

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

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2021
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 30 September 2021; the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2021, changes in equity and cash flows for the nine-month period ended 30 September 2021; 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
10 November 2021

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

Statement of financial position

Assets	<i>Note</i>	30 September 2021 (Unaudited)	31 December 2020
<i>(in thousand Baht)</i>			
Current assets			
Cash and cash equivalents		5,891	492
Trade accounts receivable	4, 10	33,313	43,737
Other receivables	3	10,814	7,332
Inventories	5	99,740	77,885
Current contract cost assets	10	167	541
Total current assets		149,925	129,987
Non-current assets			
Other non-current financial assets		8,883	8,982
Investment properties		26,840	108,769
Property, plant and equipment	6	361,595	214,954
Intangible assets		4,640	4,769
Deferred tax assets		14,234	14,507
Non-current contract costs	10	292	-
Other non-current assets		6,299	2,119
Total non-current assets		422,783	354,100
Total assets		572,708	484,087

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

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

Statement of financial position

Liabilities and equity	<i>Note</i>	30 September 2021 (Unaudited)	31 December 2020
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts and short-term loans			
from financial institutions	7	49,000	82,870
Trade accounts payable		42,232	29,890
Current contract liabilities	3, 10	37,082	14,864
Other payables	3	20,417	20,954
Current portion of long-term loans			
from financial institutions	7	21,806	22,415
Current portion of lease liabilities	3, 7	3,420	6,954
Current income tax payable		191	3,089
Total current liabilities		174,148	181,036
<i>Non-current liabilities</i>			
Long-term loans from financial institutions	7	94,783	61,464
Lease liabilities	3, 7	98,694	35,807
Non-current provisions for employee benefits	8	11,387	9,812
Non-current contract liabilities	10	1,026	-
Other non-current liabilities		-	53
Total non-current liabilities		205,890	107,136
Total liabilities		380,038	288,172
<i>Equity</i>			
Share capital	9		
Authorised share capital		227,500	213,000
Issued and paid-up share capital		170,000	170,000
Share premium		22,086	22,086
Difference arising from common control transactions		(11,539)	(11,539)
Retained earnings			
Appropriated			
Legal reserve		2,377	2,377
Unappropriated		9,746	12,991
Total equity		192,670	195,915
Total liabilities and equity		572,708	484,087

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	
		30 September	
	Note	2021	2020
		<i>(in thousand Baht)</i>	
Revenue			
Revenue from sale of goods	10	103,556	104,585
Other income		<u>3,682</u>	<u>1,421</u>
Total revenue		<u>107,238</u>	<u>106,006</u>
Expenses			
Cost of sale of goods	5	71,862	70,565
Distribution costs		11,364	9,515
Administrative expenses		<u>13,122</u>	<u>12,771</u>
Total expenses		<u>96,348</u>	<u>92,851</u>
Profit from operating activities		10,890	13,155
Finance costs		(2,947)	(2,807)
Reversal of (impairment loss) determined in accordance with TFRS 9	4	<u>94</u>	<u>(1,866)</u>
Profit before income tax expense		8,037	8,482
Tax expense		<u>(1,715)</u>	<u>(2,365)</u>
Profit for the period		<u>6,322</u>	<u>6,117</u>
Other comprehensive income (expense) for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income (expense) for the period		<u>6,322</u>	<u>6,117</u>
Basic earnings per share <i>(in Baht)</i>	11	<u>0.02</u>	<u>0.02</u>

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

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

Statement of comprehensive income (Unaudited)

		Nine-month period ended 30 September	
	Note	2021	2020
		<i>(in thousand Baht)</i>	
Revenue			
Revenue from sale of goods	10	310,920	350,673
Other income		5,857	6,434
Total revenue		316,777	357,107
Expenses			
Cost of sale of goods	5	206,585	242,377
Distribution costs		33,221	33,426
Administrative expenses		37,098	37,918
Total expenses		276,904	313,721
Profit from operating activities		39,873	43,386
Finance costs		(7,723)	(8,637)
Reversal of (impairment loss) determined in accordance with TFRS 9	4	29	(3,033)
Profit before income tax expense		32,179	31,716
Tax expense		(6,490)	(6,994)
Profit for the period		25,689	24,722
Other comprehensive income (expense)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on remeasurements of defined benefit plans	8	(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		24,755	24,722
Basic earnings per share (in Baht)	11	0.08	0.07

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	
Nine-month period ended 30 September 2020						
Balance at 1 January 2020	160,000	-	(11,539)	823	15,639	164,923
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of ordinary shares	10,000	22,086	-	-	-	32,086
Dividends	-	-	-	-	(32,178)	(32,178)
Total contributions by and distributions to owners	10,000	22,086	-	-	(32,178)	(92)
Comprehensive income (expense) for the period						
Profit	-	-	-	-	24,722	24,722
Other comprehensive income (expense)	-	-	-	-	-	-
Total comprehensive income (expense) for the period	-	-	-	-	24,722	24,722
Balance at 30 September 2020	170,000	22,086	(11,539)	823	8,183	189,553

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)

				Retained earnings			
	Note	Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Legal reserve	Unappropriated	Total equity
				(in thousand Baht)			
Nine-month period ended 30 September 2021							
Balance at 1 January 2021		170,000	22,086	(11,539)	2,377	12,991	195,915
Transactions with owners, recorded directly in equity							
Distributions to owners							
Dividends	12	-	-	-	-	(28,000)	(28,000)
Total distributions to owners		-	-	-	-	(28,000)	(28,000)
Comprehensive income (expense) for the period							
Profit		-	-	-	-	25,689	25,689
Other comprehensive income (expense)		-	-	-	-	(934)	(934)
Total comprehensive income (expense) for the period		-	-	-	-	24,755	24,755
Balance at 30 September 2021		170,000	22,086	(11,539)	2,377	9,746	192,670

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

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

Statement of cash flows (Unaudited)

		Nine-month period ended	
		30 September	
	Note	2021	2020
		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the period		25,689	24,722
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense		6,490	6,994
Finance costs		7,723	8,637
Depreciation and amortisation		16,543	16,576
(Reversal of) impairment loss determined			
in accordance with TFRS9	4	(29)	3,033
Employee benefits expense relating to defined benefit plans	8	947	1,255
Provision for loss on inventories devaluation	5	4,420	2,035
(Profit) loss on disposal of plant and equipment		(2,095)	120
Interest income		(22)	(338)
		<u>59,666</u>	<u>63,034</u>
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable		10,453	4,290
Other receivables		(3,482)	635
Inventories		(26,275)	(36,050)
Contract cost assets		82	347
Other non-current financial assets		99	(25)
Other non-current assets		(4,694)	188
Trade accounts payable		12,342	6,497
Contract liabilities		23,244	19
Other payables		(2,805)	(8,531)
Non-current liabilities		(53)	(236)
		<u>68,577</u>	<u>30,168</u>
Net cash generated from operating activities		68,577	30,168
Employee benefits paid relating to defined benefit plans	8	(540)	-
Taxes paid		(8,643)	(2,772)
		<u>(9,183)</u>	<u>(2,772)</u>
Net cash from operating activities		59,394	27,396

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

Statement of cash flows (Unaudited)

	Nine-month period ended	
	30 September	
Note	2021	2020
	<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>		
Proceeds from sale of plant and equipment	5,613	105
Acquisition of plant and equipment	(16,250)	(3,970)
Acquisition of intangible assets	(416)	(595)
Payment of a long-term loan to a related party	-	(21,302)
Proceeds from repayment of a long-term loan to a related party	-	27,069
Interest received	22	318
Net cash (used in) from investing activities	(11,031)	1,625
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital	-	32,057
Repayment of bank overdrafts and short-term loans from financial institutions - net	(33,870)	(14,016)
Proceeds from long-term loans from financial institutions	51,058	24,500
Repayment of long-term loans from financial institutions	(18,348)	(25,695)
Payment of lease liabilities	7 (6,158)	(4,869)
Dividends paid to owners of the Company	(28,000)	(32,178)
Interest paid	(7,646)	(8,652)
Net cash used in financing activities	(42,964)	(28,853)
Net increase in cash and cash equivalents	5,399	168
Cash and cash equivalents at 1 January	492	137
Cash and cash equivalents at 30 September	5,891	305

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

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

Statement of cash flows (Unaudited)

Nine-month period ended
30 September
2021 2020
(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	18,161	2,906
<i>Add</i> Payment made to payables of plant and equipment at beginning of the period	344	1,394
<i>Less</i> Payables of plant and equipment at ending of the period	<u>(2,255)</u>	<u>(330)</u>
Cash paid for acquisition of plant and equipment	<u>16,250</u>	<u>3,970</u>

Intangible assets acquired during the period were detailed as follows:

Total intangible assets acquired during the period	459	570
<i>Add</i> Payment made to payables of intangible assets at beginning of the period	-	25
<i>Less</i> Payables of intangible assets at ending of the period	<u>(43)</u>	<u>-</u>
Cash paid for acquisition of intangible assets	<u>416</u>	<u>595</u>

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 and nine-month periods ended 30 September 2021 (Unaudited)

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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 10 November 2021.

1 General information

The principal activities of the Company are manufacturing and selling of medicine, dietary supplements and herbal products.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

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. 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 2020.

(b) Use of judgements and estimates

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 2020.

3 Related parties

Significant transactions for the three-month and nine-month periods ended 30 September with related parties were as follows:

<i>Three-month period ended 30 September</i>	2021	2020
	<i>(in thousand Baht)</i>	
Ultimate parent company		
Interest expense under lease liabilities	183	290
Key management personnel		
Rental income	-	13
Interest expense under lease liabilities	809	332
Gain on disposal of property	2,099	-
Key management personnel compensation		
Short-term employee benefits	4,295	3,293
Post-employment benefits	68	50
Total key management personnel compensation	<u>4,363</u>	<u>3,343</u>

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<i>Three-month period ended 30 September</i>	2021	2020
	<i>(in thousand Baht)</i>	
Other related parties		
Rental expense	-	108
Interest income	-	72
Other expense	-	123
 <i>Nine-month period ended 30 September</i>	 2021	 2020
	<i>(in thousand Baht)</i>	
Ultimate parent company		
Interest expense under lease liabilities	567	891
 Key management personnel		
Rental income	-	38
Interest expense under lease liabilities	1,480	1,020
Gain on disposal of property	2,099	-
Key management personnel compensation		
Short-term employee benefits	12,877	9,810
Post-employment benefits	206	151
Total key management personnel compensation	<u>13,083</u>	<u>9,961</u>
 Other related parties		
Sale of goods	17	256
Purchases of equipment	157	-
Rental expense	-	108
Interest income	-	311
Other expense	-	1,109
 Balances as at 30 September 2021 and 31 December 2020 with related parties were as follows:		
	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Other receivables		
Key management personnel	-	50
Other related parties	-	312
Total	<u>-</u>	<u>362</u>
 Contract liabilities		
Other related parties	-	44
Total	<u>-</u>	<u>44</u>
 Other payables		
Key management personnel	927	970
Other related parties	-	144
Total	<u>927</u>	<u>1,144</u>
 Lease liabilities		
Ultimate parent company	27,562	18,489
Key management personnel	71,988	21,172
Total	<u>99,550</u>	<u>39,661</u>

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Significant agreements with related parties

Rental agreements

Ultimate parent company

On 30 March 2018, the Company entered into the property rental agreement of head office for operating purposes with the ultimate parent company. The term of agreement is 3 years, starting from 1 January 2018 to 31 December 2020, with monthly rental fee of Baht 0.3 million. The Company had extension option under the term of agreement.

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 ultimate parent company from monthly rental fee of Baht 0.3 million to monthly rental fee of Baht 0.3 million and 1.0% incremental rental fee annually in which become effective since 1 June 2019.

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 in order 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. The Company had extension option under the term of agreement.

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 monthly rental fee of Baht 0.3 million with 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.

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

JSP Pharmaceutical Manufacturing (Thailand) Public Co., Ltd.
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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 nine-month period ended 30 September 2021 were Baht 1.3 million and Baht 3.4 million, respectively (2020: *Ultimate parent company and key management personnel were Baht 2.3 and Baht 2.6 million, respectively*).

Land sale and purchase agreement

Key management personnel

On 20 May 2021, the Company entered into a sale and purchase agreement with key management personnel to sell a plot of land at agreed selling price of Baht 5.9 million. The Company completed selling such plot of land in August 2021. The Company recorded gain on disposal of property, net with its related expense, of Baht 2.1 million in statement of comprehensive income for the three-month and nine-month periods ended 30 September 2021 (note 6).

4 Trade accounts receivable

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Other parties		
Within credit terms	25,696	23,409
Overdue		
Less than 3 months	6,285	17,455
3 - 6 months	1,529	147
6 - 12 months	26	5,734
Over 12 months	3,443	687
Total	36,979	47,432
<i>Less allowance for expected credit loss</i>	<i>(3,666)</i>	<i>(3,695)</i>
Net	33,313	43,737
	2021	2020
	<i>(in thousand Baht)</i>	
(Reversal of) expected credit loss		
- For the three-month period ended 30 September	(94)	1,866
- For the nine-month period ended 30 September	(29)	3,033

5 Inventories

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Finished goods	44,733	39,479
Work in progress	9,441	7,868
Raw materials	35,545	20,195
Packaging materials	21,569	17,471
Total	111,288	85,013
<i>Less allowance for decline in value</i>	<i>(11,548)</i>	<i>(7,128)</i>
Net total	99,740	77,885

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	2021	2020
	<i>(in thousand Baht)</i>	
Inventories recognised in ‘cost of sale of goods’ for the three-month period ended 30 September		
- Cost	73,372	70,624
- (Reversal of) write-down to net realisable value	(1,510)	(59)
Total	<u>71,862</u>	<u>70,565</u>
Inventories recognised in ‘cost of sale of goods’ for the nine-month period ended 30 September		
- Cost	202,165	240,342
- Write-down to net realisable value	4,420	2,035
Total	<u>206,585</u>	<u>242,377</u>

6 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment, excluding right-of-use assets, during the nine-month period ended 30 September 2021 were as follows:

	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>	
Land	81,929	(3,500)
Buildings and building improvements	6,955	-
Machinery and equipment	5,030	(18)
Vehicles	256	-
Furniture, fixtures and office equipment	1,256	-
Assets under construction and installation	11,721	(7,057)
Total	<u>107,147</u>	<u>(10,575)</u>

During nine-month period ended 30 September 2021, the Company transferred plots of land with carrying amount of Baht 81.9 million from investment properties to property, plant and equipment because the Company used such land to develop product in the future.

During nine-month period ended 30 September 2021, the Company sold a plot of land which had net book value of Baht 3.5 million to key management personnel (note 3).

Movement of right-of-use assets recognised as property, plant and equipment is as follows:

<i>Right-of-use assets</i>	Leasehold of land and buildings	Machinery and equipment	Vehicles	Total
	<i>(in thousand Baht)</i>			
At 1 January 2021	38,360	7,138	589	46,087
Increase	63,969	-	2,055	66,024
Depreciation	(4,070)	(602)	(441)	(5,113)
At 30 September 2021	<u>98,259</u>	<u>6,536</u>	<u>2,203</u>	<u>106,998</u>

During nine-month period ended 30 September 2021, the Company entered into a hire purchase agreement to lease vehicle. The term of agreement is 4 years ending in 2025 and have fixed rental over the lease term.

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During nine-month period ended 30 September 2021, the Company increased the value of leasehold of land and buildings with ultimate parent company and key management personnel amounting to Baht 64.0 million due to entering of new lease agreement and amending of terms and conditions of lease agreement, respectively (see note 3).

7 Interest-bearing liabilities

The periods to maturity of interest-bearing liabilities as at 30 September 2021 and 31 December 2020 were as follows:

	30 September 2021			31 December 2020		
	Current	Non-current	Total	Current	Non-current	Total
	<i>(in thousand Baht)</i>					
Bank overdrafts (a)						
Secured	-	-	-	8,870	-	8,870
Short-term loans from financial institutions (b)						
Secured	49,000	-	49,000	74,000	-	74,000
Long-term loans from financial institutions (c)						
Secured	21,806	94,783	116,589	22,415	61,464	83,879
Lease liabilities (d)	3,420	98,694	102,114	6,954	35,807	42,761
Total interest-bearing liabilities	74,226	193,477	267,703	112,239	97,271	209,510

Assets pledged as security for interest-bearing liabilities, excluding lease liabilities, as at 30 September 2021 and 31 December 2020 were as follows:

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Other non-current financial assets	8,883	8,881
Investment properties	26,840	26,840
Property, plant and equipment	43,247	15,000
Total	78,970	50,721

The periods to maturity of interest-bearing liabilities, excluding lease liabilities, as at 30 September 2021 and 31 December 2020 were as follows:

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Within one year	70,806	105,285
After one year but within five years	76,901	54,227
After five years	17,882	7,237
Total	165,589	166,749

As at 30 September 2021 the Company had unutilised credit facilities amounting to Baht 59.0 million (31 December 2020: Baht 25.1 million)

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(a) Bank overdrafts

As at 31 December 2020, the Company had bank overdrafts of Baht 8.9 million bore interest at the rate MOR. These bank overdrafts were secured by land owned by the Company, land owned by key management personnel, key management personnel and related parties.

(b) Short-term loans from financial institutions

As at 30 September 2021, the Company had promissory notes from financial institutions of Baht 49.0 million (31 December 2020: Baht 74.0 million). The promissory notes amounting to Baht 49.0 million bore interest at the rate MLR and MLR-1%, which were secured by land owned by the Company, land owned by key management personnel, key management personnel and ultimate parent company (31 December 2020: Baht 49.0 million which were secured by land owned by the Company, land owned by key management personnel, key management personnel and other related party). All promissory notes will be due in November to December 2021.

As at 31 December 2020, the Company had promissory notes amounting to Baht 25.0 million bore interest at the Prime rate-0.25%, which were secured by a fixed deposit owned by the Company, key management personnel and related parties. Those promissory notes were entirely repaid in March 2021.

(c) Long-term loans from financial institutions

As at 30 September 2021, the Company had long-term loans of Baht 116.6 million (31 December 2020: Baht 83.9 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 as at 30 September 2021	30 September 2021 (in thousand Baht)	31 December 2020
Year 1: MLR-4.10%, Year 2-3: MLR-3.10%, Year 4-5: MLR-2.10%, Year 6-maturity: MLR-1.60%	2030	Land owned by the Company, key management personnel	28,556	-
Year 1-3: MLR-1%, Year 4-maturity: MLR	2025	Land owned by key management personnel, leasehold rights with key management personnel, key management personnel and ultimate parent company	22,033	26,212
Year 1: MLR-1.47%, Year 2-maturity: MLR-1.1%	2028	Key management personnel and Thai Credit Guarantee Corporation (TCG)	19,926	-
Year 1-2: MLR-2%, Year 3-maturity: MLR-1%	2027	Key management personnel and Thai Credit Guarantee Corporation (TCG)	19,793	19,632
MLR-1.775%	2024	Land owned by the Company and key management personnel	9,166	11,542

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	Maturity of the last installment	Collaterals as at 30 September 2021	30 September 2021	31 December 2020
Interest rate MLR-0.85%	2024	Land owned by the Company and key management personnel	(in thousand Baht) 8,378	10,483
Year 1-2: 2.0% Year 3-maturity: MRR	2025	Key management personnel and Thai Credit Guarantee Corporation (TCG)	4,011	4,755
MLR-1%	2022	Land owned by the Company, key management personnel and ultimate parent company	1,957	7,874
Year 1-2: 2.0% Year 3-maturity: 7.0%	2026	Thai Credit Guarantee Corporation (TCG)	1,500	-
2.0% per annum	2023	Bank guarantee from a financial institution	782	1,160
MLR	2024	Land owned by the Company, land owned by key management personnel, key management personnel and ultimate parent company	487	1,971
0.50% and 0.68% per month	2021	Vehicles owned by the Company and key management personnel	-	250
		Total	116,589	83,879

As at 31 December 2020, the Company had to comply with financial debt covenant on long-term loans from financial institution amounting to Baht 15.5 million. The covenants required the Company to maintain debt-to-equity ratio not exceed than 2.3:1, but not less than 0. In addition, the Company had to maintain Debt Service Coverage Ratio (DSCR) not less than 1.1:1, for annual financial statements. The Company complied with all financial covenants. On 29 June 2021, the aforesaid financial institution release financial covenants on such long-term loans from financial institution in relation to maintaining debt-to-equity ratio and Debt Service Coverage Ratio.

(d) Lease liabilities

The periods to maturity of lease liabilities were as follows:

	30 September 2021			31 December 2020		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	7,874	(4,454)	3,420	9,346	(2,392)	6,954
After one year but within five years	27,830	(16,591)	11,239	28,397	(6,019)	22,378
After five years	118,295	(30,840)	87,455	14,287	(858)	13,429
Total	153,999	(51,885)	102,114	52,030	(9,269)	42,761

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	2021	2020
	<i>(in thousand Baht)</i>	
<i>Three-month period ended 30 September</i>		
<i>Recognised in profit or loss</i>		
Interest on lease liabilities	1,160	692
Expenses relating to short-term lease and leases of low-value assets	75	198
<i>Nine-month period ended 30 September</i>		
<i>Recognised in profit or loss</i>		
Interest on lease liabilities	2,201	2,155
Expenses relating to short-term lease and leases of low-value assets	145	259

Total cash outflow for leases presented in the statement of cash flows for the nine-month period ended 30 September 2021 was Baht 6.2 million (2020: Baht 4.9 million).

The Company entered into lease agreements with local companies and related parties to lease vehicles and 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.

During 2019, the Company entered into sale and leaseback agreements with a local company for machinery amounting to Baht 6.5 million. The Company had deferred revenue amounted Baht 0.9 million, which will be amortised for 36 months. Under the term of agreements, the Company had to comply with the conditions related to leased assets.

8 Non-current provisions for employee benefits

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Post-employment benefits	<u>11,387</u>	<u>9,812</u>
<i>Present value of the defined benefit obligation for the nine-month period ended 30 September</i>		
	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	9,812	8,139
Included in profit or loss		
Current service costs	805	1,132
Interest on obligation	142	123
Total	<u>947</u>	<u>1,255</u>
Included in other comprehensive income (expense)		
Actuarial loss		
- Demographic assumptions	2,057	-
- Financial assumptions	175	-
- Experience adjustment	(1,064)	-
	<u>1,168</u>	<u>-</u>
Benefit paid	(540)	-
At 30 September	<u>11,387</u>	<u>9,394</u>

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<i>Actuarial assumptions</i>	2021	2020
		(%)
Discount rate	1.77	2.02
Future salary growth	5.00	5.00
Employee turnover	5.73 - 28.65	0.00 - 38.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 30 September 2021, the weighted-average duration of the defined benefit obligation was 17.2 years (*31 December 2020: 6.8 years*).

9 Share capital

At the extraordinary general meeting of the Shareholder of the Company held on 26 May 2021, the shareholders approved the Company to reduce the registered share capital of Baht 43.0 million (86.0 million shares at par value of Baht 0.5 per share) by cancellation of registered shares that have not been paid-up. The Company registered the decrease in share capital with the Ministry of Commerce on 1 June 2021.

At the extraordinary general meeting of the Shareholder of the Company held on 26 May 2021, the shareholders approved the Company to increase the share capital of Baht 57.5 million (115.0 million shares at par value of Baht 0.5 per share) for initial public offering purposes. The Company registered the increase in share capital with the Ministry of Commerce on 2 June 2021.

10 Segment information and disaggregation of revenue

The Company's reportable segments, as described below, represent the Company's strategic divisions. The strategic divisions offer different products, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker ("CODM") reviews internal management reports on at least a quarterly basis.

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)

Information regarding the results of each reportable segment is included below. 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.

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Three-month period ended

	Segment 1		Segment 2		Other segments		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>							
Revenues from sales of goods	67,890	65,272	32,784	34,225	2,882	5,088	103,556	104,585
Profit (loss) from operations	11,768	13,345	7,811	12,122	751	(962)	20,330	24,505
Unallocated revenues							3,682	1,421
Unallocated expenses							(13,122)	(12,771)
Reversal of (impairment loss) determined in accordance with TFRS9							94	(1,866)
Finance costs							(2,947)	(2,807)
Profit before income tax expense							8,037	8,482

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Nine-month period ended
30 September

	Segment 1		Segment 2		Other segments		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>							
Revenues from sales of goods	<u>190,922</u>	<u>179,115</u>	<u>113,782</u>	<u>149,642</u>	<u>6,216</u>	<u>21,916</u>	<u>310,920</u>	<u>350,673</u>
Profit from operations	<u>35,308</u>	<u>35,287</u>	<u>34,919</u>	<u>38,492</u>	<u>887</u>	<u>1,091</u>	<u>71,114</u>	<u>74,870</u>
Unallocated revenues							5,857	6,434
Unallocated expenses							(37,098)	(37,918)
Reversal of (impairment loss) determined in accordance with TFRS9							29	(3,033)
Finance costs							(7,723)	(8,637)
Profit before income tax expense							<u>32,179</u>	<u>31,716</u>

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Geographical segments

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

Major customers

Revenues from two major customers of the Company for the three-month period ended 30 September 2021 were approximately Baht 21.1 million and Baht 20.9 million, respectively (2020: Baht 22.5 million and Baht 18.3 million, respectively).

Revenues from two major customers of the Company for the nine-month period ended 30 September 2021 were approximately Baht 83.5 million and Baht 58.4 million, respectively (2020: Baht 42.9 million and Baht 31.0 million, respectively).

Contract balances

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

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Trade accounts receivable	33,313	43,737
Contract liabilities		
- Current	37,082	14,864
- Non-current	1,026	-

The contract liabilities primarily relate to the advance consideration received from customers for sales of goods. The Company recognises such contract liabilities as revenue when transferring control of the goods to the customers.

Significant changes in the contract liabilities during the period are as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	14,864	14,387
Advance received during the period	89,240	151,784
Recognised as revenue during the period	<u>(65,996)</u>	<u>(151,765)</u>
At 30 September	<u>38,108</u>	<u>14,406</u>

Contract cost assets

The contract cost assets primarily relate to advance commission paid as incremental cost to obtain a long-term contract with customer. Therefore, the Company recognise such cost as an asset and systematically amortise over the term of the contract it relates to, consistent with the related revenue recognition.

The Company amortised contract cost assets for the three-month and nine-month periods ended 30 September 2021 totalled Baht 0.01 million and Baht 0.08 million, respectively (for the three-month and nine-month periods ended 30 September 2020: Baht 0.1 million and Baht 0.3 million, respectively).

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11 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2021 and 2020 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 30 September</i>	2021	2020
	<i>(in thousand Baht / thousand shares)</i>	
Profit for the periods attributable to ordinary shareholders of the Company	6,332	6,117
Number of ordinary shares outstanding at 1 January	340,000	320,000
Effect of shares issued on 27 March 2020	-	20,000
Weighted average number of ordinary shares outstanding (basic)	340,000	340,000
Basic earnings per share (in Baht)	0.02	0.02
 <i>Nine-month period ended 30 September</i>		
Profit for the periods attributable to ordinary shareholders of the Company	25,689	24,722
Number of ordinary shares outstanding at 1 January	340,000	320,000
Effect of shares issued on 27 March 2020	-	13,723
Weighted average number of ordinary shares outstanding (basic)	340,000	333,723
Basic earnings per share (in Baht)	0.08	0.07

12 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Dividend payment date	Dividend per share (Baht)	Amount (in thousand Baht)
<i>2021</i>				
Interim dividend	13 August 2021	August 2021	0.0529	18,000
<i>2020</i>				
Annual dividend	18 April 2021	April 2021	0.0294	10,000

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13 Financial instruments

Carrying amounts and fair values

Financial assets and liabilities which are not measured at fair value have carrying amounts approximately reasonable fair value. As at 30 September 2021 and 31 December 2020, the Company has no financial assets and liabilities which are measured at fair value.

14 Commitments with non-related parties

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Buildings and building improvements	<u>2,290</u>	<u>-</u>
<i>Other commitments</i>		
Bank guarantees	<u>1,790</u>	<u>1,248</u>

As at 30 September 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 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 (*31 December 2020: issued to Provincial Electricity Authority to guarantee for electricity usage amounting to Baht 0.8 million, issued to Safety, Health and Environmental At Work Fund for securing a borrowing amounting to Baht 0.4 million, and issued to Metropolitan Electricity Authority for electricity usage amounting to Baht 0.1 million*).

15 Contingent liabilities

On 11 September 2019, the Company was accused in trademark infringement case with claim amounting to Baht 50.0 million. Presently, the case was under investigating by Central Intellectual Property and International Trade Court. The Court has completely conducted hearing on witnesses of plaintiff and defendant in October 2021, whereby the judgement will be pronounced in December 2021. As such, it is not possible, at this stage, to identify whether any claims may be incurred at 30 September 2021. Therefore, the Company has not recorded contingent liabilities from the cases as the management believed that the Company did not commit such infringement.

16 Events after the reporting period

Initial Public Offering

In October 2021, the Company offered 115 million ordinary shares to the initial public offering (“IPO”). The new shares were issued at a price of Baht 7.0 per share (par value at Baht 0.5 and share premium on ordinary share at Baht 6.5). The Company received cash from issuing of new ordinary shares of Baht 805.0 million. The Company registered the increase of paid-up share capital with Ministry of Commerce on 28 October 2021 and the shares of the Company were begun trading in the Market for Alternative Investment (mai) on 2 November 2021.

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Share offering for directors, management and employees

In October 2021, the Company offered not to exceed 1,250,000 ordinary shares to its directors, management and employees (par value at Baht 0.5 per share) at the price of Baht 7.0 per share which is considered as reasonable fair value based on the issuing price of ordinary share at the initial public offering. The ordinary shares offered to directors, management and employees is a part of ordinary shares to the Initial Public Offering (“IPO”).

Other matters

On 3 November 2021, the Company fully repaid short-term loans from a financial institution of Baht 49.0 million, which were outstanding on 30 September 2021.

On 10 November 2021, the Board of Director approved investment in plant and equipment of Lamphun factory for production of dietary supplementary and herbal product amounting to Baht 160.0 million.