

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

Condensed interim financial statements
for the three-month period ended
31 March 2022
and
Independent auditor's review report

Independent Auditor’s Report on Review of Interim Financial Information

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

I have reviewed the accompanying statement of financial position of JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. (the “Company”) as at 31 March 2022, statement of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2022; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Sumate Jangsamsee)
Certified Public Accountant
Registration No. 9362

KPMG Phoomchai Audit Ltd.
Bangkok
12 May 2022

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.

Statement of financial position

| Assets | <i>Note</i> | 31 March 2022 (Unaudited) | 31 December 2021 |
|-----------------------------------|-------------|---------------------------------|---------------------|
| <i>(in thousand Baht)</i> | | | |
| <i>Current assets</i> | | | |
| Cash and cash equivalents | | 360,199 | 623,905 |
| Trade accounts receivable | | 34,164 | 30,911 |
| Other receivables | | 32,010 | 32,137 |
| Inventories | | 113,711 | 109,477 |
| Current contract cost assets | | 717 | 717 |
| Other current financial asset | 6 | 190,357 | 27,000 |
| Total current assets | | 731,158 | 824,147 |
| <i>Non-current assets</i> | | | |
| Other non-current financial asset | | 8,904 | 8,904 |
| Property, plant and equipment | 3 | 419,223 | 396,540 |
| Intangible assets | | 4,888 | 4,514 |
| Deferred tax assets | | 18,211 | 15,878 |
| Non-current contract cost assets | | 209 | 209 |
| Other non-current assets | | 23,148 | 10,445 |
| Total non-current assets | | 474,583 | 436,490 |
| Total assets | | 1,205,741 | 1,260,637 |

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.

Statement of financial position

| | | 31 March 2022 (Unaudited) | 31 December 2021 |
|---|-------------|---------------------------------|---------------------|
| Liabilities and equity | <i>Note</i> | | |
| | | (Unaudited) | |
| | | (in thousand Baht) | |
| Current liabilities | | | |
| Bank overdrafts and short-term loans | | | |
| from financial institutions | 4 | 2 | - |
| Trade accounts payable | | 38,231 | 40,272 |
| Current contract liabilities | | 21,852 | 29,518 |
| Other payables | 2 | 17,579 | 29,087 |
| Current portion of long-term loans | | | |
| from financial institutions | 4 | 10,894 | 12,870 |
| Current portion of lease liabilities | 2, 4 | 2,621 | 2,858 |
| Total current liabilities | | 91,179 | 114,605 |
| Non-current liabilities | | | |
| Long-term loans from financial institutions | 4 | 49,487 | 69,635 |
| Lease liabilities | 2, 4 | 98,028 | 98,086 |
| Non-current contract liabilities | | 1,292 | 1,292 |
| Non-current provisions for employee benefits | | 10,911 | 10,593 |
| Total non-current liabilities | | 159,718 | 179,606 |
| Total liabilities | | 250,897 | 294,211 |
| Equity | | | |
| Share capital | | | |
| Authorised share capital | | 227,500 | 277,500 |
| Issued and paid-up share capital | | 227,500 | 227,500 |
| Share premium | | 733,463 | 733,463 |
| Difference arising from common control transactions | | (11,539) | (11,539) |
| Retained earnings | | | |
| Appropriated | | | |
| Legal reserve | | 3,862 | 3,862 |
| Unappropriated | | 1,558 | 13,140 |
| Total equity | | 954,844 | 966,426 |
| Total liabilities and equity | | 1,205,741 | 1,260,637 |

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

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

| | | Three-month period ended | |
|--|------|--------------------------|---------------|
| | | 31 March | |
| | Note | 2022 | 2021 |
| | | <i>(in Baht)</i> | |
| Revenue | | | |
| Revenue from sale of goods | 5 | 83,403 | 94,812 |
| Other income | | 2,068 | 943 |
| Total revenue | | 85,471 | 95,755 |
| Expenses | | | |
| Cost of sale of goods | | 60,106 | 60,766 |
| Distribution costs | | 22,373 | 11,363 |
| Administrative expenses | | 15,981 | 12,057 |
| Total expenses | | 98,460 | 84,186 |
| Profit (loss) from operating activities | | (12,989) | 11,569 |
| Finance costs | | (1,791) | (2,458) |
| Gain on measurement of financial assets | | 357 | - |
| Reversal of impairment loss determined in accordance with TFRS 9 | | 509 | 174 |
| Profit (loss) before income tax expense | | (13,914) | 9,285 |
| Tax income (expense) | | 2,332 | (1,808) |
| Profit (loss) for the period | | (11,582) | 7,477 |
| Other comprehensive income (expense) | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Loss on remeasurements of defined benefit plans | | - | (1,168) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | | - | 234 |
| Other comprehensive income (expense) for the period, net of tax | | - | (934) |
| Total comprehensive income (expense) for the period | | (11,582) | 6,543 |
| Basic earnings (loss) per share (in Baht) | | (0.03) | 0.02 |

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.

Statement of changes in equity (Unaudited)

| | Issued and paid-up share capital | Share premium | Difference arising from common control transaction <i>(in thousand Baht)</i> | Retained earnings | | Total equity |
|--|--|------------------|---|-------------------|-----------------|-----------------|
| | | | | Legal reserve | Unappropriated | |
| Three-month period ended 31 March 2021 | | | | | | |
| Balance at 1 January 2021 | 170,000 | 22,086 | (11,539) | 2,377 | 12,991 | 195,915 |
| Comprehensive income (expense) for the period | | | | | | |
| Profit | - | - | - | - | 7,477 | 7,477 |
| Other comprehensive income (expense) | - | - | - | - | (934) | (934) |
| Total comprehensive income (expense) for the period | - | - | - | - | 6,543 | 6,543 |
| Balance at 31 March 2021 | 170,000 | 22,086 | (11,539) | 2,377 | 19,534 | 202,458 |
| Three-month period ended 31 March 2022 | | | | | | |
| Balance at 1 January 2022 | 227,500 | 733,463 | (11,539) | 3,862 | 13,140 | 966,426 |
| Comprehensive income (expense) for the period | | | | | | |
| Loss | - | - | - | - | (11,582) | (11,582) |
| Other comprehensive income (expense) | - | - | - | - | - | - |
| Total comprehensive income (expense) for the period | - | - | - | - | (11,582) | (11,582) |
| Balance at 31 March 2022 | 227,500 | 733,463 | (11,539) | 3,862 | 1,558 | 954,844 |

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.

Statement of cash flows (Unaudited)

| | Three-month period ended | |
|--|---------------------------|---------------|
| | 31 March | |
| | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | |
| <i>Cash flows from operating activities</i> | | |
| Profit (loss) for the period | (11,582) | 7,477 |
| <i>Adjustments to reconcile profit to cash receipts (payments)</i> | | |
| Tax expense (income) | (2,332) | 1,808 |
| Finance costs | 1,791 | 2,458 |
| Depreciation and amortisation | 5,301 | 5,402 |
| Gain on disposal of other financial asset | (3) | - |
| Gain on fair value adjustment | (357) | - |
| Reversal of impairment loss recognised in profit or loss in accordance with TFRS9 | (509) | (174) |
| Employee benefits expense relating to defined benefit plans | 318 | 321 |
| Provision for loss on inventories devaluation | 5,956 | 2,202 |
| Gain on disposal of plant and equipment | (794) | 5 |
| Interest income | (152) | (1) |
| | <u>(2,363)</u> | <u>19,498</u> |
| <i>Changes in operating assets and liabilities</i> | | |
| Trade accounts receivable | (2,744) | 1,657 |
| Other receivables | 280 | 156 |
| Inventories | (10,190) | (14,735) |
| Contract cost assets | - | 24 |
| Other non-current assets | 196 | (5) |
| Trade accounts payable | (2,041) | 4,607 |
| Contract liabilities | (7,666) | 7,196 |
| Other payables | (14,199) | (3,733) |
| Non-current liabilities | - | (53) |
| | <u>(38,727)</u> | <u>14,612</u> |
| Net cash generated from (used in) operating activities | (38,727) | 14,612 |
| Taxes paid | - | - |
| | <u>(38,727)</u> | <u>14,612</u> |
| Net cash from (used in) operating activities | (38,727) | 14,612 |

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.

Statement of cash flows (Unaudited)

| | Three-month period ended | |
|---|---------------------------|------------------------|
| | 31 March | |
| | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | |
| <i>Cash flows from investing activities</i> | | |
| Proceeds from sale of plant and equipment | 814 | 13 |
| Acquisition of plant and equipment | (37,166) | (4,224) |
| Acquisition of intangible assets | (577) | (140) |
| Proceeds from sale of other financial asset | 27,002 | - |
| Payment of other financial asset | (190,000) | - |
| Interest received | - | 1 |
| Net cash used in investing activities | <u>(199,927)</u> | <u>(4,350)</u> |
| <i>Cash flows from financing activities</i> | | |
| Proceeds from (repayment of) bank overdrafts and short-term loans from financial institutions - net | 2 | (48,621) |
| Proceeds from long-term loans from financial institutions | - | 49,558 |
| Repayment of long-term loans from financial institutions | (21,894) | (6,984) |
| Payment of lease liabilities | (1,515) | (1,753) |
| Interest paid | (1,645) | (2,463) |
| Net cash used in financing activities | <u>(25,052)</u> | <u>(10,263)</u> |
| Net decrease in cash and cash equivalents | (263,706) | (1) |
| Cash and cash equivalents at 1 January | 623,905 | 492 |
| Cash and cash equivalents at 31 March | <u>360,199</u> | <u>491</u> |

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.

Statement of cash flows (Unaudited)

Three-month period ended
31 March
2022 2021
(in thousand Baht)

Disclosure of additional cash flows information

Plant and equipment acquired during the period were detailed as follows:

| | | |
|--|---------------|--------------|
| Total plant and equipment acquired during the period | 27,800 | 6,014 |
| <i>Add</i> Payment made to payables of plant and equipment at beginning of the period | 4,149 | 344 |
| Advance payments of plant and equipment at ending of the period | 22,723 | - |
| <i>Less</i> Payables of plant and equipment at ending of the period | (6,855) | (79) |
| Advance payments of plant and equipment at beginning of the period | (9,432) | - |
| Vehicle acquired from right-of-use assets | (1,219) | (2,055) |
| Cash paid for acquisition of plant and equipment | 37,166 | 4,224 |

Intangible assets acquired during the period were detailed as follows:

| | | |
|--|------------|------------|
| Total intangible assets acquired during the period | 577 | 140 |
| <i>Add</i> Payment to payables of intangible assets at beginning of the period | - | - |
| <i>Less</i> Payables of intangible assets at ending of the period | - | - |
| Cash paid for acquisition of intangible assets | 577 | 140 |

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

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JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language interim financial statements have been prepared from the Thai language interim financial statements, and were approved and authorised for issue by the Board of Directors on 12 May 2022.

1 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2021.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2021.

2 Related parties

Significant transactions for the three-month period ended 31 March with related parties were as follows:

| <i>Three-month period ended 31 March</i> | 2022 | 2021 |
|---|---------------------------|--------------|
| | <i>(in thousand Baht)</i> | |
| Ultimate parent company | | |
| Interest expense under lease liabilities | 300 | 130 |
| Key management personnel | | |
| Interest expense under lease liabilities | 784 | 338 |
| Key management personnel compensation | | |
| Short-term employee benefits | 5,615 | 4,141 |
| Post-employment benefits | 73 | 69 |
| Total key management personnel compensation | <u>5,688</u> | <u>4,210</u> |
| Other related parties | | |
| Sale of goods | - | 17 |
| Purchase of equipment | - | 157 |

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
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For the three-month period ended 31 March 2022 (Unaudited)

Balances as at 31 March 2022 and 31 December 2021 with related parties were as follows:

| | 31 March 2022 | 31 December 2021 |
|---------------------------------|---------------------------|---------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Other payables</i> | | |
| Key management personnel | 389 | 2,360 |
| Total | 389 | 2,360 |
| <i>Lease liabilities</i> | | |
| Ultimate parent company | 27,303 | 27,437 |
| Key management personnel | 71,314 | 71,661 |
| Total | 98,617 | 99,098 |

Significant agreements with related parties

Rental agreements

Ultimate parent company

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

On 30 June 2021, the Company entered into addendum of property rental agreement with the ultimate parent company. The addendum amended conditions of agreement from 3-year term, effective from 1 January 2021 until 31 December 2023, with monthly rental fee of Baht 0.1 million and 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 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 March 2018, the Company entered into a property rental agreement of head office for operating purposes with the key management personnel. The term of agreement is 10 years, starting from 1 January 2018 to 31 December 2027, with monthly rental fee of Baht 0.3 million.

On 15 May 2019, the Board of Directors approved the Company to amend terms and conditions stipulated in the property rental agreement of head office for operating purposes with the key management personnel from monthly rental fee of Baht 0.3 million to 1.0% incremental rental fee annually in which become effective since 1 June 2019.

On 12 November 2020, the Board of Directors approved the Company to amend terms and conditions stipulated in the property rental agreement of head office for operating purposes with the key management personnel from monthly rental fee of Baht 0.3 million and 1.0% incremental rental fee annually to monthly rental fee of Baht 0.4 million and 10.0% incremental rental fee every three years, which become effective from 1 January 2021 onward.

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
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For the three-month period ended 31 March 2022 (Unaudited)

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

Payment of lease liabilities and related interest expense for rental agreement with ultimate parent company and key management personnel for the three-month period ended 31 March 2022 were Baht 0.4 million and Baht 1.1 million, respectively (2021: *Ultimate parent company and key management personnel were Baht 0.4 and Baht 1.1 million, respectively*).

3 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment, excluding right-of-use assets during the three-month period ended 31 March 2022 were as follows:

| | Acquisitions and transfers in - at cost <i>(in thousand Baht)</i> | Disposals and transfers out - net book value |
|--|---|---|
| Buildings and building improvements | 296 | - |
| Machinery and equipment | 3,327 | - |
| Furniture, fixtures and office equipment | 1,998 | - |
| Assets under construction and installation | 20,961 | (20) |
| Total | 26,582 | (20) |

Movement of right-of-use assets recognised as property, plant and equipment for the three-month period ended 31 March 2022 is as follows:

| <i>Right-of-use assets</i> | Leasehold of land and buildings | Machinery and equipment <i>(in thousand Baht)</i> | Vehicles | Total |
|----------------------------|---------------------------------------|---|--------------|---------------|
| At 1 January 2022 | 96,903 | 6,334 | 2,038 | 105,275 |
| Increase | - | - | 1,219 | 1,219 |
| Decrease | - | (6,136) | - | (6,136) |
| Depreciation | (1,328) | (198) | (152) | (1,678) |
| At 31 March 2022 | 95,575 | - | 3,105 | 98,680 |

During the three-month period ended 31 March 2022, the Company entered into a hire purchase agreement to lease vehicle. The term of agreement is 4 years ending 2026 and have fixed rental over the lease term.

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

4 Interest-bearing liabilities

The periods to maturity of interest-bearing liabilities as at 31 March 2022 and 31 December 2021 were as follows:

| | 31 March 2022 | | | 31 December 2021 | | |
|---|---------------------------|----------------|----------------|------------------|----------------|----------------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | <i>(in thousand Baht)</i> | | | | | |
| Secured | | | | | | |
| Bank overdrafts (a) | 2 | - | 2 | - | - | - |
| Long-term loans from financial institutions (b) | 10,894 | 49,487 | 60,381 | 12,870 | 69,635 | 82,505 |
| Lease liabilities (c) | 2,621 | 98,028 | 100,649 | 2,858 | 98,086 | 100,944 |
| Total interest-bearing liabilities | 13,517 | 147,515 | 161,032 | 15,728 | 167,721 | 183,449 |

Assets pledged as security for interest-bearing liabilities, excluding lease liabilities, as at 31 March 2022 and 31 December 2021 were as follows:

| | 31 March 2022 | 31 December 2021 |
|---|---------------------------|------------------|
| | <i>(in thousand Baht)</i> | |
| Other non-current financial assets | 8,904 | 8,904 |
| Property, plant and equipment - at cost | 70,087 | 70,087 |
| Total | 78,991 | 78,991 |

The periods to maturity of interest-bearing liabilities, excluding lease liabilities, as at 31 March 2022 and 31 December 2021 were as follows:

| | 31 March 2022 | 31 December 2021 |
|--------------------------------------|---------------------------|------------------|
| | <i>(in thousand Baht)</i> | |
| Within one year | 10,896 | 12,870 |
| After one year but within five years | 42,109 | 60,943 |
| After five years | 7,378 | 8,692 |
| Total | 60,383 | 82,505 |

As at 31 March 2022, the Company had unutilised credit facilities amounting to Baht 108.0 million (31 December 2021: Baht 108.0 million).

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

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

As at 31 March 2022, the Company had bank overdrafts of Baht 2,000 bore interest at the rate MOR. These bank overdrafts were secured by land owned by key management personnel (31 December 2021: nil).

(b) Long-term loans from financial institutions

As at 31 March 2022, the Company had long-term loans of Baht 60.4 million (31 December 2021: Baht 82.5 million) from several financial institutions. These loans have various monthly repayment schedule for principal and interest up to 2030 as follows:

| Interest rate | Maturity of the last installment | Collaterals | 31 March 2022 (in thousand Baht) | 31 December 2021 |
|---------------------------------|----------------------------------|---|-------------------------------------|------------------|
| Year 1: MLR-4.1% | 2030 | Land owned by the Company | 27,186 | 27,877 |
| Year 2-3: MLR-3.1% | | | | |
| Year 4-5: MLR-2.1% | | | | |
| Year 6 to maturity: MLR-1.6% | | | | |
| Year 1-2: MLR-2.0% | 2027 | Key management personnel and Thai Credit Guarantee Corporation (TCG) | 19,903 | 19,849 |
| Year 3-maturity: MLR-1.0% | | | | |
| MLR-1.775% | 2024 | Land owned by the Company and key management personnel | 7,583 | 8,375 |
| Year 1-2: 2.0% | 2025 | Key management personnel and Thai Credit Guarantee Corporation (TCG) | 3,509 | 3,760 |
| Year 3-maturity: MRR | | | | |
| Year 1-2: 2.0% | 2026 | Thai Credit Guarantee Corporation (TCG) | 1,444 | 1,500 |
| Year 3-maturity: 7.0% | | | | |
| 2.0% per annum | 2023 | Bank guarantee from a financial institution | 530 | 656 |
| Year 1: MLR-1.47% | 2028 | Key management personnel and Thai Credit Guarantee Corporation (TCG) | 226 | 19,926 |
| Year 2-maturity: MLR-1.1% | | | | |
| MLR | 2024 | Land owned by the Company, land owned by key management personnel, key management personnel and ultimate parent company | - | 416 |
| MLR-1.0% | 2022 | Land owned by the Company, key management personnel and ultimate parent company | - | 146 |
| | | Total | 60,381 | 82,505 |

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
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For the three-month period ended 31 March 2022 (Unaudited)

(c) *Lease liabilities*

The periods to maturity of lease liabilities were as follows:

| | 31 March 2022 | | | 31 December 2021 | | |
|--------------------------------------|---|-----------------|--|---|-----------------|-------------------------------------|
| | Lease payments over the remaining term of the lease liabilities | Interest | Carrying value of lease liabilities <i>(in thousand Baht)</i> | Lease payments over the remaining term of the lease liabilities | Interest | Carrying value of lease liabilities |
| Within one year | 7,052 | (4,431) | 2,621 | 7,271 | (4,413) | 2,858 |
| After one year but within five years | 28,672 | (16,406) | 12,266 | 27,843 | (16,467) | 11,376 |
| After five years | 114,679 | (28,917) | 85,762 | 116,573 | (29,863) | 86,710 |
| Total | 150,403 | (49,754) | 100,649 | 151,687 | (50,743) | 100,944 |

For the three-month period ended 31 March

2022
(in thousand Baht)

Recognised in profit or loss

| | | |
|---|-------|-----|
| Interest on lease liabilities | 1,101 | 527 |
| Expenses relating to leases of low-value assets | 315 | 34 |

Total cash outflow for leases presented in the statement of cash flows for the three-month period ended 31 March 2022 was Baht 1.5 million (2021: Baht 1.8 million).

The Company entered into lease agreements with local companies and related parties to lease vehicles, equipment and leasehold of land and building, respectively. Under the term of agreements, the Company had to comply with the conditions related to leased assets.

5 Segment information and disaggregation of revenue

Management determined that the Company has two reportable segments which are the Company's strategic divisions for different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Company'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) |

Other segments include revenue from sales of goods and service. None of these segments meets the quantitative thresholds for determining reportable segments in 2022 or 2021.

Each segment's performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Company's CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments.

The Company's main revenue is derived from contracts with customers and recognised at a point in time.

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

*For the three-month period ended
31 March*

| | Segment 1 | | Segment 2 | | Other segments | | Total | |
|---|---------------------------|---------------|----------------|---------------|----------------|-------------|-----------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | | | | | |
| Revenues from sales of goods | 49,140 | 55,760 | 31,440 | 37,872 | 2,823 | 1,180 | 83,403 | 94,812 |
| Profit (loss) from operations | 4,236 | 10,740 | (3,139) | 11,977 | (173) | (34) | 924 | 22,683 |
| Unallocated revenues | | | | | | | 2,068 | 943 |
| Unallocated expenses | | | | | | | (15,981) | (12,057) |
| Gain on measurement of financial assets | | | | | | | 357 | - |
| Reversal of impairment loss determined in accordance with TFRS9 | | | | | | | 509 | 174 |
| Finance costs | | | | | | | (1,791) | (2,458) |
| Profit (loss) before income tax expense | | | | | | | (13,914) | 9,285 |

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6 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

| | Hedging instruments | Carrying amount | | Total <i>(in thousand Baht)</i> | Fair value | | | Total |
|--|------------------------|--|--|------------------------------------|------------|---------|---------|---------|
| | | Financial instruments measured at FVTPL | Financial instruments measured at FVOCI | | Level 1 | Level 2 | Level 3 | |
| <i>Financial assets</i> | | | | | | | | |
| <i>At 31 March 2022</i> | | | | | | | | |
| Investment in short-term structured note | - | 190,000 | - | 190,000 | - | 190,357 | - | 190,357 |
| <i>At 31 December 2021</i> | | | | | | | | |
| Investment in debt securities open-ended fund | - | 27,000 | - | 27,000 | - | 27,000 | - | 27,000 |

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7 Commitments with non-related parties

| | 31 March 2022 | 31 December 2021 |
|--|---------------------------|---------------------|
| | <i>(in thousand Baht)</i> | |
| Capital commitments | | |
| Building and building improvements | 30,949 | 14,236 |
| Furniture, fixtures and office equipment | 1,173 | 1,173 |
| Total | 32,122 | 15,409 |
| Other commitments | | |
| Bank guarantees | 2,855 | 1,830 |

As at 31 March 2022 the Company had bank guarantees with a financial institution, issued to Provincial Electricity Authority to guarantee for electricity usage amounting to Baht 1.6 million, issued to Metropolitan Electricity Authority to guarantee for electricity usage amounting to Baht 0.6 million, issued to Safety, Health and Environmental At Work Fund for securing a borrowing amounting to Baht 0.4 million and issued to a non-related party to guarantee service agreement amounting to Baht 0.2 million. *(31 December 2021, the Company had bank guarantees with a financial institution, issued to Provincial Electricity Authority to guarantee for electricity usage amounting to Baht 0.8 million, issued to Metropolitan Electricity Authority to guarantee for electricity usage amounting to Baht 0.6 million, and issued to Safety, Health and Environmental At Work Fund for securing a borrowing amounting to Baht 0.4 million).*

Significant agreement with non-related party

On 5 October 2021, the Company entered into the Memorandum of Agreement with a customer to support sell of the certain product from 15 October 2021 to 31 December 2022. Under the term of the Memorandum of Agreement, the Company agrees to pay a consideration to the customer totalling Baht 50.0 million as per the term stipulated in the Memorandum of Agreement.

As at 31 March 2022, the Company recorded advance payment relating to such agreement of Baht 13.4 million. The Company recorded consideration payable to a customer net from revenue from sales of goods for the three-month period ended 31 March 2022 of Baht 6.3 million.

8 Contingent liabilities

On 11 September 2019, the Company was accused in trademark infringement case with claim amounting to Baht 50.0 million. On 14 December 2021, the Central Intellectual Property and International Trade Court dismissed the case in which the plaintiff could appeal within 18 May 2022.

9 Events after the reporting period

On 5 April 2022, the Annual General Meeting of Shareholder approved the appropriation of dividend of Baht 0.0132 per share, totalling Baht 6.0 million.