

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

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 2023
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 consolidated and separate statements of financial position of JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd. and its subsidiaries, and of JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd., respectively, as at 30 June 2023; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2023; the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2023; 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”.

Emphasis of Matter

I draw attention to note 3 to the interim financial information, during the six-month period ended 30 June 2023, the Group has acquired businesses and is in the process of hiring an independent appraiser to determine the fair value of the identifiable assets acquired and liabilities assumed from the business acquisitions. As at the reporting date, the reviews have not yet been completed therefore the determination of the fair value and the allocation of the purchase price was determined provisionally and is subject to potential amendment.

My conclusion is not modified in respect of this matter.

(Kanokorn Phooriphanyawanit)
Certified Public Accountant
Registration No. 10512

KPMG Phoomchai Audit Ltd.
Bangkok
10 August 2023

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

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2023	2022	2023	2022
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		60,081	95,800	48,571	91,336
Trade accounts receivable	4	86,741	71,648	49,612	71,648
Other receivables		35,534	26,195	28,257	25,661
Short-term loans to and interest receivable from subsidiaries	4	-	-	68,992	13,557
Inventories		122,367	99,121	112,629	99,121
Current contract cost assets	15	178	249	178	249
Other current financial asset	11	139,567	209,812	139,567	209,812
Total current assets		444,468	502,825	447,806	511,384
Non-current assets					
Other non-current financial asset		8,567	8,946	8,567	8,946
Investment in subsidiaries	5	-	-	73,900	30,000
Property, plant and equipment	6	825,868	669,080	717,119	633,316
Intangible assets		5,007	5,380	4,905	5,318
Goodwill	3	36,819	-	-	-
Deferred tax assets		24,992	20,062	22,400	19,779
Non-current contract cost assets	15	733	677	733	677
Other non-current assets		7,308	15,426	5,490	13,138
Total non-current assets		909,294	719,571	833,114	711,174
Total assets		1,353,762	1,222,396	1,280,920	1,222,558

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

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

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2023 (Unaudited)	31 December 2022	30 June 2023 (Unaudited)	31 December 2022
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable		67,742	46,161	49,222	46,161
Current contract liabilities	15	30,604	27,622	28,578	27,622
Other payables	4	26,886	24,375	23,206	23,404
Current portion of long-term loans					
from financial institutions	7	8,803	6,592	8,803	6,592
Current portion of lease liabilities	4, 7	8,272	6,454	6,642	6,454
Income tax payable		69	-	-	-
Total current liabilities		142,376	111,204	116,451	110,233
<i>Non-current liabilities</i>					
Long-term loans from financial institutions	7	52,061	37,622	52,061	37,622
Long-term loans from related parties	4	10,000	-	-	-
Lease liabilities	4, 7	125,581	109,426	104,557	109,426
Non-current contract liabilities	15	10,300	9,111	10,300	9,111
Non-current provisions for employee benefits		14,352	13,008	13,796	13,008
Other non-current provisions		1,135	-	1,135	-
Total non-current liabilities		213,429	169,167	181,849	169,167
Total liabilities		355,805	280,371	298,300	279,400
<i>Equity</i>					
Share capital					
Authorised share capital		341,250	341,250	341,250	341,250
Issued and paid-up share capital	8	237,245	227,500	237,245	227,500
Share premium	8	772,393	733,463	772,393	733,463
Difference arising from common control transactions		(11,539)	(11,539)	(11,539)	(11,539)
Retained earnings (Deficit)					
Appropriated					
Legal reserve		3,862	3,862	3,862	3,862
Unappropriated		(22,730)	(11,261)	(19,341)	(10,128)
Equity attributable to owners of the parent		979,231	942,025	982,620	943,158
Non-controlling interests		18,726	-	-	-
Total equity		997,957	942,025	982,620	943,158
Total liabilities and equity		1,353,762	1,222,396	1,280,920	1,222,558

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

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

Statement of comprehensive income (Unaudited)

	Note	Consolidated	
		financial	Separate financial
		statements	statements
		Three-month	Three-month period ended
		period ended	30 June
		30 June	2023
		2023	2022
		<i>(in thousand Baht)</i>	
Revenue			
Revenue from sale of goods		111,900	98,932
Revenue from rendering of services		8,726	-
Other income		1,878	3,571
Total revenue		122,504	102,503
Expenses			
Cost of sale of goods		93,967	78,799
Costs of rendering of services		7,565	-
Distribution costs		11,620	19,474
Administrative expenses		23,023	17,369
Total expenses		136,175	115,642
Loss from operating activities		(13,671)	(13,139)
Finance costs		(2,455)	(1,843)
Gain (loss) on measurement of financial assets		(73)	166
Impairment loss (reversal of)			
determined in accordance with TFRS 9		8	-
Loss before income tax expense		(16,191)	(14,816)
Tax income		3,403	2,963
Loss for the period		(12,788)	(11,853)
Other comprehensive income (expense)			
for the period, net of tax		-	-
Total comprehensive expense for the period		(12,788)	(11,853)
Profit (loss) attributable to:			
Owners of parent		(13,326)	(11,853)
Non-controlling interests		538	-
		(12,788)	(11,853)
Total comprehensive income (expense) attributable to:			
Owners of parent		(13,326)	(11,853)
Non-controlling interests		538	-
		(12,788)	(11,853)
Basic losses per share (in Baht)	9	(0.03)	(0.02)
Diluted losses per share (in Baht)	9	(0.02)	(0.02)

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

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

Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		
		financial statements	Separate financial statements	
		Six-month period ended	Six-month period ended	
		30 June	30 June	
		2023	2023	2022
		<i>(in thousand Baht)</i>		
Revenue				
Revenue from sale of goods		231,850	218,529	182,335
Revenue from rendering of services		8,726	-	-
Other income		4,567	5,248	5,639
Total revenue		245,143	223,777	187,974
Expenses				
Cost of sale of goods		179,516	168,125	138,905
Costs of rendering of services		7,565	-	-
Distribution costs		21,376	20,058	41,847
Administrative expenses		46,299	43,343	33,350
Total expenses		254,756	231,526	214,102
Loss from operating activities		(9,613)	(7,749)	(26,128)
Finance costs		(4,376)	(4,073)	(3,634)
Gain (loss) on measurement of financial assets		(80)	(80)	357
Impairment loss determined in accordance with TFRS 9		82	68	675
Loss before income tax expense		(13,987)	(11,834)	(28,730)
Tax income		3,056	2,621	5,295
Loss for the period		(10,931)	(9,213)	(23,435)
Other comprehensive income (expense) for the period, net of tax		-	-	-
Total comprehensive expense for the period		(10,931)	(9,213)	(23,435)
Profit (loss) attributable to:				
Owners of parent		(11,469)	(9,213)	(23,435)
Non-controlling interests		538	-	-
		(10,931)	(9,213)	(23,435)
Total comprehensive income (expense) attributable to:				
Owners of parent		(11,469)	(9,213)	(23,435)
Non-controlling interests		538	-	-
		(10,931)	(9,213)	(23,435)
Basic losses per share (in Baht)	9	(0.02)	(0.02)	(0.05)
Diluted losses per share (in Baht)	9	(0.02)	(0.02)	(0.05)

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

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

Consolidated financial statements										
	Note	Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Difference arising from common control transaction	Retained earnings (Deficit)		Equity attributable to owners of the Company	Non-controlling interests	Total equity
						Legal reserve	Unappropriated			
<i>(in thousand Baht)</i>										
Six-month period ended 30 June 2023										
Balance at 1 January 2023		227,500	733,463	-	(11,539)	3,862	(11,261)	942,025	-	942,025
Transactions with owners, recorded directly in equity										
<i>Contributions by owners of the parent</i>										
Share subscriptions received in advance		-	-	48,724	-	-	-	48,724	-	48,724
Shares options exercised	8	9,745	38,930	(48,724)	-	-	-	(49)	-	(49)
Total contributions by owners of the parent		9,745	38,930	-	-	-	-	48,675	-	48,675
<i>Changes in ownership interests in subsidiaries</i>										
Acquisition of subsidiaries with non-controlling interests	3	-	-	-	-	-	-	-	18,188	18,188
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	18,188	18,188
Total transactions with owners, recorded directly in equity		9,745	38,930	-	-	-	-	48,675	18,188	66,863
Comprehensive income (expense) for the period										
Profit (loss)		-	-	-	-	-	(11,469)	(11,469)	538	(10,931)
Other comprehensive income (expense)		-	-	-	-	-	-	-	-	-
Total comprehensive income (expense) for the period		-	-	-	-	-	(11,469)	(11,469)	538	(10,931)
Balance at 30 June 2023		237,245	772,393	-	(11,539)	3,862	(22,730)	979,231	18,726	997,957

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

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

Statement of changes in equity (Unaudited)

	Separate financial statements						Total equity
	Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Difference arising from common control transaction <i>(in thousand Baht)</i>	Retained earnings (Deficit)		
					Legal reserve	Unappropriated	
Six-month period ended 30 June 2022							
Balance at 1 January 2022	227,500	733,463	-	(11,539)	3,862	13,140	966,426
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends to owners of the company	-	-	-	-	-	(6,006)	(6,006)
Total distributions to owners of the parent	-	-	-	-	-	(6,006)	(6,006)
Comprehensive income (expense) for the period							
Loss	-	-	-	-	-	(23,435)	(23,435)
Other comprehensive income (expense)	-	-	-	-	-	-	-
Total comprehensive income (expense) for the period	-	-	-	-	-	(23,435)	(23,435)
Balance at 30 June 2022	227,500	733,463	-	(11,539)	3,862	(16,301)	936,985

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

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

Statement of changes in equity (Unaudited)

	Note	Separate financial statements					Retained earnings (Deficit)		Total equity
		Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Difference arising from common control transaction <i>(in thousand Baht)</i>	Legal reserve	Unappropriated		
Six-month period ended 30 June 2023									
Balance at 1 January 2023		227,500	733,463	-	(11,539)	3,862	(10,128)	943,158	
Transactions with owners, recorded directly in equity									
<i>Contributions by owners</i>									
Share subscriptions received in advance		-	-	48,724	-	-	-	48,724	
Shares options exercised	8	9,745	38,930	(48,724)	-	-	-	(49)	
Total contributions by owners		9,745	38,930	-	-	-	-	48,675	
Comprehensive income (expense) for the period									
Loss		-	-	-	-	-	(9,213)	(9,213)	
Other comprehensive income (expense)		-	-	-	-	-	-	-	
Total comprehensive income (expense) for the period		-	-	-	-	-	(9,213)	(9,213)	
Balance at 30 June 2023		237,245	772,393	-	(11,539)	3,862	(19,341)	982,620	

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

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

Statement of cash flows (Unaudited)

	Consolidated financial statements	Separate financial statements	
	Six-month period ended	Six-month period ended	
	30 June	30 June	
	2023	2023	2022
	<i>(in thousand Baht)</i>		
<i>Cash flows from operating activities</i>			
Loss for the period	(10,931)	(9,213)	(23,435)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>			
Tax income	(3,056)	(2,621)	(5,295)
Finance costs	4,376	4,073	3,634
Depreciation and amortisation	19,791	18,783	11,347
Gain on disposal of other financial asset	(1,307)	(1,307)	(3)
(Gain) loss on fair value adjustment	80	80	(357)
Reversal of impairment loss in accordance with TFRS9	(82)	(68)	(675)
Employee benefits expense relating to defined benefit plans	852	788	637
Provision for loss on inventories devaluation	2,899	2,899	9,059
Gain on disposal of equipment	(17)	(17)	(791)
Gain on lease modification	(32)	(32)	-
Interest income	(256)	(955)	(1,593)
	<u>12,317</u>	<u>12,410</u>	<u>(7,472)</u>
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	25,312	22,104	(9,946)
Other receivables	(10,016)	(8,581)	6,432
Inventories	(16,489)	(16,408)	1,611
Contract cost assets	15	15	-
Other non-current financial asset	379	379	(21)
Other non-current assets	(164)	57	(477)
Trade accounts payable	2,766	3,061	(2,373)
Current and non-current contract liabilities	2,061	2,145	(8,856)
Other payables	(5,595)	(4,508)	(7,118)
Net cash generated from (used in) operating	<u>10,586</u>	<u>10,674</u>	<u>(28,220)</u>
Taxes received	6,010	5,998	-
Net cash from (used in) operating activities	<u>16,596</u>	<u>16,672</u>	<u>(28,220)</u>

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

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

Statement of cash flows (Unaudited)

	Consolidated		
	financial	Separate financial	
	statements	statements	
	Six-month period ended 30 June 2023	Six-month period ended 30 June 2023 2022	
	<i>(in thousand Baht)</i>		
<i>Cash flows from investing activities</i>			
Acquisition of subsidiaries, net of cash acquired	(58,886)	(43,900)	-
Proceeds from sale of equipment	341	341	814
Acquisition of property, plant and equipment	(112,597)	(90,754)	(99,733)
Acquisition of intangible assets	(154)	(110)	(695)
Payment of short-term loan to subsidiaries	-	(55,300)	-
Proceeds from sale of other financial asset	438,972	438,972	217,002
Payment of other financial asset	(367,500)	(367,500)	(540,000)
Interest received	256	820	1,171
Net cash used in investing activities	(99,568)	(117,431)	(421,441)
<i>Cash flows from financing activities</i>			
Cash received from advanced share subscriptions	48,725	48,725	-
Repayment of registration to increase company capital service	(62)	(62)	-
Repayment of short-term loans from a non-related party	(10,000)	-	-
Proceeds from long-term loans from financial institutions	19,900	19,900	-
Repayment of long-term loans from financial institutions	(3,347)	(3,347)	(24,668)
Payment of lease liabilities	(3,501)	(3,257)	(2,640)
Dividends paid to owners of the Company	-	-	(5,991)
Interest paid	(4,462)	(3,965)	(3,387)
Net cash from (used in) financing activities	47,253	57,994	(36,686)
Net decrease in cash and cash equivalents	(35,719)	(42,765)	(486,347)
Cash and cash equivalents at 1 January	95,800	91,336	623,905
Cash and cash equivalents at 30 June	60,081	48,571	137,558

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

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

Statement of cash flows (Unaudited)

	Consolidated		
	financial	Separate financial	
	statements	statements	
	Six-month period ended 30 June 2023	Six-month period ended 30 June 2023 2022	
	<i>(in thousand Baht)</i>		
<i>Disclosure of additional cash flows information</i>			
<i>Property, plant and equipment acquired during the period were detailed as follows:</i>			
Total property, plant and equipment acquired during the period	125,897	102,624	92,842
<i>Add</i> Payment made to payables of plant and equipment at beginning of the period	953	423	4,149
Advance payments of plant and equipment at ending of the period	5,988	4,696	27,951
<i>Less</i> Payables of plant and equipment at ending of the period	(14,575)	(4,703)	(5,705)
Advance payments of plant and equipment at beginning of the period	(5,666)	(12,286)	(9,432)
Plant and equipment acquired from right-of-use assets	-	-	(10,072)
Cash paid for acquisition of property, plant and equipment	112,597	90,754	99,733
<i>Intangible assets acquired during the period were detailed as follows:</i>			
Total intangible assets acquired during the period	181	137	695
<i>Add</i> Payment made to payables of intangible assets at beginning of the period	-	-	-
<i>Less</i> Payables of intangible assets at ending of the period	(27)	(27)	-
Cash paid for acquisition of intangible assets	154	110	695

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

**JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
and its Subsidiaries**
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2023 (Unaudited)

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**JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
and its Subsidiaries**
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2023 (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 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 10 August 2023.

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 together with 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 and its subsidiary for the year ended 31 December 2022.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’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 2022.

2 Accounting policies for new transactions and events

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2022 except during the six-month period ended 30 June 2023, the Group and the Company adopted accounting policies for new transactions and events as follow:

(a) Basis of consolidation

Business combinations

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

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

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

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

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

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

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

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.

3 Acquisition of subsidiaries

(a) Grace Water Med Company Limited

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

During the period from acquisition date to 30 June 2023, Grace Water Med Company Limited contributed revenue of Baht 17.5 million and profit of Baht 0.2 million to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have increased by Baht 78.1 million and consolidated loss for the six-month period ended 30 June 2023 would have increased by Baht 1.7 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

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

Identifiable assets acquired and liabilities assumed

	<i>Note</i>	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents		2,307
Trade accounts receivable		38,756
Other receivables		4,500
Inventories		5,721
Property, plant and equipment	6	48,219
Deferred tax assets		1,523
Other non-current assets		305
Trade accounts payables		(18,077)
Other payables		(2,745)
Loans		(20,000)
Lease liabilities		(21,491)
Non-current provisions for employee benefits		(492)
Total identifiable net assets		38,526
<i>Less Non-controlling interests (47.2%)</i>		<i>(18,187)</i>
Total identifiable net assets received		20,339
Goodwill arising from the acquisition		23,561
Purchase consideration transferred		43,900
Net cash acquired with the subsidiary		2,307
Cash paid		(43,900)
Net cash outflows		(41,593)

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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.

According to the acquisition of such subsidiary, the Group is in the process of hiring an independent appraisers to appraise the fair value of the acquired assets and liabilities. However, the Group is to review the value during the measurement period. If new information is obtained within one year from the acquisition date to reflect its facts and circumstances at the acquisition date, its accounting treatment will be revised.

(b) *Waree Medical Company Limited*

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

During the period from acquisition date to 30 June 2023, Waree Medical Company Limited contributed revenue of Baht 3.3 million and profit of Baht 0.9 million to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have increased by Baht 7.8 million and consolidated profit for the six-month period ended 30 June 2023 would have increased by Baht 0.6 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

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

Identifiable assets acquired and liabilities assumed

	<i>Note</i>	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents		1,507
Trade accounts receivable		1,593
Other receivables		1,020
Inventories		3,936
Property, plant and equipment	6	1,091
Deferred tax assets		81
Trade accounts payables		(763)
Other payables		(813)
Contract liabilities		(2,109)
Total identifiable net assets		5,543
<i>Less Non-controlling interests (0.02%)</i>		<i>(1)</i>
Total identifiable net assets received		5,542
Goodwill arising from the acquisition		13,258
Purchase consideration transferred		18,800
Net cash acquired with the subsidiary		1,507
Cash paid		(18,800)
Net cash outflows		(17,293)

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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.

According to the acquisition of such subsidiary, the Group is in the process of hiring an independent appraisers to appraise the fair value of the acquired assets and liabilities. However, the Group is to review the value during the measurement period. If new information is obtained within one year from the acquisition date to reflect its facts and circumstances at the acquisition date, its accounting treatment will be revised.

Acquisition-related costs

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

4 Related parties

Relationships with subsidiary that has material changes are described in note 5. Other related parties which have material changes in relationships and with which the Group had significant transactions during the period were as follows:

Name of entities	Country of incorporation	Nature of relationships		
7 Days Dialysis Company Limited	Thailand	Common directors		
		Consolidated financial statements	Separate financial statements	
<i>Significant transactions with related parties</i>		2023	2023	2022
<i>Six-month period ended 30 June</i>		<i>(in thousand Baht)</i>		
Ultimate parent company				
Interest on lease liabilities		590	590	602
Subsidiaries				
Interest income		-	742	-
Other income		-	17	-
Other related parties				
Sales of goods		2,983	-	-
Other income		4	4	-
Interest expense		23	-	-
Key management personnel				
Interest expense under lease liabilities		1,542	1,542	1,573
Interest expense		34	-	-
Key management personnel compensation				
Short-term employee benefit		10,874	10,667	11,162
Post-employment benefits		214	210	146
Total key management personnel compensation		11,088	10,877	11,308

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Balances as at 30 June 2023 and 31 December 2022 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiary	-	-	19	-
Other related parties	5,008	-	-	-
Total	5,008	-	19	-
Short-term loans to				
Subsidiaries	-	-	68,800	13,500
Total	-	-	68,800	13,500
Interest receivable				
Subsidiary	-	-	192	57
Total	-	-	192	57
Other payables				
Key management personnel	920	1,556	800	1,556
Total	920	1,556	800	1,556
Long-term loans from				
Key management personnel	6,000	-	-	-
Other related parties	4,000	-	-	-
Total	10,000	-	-	-
Interest payable				
Key management personnel	27	-	-	-
Other related parties	18	-	-	-
Total	45	-	-	-
Lease liabilities				
Ultimate parent company	26,635	26,911	26,635	26,911
Key management personnel	69,568	70,290	69,568	70,290
Total	96,203	97,201	96,203	97,201

Significant agreements with related parties

During the six-month period ended 30 June 2023, the Company had new significant agreements with the related parties as follow:

Short-term loans to agreements

Subsidiaries

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. As at 30 June 2023, a subsidiary drawdown loan of Bath 20.0 million which will be due within September to October 2023.

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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. As at 30 June 2023, a subsidiary drawdown loan of Baht 8.8 million which will be due within October 2023.

Long-term loans to agreements

Key management personnel

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

Other related parties

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

5 Investment in subsidiaries

Detail of the increase in investment in subsidiaries during the six-month period ended 30 June 2023 was as follows:

	<i>Note</i>	Separate financial statements <i>(in thousand Baht)</i>
Purchase investment in Grace Water Med Company Limited	3	43,900

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

6 Property, plant and equipment

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Six-month period ended 30 June 2023</i>		
Acquisitions - at cost	125,897	102,624
Assets acquired of subsidiaries - net book value	27,943	-
Right-of-use assets - at cost	1,407	-
Write-off of right-of-use assets - at cost	(1,391)	(1,391)
Right-of-use assets acquired of subsidiaries - net book value	21,367	-
Disposals - net book value	(324)	(324)

During the six-month period ended 30 June 2023, the Group terminated a lease agreement with certain lessor. As a result, right-of-use assets decreased by Baht 1.4 million and the Group recognised gain on termination of lease of Baht 0.03 million in the statement of comprehensive income.

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During the six-month period ended 30 June 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.

7 Interest-bearing liabilities

The periods to maturity of interest-bearing liabilities as at 30 June 2023 and 31 December 2022 were as follows:

	Consolidated financial statements					
	30 June 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
	<i>(in thousand Baht)</i>					
Secured						
Long-term loans from financial institutions (a)	8,803	52,061	60,864	6,592	37,622	44,214
Long-term loan from related parties (see note 4)	-	10,000	10,000	-	-	-
Lease liabilities (b)	8,272	125,581	133,853	6,454	109,426	115,880
Total interest-bearing liabilities	17,075	187,642	204,717	13,046	147,048	160,094
	Separate financial statements					
	30 June 2023			31 December 2022		
	Current	Non-current	Total	Current	Non-current	Total
	<i>(in thousand Baht)</i>					
Secured						
Long-term loans from financial institutions (a)	8,803	52,061	60,864	6,592	37,622	44,214
Lease liabilities (b)	6,642	104,557	111,199	6,454	109,426	115,880
Total interest-bearing liabilities	15,445	156,618	172,063	13,046	147,048	160,094

The Group's and the Company's assets pledged as security for interest-bearing liabilities, excluding lease liabilities, as at 30 June 2023 and 31 December 2022 were as follows:

	Consolidated financial statements		Separated financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Other non-current financial assets	8,567	8,946	8,567	8,946
Property, plant and equipment - at cost	151,534	70,087	151,534	70,087
Total	160,101	79,033	160,101	79,033

The periods to maturity of interest-bearing liabilities, excluding lease liabilities, as at 30 June 2023 and 31 December 2022 were as follows:

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	Consolidated financial statements		Separated financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Within one year	8,803	6,592	8,803	6,592
After one year but within five years	53,904	28,884	43,904	28,884
After five years	8,157	8,738	8,157	8,738
Total	70,864	44,214	60,864	44,214

As at 30 June 2023, the Group and the Company had unutilised credit facilities amounting to Baht 101.5 million and Baht 101.5 million, respectively (*31 December 2022: Baht 71.5 million and Baht 71.5 million, respectively*).

As at 30 June 2023, the Group and Company have to comply with financial debt covenants on bank overdraft facilities amounting to Baht 45.0 million and Baht 30.0 million, respectively (*31 December 2022: nil*). The covenants required the Company to maintain (1) debt-to-equity ratio not exceed than 1.0 time for the year 2022 onwards (2) debt service coverage ratio (DSCR) not less than 1.2 times for the year 2022 onwards and (3) interest-bearing debt to EBITDA not exceed than 4.5 times for the year 2022, not exceed than 3.0 times for the year 2023 and 2024 and not exceed than 2.0 times for the year 2025 onwards.

(a) Long-term loans from financial institutions

As at 30 June 2023, the Group and the Company had long-term loans from several financial institutions amounting to Baht 60.9 million and Baht 60.9 million, respectively (*31 December 2022: Baht 44.2 million and Baht 44.2 million, respectively*). These loans have various monthly repayment schedule for principal and interest up to 2030 as follows:

Interest rate	Maturity of the last installment	Collaterals	Consolidated and Separate financial statements	
			30 June 2023	31 December 2022
<i>(in thousand Baht)</i>				
Year 1: MLR-4.1%	2030	Land owned by the Company	23,701	25,086
Year 2-3: MLR-3.1%				
Year 4-5: MLR-2.1%				
Year 6 to maturity: MLR-1.6%				
Year 1-3: MLR-2.55%	2028	Land owned by the Company and a subsidiary	19,912	-
Year 4-maturity: MLR-2.3%				
Year 1-2: MLR-2.0%	2027	Key management personnel and Thai Credit Guarantee Corporation (TCG)	16,224	17,782
Year 3-maturity: MLR-1.0%				

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	Maturity of the last installment	Collaterals	Consolidated and Separate financial statements	
			30 June 2023	31 December 2022
Interest rate			<i>(in thousand Baht)</i>	
Year 1-2: 2.0%	2026	Thai Credit Guarantee Corporation (TCG)	1,027	1,194
Year 3-maturity: 7.0%				
2.0% per annum	2023	Bank guarantee from a financial institution	-	152
		Total	60,864	44,214

As at 30 June 2023, the Company has to comply with financial debt covenants on long-term loans from financial institution amounting to Baht 20.0 million (*31 December 2022: nil*). The covenants required the Company to maintain (1) debt-to-equity ratio not exceed than 1.0 time for the year 2022 onwards (2) debt service coverage ratio (DSCR) not less than 1.2 times for the year 2022 onwards and (3) interest-bearing debt to EBITDA not exceed than 4.5 times for the year 2022, not exceed than 3.0 times for the year 2023 and 2024 and not exceed than 2.0 times for the year 2025 onwards.

(b) Lease liabilities

The periods to maturity of lease liabilities were as follows:

	Consolidated financial statements					
	30 June 2023			31 December 2022		
	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	14,199	(5,927)	8,272	11,475	(5,021)	6,454
After one year but within five years	50,857	(20,005)	30,852	41,911	(17,135)	24,776
After five years	120,814	(26,085)	94,729	110,784	(26,134)	84,650
Total	185,870	(52,017)	133,853	164,170	(48,290)	115,880

	Separate financial statements					
	30 June 2023			31 December 2022		
	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	11,449	(4,807)	6,642	11,475	(5,021)	6,454
After one year but within five years	39,405	(16,442)	22,963	41,911	(17,135)	24,776
After five years	105,915	(24,321)	81,594	110,784	(26,134)	84,650
Total	156,769	(45,570)	111,199	164,170	(48,290)	115,880

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<i>Recognised in profit or loss</i> <i>Six-month period ended 30 June</i>	Consolidated	Separate	
	financial statements 2023	financial statements 2023	2022
		<i>(in thousand Baht)</i>	
Interest on lease liabilities	2,640	2,521	2,241
Expenses relating to short-term leases or leases of low-value assets	82	82	641

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the six-month period ended 30 June 2023 were Baht 3.5 million and Baht 3.3 million, respectively. (2022: separate financial statements was Baht 2.6 million).

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

8 Warrant

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

Description	Details
Grant date	31 August 2022
Exercise ratio	1 unit of warrant per 1 ordinary share, except there is a change according to the right adjustment conditions
Exercise price	Baht 2.50 per share, except there is a change according to the right adjustment conditions
Exercise period and proportion	The Warrant holders may exercise the rights under the warrants on the last Business Day of March and September throughout the Term of Warrants. The Warrant holders may exercise their rights for the first time on the last Business Day of March i.e. 31 March 2023 and the last time to exercise their rights is the date such that the Warrants have 2 years from the Warrant Issuance Date, which shall be 30 August 2024.

During the six-month period ended 30 June 2023, there were 19,489,800 units of JSP-W1 warrant exercised into 19,489,800 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 12 April 2023. As at 30 June 2023, there were 208,008,998 unexercised warrants outstanding.

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9 Losses per share

	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	<i>(in thousand Baht/thousand shares)</i>		
<i>For the three-month period ended 30 June</i>			
Loss for the period attributable to ordinary shareholders of the Company (basic and diluted)	<u>(13,326)</u>	<u>(12,198)</u>	<u>(11,853)</u>
<i>Ordinary shares outstanding</i>			
Number of ordinary shares outstanding at 1 April	455,000	455,000	455,000
Effect of shares issued on 12 April	17,134	17,134	-
Weighted average number of ordinary shares outstanding (basic)	<u>472,134</u>	<u>472,134</u>	<u>455,000</u>
Effect of exercise of warrants	61,208	61,208	-
Weighted average number of ordinary shares outstanding (diluted)	<u>533,342</u>	<u>533,342</u>	<u>455,000</u>
Losses per share (basic) (in Baht)	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.02)</u>
Losses per share (diluted) (in Baht)	<u>(0.02)</u>	<u>(0.02)</u>	<u>(0.02)</u>
	Consolidated financial statements	Separate financial statements	
	2023	2023	2022
	<i>(in thousand Baht/thousand shares)</i>		
<i>For the six-month period ended 30 June</i>			
Loss for the period attributable to ordinary shareholders of the Company (basic and diluted)	<u>(11,469)</u>	<u>(9,213)</u>	<u>(23,435)</u>
<i>Ordinary shares outstanding</i>			
Number of ordinary shares outstanding at 1 January	455,000	455,000	455,000
Effect of shares issued on 12 April	8,614	8,614	-
Weighted average number of ordinary shares outstanding (basic)	<u>463,614</u>	<u>463,614</u>	<u>455,000</u>
Effect of exercise of warrants	78,439	78,439	-
Weighted average number of ordinary shares outstanding (diluted)	<u>542,053</u>	<u>542,053</u>	<u>455,000</u>
Losses per share (basic) (in Baht)	<u>(0.02)</u>	<u>(0.02)</u>	<u>(0.05)</u>
Losses per share (diluted) (in Baht)	<u>(0.02)</u>	<u>(0.02)</u>	<u>(0.05)</u>

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10 Segment information and disaggregation of revenue

Management determined that the Group and Company has three reportable segments which are the Group'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 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

Other segments include revenue from sales of goods and service. None of these segments meets the quantitative thresholds for determining reportable segments in 2023 or 2022.

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

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

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<i>For the six-month period ended 30 June</i>	Consolidated financial statements				
	Segment 1 2023	Segment 2 2023	Segment 3 2023	Other segments 2023	Total 2023
			<i>(in thousand Baht)</i>		
Revenues from sales and services	118,676	97,689	11,792	12,419	240,576
Profit from operations	3,375	25,827	1,905	1,012	32,119
Unallocated revenues					4,567
Unallocated expenses					(46,299)
Loss on measurement of financial assets					(80)
Impairment loss in accordance with TFRS9					82
Finance costs					(4,376)
Loss before income tax expense					(13,987)

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11 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.

	Consolidated and Separate financial statements							
	Carrying amount			Fair value				
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Total	Level 1	Level 2	Level 3	Total
				<i>(in thousand Baht)</i>				
<i>Financial assets</i>								
<i>At 30 June 2023</i>								
Investment in open-ended fund - Short-term debt security	-	139,567	-	139,567	-	139,567	-	139,567
<i>Financial assets</i>								
<i>At 31 December 2022</i>								
Investment in short-term structured note	-	209,812	-	209,812	-	209,812	-	209,812

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12 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Capital commitments				
Building and building improvements	18,619	34,019	16,964	32,264
Machinery and equipment	11,148	-	11,148	-
Furniture, fixtures and office equipment	1,716	229	1,716	229
Total	31,483	34,248	29,828	32,493
Other commitments				
Bank guarantees	2,431	2,831	2,431	2,831

As at 30 June 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, issued to Metropolitan Electricity Authority to guarantee for electricity usage amounting to Baht 0.6 million and issued to Mahidol University (Faculty of Dentistry) amounting to Baht 0.1 million *(31 December 2022, the Company had bank guarantees with a financial institution, issued to Provincial Electricity Authority to guarantee for electricity usage amounting to Baht 1.8 million, issued to Metropolitan Electricity Authority 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 Mahidol University (Faculty of Dentistry) amounting to Baht 0.1 million).*

Significant agreement with non-related party

On 28 February 2023, the Company entered into the Memorandum of Agreement with a customer to support sell of the certain product from 1 March 2023 to 31 December 2023. Under the term of the Memorandum of Agreement, the Company agrees to pay a consideration to the customer totaling Baht 33.3 million as per the term stipulated in the Memorandum of Agreement.

As at 30 June 2023, the Company recorded advance payment relating to such agreement of Baht 7.6 million. The Company recorded consideration payable to a customer net from revenue from sales of goods for the three-month and six-month periods ended 30 June 2023 of Baht 2.4 million and Baht 2.4 million, respectively.

13 Contingent liabilities

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

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

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14 Event after the reporting date

On 10 August 2023, the Board of Director meeting approved the Company to enter into a long-term loan agreement with a financial institution amounting to Baht 33.0 million. The loan bore interest at the rate of MLR per annum and was secured by land owned by the Company.

15 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2022 have been reclassified to conform to the presentation of the interim financial statements as at 30 June 2023. The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

	Consolidated and Separate financial statements		
	2022		
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<i>As at 31 December 2022</i>			
Current contract cost assets	717	(468)	249
Non-current contract cost assets	209	468	677
Current contract liabilities	28,463	(841)	27,622
Non-current contract liabilities	8,270	841	9,111
		<u>-</u>	