr. Tawat	Kitkungvan	9/9			3/3	
7. Mrs. Jintana	Santipisud	8/9				13/13
8. Dr. Sittichai	Daengprasert	9/9		2/2		13/13
9. Mr. Pissanu	Daengprasert	8/9				13/13
10. Ms. Jirada	Daengprasert	9/9			3/3	13/13
11. Mr. Sorasit	Daengprasert	9/9		2/2		13/13
12. Mr. Kriangkrai	Rungruangthaweeikul					13/13
13. Ms. Nongnuch	Chiewpattanakorn					13/13
14. Mr. Danaisuan	Kunarojanasombhat					13/13

### Shareholders' Meeting

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

Name - Surname		Number of attendances / Number of meetings
1. M.D. Thongchai	Thavichachart	2/2
2. Ms. Sopawadee	Lertmanaschai	2/2
3. Pharmacist Vinit	Usavakidviree	2/2
4. Asst. Prof. Dr. Lalita	Hongratanawong	2/2
5. Mr. Nattawut	Viboonpatanawong	2/2
6. Mr. Tawat	Kitkungvan	2/2
7. Mrs. Jintana	Santipisud	2/2
8. Dr. Sittichai	Daengprasert	2/2
9. Mr. Pissanu	Daengprasert	2/2
10. Ms. Jirada	Daengprasert	2/2
11. Mr. Sorasit	Daengprasert	2/2

## Operations in Board of Directors and Sub-Committee Meetings

The Company schedules and notifies Board of Directors and sub-committee meeting dates and meeting agendas in advance throughout the year. Whereby, the Company determines Board of Directors meeting at least 4 times a year in accordance with relevant laws. However, the Chairman of Board of Directors is able to call for additional meeting if in case of urgent matter. In addition, the Company sends out invitation letter and supporting documents to directors and sub-committees at least 3 days in advance prior to the meeting date in order to let directors and sub-committees have sufficient time to consider information prior to the meeting. Moreover, the Company considers to use technology to facilitate the meetings e.g. organising hybrid meeting by offering directors and sub-committees select to attend meeting either on site or online and sending invitation letter and supporting documents by mean of electronic format. These operations comply with relevant laws and regulations.

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

### Policy, Procedure and Structure of Director's Remunerations

In 2024, the Company has set director's remuneration in fixed amount per time and quarterly, together with financial performance-related remunerations based on the Company's operating results. The Company has the policy to determine the remuneration for the directors to be in monetary and non-monetary forms at reasonable level by considering roles, responsibilities, performances and expected benefits. In addition, the rate is comparable to the similar business in order to encourage the Board of Directors 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's performance, for the directors and sub-committees. The information will be disclosed in the 56-1 One Report of the Company. However, the remuneration of the directors and the sub-committees will be proposed in the Shareholders' meeting to obtain approval annually.

At the Annual General Meeting of Shareholders for the year 2024 on 11 April 2024, the Shareholders had a resolution to approve remuneration for the directors and sub-committees for the year 2024 as follow:

	Director's Remuneration (Excluding the Company's Executives)	
	Per Time	Quarterl
	(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	-

**Note:** 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. In addition, these remunerations do not apply to directors who are the Company's executives, which have already received monthly remunerations.



## Breakdown of Director's Remunerations

For the year ended 31 December 2024, the Company provided monetary remunerations for six directors and sub-committees as following,

Name - Surname	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Total
	(Unit: Baht million)				
1. Dr. Thongchai Thavichachart	0.42	-	-	-	0.42
2. Ms. Sopawadee Lertmanaschai	0.11	0.19	-	0.03	0.33
3. Pharmacist Vinit Usavakidviree	0.11	0.07	-	-	0.18
4. Asst. Prof. Dr. Lalita Hongratanawong	0.11	0.07	-	0.04	0.22
5. Mr. Nattawut Viboonpatanawong	0.11	-	0.02	-	0.13
6. Mr. Tawat Kitkungvan	0.11	-	-	0.03	0.14
<b>Total</b>	<b>0.97</b>	<b>0.33</b>	<b>0.02</b>	<b>0.10</b>	<b>1.42</b>

Remark: On 28 February 2025, the Board of Directors approved additional directors' remunerations based on the Company's annual performance for the year 2024. The remunerations will be paid to 6 non-executive directors at Baht 0.10 million each, totalled Baht 0.60 million. This remuneration will be paid within March 2025. With including directors' remunerations paid as explained in table above, the Company totally paid Baht 2.02 million directors' remunerations for the year ended 31 December 2024, which not exceed than 0.25% of total revenues according to the Company's annual financial statements as per approval from the Annual General Meeting of Shareholders for the year 2024.



## 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 comprises 3 independent directors of the Company, namely Ms. Sopawadee Lertmanaschai, who served as the Chairman of the Audit Committee,

Pharmacist Vinit Usavakidviree, and Asst. Prof. Dr. Lalita Hongratanawong, who served as members of the Audit Committee. 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 2024, the Audit Committee held a total of 5 meetings with attendances of the members of the Audit Committee as follow:

Name - Surname		Number of attendances / Number of meetings
1. Ms. Sopawadee	Lertmanaschai	5/5
2. Pharmacist Vinit	Usavakidviree	5/5
3. Asst. Prof. Dr. Lalita	Hongratanawong	5/5

In each of the Audit Committee's meeting, the Audit Committee meets up with external auditor, internal auditor and management team and then reports the results of every meeting to the Board of Directors. The meeting results were summarised as follows:

### Reviewing of the Financial Reports

The Audit Committee reviewed significant information on the Company's quarterly and annually financial reports for 2024 to ensure that the Company's financial reports are prepared accurately in accordance with the current applicable financial reporting standards. The disclosure of information is sufficient and reliable. In addition, the Audit Committee held a meeting 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 2024 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 auditor.

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.

In addition, the Audit Committee has considered the risk of fraud and corruption by reviewing whistleblowing process and complaints received from stakeholders during the year.

### **Nomination and Appointment of the Auditor for the Year 2025**

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 2025 Annual General Meeting of Shareholders to appoint Miss Kanokkon 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 2025.

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 strive to perform duties in order to efficiently achieve the Company's goals with quality. 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

## Report of the Risk Management Committee

Dear Shareholders

The Risk Management Committee of JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited has performed its duties in accordance with the Risk Management Committee Charter assigned by the Board of Directors. The Risk Management Committee comprises 3 directors, including 1 independent director, Mr. Nattawut Viboonpatanawong, who served as the Chairman of the

Risk Management Committee, and 2 executive directors, Dr. Sittichai Daengprasert and Mr. Sorasit Daengprasert, who served as members of the Risk Management Committee. Ms. Jirada Daengprasert takes role as the secretary of the Risk Management Committee.

During the year 2024, the Risk Management Committee held a total of 2 meetings with attendances of the members of the Risk Management Committee as follow:

Name - Surname		Number of attendances / Number of meetings
1. Mr. Nattawut	Viboonpatanawong	2/2
2. Dr. Sittichai	Daengprasert	2/2
3. Mr. Sorasit	Daengprasert	2/2

In each of the Risk Management Committee's meeting, the Risk Management Committee meets up with management team and then report the results of every meeting to the Board of Directors. The meeting results were summarised as follows:

- 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 operational and entity-level risks assessments by considering both internal and external risk factors that may cause an impact and managing risks at the tolerable level, including risk of fraud and corruption. The Risk Management 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.
- Considered planning and monitoring over risk management by assigning to risk management operation team performed and reported to the Risk Management Committee on regular basis. The Risk Management Committee opined that the Company carried out risk management plan appropriately.

- Reviewed Charter of the Risk Management Committee, altogether with business policies related to risk oversight and management and then propose to the Board of Directors' meeting for approval.
- Evaluated performance in both committee and individual-level in accordance with guideline provided by the Stock Exchange of Thailand and has concluded that duties performed by the Risk Management Committee aligned with good corporate governance principles.

In summary, the Risk Management Committee has performed all duties as stipulated in the Charter with knowledge, ability and careful consideration and deliberation as well as giving opinions and suggestions in a constructive way to benefit the Company and all stakeholders equally. The Risk Management Committee commits to perform duties in order to efficiently achieve the Company's goals with quality. In addition, the importance has been highlighted on the operations under good corporate governance as well as having appropriate and effective risk management.

On and Behalf of the Risk Management Committee

**Mr. Nattawut Viboonpatanawong**

Chairman of the Risk Management Committee

## Report of the Nomination and Remuneration Committee

Dear Shareholders

The Nomination and Remuneration Committee of JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited has performed its duties in accordance with the Nomination and Remuneration Committee Charter assigned by the Board of Directors. The Nomination and Remuneration Committee comprised 4 directors, including 2 independent directors, Asst. Prof. Dr. Lalita Hongratanawong and Ms. Sopawadee Lertmanaschai, who served as the Chairman of the Nomination and Remuneration Committee and

member of the Nomination and Remuneration Committee, respectively, 1 non-executive director, Mr. Tawat Kitkungvan, who served as member of the Nomination and Remuneration Committee and 1 executive director, Ms. Jirada Daengprasert, who served as member of the Nomination and Remuneration Committee and secretary of the Nomination and Remuneration Committee.

During the year 2024, the Nomination and Remuneration Committee held a total of 3 meetings with attendances of the members of the Nomination and Remuneration Committee as follow:

Name - Surname		Number of attendances / Number of meetings
1. Asst. Prof. Dr. Lalita	Hongratanawong	3/3
2. Ms. Sopawadee	Lertmanaschai	3/3
3. Mr. Tawat	Kitkungvan	3/3
4. Ms. Jirada	Daengprasert	3/3

In each of the Nomination and Remuneration Committee's meeting, the Nomination and Remuneration Committee meets up with management team and then report the results of every meeting to the Board of Directors. The meeting results were summarised as follows:

- Considered nomination of directors who retired by rotation by considering knowledge, experience, performance and conflict of interest. In addition, the Nomination and Remuneration Committee allowed shareholders to propose a person to be elected as a director.
- Considered criteria of board skill matrix, which assists in nomination and developing knowledge of directors. The consideration included surveying essential skills from the Company's strategies and objectives, together with comparing required skills with other listed companies that operate in similar businesses.
- Considered policy and criteria of director's and sub-committee's remuneration by comparing with other listed companies that have similar size, together with director's obligations, duties and responsibilities.
- Considered criteria of director's and sub-committee's performance evaluation with comparison to guidelines enacted by the Stock Exchange of Thailand and director's scope and duties in each committee.
- Considered criteria and determination of senior executives' performance evaluation, determination of senior executives' remuneration structure. In addition, the Nomination and Remuneration provided suggestions to the management team to set up key performance indicators (KPIs) to be appropriate and align with the Company's strategies and aims and motivate senior executive to work at full capabilities.
- Considered annual performance evaluation results of senior executives and determined annual remuneration of senior executives with reference to performance.

- Considered progress of senior executive's succession plan execution and provided suggestions to the management team in order to develop and adapt the plan appropriately.
- Provided advices to the management team in several topics e.g. human resources management, employees' knowledge development and workforce planning.
- Reviewed charter and business policies related to the Nomination and Remuneration Committee. Also, evaluated performance of the Nomination and Remuneration Committee in both committee-level and individual-level.

In summary, the Nomination and Remuneration 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 the Company and all stakeholders equally. The Nomination and Remuneration Committee strives to perform duties in order to efficiently achieve the Company's goals with quality, along with operations under good corporate governance.

On and Behalf of the Nomination and  
Remuneration Committee

**Asst. Prof. Dr. Lalita Hongratanawong**

Chairman of the Nomination and  
Remuneration Committee

## 9

## Internal Control and Related Party Transaction

### Internal Control

#### Adequacy and Appropriateness 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 1/2025 on 28 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 for the year ended 31 December 2024 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

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.

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.

Moreover, the Company has provided the independent internal audit department to follow up and evaluate the internal control by engaging an outsourced unit, 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 2024, 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 8 operating systems by planning the internal audit for each quarter for 1 to 3 systems as follow:



Work System	Quarter			
	1	2	3	4
Production system	○			
Raw materials management system	○			
Finished goods management system	○			
Expense and cash disbursements system		○		
Purchase and procurement system		○		
Sale system			○	
Revenue and cash collections system			○	
Heman resources management 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 2024, there was no significant observation on the internal control system that affects the operations of the Company.

## Head of Internal Audit

The Company has the policy to hire internal auditors from outsourcing unit. The Company appointed with ISBAR Corporation Company Limited as an Internal auditor of the Company for the year 2024, 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 coordinating 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 a person who served as the head of internal audit is presented in "Information on Head of Internal Audit".

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 unit in the following year, and the Board of Directors has resolved to appoint ISBAR Corporation Limited as an internal auditor for the year 2025.



## รายการระหว่างกัน

Persons who might have led to the conflict of interest of the Company involving in the transaction with the Company during 2023 and 2024 are as follows:

Persons who may have Conflict of Interest	Relationships
Suphap Group Company Limited	• Parent company of the Group
Type of Business: Holding company	• Have common shareholders and directors, which are Mrs. Jintana Santipisud, Mr. Sittichai Daengprasert, Mr. Pissanu Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert.
Mr. Sittichai Daengprasert	• Shareholder, director and management of the Company
Mr. Pissanu Daengprasert	• Shareholder, director and management of the Company
Mr. Prasitchai Daengprasert	• 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

Persons who might have Conflict of Interest	Transaction type	2023	2024	Description, Necessity and Rationality
Suphap Group Company Limited	<i>Transactions</i> • Rental	1.73	1.91	<u>Rental</u> <ul style="list-style-type: none"> <li>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.</li> <li>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 at the monthly rental rate of Baht 0.14 million. The rental rate was based on the market rental rate assessed by an independent appraiser listed in the SEC office. The rental rate will increase equivalent to 10.0% from the latest 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.</li> <li>On 1 January 2024, the contractual rental rate has increased by 10.0% to Baht 0.16 million per month.</li> </ul> <p><b>Opinion of Audit Committee:</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>

Persons who might have Conflict of Interest	Transaction type	2023	2024	Description, Necessity and Rationality
Mr. Sittichai Daengprasert and Mr. Pissanu Daengprasert	<i>Transactions</i> • Rental	4.53	4.98	<p><b>Rental</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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 at the monthly rental rate of Baht 0.38 million. The rental rate was based on the market rental rate assessed by an independent appraiser listed in the SEC office. The rental rate will increase equivalent to 10.0% from the latest 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.</li> <li>On 1 January 2024, the contractual rental rate has increased by 10.0% to Baht 0.42 million per month.</li> </ul> <p><b>Opinion of Audit Committee:</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>
Mr. Prasitchai Daengprasert	<i>Transactions</i> • Use of land	None	None	<p><b>Use of land</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>On 30 June 2024, the Company terminated the use of such area and had consent in written from the tenor.</li> </ul> <p><b>Opinion of Audit Committee:</b></p> <ul style="list-style-type: none"> <li>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. On 30 June 2024, the Company moved the main electrical control cabinet to other areas and have completely terminated the use of area.</li> </ul>

As of 31 December 2024, 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	Overdraft	7.50	<ul style="list-style-type: none"> <li>The land located at Bangkok Province, owned by Mr. Sittichai Daengprasert and Mr. Pissanu Daengprasert</li> <li>Guaranteed by Mrs. Jintana Santipisud, Mr. Sittichai Daengprasert, Mr. Pissanu Daengprasert, Ms. Jirada Daengprasert, Mr. Sorasit Daengprasert and Suphap Group Company Limited</li> </ul>
	Promissory note	15.00	
	Long-term loan	20.00	
	Bank guarantee	2.00	
Leasing company	Hire purchase agreement	4.58	<ul style="list-style-type: none"> <li>Motor vehicles</li> <li>Guaranteed by Mrs. Jintana Santipisud and Ms. Jirada Daengprasert</li> </ul>

## 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 Company Limited (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 has oversighted 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 2024 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 Company Limited and its Subsidiaries**

Financial statements for the year ended  
31 December 2024  
and  
Independent Auditor's Report

## Independent Auditor's Report

### To the Shareholders of JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its subsidiaries (the “Group”) and of JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2024, 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 material 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 2024 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.

<b>Valuation of inventories</b>	
Refer to note 9 to consolidated and separate financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<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 Group's 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>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.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>- 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;</li> <li>- Evaluating the design and implementation of internal controls related to the estimation of allowance for obsolete and slow-moving inventories;</li> <li>- Attending inventory counts and observed on sampling basis the condition of inventories;</li> <li>- 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;</li> <li>- Assessment the reasonableness of management's assumptions used in determining the percentage of obsolete and slow-moving inventories by comparing with historical information, sampling verify with relevant supporting documents and tested calculation;</li> <li>- Evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

**Impairment testing of investment in associate, property, plant and equipment, goodwill and other intangible assets other than goodwill in consolidated financial statements and impairment of investment in subsidiaries and property, plant and equipment in separate financial statements.**

Refer to notes 10, 13, 14 and 15 to the consolidated financial statements and notes 11 and 13 to the separate financial statements.

The key audit matter	How the matter was addressed in the audit
<p>The Group has significant investment in associate, property, plant and equipment, goodwill and other intangible assets other than goodwill in the consolidated financial statements and investment in subsidiaries and property, plant and equipment in the separate financial statements. The Group has performed impairment testing of cash generating unit to which goodwill belong on annual basis.</p> <p>Business operation of associate and indirect subsidiaries did not reach targets. The management considered this factor indicator of impairment of property, plant and equipment, other intangible assets other than goodwill, investment in associate and investment in subsidiaries.</p> <p>The management determined an impairment of these assets by estimating the recoverable amount from a discounted cash flow projection. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses.</p> <p>Due to the materiality of carrying value of certain assets and significant judgement required in determining the key assumptions to estimate the recoverable amount, I considered this as a key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>- Gaining an understanding and assessing the process related to the determining of impairment indicators, cash-generating units and the estimated recoverable amount, including the preparation of discounted future cash flow;</li> <li>- Testing the estimating of the recoverable amount of the assets prepared by the management;</li> <li>- Evaluating the key assumptions used by management based on internal and external information, operational plans and historical data analysis;</li> <li>- Involving the KPMG's specialist in evaluating the appropriateness of financial variables used in setting out the discount rate, the valuation method and the reasonableness of the calculation;</li> <li>- Evaluating the sensitivity of key assumptions used in the estimation of future cash flows in order to evaluate the effects to the recoverable amount;</li> <li>- Evaluating the adequacy of the financial statements disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

### *Emphasis of Matter*

I draw attention to note 5 to the financial statements, the finalisation of the reassessment of assets and liabilities from business acquisition which the Group's acquired in May 2023 was completed in March 2024. The consolidated statements of financial position as at 31 December 2023; the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2023; which are included as comparative information, have been adjusted.

My opinion is not modified in respect of this matter.

### *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  
28 February 2025



**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries****Statement of financial position**

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2024	2023	2024	2023
		(Restated)			
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	7	29,490,434	20,654,072	14,885,261	10,696,113
Trade accounts receivable	6, 8	116,536,115	87,916,323	74,843,109	60,370,440
Other current receivables	6	40,024,138	34,714,729	40,199,340	22,562,620
Short-term loans to related parties	6	-	-	138,800,000	89,800,000
Current portion of long-term loans to associate	6	5,000,000	-	-	-
Inventories	9	122,420,373	102,149,531	104,677,871	93,851,766
Current contract cost assets		189,386	177,589	189,386	177,589
<b>Total current assets</b>		<b>313,660,446</b>	<b>245,612,244</b>	<b>373,594,967</b>	<b>277,458,528</b>
<i>Non-current assets</i>					
Other non-current financial assets		6,087,428	11,989,000	4,565,690	4,500,000
Investment in subsidiaries	11	-	-	118,899,000	273,899,000
Investment in associate	10	13,633,875	132,721,411	-	-
Non-current contract cost assets		238,235	732,995	238,235	732,995
Long-term loans to associate	6	-	5,000,000	-	-
Property, plant and equipment	5, 13	905,470,843	865,361,880	747,440,916	744,475,096
Goodwill	5, 15	32,550,929	32,550,929	-	-
Other intangible assets other than goodwill	5, 14	5,453,776	6,216,143	4,200,966	4,725,073
Deferred tax assets	5, 24	47,396,004	22,026,904	49,125,752	17,679,279
Other non-current assets		2,159,346	15,188,356	1,145,502	931,682
<b>Total non-current assets</b>		<b>1,012,990,436</b>	<b>1,091,787,618</b>	<b>925,616,061</b>	<b>1,046,943,125</b>
<b>Total assets</b>		<b>1,326,650,882</b>	<b>1,337,399,862</b>	<b>1,299,211,028</b>	<b>1,324,401,653</b>

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

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Seprate financial statements	
		31 December		31 December	
		2024	2023 (Restated)	2024	2023
(in Baht)					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	17	56,861,914	87,707,730	50,000,000	65,219,271
Trade accounts payable	6	53,453,482	43,653,715	36,688,215	32,714,117
Current contract liabilities		13,764,881	11,155,525	11,951,575	9,633,783
Other current payables	6	41,366,637	31,393,036	32,972,293	23,698,884
Current portion of long-term loans from financial institutions	17	18,071,212	10,526,089	18,071,212	10,526,089
Current portion of long-term loans from related parties	6	10,000,000	-	-	-
Current portion of lease liabilities	6, 16, 17	17,879,491	10,361,440	7,736,603	7,502,468
Income tax payable		17,056,296	-	15,624,059	-
Total current liabilities		228,453,913	194,797,535	173,043,957	149,294,612
Non-current liabilities					
Long-term loans from financial institutions	17	49,997,156	46,268,069	49,997,156	46,268,069
Long-term loans from related parties	6	-	10,000,000	-	-
Lease liabilities	6, 16, 17	135,596,663	125,667,007	99,745,501	102,009,447
Non-current contract liabilities		8,839,214	10,691,913	8,839,214	10,691,913
Deferred tax liabilities	5, 24	269,936	393,297	-	-
Non-current provisions for employee benefits	18	19,766,222	16,591,792	17,702,643	15,191,026
Other non-current provisions		1,204,208	1,158,098	1,204,208	1,158,098
Total non-current liabilities		215,673,399	210,770,176	177,488,722	175,318,553
Total liabilities		444,127,312	405,567,711	350,532,679	324,613,165
Equity					
Share capital	19				
Authorised share capital		355,931,191	341,250,000	355,931,191	341,250,000
Issued and paid-up share capital		237,287,461	237,277,450	237,287,461	237,277,450
Share premium	19	772,532,266	772,492,224	772,532,266	772,492,224
Difference arising from common control transactions	21	(130,348,696)	(130,348,696)	(11,539,171)	(11,539,171)
Retained earnings (Deficit)					
Appropriated					
Legal reserve	21	3,861,848	3,861,848	3,861,848	3,861,848
Deficit	5	(25,333,343)	(13,671,333)	(53,464,055)	(2,303,863)
Equity attributable to owners of the parent		857,999,536	869,611,493	948,678,349	999,788,488
Non-controlling interests	5	24,524,034	62,220,658	-	-
Total equity		882,523,570	931,832,151	948,678,349	999,788,488
Total liabilities and equity		1,326,650,882	1,337,399,862	1,299,211,028	1,324,401,653

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

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2024	2023	2024	2023
		(Restated)			
		(in Baht)			
<b>Income</b>					
Revenue from sale of goods	22	801,313,521	552,236,719	646,026,806	483,434,575
Revenue from rendering of services	22	23,171,907	23,341,134	-	-
Other income	22	21,447,018	18,779,913	28,659,006	19,547,705
<b>Total income</b>		<b>845,932,446</b>	<b>594,357,766</b>	<b>674,685,812</b>	<b>502,982,280</b>
<b>Expenses</b>					
Cost of sale of goods	5, 9, 23	498,841,261	413,023,443	379,002,834	355,384,809
Cost of rendering of services	5, 9, 23	20,650,268	19,033,379	-	-
Distribution costs	5, 23	96,100,690	50,806,831	75,364,216	41,304,966
Administrative expenses	5, 23	125,305,879	112,559,202	93,306,381	85,403,242
<b>Total expenses</b>		<b>740,898,098</b>	<b>595,422,855</b>	<b>547,673,431</b>	<b>482,093,017</b>
<b>Profit (loss) from operating activities</b>		<b>105,034,348</b>	<b>(1,065,089)</b>	<b>127,012,381</b>	<b>20,889,263</b>
Finance costs		(16,566,927)	(12,995,563)	(12,546,152)	(9,539,039)
Gain (loss) on measurement of financial assets		-	39,912,209	-	(311,711)
Impairment loss of non-financial assets	10, 11	(115,990,034)	-	(155,000,000)	-
Reversal of impairment loss (impairment loss) determined in accordance with TFRS 9	8	(2,684,621)	10,057,008	(2,617,531)	(158,215)
Share of profit (loss) of an associate accounted for using equity method	10	(3,097,502)	577,531	-	-
<b>Profit (loss) before income tax expense</b>		<b>(33,304,736)</b>	<b>36,486,096</b>	<b>(43,151,302)</b>	<b>10,880,298</b>
Tax income (expense)	5, 24	132,731	(9,099,465)	8,177,739	(2,291,011)
<b>Profit (loss) for the year</b>		<b>(33,172,005)</b>	<b>27,386,631</b>	<b>(34,973,563)</b>	<b>8,589,287</b>
<b>Other comprehensive income (expense)</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Loss on remeasurements of defined benefit plans	18	(1,488,609)	(781,263)	(1,488,609)	(955,813)
Income tax relating to items that will not be reclassified subsequently to profit or loss	24	297,722	156,253	297,722	191,163
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(1,190,887)</b>	<b>(625,010)</b>	<b>(1,190,887)</b>	<b>(764,650)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>(34,362,892)</b>	<b>26,761,621</b>	<b>(36,164,450)</b>	<b>7,824,637</b>

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

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

	Note	Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
		2024	2023	2024	2023
			(Restated)		
			(in Baht)		
<b>Profit (loss) attributable to:</b>					
Owners of the parent		4,524,619	(1,719,242)	(34,973,563)	8,589,287
Non-controlling interests		(37,696,624)	(1,936,135)	-	-
Other company in the Group before business restructuring		-	31,042,008	-	-
		<u><b>(33,172,005)</b></u>	<u><b>27,386,631</b></u>	<u><b>(34,973,563)</b></u>	<u><b>8,589,287</b></u>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		3,333,732	(2,410,169)	(36,164,450)	7,824,637
Non-controlling interests		(37,696,624)	(1,870,218)	-	-
Other company in the Group before business restructuring		-	31,042,008	-	-
		<u><b>(34,362,892)</b></u>	<u><b>26,761,621</b></u>	<u><b>(36,164,450)</b></u>	<u><b>7,824,637</b></u>
<b>Basic earnings (losses) per share</b>	5, 25	<u><b>0.010</b></u>	<u><b>(0.004)</b></u>	<u><b>(0.074)</b></u>	<u><b>0.018</b></u>
<b>Diluted earnings (losses) per share</b>	5, 25	<u><b>0.010</b></u>	<u><b>(0.003)</b></u>	<u><b>(0.074)</b></u>	<u><b>0.016</b></u>

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

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

	Note	Consolidated financial statements						
		Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Difference arising from common control transaction	Legal reserve	Equity attributable to owners of the parent	Equity of other company in the Group before business restructuring
						Deficit		Non-controlling interests
						(in Baht)		Total equity
<b>Year ended 31 December 2023</b>								
<b>Balance at 1 January 2023 - Restated</b>		<b>227,500,000</b>	<b>733,462,520</b>	<b>-</b>	<b>(11,539,171)</b>	<b>3,861,848</b>	<b>942,024,033</b>	<b>107,546,415</b>
<b>Transactions with owners, recorded directly in equity</b>								
<i>Contributions to owners of the parent</i>								
Share subscriptions received in advance	20	-	-	48,887,250	-	-	48,887,250	-
Share options exercised	19, 20	9,777,450	39,029,704	(48,887,250)	-	-	(80,096)	-
<b>Total contributions to owners of the parent</b>		<b>9,777,450</b>	<b>39,029,704</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,807,154</b>	<b>-</b>
<i>Changes in ownership interests in subsidiary</i>								
Acquisition of subsidiary with non-controlling interests	5	-	-	-	-	-	-	-
Dividend paid of other company in the Group before business restructuring		-	-	-	-	-	-	-
Acquisition of business combination under common control		-	-	-	(118,809,525)	-	(118,809,525)	(13,680,000)
<b>Total changes in ownership interests in subsidiary</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(118,809,525)</b>	<b>-</b>	<b>(118,809,525)</b>	<b>43,717,948</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>9,777,450</b>	<b>39,029,704</b>	<b>-</b>	<b>(118,809,525)</b>	<b>-</b>	<b>(70,002,371)</b>	<b>64,090,395</b>
<b>Comprehensive income (expense) for the year</b>								
Profit (loss) - Restated		-	-	-	-	(1,719,242)	(1,719,242)	(1,936,135)
Other comprehensive income (expense)		-	-	-	-	(690,927)	(690,927)	65,917
<b>Total comprehensive income (expense) for the year - Restated</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,410,169)</b>	<b>(2,410,169)</b>	<b>(1,870,218)</b>
<b>Balance at 31 December 2023 - Restated</b>		<b>237,277,450</b>	<b>772,492,224</b>	<b>-</b>	<b>(130,348,696)</b>	<b>3,861,848</b>	<b>869,611,493</b>	<b>62,220,658</b>
								<b>931,832,151</b>

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

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

Consolidated financial statements									
Retained earnings (Deficit)									
		Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Legal reserve	Deficit	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Note					(in Baht)			
Year ended 31 December 2024									
Balance at 1 January 2024 - As prior year reported									
		237,277,450	772,492,224	(130,348,696)	3,861,848	(13,220,945)	870,061,881	60,438,658	930,500,539
Impact of retrospective adjustment as result of finalisation of fair value									
	5	-	-	-	-	(450,388)	(450,388)	1,782,000	1,331,612
Balance at 1 January 2024 - Restated									
		237,277,450	772,492,224	(130,348,696)	3,861,848	(13,671,333)	869,611,493	62,220,658	931,832,151
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
	19, 20	10,011	40,042	-	-	-	50,053	-	50,053
	26	-	-	-	-	(14,995,742)	(14,995,742)	-	(14,995,742)
Total contributions by and distributions to owners of the parent									
		10,011	40,042	-	-	(14,995,742)	(14,945,689)	-	(14,945,689)
Comprehensive income (expense) for the year									
		-	-	-	-	4,524,619	4,524,619	(37,696,624)	(33,172,005)
		-	-	-	-	(1,190,887)	(1,190,887)	-	(1,190,887)
Total comprehensive income (expense) for the year									
		-	-	-	-	3,333,732	3,333,732	(37,696,624)	(34,362,892)
Balance at 31 December 2024									
		237,287,461	772,532,266	(130,348,696)	3,861,848	(25,333,343)	857,999,536	24,524,034	882,523,570

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

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

		Separate financial statements						
		Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Difference arising from common control transaction <i>(in Baht)</i>	Legal reserve	Unappropriated (Deficit)	Total equity
Year ended 31 December 2023								
Balance at 1 January 2023		227,500,000	733,462,520	-	(11,539,171)	3,861,848	(10,128,500)	943,156,697
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
	20	-	-	48,887,250	-	-	-	48,887,250
	19, 20	9,777,450	39,029,704	(48,887,250)	-	-	-	(80,096)
<i>Total contributions by and distributions to owners</i>		<u>9,777,450</u>	<u>39,029,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,807,154</u>
Comprehensive income (expense) for the year								
		-	-	-	-	-	8,589,287	8,589,287
		-	-	-	-	-	(764,650)	(764,650)
<i>Total comprehensive income (expense) for the year</i>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,824,637</u>	<u>7,824,637</u>
Balance at 31 December 2023		237,277,450	772,492,224	-	(11,539,171)	3,861,848	(2,303,863)	999,788,488

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



**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

Separate financial statements							
		Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Legal reserve	Retained earnings (Deficit)	
Note							Total equity
(in Baht)							
Year ended 31 December 2024							
Balance at 1 January 2024		237,277,450	772,492,224	(11,539,171)	3,861,848	(2,303,863)	999,788,488
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
20	Share options exercised	10,011	40,042	-	-	-	50,053
26	Dividends	-	-	-	-	(14,995,742)	(14,995,742)
Total contributions by and distributions to owners		10,011	40,042	-	-	(14,995,742)	(14,945,689)
Comprehensive income (expense) for the year							
	Loss	-	-	-	-	(34,973,563)	(34,973,563)
	Other comprehensive income (expense)	-	-	-	-	(1,190,887)	(1,190,887)
Total comprehensive income (expense) for the year		-	-	-	-	(36,164,450)	(36,164,450)
Balance at 31 December 2024		237,287,461	772,532,266	(11,539,171)	3,861,848	(53,464,055)	948,678,349

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

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries****Statement of cash flows**

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2024	2023	2024	2023
			(Restated)		
		(in Baht)			
<b>Cash flows from operating activities</b>					
Profit (loss) for the year		(33,172,005)	27,386,631	(34,973,563)	8,589,287
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax (income) expense	24	(132,731)	9,099,465	(8,177,739)	2,291,011
Finance costs		16,566,927	12,995,563	12,546,152	9,539,039
Depreciation and amortisation	13, 14	62,100,655	47,780,880	47,530,718	40,645,428
Gain on disposal of other financial assets		-	(1,822,177)	-	(1,822,177)
(Gain) loss on fair value adjustment		-	(39,912,209)	-	311,711
Share of (profit) loss of an associate accounted for using equity method, net of tax		3,097,502	(577,531)	-	-
(Reversal of) impairment loss in accordance with TFRS9	8	2,684,621	(10,057,008)	2,617,531	158,215
Impairment loss of non-financial assets	10, 11	115,990,034	-	155,000,000	-
Employee benefits expense related to defined benefit plans	18	2,348,321	2,291,464	1,685,508	1,576,607
Reversal of loss on inventories devaluation	9	(6,897,293)	(104,249)	(7,270,175)	(130,537)
(Gain) loss on disposal of equipment		47,449	(280,894)	47,449	(280,894)
Loss on write-off of equipment		128	24,941	128	24,941
(Gain) loss on lease modification		(1,510)	4,381,914	-	(32,292)
Interest income		(773,514)	(1,555,122)	(8,145,577)	(3,172,723)
		161,858,584	49,651,668	160,860,432	57,697,616
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(31,304,413)	30,984,249	(17,090,200)	11,118,880
Other current receivables		(2,832,770)	1,916,438	(16,486,492)	(1,204,872)
Inventories		(13,373,549)	6,979,002	(3,555,930)	5,399,596
Current and non-current contract cost assets		482,963	15,478	482,963	15,478
Other non-current financial assets		5,901,572	2,946,278	(65,690)	4,446,278
Other non-current assets		(252,005)	274,196	6,822	108,571
Trade accounts payable		9,799,767	(21,393,822)	3,974,098	(13,447,140)
Current and non-current contract liabilities		756,657	(17,100,469)	465,093	(16,407,393)
Other current payables		11,786,410	(7,610,605)	6,527,460	621,677
Paid employee benefit relating to defined benefit plans	18	(662,500)	(449,584)	(662,500)	(349,584)
<b>Net cash generated from operations</b>		<b>142,160,716</b>	<b>46,212,829</b>	<b>134,456,056</b>	<b>47,999,107</b>
Taxes received (paid)		(10,045,433)	(5,866,625)	(6,624,571)	5,066,187
<b>Net cash from operating activities</b>		<b>132,115,283</b>	<b>40,346,204</b>	<b>127,831,485</b>	<b>53,065,294</b>

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2024	2023	2024	2023
		(Restated)		
	(in Baht)			
<b>Cash flows from investing activities</b>				
Proceeds from disposal of non-current assets classified as held for sale	-	999,500	-	-
Acquisition of subsidiaries, net of cash acquired	-	(258,886,318)	-	(243,899,500)
Proceeds from sale of equipment	135,701	341,246	135,701	341,246
Acquisition of property, plant and equipment	(56,422,483)	(172,892,446)	(40,953,487)	(137,491,979)
Acquisition of other intangible assets other than goodwill	(687,710)	(675,766)	(508,210)	(530,936)
Payment of short-term loan to susidiaries	-	-	(49,000,000)	(76,300,000)
Payment of long-term loan to an associate	-	(2,000,000)	-	-
Proceeds from repayment of long-term loans to related parties	-	18,166,104	-	-
Proceeds from sale of other financial asset	-	578,822,177	-	578,822,177
Payment of other financial asset	-	(367,500,000)	-	(367,500,000)
Interest received	336,595	1,135,394	6,272,967	2,487,566
<b>Net cash used in investing activities</b>	<b>(56,637,897)</b>	<b>(202,490,109)</b>	<b>(84,053,029)</b>	<b>(244,071,426)</b>
<b>Cash flows from financing activities</b>				
Proceeds from exercise of share options	50,053	-	50,053	-
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	-	-
Proceeds (Payment) of bank overdrafts and short-term loans from financial institutions - net	(30,845,816)	68,316,344	(15,219,271)	65,219,271
Payment of long-term loans from a non-related party	-	(10,000,000)	-	-
Proceeds from long-term loans from financial institutions	27,324,995	19,900,000	27,324,995	19,900,000
Payment of long-term loans from financial institutions	(15,867,025)	(10,784,039)	(15,867,025)	(7,518,941)
Payment of lease liabilities	(15,606,813)	(9,272,021)	(8,202,418)	(6,720,249)
Dividends paid to owners of the Company	(14,994,054)	(119)	(14,994,054)	(119)
Dividends paid of other company in the Group before business restructuring	-	(10,998,720)	-	-
Interest paid	(16,702,364)	(13,346,907)	(12,681,588)	(9,300,934)
<b>Net cash from (used in) financing activities</b>	<b>(66,641,024)</b>	<b>82,602,168</b>	<b>(39,589,308)</b>	<b>110,366,158</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,836,362</b>	<b>(79,541,737)</b>	<b>4,189,148</b>	<b>(80,639,974)</b>
Cash and cash equivalents at 1 January	20,654,072	100,195,809	10,696,113	91,336,087
<b>Cash and cash equivalents at 31 December</b>	<b>29,490,434</b>	<b>20,654,072</b>	<b>14,885,261</b>	<b>10,696,113</b>

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**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries****Statement of cash flows**

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2024	2023	2024	2023
		(Restated)			
		(in Baht)			
<b>Disclosure of additional cash flows information</b>					
<i>Property, plant and equipment acquired during the year were detailed as follows:</i>					
Total property, plant and equipment acquired during the year	13	100,969,604	187,174,205	49,647,499	152,157,563
Add Payment made to payables of plant and equipment					
at beginning of the year		6,667,673	952,807	1,215,594	423,465
Advances payments of plant and equipment at ending of the year		409,102	13,690,117	409,102	188,460
Less Payables of plant and equipment at ending of the year		(4,850,965)	(6,667,673)	(3,957,642)	(1,215,594)
Advances payments of plant and equipment at beginning of the year		(13,690,117)	(14,574,684)	(188,460)	(12,286,433)
Plant and equipment acquired from right-of-use assets		(33,082,814)	(3,182,326)	(6,172,606)	(1,775,482)
Equipment acquired from finance lease termination		-	(4,500,000)	-	-
<b>Cash paid for acquisition of plant and equipment</b>		<b>56,422,483</b>	<b>172,892,446</b>	<b>40,953,487</b>	<b>137,491,979</b>
<i>Intangible assets other than goodwill acquired during the year were detailed as follows:</i>					
Total intangible assets other than goodwill acquired during the year	14	687,710	675,766	508,210	530,936
Less Payables of intangible assets other than goodwill at ending of the year		-	-	-	-
<b>Cash paid for acquisition of intangible assets other than goodwill</b>		<b>687,710</b>	<b>675,766</b>	<b>508,210</b>	<b>530,936</b>
<b>Non-cash transactions</b>					
Repayment of long-term loans to related parties by transferred to investment in an associate		-	132,143,880	-	-

## **JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2024**

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# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2024

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 28 February 2025.

## 1 General information

JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited (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 Daengprasert family and Suphap Group Co., Ltd., with 33.32% and 33.29% shareholding, respectively (2023: *Suphap Group Co., Ltd. and Daengprasert family, with 33.29% and 31.78% 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, hemodialysis solution and related medical supplies, and purified water system for industrial purposes, service of laboratory research, scientific test and analysis, training and seminar, consultancy for research fund application businesses and selling of product via vending machines. With details of the Company’s subsidiaries as at 31 December 2024 and 2023 are given in note 11.

## 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 4, 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 each notes are ongoing basis. Revisions to accounting estimates are recognised prospectively.

## **JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2024**

### **3 Changes in material accounting policies**

#### **(a) *TAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to TAS 12 since 1 January 2024. The amendments narrow the scope of the initial recognition exemption by excluding transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. The Group shall recognise deferred tax assets and liabilities that are relevant to leases and decommissioning liabilities since the beginning of the earliest comparative period presented by adjusting cumulative effects in retained earnings or other components of equity at that date. For all other transactions, the Group applies the amendments to transactions that occur after the beginning of the earliest period presented. Previously, the Group recognised deferred tax for leases and decommissioning liabilities arising from temporary differences on a net basis after the initial recognition.

Following the amendments, the Group has recognised separately the deferred tax asset in relation to its lease liabilities and the deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offsetting in accordance with TAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see note 24).

#### **(b) *TAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies***

The Group has adopted Disclosure of Accounting Policies - Amendments to TAS 1 since 1 January 2024. The amendments require the disclosure of ‘material’ rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies.

Following the amendments, the Group has revisited the accounting policy information it has been disclosing and made updates to the information disclosed in note 4.

### **4 Material 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. 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.

The Group has significant influence over an investee as disclosed in note 10. The Group recognised investments in associates using the equity method in the consolidated financial statements, until the date on which significant influence ceases. 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.

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

## **JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2024**

##### *Business combinations*

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 4(k)). Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred.

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.

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.

Foreign currency differences are recognised in profit or loss.



## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

#### (d) *Financial instruments*

##### (d.1) *Classification and measurement*

Financial assets and financial liabilities (except trade accounts receivables (see note 4(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 and any gain or loss on derecognition are recognised in profit or loss.

##### (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 received or 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) *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.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

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 considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

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.

#### *(d.4) 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.5) 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 bank deposit 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 receivable**

A trade 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 the Group has no reasonable expectations of recovering.

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.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

#### (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) *Property, plant and equipment*

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

Cost includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located.

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 - 20	years
Vehicles	5	years
Furniture, fixtures and office equipment	3 - 10	years

#### (i) *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.

#### (j) *Other intangible assets other than goodwill*

Other intangible assets other than goodwill 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 other intangible assets other than goodwill and recognised in profit or loss.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

The estimated useful lives are as follows:

Product registrations	5 - 9	years
Software licences	10	years
Customer relationships	4	years

No amortisation is provided on software under development.

#### (k) 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 expense 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.

## **JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2024**

#### **(l) 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 (CGU) exceeds its recoverable amount. 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.

An impairment loss of asset 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.

#### **(m) 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 are discounted to the present value, which performed 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.

## **JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2024**

#### **(n) Provisions**

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.

#### **(o) 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.

#### **(p) Revenue from contracts with customers**

##### **(1) Revenue recognition**

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.

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.

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.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it. The consideration received is allocated based on their relative stand-alone selling prices.



## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

#### (2) *Contract balances*

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group issued an invoice.

Contract liabilities including advances received from customers are the obligation to transfer goods or services to the customer. The contract liabilities including advances received from customers are 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.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and the Group makes a corresponding change to the amount of revenue recognised.

#### (3) *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 amortization 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.

#### (q) *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 or at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

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.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

#### (r) Earnings per share

Basic earnings per share and diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

## 5 Acquisitions of businesses

#### (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, totalling 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 0.7 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 131.1 million and consolidated profit for the year ended 31 December 2023 would have decreased 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.

In March 2024, the determination of the fair value by an independent appraiser has been completed and the adjustment of assets acquired and liabilities assumed have been recorded as fair values as follows:

<i>Identifiable assets acquired and liabilities assumed</i>	<b>Fair value as prior recognised</b>	<b>Adjustment (in thousand Baht)</b>	<b>Fair value after adjustment</b>
Cash and cash equivalents	2,307	-	2,307
Trade accounts receivable	38,756	-	38,756
Other current receivables	4,500	-	4,500
Inventories	5,721	-	5,721
Property, plant and equipment	48,219	5,784	54,003
Deferred tax assets	1,523	(1,157)	366
Other non-current assets	305	-	305
Trade accounts payables	(18,077)	-	(18,077)
Other current payables	(2,745)	-	(2,745)
Loans	(20,000)	-	(20,000)
Lease liabilities	(21,491)	-	(21,491)
Non-current provisions for employee benefits	(492)	-	(492)
<b>Total identifiable net assets</b>	<b>38,526</b>	<b>4,627</b>	<b>43,153</b>
<i>Less Non-controlling interests (47.2%)</i>	<i>(18,187)</i>	<i>(2,184)</i>	<i>(20,371)</i>
<b>Total identifiable net assets received</b>	<b>20,339</b>	<b>2,443</b>	<b>22,782</b>
Goodwill arising from the acquisition	23,561	(2,443)	21,118
<b>Purchase consideration transferred</b>	<b>43,900</b>	<b>-</b>	<b>43,900</b>
Net cash acquired with the subsidiary	2,307	-	2,307
Cash paid	(43,900)	-	(43,900)
<b>Net cash outflows</b>	<b>(41,593)</b>	<b>-</b>	<b>(41,593)</b>



## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

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.

#### (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, totalling 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 profit of Baht 10.9 million and Baht 0.2 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 15.4 million and consolidated profit for the year ended 31 December 2023 would have increased by Baht 0.05 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.

In March 2024, the determination of the fair value by an independent appraiser has been completed and the adjustment of assets acquired and liabilities assumed have been recorded as fair values as follows:

<i>Identifiable assets acquired and liabilities assumed</i>	<b>Fair value as prior recognised</b>	<b>Adjustment (in thousand Baht)</b>	<b>Fair value after adjustment</b>
Cash and cash equivalents	1,507	-	1,507
Trade accounts receivable	1,593	-	1,593
Other current receivables	1,020	-	1,020
Inventories	3,936	-	3,936
Property, plant and equipment	1,091	753	1,844
Intangible assets other than goodwill	-	1,528	1,528
Deferred tax assets	81	(81)	-
Trade accounts payables	(763)	-	(763)
Other current payables	(813)	-	(813)
Contract liabilities	(2,109)	-	(2,109)
Deferred tax liabilities	-	(375)	(375)
<b>Total identifiable net assets</b>	<b>5,543</b>	<b>1,825</b>	<b>7,368</b>
<i>Less Non-controlling interests (0.02%)</i>	<i>(1)</i>	<i>-</i>	<i>(1)</i>
<b>Total identifiable net assets received</b>	<b>5,542</b>	<b>1,825</b>	<b>7,367</b>
Goodwill arising from the acquisition	13,258	(1,825)	11,433
<b>Purchase consideration transferred</b>	<b>18,800</b>	<b>-</b>	<b>18,800</b>
Net cash acquired with the subsidiary	1,507	-	1,507
Cash paid	(18,800)	-	(18,800)
<b>Net cash outflows</b>	<b>(17,293)</b>	<b>-</b>	<b>(17,293)</b>

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.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

The following fair value is determined based on provisional basis:

- The fair value of other intangible assets (customer relationships and backlog) have been determined completion by an independent appraiser using Multi-period Excess Earnings Method (MEEM) within the income approach for valuation, the discount rate is an calculated by weighted average cost of capital of the business.

#### *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 for the year ended 31 December 2023 of the Group.

#### *Restatement of prior period financial statements*

The consolidated statements of financial position as at 31 December 2023 and the consolidated statement of comprehensive income for year ended 31 December 2023, which is included as comparative information, have been restated in accordance with accounting adjustment condition for business acquisition as follows;

The impacts to the consolidated statement of financial position as at 31 December 2023:

	<b>Consolidated financial statements</b>		
	Acquisition of Grace Water Med Company Limited	Acquisition of Waree Medical Company Limited (in thousand Baht)	Total
<b><i>Assets</i></b>			
Increase in property, plant and equipment	4,902	801	5,703
Increase in Intangible assets other than goodwill	-	1,296	1,296
Decrease in goodwill	(2,443)	(1,825)	(4,268)
Decrease in deferred tax assets	(980)	-	(980)
<b>Total</b>	<b>1,479</b>	<b>272</b>	<b>1,751</b>
<b><i>Liability</i></b>			
Increase in deferred tax liabilities	-	419	419
<b>Total</b>	<b>-</b>	<b>419</b>	<b>419</b>
<b><i>Equity</i></b>			
Increase in deficit	(372)	(78)	(450)
Increase (decrease) in non-controlling interests	1,851	(69)	1,782
<b>Total</b>	<b>1,479</b>	<b>(147)</b>	<b>1,332</b>

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

The impacts of the restatement on the consolidated statement of comprehensive income for the year ended 31 December 2023 of the Group were as follows:

	Consolidated financial statements		
	Acquisition of Grace Water Med Company Limited	Acquisition of Waree Medical Company Limited (in thousand Baht)	Total
Increase in costs of sale of goods	(1,001)	-	(1,001)
Decrease in costs of rendering of services	-	47	47
Decrease in distribution costs	122	-	122
Increase in administrative expenses	(2)	(232)	(234)
Decrease in tax expense	176	37	213
<b>Decrease in profit for the year</b>	<b>(705)</b>	<b>(148)</b>	<b>(853)</b>
<b>Profit (loss) attributed to:</b>			
Decrease in owners of parent	(372)	(78)	(450)
Decrease in non-controlling interests	(333)	(70)	(403)
	<b>(705)</b>	<b>(148)</b>	<b>(853)</b>
<b>Increase in basic loss per share (in Baht)</b>	<b>(0.0008)</b>	<b>(0.0002)</b>	<b>(0.001)</b>
<b>Increase in diluted loss per share (in Baht)</b>	<b>(0.0007)</b>	<b>(0.0002)</b>	<b>(0.0009)</b>

The impacts of the restatement on the total consolidated statement of cash flow for the year ended 31 December 2023 of the Group were as follows:

	Consolidated financial statements		
	Acquisition of Grace Water Med Company Limited	Acquisition of Waree Medical Company Limited (in thousand Baht)	Total
<b>For the year ended 31 December 2023</b>			
<b>Cash flows from operating activities</b>			
Decrease in profit for the year	(705)	(148)	(853)
Adjustments to reconcile profit (loss) to cash receipts (payments)			
Decrease in tax expense	(176)	(37)	(213)
Increase in depreciation and amortisation	881	185	1,066

## 6 Related parties

Relationships with parent of the Group, subsidiaries and associates are described in notes 1, 10 and 11. Other related parties which the Group had significant transactions with during the year were as follows:

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

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 Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.			
<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements		
	2024	2023	2024	2023	
<i>(in thousand Baht)</i>					
<b>Parent of the Group</b>					
Interest on lease liabilities	1,156	1,185	1,156	1,185	
<b>Subsidiaries</b>					
Sales of goods	-	-	2,264	593	
Interest income	-	-	8,016	2,885	
Other income	-	-	368	97	
Purchases of goods	-	-	169	106	
Other expenses	-	-	637	77	
<b>Associate</b>					
Interest income	425	645	-	-	
Purchases of goods	1,008	-	-	-	
Management fee	7,780	-	-	-	
Other expenses	2,887	4,714	2,946	-	
<b>Other related parties</b>					
Sales of goods	18,774	14,199	-	-	
Interest expense	221	220	-	-	
<b>Key management personnel</b>					
Interest on lease liabilities	3,020	3,094	3,020	3,094	
Interest expense	331	330	-	-	
Key management personnel compensation					
Short-term employee benefit	29,248	23,413	26,651	22,258	
Post-employment benefits	573	472	458	421	
Total key management personnel compensation	29,821	23,885	27,109	22,679	
<b>Balances with related parties</b>					
<i>At 31 December</i>					
<i>(in thousand Baht)</i>					
<b>Trade accounts receivable</b>					
Subsidiaries	-	-	98	94	
Other related parties	4,608	3,681	-	-	
<b>Total</b>	<b>4,608</b>	<b>3,681</b>	<b>98</b>	<b>94</b>	

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

<i>Balances with related parties At 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b><i>Short-term loans to</i></b>				
Subsidiaries	-	-	138,800	89,800
<b>Total</b>	<b>-</b>	<b>-</b>	<b>138,800</b>	<b>89,800</b>
<b><i>Long-term loans to</i></b>				
Associate	5,000	5,000	-	-
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>-</b>
<b><i>Other current receivables</i></b>				
Subsidiaries	-	-	9,950	734
Associate	3,219	2,172	612	-
<b>Total</b>	<b>3,219</b>	<b>2,172</b>	<b>10,562</b>	<b>734</b>
<b><i>Trade accounts payable</i></b>				
Associate	354	-	-	-
<b>Total</b>	<b>354</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>Other current payables</i></b>				
Key management personnel	3,903	1,788	3,395	1,600
Other related parties	19	19	-	-
<b>Total</b>	<b>3,922</b>	<b>1,807</b>	<b>3,395</b>	<b>1,600</b>
<b><i>Long-term loans from</i></b>				
Key management personnel	6,000	6,000	-	-
Other related parties	4,000	4,000	-	-
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b><i>Lease liabilities</i></b>				
Parent of the Group	25,612	26,363	25,612	26,363
Key management personnel	66,896	68,856	66,896	68,856
<b>Total</b>	<b>92,508</b>	<b>95,219</b>	<b>92,508</b>	<b>95,219</b>

### *Significant agreements with related parties*

#### *Rental agreements*

#### **Parent company of the Group**

On 1 January 2021, the Company entered into 3-year land and buildings rental agreement of head office for operating purposes with the parent of the Group, 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.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

On 30 June 2021, the Company entered into addendum of land and buildings rental agreement with the parent of the Group. 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 parent of the Group and key management personnel for the year ended 31 December 2024 were Baht 1.9 million and Baht 5.0 million, respectively (*2023: Parent of the Group and key management personnel were Baht 1.6 million and Baht 4.3 million, respectively*).

#### Associate

On 30 July 2022, an indirect 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, an indirect 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, an indirect subsidiary and associate entered into a memorandum to terminate all equipment rental agreements. As a result, indirect 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 2024, the subsidiary drawdown loan of Baht 40.0 million which will be due within January to April 2025 (*2023: Baht 40.0 million which will be due within January to April 2024*).

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.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

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 2024, the subsidiary drawdown loan of Baht 20.0 million which will be due within April 2025 (*2023: 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 2024, the subsidiary drawdown loan of Baht 8.8 million which will be due within April 2025 (*2023: 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 2024, the subsidiary drawdown loan of Baht 6.0 million which will be due within February 2025 (*2023: Nil*).

On 6 October 2023, the Company; as a lender, entered into short-term loan agreement in form of promissory note with an indirect 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 2024, the indirect subsidiary drawdown loan of Baht 30.0 million which will be due within January to March 2025 (*2023: Baht 21.0 million which will be due within January to April 2024*).

On 5 March 2024, the Company; as a lender, entered into short-term loan agreement in form of promissory note with an indirect subsidiary for operating purposes, with amount not exceeding 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. As at 31 December 2024, the indirect subsidiary drawdown loan of Baht 20.0 million which will be due within January to March 2025.

On 13 September 2024, the Company; as a lender, entered into short-term loan agreement in form of promissory note with an indirect subsidiary for operating purposes, with amount not exceeding 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. As at 31 December 2024, the indirect subsidiary drawdown loan of Baht 14.0 million which will be due for full repayment within January to February 2025.

#### *Long-term loan to agreements*

##### **Associate**

On 28 November 2022, an indirect 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 2024, the associate drawdown loan of Baht 5.0 million (*2023: Baht 5.0 million*).



## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

#### Key management personnel

During 2015 to 2023, an indirect subsidiary entered into several long-term loan agreements with parent of the Group and key management personnel totalling 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.

On 17 August 2023, an indirect subsidiary entered into memorandum of understanding with parent of the Group 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 indirect subsidiary received Baht 18.2 million cash for repayment of remaining long-term loan balance during the year ended 31 December 2023.

#### 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. As at 31 December 2024, the subsidiary drawdown loan of Baht 6.0 million (2023: Baht 6.0 million).

##### 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. As at 31 December 2024, the subsidiary drawdown loan of Baht 4.0 million (2023: Baht 4.0 million).

#### Service agreements

##### Associate

An indirect subsidiary engaged an associate to provide management service for vending machine of indirect subsidiary amount 25 units under the term and rates stipulated in the agreement.

An indirect subsidiary engaged an associate to provide management and space service for vending machine of indirect subsidiary amount 160 units under the term and rates stipulated in the agreement.

## 7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	(in thousand Baht)			
Cash on hand	184	77	65	30
Cash at banks	29,306	20,577	14,820	10,666
<b>Total</b>	<b>29,490</b>	<b>20,654</b>	<b>14,885</b>	<b>10,696</b>



## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

### 8 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Within credit terms	56,899	38,832	32,721	24,579
Overdue				
Less than 3 months	49,683	41,952	35,700	32,193
3 - 6 months	11,449	6,541	7,473	3,154
6 - 12 months	3,600	2,967	2,285	495
Over 12 months	7,801	8,155	2,663	3,650
<b>Total</b>	<b>129,432</b>	<b>98,447</b>	<b>80,842</b>	<b>64,071</b>
Less allowance for expected credit loss	(12,896)	(10,531)	(5,999)	(3,701)
<b>Net</b>	<b>116,536</b>	<b>87,916</b>	<b>74,843</b>	<b>60,370</b>
 <i>Allowance for expected credit loss</i>				
At 1 January	10,531	4,320	3,701	3,543
Acquisitions through business combinations	-	6,868	-	-
Additions	2,685	158	2,618	158
Reversal	-	(815)	-	-
Write-off	(320)	-	(320)	-
<b>At 31 December</b>	<b>12,896</b>	<b>10,531</b>	<b>5,999</b>	<b>3,701</b>

Information of credit risk is disclosed in note 27 (a.1).

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

#### 9 Inventories

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Finished goods	74,609	62,512	62,922	59,909
Work in progress	5,803	6,623	4,066	5,332
Raw materials	34,010	31,650	29,493	27,198
Packaging materials	19,098	19,362	18,811	19,297
<b>Total</b>	<b>133,520</b>	<b>120,147</b>	<b>115,292</b>	<b>111,736</b>
Less allowance for decline in value	(11,100)	(17,997)	(10,614)	(17,884)
<b>Net</b>	<b>122,420</b>	<b>102,150</b>	<b>104,678</b>	<b>93,852</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(Restated)</i>			
	<i>(in thousand Baht)</i>			
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	526,388	432,161	386,273	355,516
- Reversal of write-down to net realisable value	(6,897)	(104)	(7,270)	(131)
<b>Net</b>	<b>519,491</b>	<b>432,057</b>	<b>379,003</b>	<b>355,385</b>

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

Notes to the financial statements  
For the year ended 31 December 2024

### 10 Investment in an associate

Consolidated financial statements												
Associate	Type of business	Country of operation	Ownership interest		At equity method		Cost		Impairment		At cost - net	
			2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
			(%)		(in thousand Baht)							
Medis Corporation Limited	Selling of consumer products and provide advertising media via vending machine	Thailand	44	44	13,634	132,721	132,144	132,144			16,154	132,144
					<b>13,634</b>	<b>132,721</b>	<b>132,144</b>	<b>132,144</b>			<b>16,154</b>	<b>132,144</b>
<b>Total</b>												

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

The Group has additional recognised share of loss of investment accounted for using the equity method from the loss of associate amounting to Baht 3.1 million (2023: Share of profit of Baht 0.6 million).

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

<i>Material movement</i> <i>Year ended 31 December</i>	<b>Consolidated financial statements</b>	
	2024	2023
	<i>(in thousand Baht)</i>	
<i>Associate</i>		
Purchase investment in Medis Corporation Company Limited	-	132,144
Impairment loss	(115,990)	-

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 6).

#### *Impairment on investments in associate*

During the year ended 31 December 2024, the actual financial performance of an associate was lower than the management's expectations. The management believes that the impairment indications existed. Therefore, the Company performed impairment test of carrying amount of investment in associate. By appoint an independent appraiser to determined the recoverable amount was based on its value in use determined by discounted future cash flows to be generated according to the business plan and discount rate which is calculated by weighted average cost of capital.

The recoverable amount of investments in associate 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.

	2024	2023
	<i>(%)</i>	
Discount rate	7.81	-
Terminal value growth rate	1.12	-

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 7.8% (2023: Nil) at a market interest rate of 9.3% (2023: Nil).

The recoverable amount by independent appraiser was lower than its carrying amount. Therefore, the Company recorded an impairment loss amounting to Baht 115.99 million in the consolidated statement of comprehensive income for the year ended 31 December 2024.

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.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

#### *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.

	<b>Medis Corporation Company Limited</b>	
	2024	2023
	<i>(in thousand Baht)</i>	
Revenue	17,484	5,127
Total comprehensive income (100%)	(10,830)	2,019
<b>Group's share of total comprehensive income</b>	<b>(3,097)</b>	<b>577</b>
Current assets	2,088	2,170
Non-current assets	3,032	3,413
Current liabilities	(15,241)	(10,720)
Non-current liabilities	(13,538)	(9,631)
Net liabilities (100%)	(23,659)	(14,768)
<b>Net book value of interest in associate</b>	<b>13,634</b>	<b>132,721</b>

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**  
Notes to the financial statements  
For the year ended 31 December 2024

**11 Investment in subsidiaries**

Investment in subsidiaries as at 31 December 2024 and 2023 as follow:

	Type of business	Country of incorporation	Ownership interest (%)		Paid Capital		Cost (in thousand Baht)		Impairment		At cost - net	
			2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Direct subsidiaries</b>												
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	-	-	30,000	30,000
Grace Water Med Company Limited	Manufacturing and selling of hemodialysis products and supplies	Thailand	52.80	52.80	40,000	40,000	43,900	43,900	-	-	43,900	43,900
JSP Pharma Holding Company Limited	Invest in other companies	Thailand	99.99	99.99	200,000	200,000	199,999	199,999	(155,000)	-	44,999	199,999
<b>Total</b>					<b>270,000</b>	<b>270,000</b>	<b>273,899</b>	<b>273,899</b>	<b>(155,000)</b>	<b>-</b>	<b>118,899</b>	<b>273,899</b>

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

		Separate financial statements									
Type of business	Country of incorporation	Ownership interest (%)		Paid Capital		Cost <i>(in thousand Baht)</i>		Impairment		At cost - net	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Indirect subsidiaries</b>											
<u>Held through “ Grace Water Med Company Limited ”</u>											
Waree Medical Company Limited											
Manufacturer and distributor of purified water system for industrial purposes	Thailand	52.80	52.80	2,500	2,500	-	-	-	-	-	-
<u>Held through “ JSP Pharma Holding Company Limited ”</u>											
CDIP (Thailand) Public Company Limited											
Services provider of laboratory research, scientific test and analysis, training and seminar, consultancy for research fund application businesses and selling of product via vending machines.	Thailand	65.00	65.00	120,000	120,000	-	-	-	-	-	-
<b>Total</b>				<b>122,500</b>	<b>122,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

Detail of the increase in investment in a subsidiaries during the years ended 31 December 2024 and 2023 were as follows:

	Separate financial statements	
	2024	2023
	(in thousand Baht)	
Purchase of investment in Grace Water Med Company Limited	-	43,900
New investment in JSP Pharma Holding Company Limited	-	199,999
<b>Total</b>	<b>-</b>	<b>243,899</b>

#### *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.

#### *Impairment on investment in subsidiaries*

During the year ended 31 December 2024, the actual financial performance of an indirect subsidiary was lower than the management's expectations. The management believes that the impairment indications existed. Therefore, the Company performed impairment test of carrying amount of investment in indirect subsidiary. By appoint an independent appraiser to determine the recoverable amount was based on its value in use determined by discounted future cash flows to be generated according to the business plan and discount rate which is calculated by weighted average cost of capital.

The recoverable amount of investments in indirect subsidiary 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.

	2024	2023
	(%)	
Discount rate	7.45	-
Terminal value growth rate	1.12	-

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 7.8% (2023: Nil) at a market interest rate of 8.2% (2023: Nil).



## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

The recoverable amount by independent appraiser was lower than its carrying amount. Therefore, the Company recorded an impairment loss amounting to Baht 155.0 million in the separate statement of comprehensive income for the year ended 31 December 2024.

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.

## 12 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	CDIP (Thailand) Public Company Limited		Grace Water Med Company Limited and its subsidiary	
	2024	2023	2024	2023
			<i>(in thousand Baht)</i>	
Non-controlling interest percentage	35.0	35.0	47.2	47.2
Current assets	18,300	7,516	64,239	46,704
Non-current assets	81,272	161,268	75,209	71,962
Current liabilities	(78,997)	(45,773)	(70,169)	(43,474)
Non-current liabilities	(16,250)	(4,000)	(20,563)	(29,860)
<b>Net assets</b>	<b>4,325</b>	<b>119,011</b>	<b>48,716</b>	<b>45,332</b>
Carrying amount of non-controlling interest	1,514	41,654	22,994	21,397
Revenue	16,620	10,009	161,371	146,528
Profit (loss)	(114,686)	(5,897)	8,003	271
Other comprehensive income (expense)	-	-	-	140
<b>Total comprehensive income (expense)</b>	<b>(114,686)</b>	<b>(5,897)</b>	<b>8,003</b>	<b>411</b>
Profit (loss) attributable to non-controlling interests	(40,140)	(2,064)	3,777	128
Total comprehensive income (expense) attributable to non-controlling interests	-	-	-	66
Cash flows from operating activities	(11,416)	(19,117)	8,871	8,411
Cash flows from investing activities	(5,057)	17,054	(5,903)	(24,150)
Cash flows from financing activities	16,616	651	1,663	8,895

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

### 13 Property, plant and equipment

	Consolidated financial statements						
	Land	Buildings and building improvements	Leasehold of land and building	Machinery and equipment (in thousand Baht)	Vehicles	Furniture, fixtures and office equipment	Assets under construction and installation
<b>Cost</b>							<b>Total</b>
At 1 January 2023 - Restated	187,515	219,801	122,540	165,606	11,355	13,578	879,560
Additions	40,327	6,406	2,534	39,634	2,686	7,537	187,174
Acquisitions through business combinations (see note 5)	-	18,154	21,230	14,629	1,489	345	55,847
Lease termination	-	-	(1,557)	-	-	-	(1,557)
Transfers	-	190,956	-	12,631	-	849	-
Disposals	-	-	-	-	(889)	(585)	(1,474)
Write-off	-	-	-	(47)	-	(107)	(154)
<b>At 31 December 2023 and 1 January 2024 - Restated</b>	<b>227,842</b>	<b>435,317</b>	<b>144,747</b>	<b>232,453</b>	<b>14,641</b>	<b>21,617</b>	<b>1,119,396</b>
Additions	-	918	1,734	53,876	5,663	3,522	100,969
Lease termination	-	-	(1,759)	-	-	-	(1,759)
Transfers	-	67,966	-	7,686	-	2,383	-
Disposals	-	-	-	-	(161)	(886)	(1,047)
Write-off	-	-	-	(1,190)	-	-	(1,190)
<b>At 31 December 2024</b>	<b>227,842</b>	<b>504,201</b>	<b>144,722</b>	<b>292,825</b>	<b>20,143</b>	<b>26,636</b>	<b>1,216,369</b>

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

Consolidated financial statements								
	Land	Buildings and building improvements	Leasehold of land and building	Machinery and equipment	Vehicles	Furniture, fixtures and office equipment	Assets under construction and installation	Total
				(in thousand Baht)				
<i>Depreciation and impairment losses</i>								
At 1 January 2023 - Restated	-	93,646	18,846	82,994	6,818	7,026	-	209,330
Depreciation charge for the year	-	13,374	10,193	17,391	1,783	3,672	-	46,413
Lease termination	-	-	(166)	-	-	-	-	(166)
Disposals	-	-	-	-	(889)	(524)	-	(1,413)
Write-off	-	-	-	(31)	-	(99)	-	(130)
At 31 December 2023 and 1 January 2024 - Restated	-	107,020	28,873	100,354	7,712	10,075	-	254,034
Depreciation charge for the year	-	21,367	11,090	21,339	2,481	4,373	-	60,650
Lease termination	-	-	(1,732)	-	-	-	-	(1,732)
Disposals	-	-	-	-	(112)	(880)	-	(992)
Write-off	-	-	-	(1,062)	-	-	-	(1,062)
At 31 December 2024	-	128,387	38,231	120,631	10,081	13,568	-	310,898
<i>Net book value</i>								
At 31 December 2023 - Restated								
Owned assets	227,842	328,297	-	126,740	2,388	11,542	42,779	739,588
Right-of-use assets	-	-	115,874	5,359	4,541	-	-	125,774
	227,842	328,297	115,874	132,099	6,929	11,542	42,779	865,362
At 31 December 2024								
Owned assets	227,842	375,814	-	122,602	2,461	13,068	-	741,787
Right-of-use assets	-	-	106,491	49,592	7,601	-	-	163,684
	227,842	375,814	106,491	172,194	10,062	13,068	-	905,471

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**

## Notes to the financial statements

**For the year ended 31 December 2024**

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
<b>Cost</b>								
At 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)
<b>At 31 December 2023 and 1 January 2024</b>	<b>205,412</b>	<b>390,174</b>	<b>120,355</b>	<b>201,475</b>	<b>13,097</b>	<b>17,736</b>	<b>38,535</b>	<b>986,784</b>
Additions	-	248	-	8,683	3,635	2,524	34,557	49,647
Transfers	-	63,023	-	7,686	-	2,383	(73,092)	-
Disposals	-	-	-	-	(161)	(886)	-	(1,047)
Write-off	-	-	-	(1,190)	-	-	-	(1,190)
<b>At 31 December 2024</b>	<b>205,412</b>	<b>453,445</b>	<b>120,355</b>	<b>216,654</b>	<b>16,571</b>	<b>21,757</b>	<b>-</b>	<b>1,034,194</b>
<b>Depreciation and impairment losses</b>								
At 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)
<b>At 31 December 2023</b>								
<b>1 January 2024</b>	-	<b>104,863</b>	<b>25,852</b>	<b>95,544</b>	<b>7,482</b>	<b>8,568</b>	-	<b>242,309</b>
Depreciation charge for the year	-	17,764	8,190	15,120	1,875	3,550	-	46,499
Disposals	-	-	-	-	(112)	(880)	-	(992)
Write-off	-	-	-	(1,062)	-	-	-	(1,062)
<b>At 31 December 2024</b>	-	<b>122,627</b>	<b>34,042</b>	<b>109,602</b>	<b>9,245</b>	<b>11,238</b>	-	<b>286,754</b>

**JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

		Separate financial statements						Total
		Land	Buildings and building improvements	Leasehold of land and building	Machinery and equipment	Vehicles	Furniture, fixtures and office equipment	Assets under construction and installation
					(in thousand Baht)			

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.

In 2024, the Group terminated a lease agreement with certain lessor. As a result, right-of-use assets decreased by Baht 0.03 million and the Group recognised gain on termination of lease of Baht 0.002 million in the statement of comprehensive income.

In 2024, the Group entered into a lease agreement to lease building and equipment with 3-4 years term ending 2026-2028.

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

### 14 Other intangible assets other than goodwill

	Consolidated financial statements			
	Product registrations	Software licences (in thousand Baht)	Customer relationships	Total
<b>Cost</b>				
At 1 January 2023	3,570	4,680	-	8,250
Additions	-	675	-	675
Acquisitions through business combinations (see note 5)	-	-	1,528	1,528
<b>At 31 December 2023 and 1 January 2024 - Restated</b>	<b>3,570</b>	<b>5,355</b>	<b>1,528</b>	<b>10,453</b>
Additions	-	688	-	688
<b>At 31 December 2024</b>	<b>3,570</b>	<b>6,043</b>	<b>1,528</b>	<b>11,141</b>
<b>Amortisation</b>				
At 1 January 2023	1,575	1,295	-	2,870
Amortisation for the year	642	493	232	1,367
<b>At 31 December 2023 and 1 January 2024 - Restated</b>	<b>2,217</b>	<b>1,788</b>	<b>232</b>	<b>4,237</b>
Amortisation for the year	498	569	383	1,450
<b>At 31 December 2024</b>	<b>2,715</b>	<b>2,357</b>	<b>615</b>	<b>5,687</b>
<b>Net book value</b>				
<b>At 31 December 2023 - Restated</b>	<b>1,353</b>	<b>3,567</b>	<b>1,296</b>	<b>6,216</b>
<b>At 31 December 2024</b>	<b>855</b>	<b>3,686</b>	<b>913</b>	<b>5,454</b>
	Separate financial statements			Total
	Product registrations	Software licences (in thousand Baht)		
<b>Cost</b>				
At 1 January 2023	3,570	4,617		8,187
Additions	-	531		531
<b>At 31 December 2023 and 1 January 2024</b>	<b>3,570</b>	<b>5,148</b>		<b>8,718</b>
Additions	-	508		508
<b>At 31 December 2024</b>	<b>3,570</b>	<b>5,656</b>		<b>9,226</b>
<b>Amortisation</b>				
At 1 January 2023	1,575	1,294		2,869
Amortisation for the year	642	482		1,124
<b>At 31 December 2023 and 1 January 2024</b>	<b>2,217</b>	<b>1,776</b>		<b>3,993</b>
Amortisation for the year	498	534		1,032
<b>At 31 December 2024</b>	<b>2,715</b>	<b>2,310</b>		<b>5,025</b>
<b>Net book value</b>				
<b>At 31 December 2023</b>	<b>1,353</b>	<b>3,372</b>		<b>4,725</b>
<b>At 31 December 2024</b>	<b>855</b>	<b>3,346</b>		<b>4,201</b>

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

### 15 Goodwill

	Consolidated financial statements (in thousand Baht)
<b>At 1 January 2023</b>	-
Acquired through business combinations	32,551
<b>At 31 December 2023 and 1 January 2024 - Restated</b>	<b>32,551</b>
<b>At 31 December 2023</b>	<b>32,551</b>
 <i>Net book value</i>	
<b>At 31 December 2023 - Restated</b>	<b>32,551</b>
<b>At 31 December 2024</b>	<b>32,551</b>

Most of goodwill arises from the acquisition of shares in Grace Water Med Company Limited and Waree Medical Company Limited (see note 5).

#### Impairment testing

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

	Consolidated financial statements	
<b>At 31 December</b>	2024	2023 (Restated)
	(in thousand Baht)	
CGU 1 - Grace Water Med Company Limited	21,118	21,118
CGU 2 - Waree Medical Company Limited	11,433	11,433
<b>Total</b>	<b>32,551</b>	<b>32,551</b>

The recoverable amount of this CGU containing goodwill were based on estimated using discounted cash flows to be generate from the continuing operations of CGU according to the business plan and the cash flow projections for total revenue generated from other intangible assets other than goodwill was identified from business combinations and discount rate which is calculated by weighted average cost of capital. The fair value measurement was categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount 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.

	Grace Water Med Company Limited 2024	Waree Medical Company Limited 2024
	(%)	
Discount rate	12.20	12.20
Budgeted revenue growth rate (average of next five years)	5.97	5.71

The estimated recoverable amount of each CGU exceeded its carrying amount. Therefore, there is no impairment losses to be recognised as at 31 December 2024.

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Grace Water Med Company Limited 2024	(%)	Waree Medical Company Limited 2024
Discount rate	33.24		15.13
Budgeted revenue growth rate (average of next five years)	(0.65)		5.16

## 16 Leases

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

	Consolidated financial statements					
	2024			2023		
	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	25,619	(7,740)	17,879	16,564	(6,203)	10,361
After one year but within five years	71,478	(20,104)	51,374	54,699	(19,908)	34,791
After five years	104,209	(19,986)	84,223	114,834	(23,958)	90,876
<b>Total</b>	<b>201,306</b>	<b>(47,830)</b>	<b>153,476</b>	<b>186,097</b>	<b>(50,069)</b>	<b>136,028</b>

	Separate financial statements					
	2024			2023		
	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	12,407	(4,671)	7,736	12,205	(4,703)	7,502
After one year but within five years	40,352	(15,400)	24,952	39,063	(16,000)	23,063
After five years	93,891	(19,097)	74,794	101,468	(22,521)	78,947
<b>Total</b>	<b>146,650</b>	<b>(39,168)</b>	<b>107,482</b>	<b>152,736</b>	<b>(43,224)</b>	<b>109,512</b>



# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation charge of right-of-use assets:				
- Leasehold of land and building	11,090	10,193	8,190	8,194
- Machinery and equipment	3,383	662	642	615
- Vehicles	1,527	1,280	1,527	1,280
Interest on lease liabilities	7,523	6,252	4,748	5,011
Expenses relating to leases of low-value assets	617	419	316	202

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the year ended 31 December 2024 were Baht 15.6 million and Baht 8.2 million, respectively (2023: Baht 9.3 million and Baht 6.7 million, respectively).

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

## 17 Interest-bearing liabilities

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

	Note	Consolidated financial statements					
		2024			2023		
		Current	Non-current	Total (in thousand Baht)	Current	Non-current	Total
<b>Secured</b>							
Bank overdrafts (a)		6,862	-	6,862	46,708	-	46,708
Short-term loans from financial institutions (a)		50,000	-	50,000	41,000	-	41,000
Long-term loans from financial institutions (b)		18,071	49,997	68,068	10,526	46,268	56,794
Lease liabilities	16	17,879	135,597	153,476	10,361	125,667	136,028
<b>Unsecured</b>							
Long-term loans from related parties	6	10,000	-	10,000	-	10,000	10,000
<b>Total interest-bearing liabilities</b>		<b>102,812</b>	<b>185,594</b>	<b>288,406</b>	<b>108,595</b>	<b>181,935</b>	<b>290,530</b>

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

	Note	Separate financial statements					
		2024			2023		
		Current	Non-current	Total (in thousand Baht)	Current	Non-current	Total
<b>Secured</b>							
Bank overdrafts (a)		-	-	-	24,219	-	24,219
Short-term loans from financial institutions (a)		50,000	-	50,000	41,000	-	41,000
Long-term loans from financial institutions (b)		18,071	49,997	68,068	10,526	46,268	56,794
Lease liabilities	16	7,736	99,746	107,482	7,502	102,010	109,512
<b>Total interest-bearing liabilities</b>		<b>75,807</b>	<b>149,743</b>	<b>225,550</b>	<b>83,247</b>	<b>148,278</b>	<b>231,525</b>

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	
	2024	2023	2024	2023
	(in thousand Baht)			
Other non-current financial assets	6,087	11,989	4,566	4,500
Property, plant and equipment - at cost	191,861	136,534	169,431	114,104
<b>Total</b>	<b>197,948</b>	<b>148,523</b>	<b>173,997</b>	<b>118,604</b>

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

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	(in thousand Baht)			
Within one year	84,933	98,234	68,071	75,745
After one year but within five years	49,523	51,110	49,523	41,110
After five years	474	5,158	474	5,158
<b>Total</b>	<b>134,930</b>	<b>154,502</b>	<b>118,068</b>	<b>122,013</b>

As at 31 December 2024, the Group and the Company had unutilised credit facilities amounting to Baht 148.1 million and Baht 143.0 million, respectively (2023: Baht 73.6 million and Baht 56.3 million, respectively).

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

As at 31 December 2024, the Group had bank overdrafts of Baht 6.9 million, which bore the rates of MOR-2.55% and MOR-1.45% per annum and were secured by land owned by the Group and the Group's bank deposits with financial institutions (2023: 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).

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

As at 31 December 2024, the Company had no bank overdrafts (2023: Baht 24.2 million, which bore the rates of MOR-2.55% per annum and were secured by land owned by the Company).

As at 31 December 2024, the Group and the Company had promissory notes from financial institutions totalling Baht 50.0 million and Baht 50.0 million, respectively, which bore the rate of Market interest rate. The promissory notes were secured by land owned by the Group (2023: Baht 41.0 million and Baht 41.0 million, respectively, which bore the rates of Market interest rate and MLR-1% per annum. The promissory notes were secured by land owned by the Group, parent company of the Group and key management personnel).

As at 31 December 2024, the Group and Company have to comply with financial debt covenants on bank overdraft facilities amounting to Baht 145.0 million and Baht 130.0 million, respectively (2023: Baht 75.0 million and Baht 60.0 million, respectively). 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 comply with financial covenants for financial statements for the year ended 31 December 2024 (2023: 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 2024, the Group and the Company had long-term loans from several financial institutions of Baht 68.1 million and Baht 68.1 million, respectively (2023: Baht 56.8 million and Baht 56.8 million, respectively). These loans had various monthly repayment schedule for principal and interest up to 2030 as follows:

			Consolidated and Separate financial statements	
Interest rate	Maturity of the last installment	Collaterals	2024 (in thousand Baht)	2023
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	19,013	22,340
Year 1 - 3: MLR-2.55%, Year 4 - maturity: MLR-2.3%	2028	Land owned by the Group	14,930	18,927
MLR Year 1 - 2: MLR-2.0%, Year 3 - maturity: MLR-1.0%	2571 2027	Land owned by the Company Key management personnel and Thai Credit Guarantee Corporation (TCG)	22,036 11,562	- 14,666

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	Maturity of the last installment	Collaterals Thai Credit Guarantee Corporation (TCG)	Consolidated and Separate financial statements	
			2024 (in thousand Baht)	2023
Interest rate Year 1 - 2: 2.0% Year 3-maturity: 7.0%	2026		527	861
<b>Total</b>			<b>68,068</b>	<b>56,794</b>

As at 31 December 2024, 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 (2023: Baht 20.0 million and Baht 20.0 million, respectively). 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 comply with financial covenants for financial statements for the year ended 31 December 2024 (2023: 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).

## 18 Non-current provisions for employee benefits

<i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2024	2023 (in thousand Baht)	2024	2023
Post-employment benefits	19,766	16,592	17,703	15,191

### *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	
	2024	2023 (in thousand Baht)	2024	2023
At 1 January	16,592	13,477	15,191	13,008
Acquisitions through business combinations (see note 5)	-	492	-	-
<i>Included in profit or loss</i>				
Current service costs	1,843	1,822	1,225	1,131
Interest on obligation	505	470	461	446
	<b>2,348</b>	<b>2,292</b>	<b>1,686</b>	<b>1,577</b>

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## Notes to the financial statements

### For the year ended 31 December 2024

<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b><i>Included in other comprehensive income</i></b>				
Actuarial loss				
- Demographic assumptions	-	52	-	-
- Financial assumptions	1,052	396	1,052	507
- Experience adjustment	437	333	437	449
	<b>1,489</b>	<b>781</b>	<b>1,489</b>	<b>956</b>
<b><i>Others</i></b>				
Benefit paid	(663)	(450)	(663)	(350)
<b>At 31 December</b>	<b>19,766</b>	<b>16,592</b>	<b>17,703</b>	<b>15,191</b>

<b><i>Principal actuarial assumptions</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(%)</i>			
Discount rate	2.54 - 3.63	2.92 - 3.63	2.54 - 2.79	3.12 - 3.15
Future salary growth	4.00 - 5.00	4.00 - 5.00	5.00	5.00
Employee turnover	1.91 - 34.38	1.91 - 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 2024, the weighted-average duration of the defined benefit obligation was 13 - 23 years (2023: 13 - 23 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.

<b><i>Effect to the defined employee benefit obligation increase (decrease)</i></b>	<b>Consolidated financial statements</b>		<b>Separate Financial statements</b>	
	Assumption change		Assumption change	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
<b>At 31 December 2024</b>				
Discount rate (1% movement)	(2,016)	2,408	(1,805)	2,162
Future salary growth (1% movement)	2,285	(1,957)	2,024	(1,729)
Employee turnover (20% movement)	(2,715)	3,329	(2,452)	3,146
<b>At 31 December 2023</b>				
Discount rate (1% movement)	(1,646)	1,965	(1,507)	1,802
Future salary growth (1% movement)	1,849	(1,583)	1,702	(1,455)
Employee turnover (20% movement)	(2,189)	2,718	(2,021)	2,607

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### 19 Share capital

		Consolidated and Separate financial statements			
	Par value per share (in Baht)	2024		2023	
		Number	Baht	Number	Baht
		(thousand shares/in thousand Baht)			
<b>Authorised</b>					
At 1 January					
- Ordinary shares	0.5	682,500	341,250	682,500	341,250
Reduction of shares	0.5	(207,925)	(103,963)	-	-
Increase of new shares	0.5	<u>237,287</u>	<u>118,644</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>					
- Ordinary shares	<b>0.5</b>	<b><u>711,862</u></b>	<b><u>355,931</u></b>	<b><u>682,500</u></b>	<b><u>341,250</u></b>
<b>Issued and paid-up</b>					
At 1 January					
- Ordinary shares	0.5	474,555	237,277	455,000	227,500
Increase of new shares	0.5	<u>20</u>	<u>10</u>	<u>19,555</u>	<u>9,777</u>
<b>At 31 December</b>					
- Ordinary shares	<b>0.5</b>	<b>474,575</b>	<b>237,287</b>	<b>474,555</b>	<b>237,277</b>

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.

During the year ended 31 December 2024, the Company had transactions about share capital as follows:

#### *Exercise of warrant*

During the year ended 31 December 2024, there were 20,021 units of JSP-W1 warrant exercised into 20,021 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 with the Ministry of Commerce on 13 September 2024.

#### *Write-off unissued ordinary shares*

On 14 November 2024, the Extraordinary General Meeting of Shareholders had resolutions approved the decrease of authorised share capital from Baht 341.3 million (682.5 million shares at par value of Baht 0.5 per share) to Baht 237.3 million (476.6 million shares at par value of Baht 0.5 per share) by writing-off 207.9 million unissued ordinary shares at par value of Baht 0.5 per share, totalling Baht 104.0 million. The written-off shares were accommodated for exercise of warrant to purchase the newly issued ordinary shares of the Company No. 1 (JSP-W1) which has already expired. The Company has registered the decrease of authorised share capital with the Ministry of Commerce on 15 November 2024.

#### *Issue and allotment of ordinary shares*

On 14 November 2024, the Extraordinary General Meeting of Shareholders had resolutions approved the increase of authorised share capital from Baht 237.3 million (474.6 million shares at par value of Baht 0.5 per share) to Baht 355.9 million (711.9 million shares at par value of Baht 0.5 per share). The Company newly issued 237.3 million shares at par value of Baht 0.5 per share, totalling Baht 118.6 million. The Company has registered the increase of authorised share capital with the Ministry of Commerce on 15 November 2024.



## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

On the same date, Shareholders had resolutions approved the allotment of the newly issued share capital totalling 237.3 million shares at a par value of Baht 0.50 to accommodate the exercise of JSP-W2 warrant totalling 237.3 million units, which allotted to the existing shareholder of the Company pro rata to their respective shareholdings.

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.

#### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 (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.

## 20 Warrants

#### *Warrant to purchase the newly issued ordinary shares of the Company No. 1 (JSP-W1)*

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 No. 1 (JSP-W1) 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.

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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 increases from exercise of warrants (in thousand Baht)	Registration date of increase in paid-up capital with the Ministry of Commerce
<b>2024</b>						
August	20,021	20,021	2.50	50	25	13 September 2024
	<u>20,021</u>	<u>20,021</u>		<u>50</u>	<u>25</u>	
<b>2023</b>						
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
	<u>19,554,900</u>	<u>19,554,900</u>		<u>48,888</u>	<u>48,807</u>	

As at 31 December 2024, the unexercised JSP-W1 warrant of 207.9 million units were expired (2023: there were 207.9 million units unexercised warrants outstanding of JSP-W1).

***Warrant to purchase the newly issued ordinary shares of the Company No. 2 (JSP-W2)***

On 14 November 2024, the Extraordinary General Meeting of Shareholders had resolutions approve the issue of warrant to purchase the newly issued ordinary shares of the Company No. 2 (JSP-W2) not exceeding 237.3 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-W2 warrant. The warrant had details as follow:

Description	Details
Grant date	9 December 2024
Exercise ratio	1 unit of warrant per 1 ordinary share, except there is a change according to the right adjustment conditions
Exercise price	Baht 4.00 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 only a time at maturity date of the warrant, which shall be 8 December 2025.

As at 31 December 2024, there were 237.3 million units unexercised warrant outstanding of JSP-W2.

## **21 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 deficit brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the authorised capital. The legal reserve is not available for dividend distribution.



## **JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2024**

##### *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.

## **22 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 and selling of product via vending machines

Other segments include revenue from sales of goods and service. None of these segments meets the quantitative thresholds for determining reportable segments in 2024 or 2023.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax 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 2024</i>	Segment 1	Segment 2	Consolidated financial statements Segment 3 (in thousand Baht)	Segment 4	Other segments	Total
Revenues from sales of goods and rendering of services	308,388	337,199	140,026	8,037	30,835	824,485
<b>Segment operating profit (loss)</b>	<b>69,491</b>	<b>114,370</b>	<b>23,632</b>	<b>(1,632)</b>	<b>3,032</b>	<b>208,893</b>
Unallocated revenues						21,447
Unallocated expenses						(125,307)
Impairment loss of non-financial assets						(115,990)
Impairment loss in accordance with TFRS 9						(2,684)
Share of loss of an associate accounted for using equity method						(3,097)
Finance costs						(16,567)
<b>Loss before income tax</b>						<b>(33,305)</b>
<i>Year ended 31 December 2023 (Restated)</i>	Segment 1	Segment 2	Consolidated financial statements Segment 3 (in thousand Baht)	Segment 4	Other segments	Total
Revenues from sales of goods and rendering of services	288,493	192,735	64,665	7,739	21,946	575,578
<b>Segment operating profit</b>	<b>38,074</b>	<b>44,226</b>	<b>7,907</b>	<b>693</b>	<b>1,814</b>	<b>92,714</b>
Unallocated revenues						18,780
Unallocated expenses						(112,559)
Gain on measurement of financial assets						39,912
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)
<b>Profit before income tax</b>						<b>36,486</b>

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2024

##### *Geographical segments*

The Group is managed and operates principally in Thailand. There is no material revenues derived from, or assets located in, foreign countries.

##### *Major customers*

Revenues from two major customer for the year ended 31 December 2024 of the Group and the Company were approximately Baht 125.6 million (2023: revenues from two major customers were approximately Baht 118.1 million and Baht 106.0 million, respectively).

##### *Contract balances*

The following table provides information about receivables and contract liabilities from contracts with customers.

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Trade accounts receivable	129,432	98,447	80,842	64,071
Less allowance for expected credit loss	(12,896)	(10,531)	(5,999)	(3,701)
<b>Net</b>	<b>116,536</b>	<b>87,916</b>	<b>74,843</b>	<b>60,370</b>
Contract liabilities				
- Product deposits received	13,765	11,156	11,952	9,634
- Long-term advances received	8,839	10,692	8,839	10,692

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 8.8 million and Baht 8.8 million, respectively (2023: Baht 10.7 million and Baht 10.7 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 2024 amounting to Baht 0.5 million and Baht 0.5 million, respectively (2023: Baht 0.02 million and Baht 0.02 million, respectively).

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

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#### 23 Expenses by nature

For the year ended 31 December	Note	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023 (Restated)	2024	2023
(in thousand Baht)					
<b>Included in cost of sale of goods and cost of rendering of services</b>					
Changes in inventories of finished goods and work in progress		(11,277)	184	(1,747)	(1,189)
Raw materials and packaging materials used		300,525	269,492	240,172	222,767
Employee benefit expenses		80,526	65,302	67,063	57,525
Depreciation and amortisation		46,421	37,119	39,011	33,109
Cost of trading goods		55,953	7,220	9,326	7,053
Others		47,344	52,740	25,178	36,120
<b>Total</b>		<b>519,492</b>	<b>432,057</b>	<b>379,003</b>	<b>355,385</b>
<b>Included in distribution costs</b>					
Employee benefit expenses		33,743	27,262	22,594	21,615
Advertising and promotion expenses		43,019	7,264	41,680	6,364
Depreciation and amortisation		4,503	1,849	1,710	1,656
Others		14,835	14,432	9,380	11,670
<b>Total</b>		<b>96,100</b>	<b>50,807</b>	<b>75,364</b>	<b>41,305</b>
<b>Included in administrative expenses</b>					
Employee benefit expenses		67,132	61,294	56,325	50,953
Professional fees		13,913	17,912	9,447	12,621
Management fees	6	7,780	-	-	-
Depreciation and amortisation		11,177	8,813	6,810	5,880
Travelling expenses		2,573	3,294	2,449	3,031
Others		22,731	21,246	18,275	12,918
<b>Total</b>		<b>125,306</b>	<b>112,559</b>	<b>93,306</b>	<b>85,403</b>

During the year 2024, the Group and the Company have contributed provident funds for their employees amounting to Baht 1.4 million (2023: Baht 1.4 million), which included in employee benefit expenses.

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**24 Income tax expense**

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023 (Restated)	2024	2023
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	25,062	347	22,971	-
	<b>25,062</b>	<b>347</b>	<b>22,971</b>	<b>-</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	(25,195)	8,752	(31,149)	2,291
<b>Total tax expense (income)</b>	<b>(133)</b>	<b>9,099</b>	<b>(8,178)</b>	<b>2,291</b>

<b>Consolidated financial statements</b>						
	Before tax	2024		Before tax	2023	
		Tax (expense) benefit	Net of tax		Tax (expense) benefit	Net of tax
<b>Income tax</b>						
			<i>(in thousand Baht)</i>			
<b>Recognised in other comprehensive income</b>						
Actuarial loss	(1,489)	298	(1,191)	(781)	156	(625)

<b>Separate financial statements</b>						
	Before tax	2024		Before tax	2023	
		Tax (expense) benefit	Net of tax		Tax (expense) benefit	Net of tax
<b>Income tax</b>						
			<i>(in thousand Baht)</i>			
<b>Recognised in other comprehensive income</b>						
Actuarial loss	(1,489)	298	(1,191)	(956)	191	(765)

**Reconciliation of effective tax rate**

<b>Consolidated financial statements</b>				
	2024		2023 (Restated)	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit (loss) before income tax		(33,305)		36,486
Income tax using the Thai corporation tax rates	20	(6,661)	20	7,297
Share of loss (profit) of associate accounted for using equity method		619		(115)
Expenses not deductible for tax purposes		1,058		2,487
Additional expenses deductible for tax purposes		(538)		(570)
Current year losses for which no deferred tax asset was recognised		3,859		-
Derecognition of previously recognised deferred tax asset		1,530		-
<b>Total</b>	<b>0.4</b>	<b>(133)</b>	<b>25</b>	<b>9,099</b>

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	Rate (%)	Separate financial statements	
		2024	2023
		(in thousand Baht)	(in thousand Baht)
Profit (loss) before income tax		(43,151)	10,880
Income tax using the Thai corporation tax rates	20	(8,630)	2,176
Expenses not deductible for tax purposes		884	680
Additional expenses deductible for tax purposes		(432)	(565)
<b>Total</b>	<b>19</b>	<b>(8,178)</b>	<b>2,291</b>

<b>Deferred tax</b> <b>At 31 December</b>	Consolidated financial statements			
	Assets		Liabilities	
	2024	2023 (Restated)	2024	2023 (Restated)
		(in thousand Baht)		
Total	73,659	49,690	(26,533)	(28,056)
Set off of tax	(26,263)	(27,663)	26,263	27,663
<b>Net deferred tax assets</b>	<b>47,396</b>	<b>22,027</b>	<b>(270)</b>	<b>(393)</b>

<b>Deferred tax</b> <b>At 31 December</b>	Separate financial statements			
	Assets		Liabilities	
	2024	2023 (in thousand Baht)	2024	2023
Total	70,774	40,044	(21,648)	(22,365)
Set off of tax	(21,648)	(22,365)	21,648	22,365
<b>Net deferred tax assets</b>	<b>49,126</b>	<b>17,679</b>	<b>-</b>	<b>-</b>

<b>Deferred tax</b>	Consolidated financial statements			
	(Charged) / Credited to			
	At 1 January (Restated)	Profit or loss	Other comprehensive income	At 31 December
		(in thousand Baht)		
<b>2024</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable	2,687	2,479	-	5,166
Allowance for doubtful accounts	2,089	478	-	2,567
Other current receivables	263	(10)	-	253
Allowance for decline in value of inventories	3,599	(1,379)	-	2,220
Allowance for impairment losses on non-financial assets	6,712	22,802	-	29,514
Contract liabilities	491	(19)	-	472
Other current payables	218	(12)	-	206
Deferred expenses	52	(52)	-	-
Lease liabilities	24,999	(989)	-	24,010
Non-current provisions for employee benefits	3,279	360	298	3,937
Other non-current liabilities	-	241	-	241
Difference arising from common control transaction	1,103	(368)	-	735
Loss carry forward	4,198	140	-	4,338
<b>Total</b>	<b>49,690</b>	<b>23,671</b>	<b>298</b>	<b>73,659</b>

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

		Consolidated financial statements		
		(Charged) / Credited to		
	At 1 January (Restated)	Profit or loss	Other comprehensive income	At 31 December
		(in thousand Baht)		
<b>Deferred tax liabilities</b>				
Inventories	(1,369)	(675)	-	(2,044)
Contract cost assets	(89)	3	-	(86)
Deferred expenses	-	(36)	-	(36)
Property, plant and equipment	(26,338)	2,155	-	(24,183)
Other intangible assets other than goodwill	(260)	77	-	(183)
<b>Total</b>	<b>(28,056)</b>	<b>1,524</b>	<b>-</b>	<b>(26,532)</b>

Deferred tax	At 1 January (Restated)	Consolidated financial statements (Charged) / Credited to			At 31 December (Restated)
		Profit or loss	Other comprehensive income	Acquired through business combinations	
		(in thousand Baht)			
2023 (Restated)					
Deferred tax assets					
Trade accounts receivable	2,200	487	-	-	2,687
Allowance for doubtful accounts	864	(149)	-	1,374	2,089
Other current 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 current payables	248	(30)	-	-	218
Deferred expenses	36	16	-	-	52
Lease liabilities	21,921	2,954	-	124	24,999
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	54,209	(6,378)	156	1,703	49,690
Deferred tax liabilities					
Inventories	(998)	(371)	-	-	(1,369)
Other current financial assets	(62)	62	-	-	-
Contract cost assets	(92)	3	-	-	(89)
Property, plant and equipment	(22,818)	(2,114)	-	(1,406)	(26,338)
Other intangible assets other than goodwill	-	46	-	(306)	(260)
Total	(23,970)	(2,374)	-	(1,712)	(28,056)

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2024</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable	2,687	2,479	-	5,166
Allowance for doubtful accounts	741	459	-	1,200
Other current receivables	220	-	-	220
Allowance for decline in value of inventories	3,577	(1,455)	-	2,122
Allowance for impairment losses on non-financial assets	6,712	30,604	-	37,316
Contract liabilities	491	(19)	-	472
Other current payables	218	(12)	-	206
Deferred expenses	52	(52)	-	-
Lease liabilities	20,596	(1,040)	-	19,556
Non-current provisions for employee benefits	3,038	204	298	3,540
Other non-current liabilities	-	241	-	241
Difference arising from common control transaction	1,103	(368)	-	735
Loss carry forward	609	(609)	-	-
<b>Total</b>	<b>40,044</b>	<b>30,432</b>	<b>298</b>	<b>70,774</b>
<b>Deferred tax liabilities</b>				
Inventories	(1,370)	(694)	-	(2,064)
Contract cost assets	(89)	3	-	(86)
Deferred expenses	-	(36)	-	(36)
Property, plant and equipment	(20,906)	1,444	-	(19,462)
<b>Total</b>	<b>(22,365)</b>	<b>717</b>	<b>-</b>	<b>(21,648)</b>
<b>2023</b>				
<b>Deferred tax assets</b>				
Trade accounts receivable	2,200	487	-	2,687
Allowance for doubtful accounts	709	32	-	741
Other current 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 current payables	248	(30)	-	218
Deferred expenses	36	16	-	52
Lease liabilities	21,771	(1,175)	-	20,596
Non-current provisions for employee benefits	2,602	245	191	3,038
Difference arising from common control transaction	1,355	(252)	-	1,103
Loss carry forward	3,241	(2,632)	-	609
<b>Total</b>	<b>43,603</b>	<b>(3,750)</b>	<b>191</b>	<b>40,044</b>



# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax</b>				
<b>Deferred tax liabilities</b>				
Inventories	(999)	(371)	-	(1,370)
Other current financial assets	(62)	62	-	-
Contract cost assets	(92)	3	-	(89)
Property, plant and equipment	(22,671)	1,765	-	(20,906)
<b>Total</b>	<b>(23,824)</b>	<b>1,459</b>	<b>-</b>	<b>(22,365)</b>

<b>Unrecognised deferred tax assets</b>	<b>Consolidated financial statements</b>	
	2024	2023
	(in thousand Baht)	
Loss carry forward	<b>5,389</b>	<b>-</b>

The tax losses expire in 2028 - 2029. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

## 25 Earnings (losses) per share

<b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023 (Restated)	2024	2023
	(in thousand Baht/thousand shares)			
<b>Profit (loss) for the year attributable to ordinary shareholders of the Company (basic and diluted)</b>	<b>4,525</b>	<b>(1,719)</b>	<b>(34,974)</b>	<b>8,589</b>
<b>Ordinary shares outstanding</b>				
Number of ordinary shares outstanding at 1 January	474,555	455,000	474,555	455,000
Effect of shares issued on 12 April 2023	-	14,097	-	14,097
Effect of shares issued on 2 October 2023	-	16	-	16
Effect of shares issued on 13 September 2024	6	-	6	-
<b>Weighted average number of ordinary shares outstanding (basic) at 31 December</b>	<b>474,561</b>	<b>469,113</b>	<b>474,561</b>	<b>469,113</b>
Effect of exercise of warrants	-	55,978	-	55,978
<b>Weighted average number of ordinary shares outstanding (diluted) at 31 December</b>	<b>474,561</b>	<b>525,091</b>	<b>474,561</b>	<b>525,091</b>

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2024	2023 (Restated)	2024	2023
	<i>(in thousand Baht/thousand shares)</i>			
Earnings (losses) per share (basic) <i>(in Baht)</i>	<u>0.010</u>	<u>(0.004)</u>	<u>(0.074)</u>	<u>0.018</u>
Earnings (losses) per share (diluted) <i>(in Baht)</i>	<u>0.010</u>	<u>(0.003)</u>	<u>(0.074)</u>	<u>0.016</u>

## 26 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)
2024				
2024 Interim dividend	14 August 2024	September 2024	0.0316	14,996

## 27 Financial instruments

### (a) 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.

#### (a.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.

## **JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2024**

##### **(a.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 22.

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 8.

##### **(a.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.

##### ***(a.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.

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

Consolidated financial statements					
At 31 December	Carrying Value	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
			(in thousand Baht)		
2024					
Non-derivative financial liabilities					
Trade account payables	53,453	(53,453)	-	-	(53,453)
Other current payables	41,367	(41,367)	-	-	(41,367)
Income tax payable	17,056	(17,056)	-	-	(17,056)
Lease liabilities	153,476	(25,619)	(71,478)	(104,209)	(201,306)
Bank overdrafts	6,862	(6,862)	-	-	(6,862)
Short-term loans from financial institutions	50,000	(50,000)	-	-	(50,000)
Long-term loans from financial institutions	68,068	(21,625)	(53,801)	(477)	(75,903)
Long-term loans from related parties	10,000	(10,229)	-	-	(10,229)
	<u>400,282</u>	<u>(226,211)</u>	<u>(125,279)</u>	<u>(104,686)</u>	<u>(456,176)</u>
2023					
Non-derivative financial liabilities					
Trade account payables	43,654	(43,654)	-	-	(43,654)
Other current 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 loans from related parties	10,000	-	(10,779)	-	(10,779)
	<u>365,577</u>	<u>(193,007)</u>	<u>(112,142)</u>	<u>(120,183)</u>	<u>(425,332)</u>

# JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2024

At 31 December	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	
<b>2024</b>					
<b>Non-derivative financial liabilities</b>					
Trade account payables	36,688	(36,688)	-	-	(36,688)
Other current payables	32,972	(32,972)	-	-	(32,972)
Income tax payable	15,624	(15,624)	-	-	(15,624)
Lease liabilities	107,482	(12,407)	(40,352)	(93,891)	(146,650)
Short-term loans from financial institutions	50,000	(50,000)	-	-	(50,000)
Long-term loans from financial institutions	68,068	(21,625)	(53,801)	(477)	(75,903)
	<u>310,834</u>	<u>(169,316)</u>	<u>(94,153)</u>	<u>(94,368)</u>	<u>(357,837)</u>
<b>Non-derivative financial liabilities</b>					
Trade account payables	32,714	(32,714)	-	-	(32,714)
Other current 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)
	<u>287,938</u>	<u>(147,526)</u>	<u>(85,726)</u>	<u>(106,816)</u>	<u>(340,068)</u>

### (a.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:

#### (a.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.

#### (a.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 17).

## JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2024

	Consolidated financial statements		Separate financial statements	
<i>Exposure to interest rate risk at 31 December</i>	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b><i>Financial instruments with fixed interest rates</i></b>				
Long-term loans from financial institution	527	861	527	861
Long-term loans from related parties	10,000	10,000	-	-
<b><i>Financial instruments with variable interest rates</i></b>				
Bank overdrafts	6,862	46,708	-	24,219
Short-term loans from financial institutions	50,000	41,000	50,000	41,000
Long-term loans from financial institutions	67,541	55,933	67,541	55,933

## 28 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.

## 29 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b><i>Capital commitments</i></b>				
Building and building improvements	-	28,732	-	27,930
<b><i>Other commitments</i></b>				
Bank guarantees	2,656	2,656	2,656	2,656

As at 31 December 2024 and 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.

## 30 Event after the reporting period

On 28 February 2025, the Board of Directors approved the resolutions in order to further proposed to shareholders' meeting to for its approval of transfer legal reserve and share premium amounting to Baht 3.9 million and Baht 49.6 million, respectively, to compensate with deficit in separated financial statements amounting to Baht 53.5 million.



# Appendix



# Appendix 1

## Information on Directors, Executives, Controllers, Company Secretary and Head of Compliance

Details of directors/executives		Duration	Position	Organisation Name / Company	Nature of Business
<b>Mr. Thongchai Thavichachart</b>					
<b>Positions</b>		None	None	Positions taken in other companies or organisations	None
<ul style="list-style-type: none"> <li>Chairman of the Board of Director</li> <li>Independent Director</li> </ul>					
<b>Date of Appointment</b> 21 July 2020					
<b>Age</b> 75 years old					
<b>Academic Qualifications</b>					
<ul style="list-style-type: none"> <li>Ph.D. in Pediatrics Specialist, Chulalongkorn University</li> <li>Master of Science, Doctor of Medicine, Chulalongkorn University</li> <li>Bachelor of Science Program in Medical Sciences, Chulalongkorn University</li> </ul>					
<b>Training Records</b>					
<ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 17/1/2020</li> </ul>					
<b>Family Relationship with Executives</b> - None -					
<b>Shareholding in the Company</b> - None -					
<b>Ms. Sopawadee Lertmanaschai</b>					
<b>Positions</b>				Positions taken in other listed companies	
<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Audit Committee</li> </ul>		2018 - present	Independent Director and Chairman of the Audit Committee	Central Plaza Hotel Public Company Limited	Hotel and Restaurant Business
<b>Date of Appointment</b> 24 March 2021					
<b>Age</b> 71 years old					
<b>Academic Qualifications</b>					
<ul style="list-style-type: none"> <li>Master of Science (Accounting), Thammasat University</li> <li>Bachelor of Law, Thammasat University</li> <li>Bachelor of Science (Accounting), Thammasat University</li> </ul>		2015 - present	Independent Director and Chairman of the Audit Committee	Maybank Securities (Thailand) Public Company Limited	Securities Company
<b>Training Records</b>					
<ul style="list-style-type: none"> <li>Director Certification Program (DCP) 2/2000</li> <li>Audit Committee Program (ACP) 27/2009</li> <li>Successful Formulation &amp; Execution of Strategy (SFE) 6/2010</li> <li>Corporate Governance for Capital Market Intermediaries (CGI) 22/2019</li> <li>Subsidiary Governance Program (SGP) 9/2024</li> </ul>		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
		2019 - 2021	Independent Director	Dohome Public Company Limited	Retail, wholesale construction materials and furnishing one-stop services
<b>Family Relationship with Executives</b> - None -					
<b>Shareholding in the Company</b> - None -					
				Positions taken in other companies or organisations	
		2020 - present	Independent Director and Chairman of the Audit Committee	Chotiwat Manufacturing Public Company Limited	Canned seafood business (tuna)
		2019 - present	Director	The Stock Exchange of Thailand	The Stock Exchange of Thailand
		2019 - present	Director and the Chairman of Audit Committee	The Stock Exchange of Thailand, Thailand Securities Depository	The Stock Exchange of Thailand
		2018 - present	Chairman and Independent Director	DAOL REIT Management (Thailand) Company Limited (Previously named "KTBST REIT Management Company Limited")	Real Estate Investment Trust fund management service
		2022 - 2024	Director	Cheese Digital Network Company Limited	Digital Content gateway, Solution & Agency



Details of directors/executives		Duration	Position	Organisation Name / Company	Nature of Business
<b>Mr. Vinit Usavakidviree</b>					
<b>Positions</b>				Positions taken in other companies or organisations	
<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of the Audit Committee</li> </ul>		2019 - present	Specialised Pharmacist	Food and Drug Administration, Ministry of Public Health	Protect consumers and promote entrepreneurs in health products for the public
<b>Date of Appointment</b> 3 December 2018					
<b>Age</b> 68 years old					
<b>Academic Qualifications</b>					
<ul style="list-style-type: none"> <li>Doctor of Pharmacy, Chulalongkorn University</li> </ul>					
<b>Training Records</b>					
<ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 159/2019</li> </ul>					
<b>Family Relationship with Executives</b> - None -					
<b>Shareholding in the Company</b> - None -					
<b>Mr. Nattawut Viboonpatanawong</b>					
<b>Positions</b>				Positions taken in other companies or organisations	
<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Risk Management Committee</li> </ul>		2021 - present	Managing Director	Ease 14 Estate Company Limited	Buying and selling of on own account of non-residential buildings
<b>Date of Appointment</b> 3 December 2018		2006 - present	Managing Director	V.B. Engine Impex Company Limited	Agricultural equipment/tool distribution business
<b>Age</b> 42 years old					
<b>Academic Qualifications</b>					
<ul style="list-style-type: none"> <li>Master of Business Administration, Thammasat University</li> <li>Bachelor of Engineering Program, King Mongkut's University of Technology Ladkrabang</li> </ul>					
<b>Training Records</b>					
<ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 148/2018</li> </ul>					
<b>Family Relationship with Executives</b> - None -					
<b>Shareholding in the Company</b> 0.01%					



Details of directors/executives		Duration	Position	Organisation Name / Company	Nature of Business
<b>Mr. Sittichai Daengprasert</b>					
<b>Positions</b>				Positions taken in other companies or organisations	
<ul style="list-style-type: none"> <li>• Director</li> <li>• Member of the Risk Management Committee</li> <li>• Member of the Executive Committee</li> <li>• President (CEO)</li> <li>• Executive Vice President of Research and Innovation</li> </ul>		2014 - present 2012 - present	Director Director	Suphap Group Company Limited JSP Trading Supply Company Limited (Currently not in operation)	A holding company Medical supplies distributor
<b>Date of Appointment</b> 3 December 2018					
<b>Age</b> 42 years old					
<b>Academic Qualifications</b>					
<ul style="list-style-type: none"> <li>• Ph.D. in Technopreneurship and Innovation Management (TIP), Chulalongkorn University</li> <li>• Master of Business Administration (MBA) Thammasat University</li> <li>• Bachelor of Science in Biotechnology, Kasetsart University</li> </ul>					
<b>Training Records</b>					
<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) 148/2018</li> </ul>					
<b>Family Relationship with Executives</b>					
A Child of Mrs. Jintana Santipisud and a sibling of Mr. Pissanu Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert					
<b>Shareholding in the Company</b> 6.76%					
<b>Mr. Pissanu Daengprasert</b>					
<b>Positions</b>				Positions taken in other companies or organisations	
<ul style="list-style-type: none"> <li>• Director</li> <li>• Member of the Executive Committee</li> <li>• Executive Vice President of Sales and Marketing</li> </ul>		2014 - present 2014 - present	Director Director	Suphap Group Company Limited JSP Better Life Company Limited (Currently not in operation)	A holding company General merchandise wholesaler on a fee or contract basis
<b>Date of Appointment</b> 3 December 2018					
<b>Age</b> 42 years old					
<b>Academic Qualifications</b>					
<ul style="list-style-type: none"> <li>• Master of Business Administration, Entrepreneurship Management, King Mongkut's University of Technology Thonburi</li> <li>• Bachelor of Science in Biotechnology, Kasetsart University</li> </ul>					
<b>Training Records</b>					
<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) SET/2014</li> </ul>					
<b>Family Relationship with Executives</b>					
A Child of Mrs. Jintana Santipisud and a sibling of Mr. Sittichai Daengprasert, Ms. Jirada Daengprasert and Mr. Sorasit Daengprasert					
<b>Shareholding in the Company</b> 6.52%					

Details of directors/executives		Duration	Position	Organisation Name / Company	Nature of Business
Ms. Jirada Daengprasert					
Positions	• Director	2014 - present	Director	Suphap Group Company Limited	A holding company
	• Member of the Nomination and Remuneration Committee	2008 - present	Director	Zeutical Bio Sci Company Limited (Currently not in operations)	Wholesale of textiles, clothing, footwear, leather goods and household goods
	• Member of the Executive Committee	2013 - 2024	Director	Duldee Company Limited (Liquidated since 20 March 2024)	Accounting, bookkeeping and auditing activities; tax consultancy
	• Company Secretary				
	• Executive Vice President of Accounting and Finance (A person taking the highest responsibility in finance and accounting: CFO)				
Date of Appointment 3 December 2018					
Age 40 years old					
Academic Qualifications					
• Master of Business Administration (MBA) Thammasat University					
• Bachelor of Accountancy, Thammasat University					
Training Records					
• Director Certification Program (DCP) 259/2018					
• Company Secretary Program (CSP) 92/2018					
• CFO's Orientation Course for New IPOs					
Family Relationship with Executives					
A Child of Mrs. Jintana Santipisud and a sibling of Mr. Sittichai Daengprasert, Mr. Pissanu Daengprasert and Mr. Sorasit Daengprasert					
Shareholding in the Company 6.46%					
Mr. Sorasit Daengprasert					
Positions	• Director	2014 - present	Director	Suphap Group Company Limited	A holding company
	• Member of the Risk Management Committee				
	• Member of the Executive Committee				
	• Executive Vice President of Manufacturing and Operations				
	Date of Appointment 3 December 2018				
Age 38 years old					
Academic Qualifications					
• Bachelor of Business Administration, International Business Management, Kasetsart University					
Training Records					
• Director Accreditation Program (DAP) 144/2018					
• Leadership For Sustainable Success					
• Modern Organisation Part 1,2					
• PDPA/IP Digital Marketing Law					
Family Relationship with Executives					
A Child of Mrs. Jintana Santipisud and a sibling of Mr. Sittichai Daengprasert, Mr. Pissanu Daengprasert and Ms. Jirada Daengprasert					
Shareholding in the Company 6.69%					

## Details of directors/executives

**Mr. Tawat Kitkungvan****Positions**

- Director
- Member of the Nomination and Remuneration Committee

**Date of Appointment** 18 March 2020

**Age** 41 years old

**Academic Qualifications**

- Master of Science in Risk Management, Imperial College of London
- Bachelor of Engineering, Mechanical Engineering, Chulalongkorn University

**Training Records**

- Director Certification Program (DCP) 268/2561

**Family Relationship with Executives** - None -

**Shareholding in the Company** - None -

Duration	Position	Organisation Name / Company	Nature of Business
Positions taken in other companies or organisations			
2024 - present	Director	FMS Holding Co., Ltd.	Other activities auxiliary to financial service activities, not elsewhere classified
2024 - present	Director	Future Medical Supply Company Limited	Manufacturing of medical devices and equipment, except for dentistry
2024 - present	Director	Haven Holding Co., Ltd.	Other activities auxiliary to financial service activities, not elsewhere classified
2024 - present	Director	FMS Holding 2 Co., Ltd.	Activities of holding companies, of mostly investing in non-financial sectors
2024 - present	Director	FMSB Holding Co., Ltd.	Activities of holding companies, of mostly investing in non-financial sectors
2024 - present	Director	Oasis Partners Co., Ltd.	Activities of holding companies, of mostly investing in non-financial sectors
2023 - present	Director	Narathai Cuisine Co., Ltd.	Food services in restaurant
2023 - present	Director	EventThai Company Limited	Public relations and advertising
2023 - present	Director	Clinz International Co., Ltd.	Activities of holding companies, of mostly investing in non-financial sectors
2023 - present	Director	Jabjai Corporation Company Limited	Software publishing (except software games)
2023 - present	Director	Siam Socrates Co., Ltd.	Activities of holding companies, of mostly investing in non-financial sectors
2023 - present	Director	A400 Holding Co., Ltd.	Other activities auxiliary to financial service activities, not elsewhere classified
2023 - present	Director	SME Bridge Holding Co., Ltd.	Activities of holding companies, of mostly investing in non-financial sectors
2023 - present	Director	10 Bridge Co., Ltd.	Other management consultancy activities, not elsewhere classified
2021 - present	กรรมการ	DRJL Group Co., Ltd.	Wholesale of cosmetics
2021 - present	Director	DRJ Holding Co., Ltd.	A holding company
2021 - present	Director	New Paradigm Company Limited	Distributing funds other than by making loans
2021 - present	Director	HEP Holdings 5 Company Limited	Other activities that enhance financial services activities not classified elsewhere
2020 - present	Director	Microfiber Industries Company Limited	Insulation machines & equipment
2019 - present	Director	Bangkok Healthcare Service Company Limited	Operate nursing home with residential facilities and day care provided full-time staff for elderly people
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
2018 - present	Director	HEP Holdings 1 Company Limited	Other activities that enhance financial services activities
2017 - present	Director	Momoko Bag and Shoes Spa Company Limited	Footwear and leather goods repair service

Details of directors/executives				
Duration	Position	Organisation Name / Company	Nature of Business	
2017 - present	Director	Wright Partners (Thailand) Company Limited	Other activities that enhance financial services activities	
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	
2016 - present	Director	Hatton Equity Partner (Thailand)	A holding company	
2021 - 2021	Director	Master Motor Services (Thailand) Co., Ltd.	Maintenance and repair of motor vehicle engines and other parts	
2016 - 2024	Director	Tom N Toms Tasse 1 Company Limited	Non-alcoholic beverage service	
2016 - 2024	Director	TASSE Company Limited	Other activities that enhance financial services activities not classified elsewhere	
2017 - 2024	Director	MM E&M Company Limited	Non-alcoholic beverage service	
2017 - 2024	Director	MM E&M Holdings Company Limited	Activities of holding companies that do not primarily invest in financial businesses	
2018 - 2024	Director	TKK Corporation Company Limited	Retail-wholesale of the tools, spare parts, equipment used with machines in general factories	
2020 - 2024	Director	MFIP 1 Company Limited (Liquidated since 14 November 2024)	Provide service on being a manager and take care of benefits, collect benefits and manage assets for other people	
2023 - 2024	Director	Cement Board Holding Co., Ltd.	Activities of holding companies, of mostly investing in non-financial sectors	

#### Mr. Kriangkrai Rungruangthaweekul

##### Positions

- Member of the Executive Committee
- Vice President of Finance
- Head of Compliance

**Date of Appointment** 3 December 2018

**Age** 39 years old

##### Academic Qualifications

- Master of Science in Financial Engineering, Chulalongkorn University
- Bachelor of Accountancy, Thammasat University

##### Training Records

- Company Secretary Program (CSP) 92/2018
- CFO's Orientation Course for New IPOs Batch 5
- Insight in SET: Proficiency for Sustain Growth in Capital Market No. 2/2024

**Family Relationship with Executives** - None -

**Shareholding in the Company** 0.02%

#### Positions taken in other companies or organisations

2019 - present    Director    BB KK Advisory Company Limited    Accounting, bookkeeping, auditing and tax consultancy

Details of directors/executives	Duration	Position	Organisation Name / Company	Nature of Business
<b>Ms. Nongnuch Cheawpattayakorn</b> <b>Positions</b> <ul style="list-style-type: none"> <li>Member of the Executive Committee</li> <li>Senior Quality Assurance Manager</li> </ul> <b>Date of Appointment</b> 18 January 2021 <b>Age</b> 48 years old <b>Academic Qualifications</b> <ul style="list-style-type: none"> <li>Master of Business Administration (MBA), Khon Kaen University</li> <li>Bachelor of Pharmacy Program, Rangsit University</li> </ul> <b>Training Records</b> <ul style="list-style-type: none"> <li>None</li> </ul> <b>Family Relationship with Executives</b> - None - <b>Shareholding in the Company</b> - None -	None	None	Positions taken in other companies or organisations None	None
<b>Mr. Danaisuan Kunarojanasombhat</b> <b>Positions</b> <ul style="list-style-type: none"> <li>Member of the Executive Committee</li> <li>Senior Plant Manager</li> </ul> <b>Date of Appointment</b> 18 January 2021 <b>Age</b> 43 years old <b>Academic Qualifications</b> <ul style="list-style-type: none"> <li>Master of Business Administration (MBA), King Mongkut's University of Technology Thonburi</li> <li>Bachelor of Engineering Program (Industrial Engineering), Thammasat University</li> </ul> <b>Training Records</b> <ul style="list-style-type: none"> <li>None</li> </ul> <b>Family Relationship with Executives</b> - None - <b>Shareholding in the Company</b> - None -	None	None	Positions taken in other companies or organisations None	None

Details of directors/executives	Duration	Position	Organisation Name / Company	Nature of Business
<b>Ms. Poonsap Ruangsri</b> <b>Positions</b> <ul style="list-style-type: none"><li>Vice President of Accounting (A person who is responsible for supervising, tracking and controlling accounting activities)</li></ul> <b>Date of Appointment</b> 1 January 2015 <b>Age</b> 58 years old <b>Academic Qualifications</b> <ul style="list-style-type: none"><li>Master of Information Technology, King Mongkut's University of Technology Thonburi</li><li>Bachelor of Accountancy, Ramkhamhaeng University</li></ul> <b>Training Records</b> <ul style="list-style-type: none"><li>Data Preparation and Analysis with Dashboard Power BI Desktop for Presentation in Finance and Accounting (Workshop)</li><li>Effective Financial Reporting Standards (IFRS) Year 2024</li></ul> <b>Family Relationship with Executives</b> - None - <b>Shareholding in the Company</b> - None -	None	None	Positions taken in other companies or organisations None	None





## Details of Directorships in Subsidiaries

รายชื่อ		JSP	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	Santapisud	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. Kriangkrai	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 Officer
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)		Closing balance (Shares)		Increase / (Decrease) (Shares)
		Direct	Indirect	Direct	Indirect	
Mr. Thongchai	Tavichachat	-	-	-	-	-
Ms. Sopawadee	Lertmanaschai	-	-	-	-	-
Mr. Vinit	Usawakidviree	-	-	-	-	-
Mr. Nattawut	Viboonpatanawong	60,000	-	60,000	-	-
Ms. Lalita	Hongratanawong	-	-	-	-	-
Mr. Tawat	Kitkungvan	-	-	-	-	-
Mrs. Jintana	Santapisud	32,000,200	-	32,000,200	-	-
Mr. Sittichai	Daengprasert	31,988,000	-	32,089,000	-	101,000
Mr. Pissanu	Daengprasert	31,500,200	-	30,925,700	-	(574,500)
Ms. Jirada	Daengprasert	30,659,700	-	30,659,700	-	-
Mr. Sorasit	Daengprasert	31,765,200	-	31,765,200	-	-
Mr. Kiangkrai	Rungraungthaweeikul	90,800	-	90,800	-	-
Ms. Nongnuch	Cheawpattayakorn	-	-	-	-	-
Mr. Danaisuan	Kunarojanasombhat	-	-	-	-	-
Ms. Phoonsap	Ruangstri	-	-	-	-	-



## Appendix 2

### Information on Head of Internal Audit

Subject	Details	
<b>Head of Internal Audit (Outsource)</b>	<b>ISBAR Corporation Company Limited</b> Address: 75/3 Muang Samut, Change Moi, Muang Chiangmai, Chiangmai 50300 Tel: 053-232084 Mobile: 081-823-3198 Email: bee.isbar@gmail.com	
<b>Head of Internal Audit</b>	<b>Mr. Sirisak Manitkunakarn</b>	
<b>Educational Qualifications</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration, Graduate School, Payap University</li> <li>• Bachelor of Accounting, Faculty of Accounting and Finance, Payap University</li> </ul>	
<b>Diploma/Certificate</b>	<ul style="list-style-type: none"> <li>• Certified Internal Auditor (CIA), The Institute of Internal Auditors (IIA)</li> <li>• Certification in Risk Management Assurance (CRMA), The Institute of Internal Auditors (IIA)</li> <li>• Certified Professional of Internal Audit Thailand (CPIAT), The Institute of Internal Auditors of Thailand (IIAT)</li> <li>• Certified Credit Skills (CSA), OMEGA</li> </ul>	
<b>Work Experience</b>	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.	
<b>Relevant Trainings</b>	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	

## Appendix 3

### Information on Corporate Governance Policy, Code of Conduct, Charters of the Board of Directors and Sub-Committees and Significant Corporate Policies

You can find further details about significant corporate policy and charter documents at the Company's website i.e. [www.jsppharma.com](http://www.jsppharma.com)

#### Corporate governance policy



#### Code of conduct



#### Charters of the Board of Directors and sub-committees



#### Anti-corruption policy



#### Personal data protection policy



#### Other corporate policies





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