

Capital Increase Form (F53-4)

JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited

3 October 2024

We, JSP Pharmaceutical Manufacturing (Thailand) Public Company Limited (the “Company”), would like to inform the resolution of the Board of Directors’ Meeting No.7/2024, held on 3 October 2024 (the “Board of Directors’ Meeting”) relating the capital increase and shares allotment as follows:

1. Capital decrease and capital increase

1.1 Capital decrease

The Board of Directors’ Meeting approved and to propose the Extraordinary General Meeting of Shareholders No. 1/2024 to consider and approve the Company’s registered capital reduction amounting to Baht 103,962,539.50 (from the existing registered capital i.e. in the amount of Baht 341,250,000, divided into 682,500,000 ordinary shares, with a par value of Baht 0.50 per share), to be registered capital in amount of Baht 237,287,460.50, divided into 474,574,921 ordinary shares, with a par value of Baht 0.50 per share by eliminating 207,925,079 unissued ordinary shares with par value of Baht 0.50 per share. Whereby, the unissued ordinary shares were for supporting the exercise of the Warrant to purchase the Company’s ordinary shares No. 1 (JSP-W1) which has already expired.

1.2 Capital increase

The Board of Directors’ Meeting approved and to propose the Extraordinary General Meeting of Shareholders No. 1/2024 to consider and approve the Company’s registered capital increase, in the amount not exceeding Baht 118,643,730 (from the existing registered capital i.e. in the amount of Baht 237,287,460.50, divided into 474,574,921 ordinary shares, with a par value of Baht 0.50 per share), to be registered capital in amount of Baht 355,931,190.50 by issuing 237,287,460 ordinary shares with par value of Baht 0.50 per share for supporting the exercise of the Warrant to purchase the Company’s ordinary shares No. 2 (JSP-W2). The type of capital increase are as follows:

Type of capital increase	Specifying the purpose of utilisation of proceeds
Type of shares	Ordinary shares
Number of shares	237,287,460
Par value (Baht per share)	0.50
Total (Baht)	118,643,730

2. Allotment of the capital increase shares

2.1 If specify the purpose of utilisation proceeds

Allotted to	For supporting exercise of rights of the Warrant of the Company's ordinary shares No. 2 (the "Warrant" or "JSP-W2"), which were allotted to the existing shareholders. The Company will determine the list of the shareholders who are eligible to be allotted JSP-W2 (Record Date) on 18 October 2024.
Number of shares	Not exceeding 237,287,460 shares
Proportion (Existing : New)	Allot the Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2) to the existing shareholders at the ratio of allotment i.e. 2 existing ordinary shares per 1 unit of JSP-W2 (in the event that there are fractions, such fractions must be rounded off)
Offered for sale price (Baht per share)	The allotment of shares is free-of-charge, 1 unit of the Warrant has the right to purchase 1 capital increase ordinary share at the exercise price of Baht 4.00 per share.
Date and time of share subscription and payment of share value	The increased shares are for supporting exercise of rights in accordance with the 1-year term the Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2), in the number not exceeding 237,287,460 shares to the existing shareholders according to their shareholding proportion (Rights Offering), at ratio of allotment i.e. 2 existing ordinary shares, with a par value of 0.50 Baht per share per 1 unit of the Warrant, with free-of-charge. The exercise ratio is 1 unit of the Warrant being entitled to purchase 1 Company's ordinary share, with a par value of 0.50 Baht per share. The exercise price is Baht 4.00 per share (unless there is the right adjustment). The Company will determine the list of shareholders entitled to receive the allotment of the Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2) (Record Date) on 18 October 2024.

2.2 The Company's procedure in the event of fractions of shares

With respect to the calculation of the Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2) to be allotted to each shareholder, in the event that there are fractions of shares, they will be rounded off. In addition, in the event that may cause the adjustment of exercise of rights in accordance with the adjustment conditions set forth in the terms of warrant with respect to the Warrant to purchase of the Company's ordinary shares No. 2 (JSP-W2) which may cause fractions of ordinary shares, such fractions of shares must be rounded off.

3. Fixing of the date of Extraordinary Meeting of Shareholders No. 1/2024 to request for approval regarding capital decrease, capital increase and the allotment of ordinary shares for the capital increase

The Extraordinary General Meeting of Shareholders No. 1/2024 will be conducted by the electronic mean (E-EGM) only on Thursday, 14 November 2024 at 10.00 a.m. The names list of shareholders who are entitled to attend this E-EGM (Record date) will be specified on 18 October 2024.

4. Request for permission for the capital increase/allotment of shares for the capital increase from relevant government authorities and the conditions regarding such request for permission (if any)

- 4.1 Approval granted by the Extraordinary General Meeting of Shareholders No. 1/2024 to proceed the registration of the capital reduction, capital increase, additional amendment of the Memorandum of Association and issuing of the Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2);
- 4.2 The Company will proceed the registration of capital reduction, capital increase and additional amendment of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce.
- 4.3 The Company will submit the application to the Stock Exchange of Thailand for registration of the Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2) as registered securities.

5. Objective of the capital increase and disbursement of the increased capital

To support financial position, strengthen and create financial liquidity of the Company in long-term operations. Also, the Company could use the increased capital to support affiliates' businesses in expansion and new opportunities in the future. In addition, the increased capital could support business expansion and new investment in relation to medicine, dietary supplements and healthcare, including investment in potential project with good return in the future about manufacturing, innovation and technology developments and expand new groups of customers, as well as the Company's net working capital in the event of the exercise of Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2).

6. Benefits that the Company would receive from the capital increase/allotment of ordinary shares for the capital increase

For the purpose of supporting financial position, strengthen and create financial liquidity of the Company in long-term operations, as well as supporting the affiliates' businesses and the Company's working capital.

7. Benefits that the Shareholders would receive from the capital increase/allotment of additional ordinary shares for the capital increase

7.1 Dividend policy

The Company has the policy to pay dividend to the shareholders at the minimum rate of 40% of the net profit based on the separated financial statements after the deduction of corporate income tax and all types of reserved funds set forth in the Articles of Association and the laws.

7.2 Entitlement to receive dividend from the business operation results

The holders of the Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2) who exercise the right to purchase the Company's ordinary shares will be entitled to receive dividend after their registration as the Company's shareholders.

8. Other necessary details in support of the Shareholders' decision-making on approval of the capital increase/allotment of ordinary shares for the capital increase

Control Dilution

In the event that the exercise of rights to purchase ordinary shares in accordance with the Warrant in full, and that the person exercising the rights is not the original shareholder, it will have an impact on the reduction of shareholding proportion of the existing shareholders (Control Dilution) by not exceeding 33.33% when compared to the shareholding proportion prior to the issuing and offering of the Warrant. The details of calculation as follows:

$$Q_0 = \text{Number of the Company's issued and paid-up ordinary shares totalling 474,574,921 shares}$$

$$Q_w = \text{Number of ordinary shares reserved for the Warrant issued and offered, not exceeding 237,287,460 shares}$$

$$\text{Control Dilution} = \frac{Q_w}{Q_0 + Q_w} = \text{Not exceeding 33.33\%}$$

Price Dilution

In the event that the exercise of rights to purchase ordinary shares in accordance with the Warrant in full, it will have no impact of the price (Price Dilution). The details of calculation as follows:

$$P_0 = \text{Pre-offering market price which the calculation is based upon the weighted average price of shares traded in the mai for 15 retrospective and consecutive business days before the date the Company's Board of Directors passed a resolution to be presented to the General Meeting of Shareholders for approval for the Company to issue the Warrants based upon such weighted average price being the average trading price of shares on a daily basis, equivalent to Baht 2.15 per share.}$$

$$P_1 = \text{Exercise price which equals to Baht 4.00}$$

$$P_2 = \text{Market price post-offering}$$

$$Q_0 = \text{Number of the Company's issued and paid-up ordinary shares totalling 474,574,921 shares}$$

$$Q_w = \text{Number of ordinary shares reserved for the Warrant issued and offered, not exceeding 237,287,460 shares}$$

$$P_2 = \frac{(P_0 \times Q_0) + (P_1 \times Q_w)}{Q_0 + Q_w}$$

$$\text{Price Dilution} = \frac{P_0 - P_2}{P_0} = \text{No impact to price since } P_0 < P_1$$

Earnings Dilution

In the event that all of the Warrant are exercised, it will have an impact on the profit sharing which will be reduced by not exceeding 33.33% when compared to the net profit prior to the issuing and offering of the Warrant. The details are as follows:

EPS_0 = Pre-offering earnings per share

EPS_1 = Post-offering earnings per share

In this regard, the earnings per share refers to the earnings per share during the last 4 quarters commencing

from 1 July 2023 to 30 June 2024, where $EPS_1 = \frac{Net\ profit}{Q_0 + Q_w}$

Q_0 = Number of the Company's issued and paid-up ordinary shares totalling 474,574,921 shares

Q_w = Number of ordinary shares reserved for the Warrant issued and offered, not exceeding 237,287,460 shares

$$\text{Earnings Dilution} = \frac{EPS_0 - EPS_1}{EPS_0} = \text{Not exceeding 33.33\%}$$

In this regard, the Board of Directors opined that the offering of capital increases ordinary shares for supporting exercise of rights of the Warrant will help the Company to have readiness and will create the financial flexibility of the Company and it will be the reserve as the working capital of Company. However, in case of the exercise of rights of the Warrant, the existing shareholders may suffer impact from the decrease of shareholding proportion and the trading price of the ordinary shares.

Please consider additional Details of the warrant to purchase ordinary shares of the Company's No. 2 (JSP-W2) as attached in Enclosure 1.

9. Schedule of action in case where the Board of Directors passed resolution to increase/allot the capital increase ordinary shares

No.	Steps of Action	Date Month Year
1	Date of Board of Directors Meeting No. 7/2024	3 October 2024
2	Date determining the list of shareholders who are eligible to attend the Extraordinary Meeting of Shareholders No.1/2024 and date determining the list of shareholders who are eligible to be allotted for the Warrant to purchase the Company's ordinary shares No. 2 (JSP-W2)	18 October 2024
3	Date of Extraordinary General Meeting of Shareholders No.1/2024	14 November 2024
4	Register application for capital reduction, capital increase and additional amendment of the Company's Memorandum of Association, at the Department of Business Development, Ministry of Commerce	Within 14 days as from the date on which the Meeting of Shareholders passed the resolution of approval

Remark: The above-mentioned schedule is subjected to change