



บริษัท โรงงานเภสัชอุตสาหกรรม เจเอสพี (ประเทศไทย) จำกัด (มหาชน)
JSP PHARMACEUTICAL MANUFACTURING (THAILAND) PUBLIC COMPANY LIMITED

No. JPCS-21/001

11 November 2021

RE: Notification of Board of Director meeting no. 11/2564 resolution
TO: Director and Manager, The Stock Exchange of Thailand
Enclosure: Information Memorandum on an acquisition of assets of the Company RE: Investment in production line expansion at Lamphun province

JSP Pharmaceutical Manufacturing (Thailand) PCL. ("the Company") would like to inform the resolution of the Board of Director Meeting No. 11/2021 dated 10 November 2021, which significant resolution was approval of investing in the production line expansion project at Lamphun province. The total amount of the project was 160.0 million Baht, and its purpose is production of dietary supplement and herbal products.

The transaction of assets acquisition in relation to investing in production line expansion was considered as an acquisition of assets, of which the total transaction size based on total value of consideration was equivalent to 27.94%. When combined with the acquisition of assets in the past six months, total transaction size was equivalent to 30.42%. Such transaction thus fell under the Class 2; which the transaction size higher than 15 percent but not exceeding than 50 percent. Therefore, the Company has to prepare and disclose the Information Memorandum Concerning the Acquisition of Assets of this transaction to the Stock Exchange of Thailand ("SET"); and distribute the circular notice to the shareholders of the Company within 21 days from the date of disclosure of this transaction to SET. In this regard, the transaction is not required to be proposed to the Shareholders' Meeting for approval.

The detail of this transaction is presented herewith the enclosure.

Please be informed accordingly

Sincerely yours,

JSP Pharmaceutical Manufacturing
(Thailand) PCL.

(Mr. Kriangkrai Rungruangthaweekul)
Vice President of Finance



Information memorandum on acquisition of assets of
JSP Pharmaceutical Manufacturing (Thailand) PCL.

RE: Investment in production line expansion in Lamphun province

Information memorandum (Schedule 1) Disclosure of acquisition or disposal of assets

1 Date Month Year of the Transaction

The Board of Director Meeting No. 11/2021 dated 10 November 2021 resolved to approve JSP Pharmaceutical Manufacturing (Thailand) PCL. (“the Company”) to invest in the production line expansion at Lamphun province. The counterparties to the agreement are expected to enter into the construction agreement and the machinery sale and purchase agreement during December 2021.

2 Involving Parties and their relationship with the Company

The Company will directly invest in this project. Currently, the Company is seeking for contractor and seller of equipment. In this regard, all involving parties in this transaction are not connected persons of the Company in accordance with the Notification on connected persons.

3 General characteristics and size of transaction in accordance with the Notification on acquisition or disposal of assets

The Board of Director Meeting No. 11/2021 dated 10 November 2021 resolved to invest additional in plant, and equipment on the plot of land owned by the Company and located in Lamphun province. The purpose of such plant and equipment is for production of dietary supplement and herbal products with the total project amount was 160 million Baht.

In this regard, this additional investment in plant and equipment of the Company was classified as assets acquisition with the highest transaction size based on total value of consideration was equivalent to 27.94%. When combined with the acquisition of assets in the past six months, the total transaction size was 30.42%, which fell under the transactions under Class 2 whereby the transaction size is higher than 15 percent but is not exceeding 50 percent. Therefore, the Company has to prepare and disclose the Information Memorandum Concerning the Acquisition of Assets for this transaction to the Stock Exchange of Thailand (“SET”); and distribute the circular notice to the shareholders of the Company within 21 days from the date of disclosure of this transaction to SET.



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The calculation of the transaction size was made in accordance with the Notification of Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition and Disposition of Assets, based on the financial information presented in the interim financial information as of 30 September 2021, which was reviewed by the auditor. Details of the calculation are tabulated below.

Basis	Calculation method (Unit: Thousand Baht)	Transaction size	Transaction size in the past 6 months	Total transaction size
1. Net tangible assets	$\frac{\text{Shareholding interest} \times \text{NTA of investee}}{\text{NTA of Listed Company}} \times 100$	Not available since the transaction is not considered as the acquisition or disposal of ordinary shares		
2. Net operating profit	$\frac{\text{Shareholding interest} \times \text{Net profit of investee}}{\text{Net profit of listed company}} \times 100$	Not available since the transaction is not considered as the acquisition or disposal of ordinary shares		
3. Total value of consideration	$\frac{\text{Total value of consideration}}{\text{Total assets of listed company}} \times 100$ $= \frac{160,000}{572,708} \times 100$	27.94%	2.48%	30.42%
4. Value of securities issued as consideration	$\frac{\text{Number of shares issued by mean of consideration}}{\text{Number of issued and paid – up shares of listed company}} \times 100$	Not available since there is no issuance of shares.		

4 Details and value of acquired asset

The asset acquired by the Company consists of plant and equipment as tabulated below.

	Unit: Thousand Baht
1. Plant and equipment for production of dietary supplement and herbal products as well as the related systems	90,000
2. Plant and equipment for warehouse and related systems	37,000
3. Landscape improvement and wastewater treatment system	33,000
Total amount	160,000



5 Total value of consideration

In this transaction, the Company will pay cash in an approximate amount of 160.0 million Baht, payable in installments as stated in the contracts entered with involving parties. The payment period is expected to fall between the years 2021 and 2022

6 Basis of consideration determination

The basis of consideration determination refers to the market price of building construction, infrastructure development, landscape improvement and machinery as well as equipment for production and warehouse. The Company arranges for price benchmarking at least 1 trade partner.

7 Expected benefits

The Company expects that the investment will strengthen its position as the end-to-end manufacturer and distributor of dietary supplement and herbal products, certified in accordance with GMP and GMP PIC/s standards, respectively. This investment will enable the Company to manufacture and distribute additional types of products, both Owned Brand and OEM, and to better respond to the growing market demands, especially soft gel products, hemp-derived and marijuana-derived goods, and plant-based protein. Moreover, the Company will be enabled to extend its innovations and move forward on the path of sustainable social and growth.

8 Source of fund

The Company will utilise fund mobilised during the Initial Public Offering (IPO) for the project in accordance with the Company's use of fund plan as described in the prospectus.

9 Opinion of the Company's Board of Director

The Board of Director Meeting No. 11/2021 held on 10 November 2021 considered the details of the investment with honesty, integrity, and precaution for the best interest of the Company and resolved to approve the transaction. The Board of Director opined that the investment in production line expansion in Lamphun province was appropriate and beneficial to the Company and shareholders because it will strengthen the operations of the Company along with its ability to respond to the vast variety of market demand in order to become the leading company in the healthcare industry, which is the rising awareness among consumers.



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10 Opinion of the Company's Audit Committee and/or the Company's Director which is different from the opinion of the Board of Director

- None -

Investor Relations

Tel 064 479 1691

Email ir@jsppharma.com