



Annual Registration Statement / Annual Report

Form 56-1 One Report

(e-One Report)

PACIFIC PIPE PUBLIC COMPANY LIMITED

Fiscal Year End 31 December 2024



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## **Part 1 Business Operations and Performance**

# 1. Group Structure and Operations

## 1.1 Policy and business overview

Pacific Pipe Public Company Limited is a manufacturer which the core business of the Company is manufacturing and distributing steel pipes, produced by process of Electric Resistance Welded production system (ERW) production system. At present, the Company produces and distributes steel pipes which can be categorized into 2 types: black steel pipes and galvanized steel pipes. Both types can be categorized into standard steel pipes that are distributed under the brand “PAP” and the commercial steel pipes, which are sold under the brand “TMZ”. This is conducted in response to the demand of customers.

### 1.1.1 Overview of the vision, objectives, goals and business strategies

#### Message from the chairman

The year 2024 marks another challenging year for the global business sector amid economic uncertainty and escalating geopolitical conflicts. The prolonged war between Ukraine and Russia, rising tensions in the Middle East—particularly the situation between Israel, Iran, and their allies—as well as conflicts in the South China Sea, have all affected investor confidence and businesses worldwide. Additionally, persistently high inflation has led central banks in many countries to implement tight monetary policies. Although some nations have begun signaling interest rate cuts, financial costs remain elevated.

For Thailand's steel industry, 2024 is an exceptionally challenging year. The sector faces pressure from multiple factors, particularly the significant increase in imports of low-cost steel products, especially from China, which is experiencing excess production capacity. Combined with declining domestic demand due to the real estate crisis, this has led to steel dumping in Thailand and across the region. At the same time, domestic steel demand remains sluggish due to economic and political factors. The transition of government and delays in approving the fiscal year 2025 budget have postponed several large-scale infrastructure projects. Additionally, the slow disbursement of committed budgets has significantly impacted the construction sector and the demand for steel pipes.

Despite these challenges, Pacific Pipe Public Company Limited remains committed to its vision, **"Your Partner for Total Solutions."** Over the past year, the company has adjusted its strategies and business model to enhance resilience and strengthen its competitive edge. The focus has been on improving production efficiency, developing high-value-added products, and expanding its customer base in high-growth potential industries.

Although the company's performance in 2024 did not meet its initial targets, Pacific Pipe Public Company Limited remains financially strong and has maintained its market share in key product segments. The company continues to uphold high standards of corporate governance, as reflected in its “Excellent” rating in the Thai Listed Companies Corporate Governance Report (CGR) for the sixth consecutive year by the Thai Institute of Directors (IOD). Additionally, Pacific Pipe has retained its membership in the Thai Private Sector Collective Action Against Corruption (CAC), demonstrating its commitment to ethical business practices and corporate social responsibility.

For 2025, it will be a year of opportunities amid ongoing challenges. The acceleration of government infrastructure investments, particularly the Eastern Economic Corridor (EEC) projects and interregional infrastructure connectivity initiatives, will be key drivers in boosting demand for steel pipe products.

Human resource development remains at the core of driving sustainable organizational growth. Over the past year, the company has continuously invested in enhancing employees' skills and capabilities to adapt to technological changes and meet market demands. This has been achieved through various training and development programs, as well as fostering a corporate culture that prioritizes innovation and continuous learning.

On behalf of the Board of Directors, we extend our sincere gratitude to our shareholders, customers, business partners, and all stakeholders for their trust and continuous support. We also wish to express our heartfelt appreciation to the management team and all employees for their dedication, commitment, and teamwork in overcoming the challenges of the past year. We firmly believe that with a strong foundation, a clear vision, and a steadfast commitment to sustainable development, Pacific Pipe Public Company Limited will continue to grow and create lasting value for all stakeholders in the long run.

Respectfully yours,  
Mr. Kriengkrai Rukkulchon, Chairman

#### Vision

Your partner for total solutions

## VALUES

### CHANGE

Customer Experience  
Honesty & Integrity  
Accountability & Reliability  
Networking & Collaboration  
Growth & Development  
Excellence with Passion

## Objectives

Pacific Pipe Public Company Limited (PAP) has the main goal of being a leading manufacturer and distributor of steel pipes in Thailand, trusted by customers both domestically and internationally. With over 50 years of experience, the company is committed to developing products and services that meet the needs of customers in the industrial, structural, and system sectors, as well as utilizing innovation to enhance product quality to meet international standards.

## Goals

The company is committed to maintaining its leadership in the steel pipe manufacturing and distribution market in Thailand, with a focus on product quality and providing the highest level of service efficiency. In addition, the company values being a part of its customers' success by developing products and services that enhance operational efficiency while reducing customers' production costs, ensuring maximum value.

## Business strategies

To achieve its set goals, PAP implements a strategy of expanding its product range to cover over 5,000 items, including black steel pipes, GI steel pipes, round pipes, square pipes, flat pipes, and pressure-resistant steel pipes, as well as steel sheets, to meet all customer needs. The company focuses on incorporating technology and innovation into the manufacturing process to improve product quality to meet Thai Industrial Standards (TIS) and international standards. Additionally, the company continuously develops service approaches to enhance convenience, speed, and ensure the highest level of customer satisfaction.

### 1.1.2 Material changes and developments

The Company has its beginnings in stroller production under the name "Tang Mong Seng Factory" in 1972 and entered the business of furniture steel pipe production in 1981. The business grew rapidly, which led to Lekapoipanich family making a decision to establish "Pacific Pipe Company Limited" on 19 September 1991 to produce and distribute a full range of steel pipes.

On 17 March 2004, the Company was registered for conversion to Pacific Pipe Public Company Limited and is a listed company on the Stock Exchange of Thailand since 18 November 2004 to increase the Company's potential and expand business growth opportunities.

Currently, the Company has 4 production plants and 2 distribution centers to serve customers from all regions in the country, and has a sales office located on Rama IV Road. The Company is a producer of steel pipes both for structural work and for systematic work through welding steel sheet which uses electric resistance. The products are both made-to-order and made-to-stock.

### Details regarding material changes and developments

Year	Material changes and developments
2022	A significant move towards sustainability, the company has expanded its e-Document system and online approval process to cover all activities. This expansion aims to reduce paper usage, ultimately leading to a more environmentally sustainable operation. The company's commitment to sustainability has been further recognized with its inclusion in the prestigious ESG100 and THSI listings.
2021	Leading technology The Internet of Things (IOT) receives production data from machines through a sensor system which displays the results in real time for analysis and makes corrections in the event that production control values are found not meeting the standards. Apply technology in the maintenance program of CMMS to be used in the process of preventing and solving problems that may occur within the machinery. This results in on-time production planning and delivery of

Year	Material changes and developments
2021	<p>products.</p> <p>Implement a customer relationship management system or CRM to meet the exact needs of customers in each group and manage customer complaints effectively.</p> <p>Set up an e-Document and an online approval system in the documentation process of the business chain. This is to increase the work efficiency by becoming more flexible.</p>
2018	<p>The Company's product is Figuard-10, which received the standard certification of UL 852 –Metallic Sprinkler Pipe For Fire Protection Service from Underwriters Laboratories Inc., United States of America. Figuard-40 and Figuard-10 are regarded to be the only water pipe in fire extinguishing systems in Thailand that has received a double guarantee from two leading international standard certification institutions.</p> <p>The Company received the certification of the Zona brand name, which is a set of pipes and fittings used for the Cross Hole Sonic Logging Test. It was invented and produced by the Company support the construction of various mega projects in the country. It would help compensate the need to import such products from overseas.</p>
2017	<p>The Company received the trade name for ASTM A53 Sch 40 Figuard-40 and ASTM A795 Sch 10 Figuard-10 products. Both products received FM certification and could be used as a water pipe in fire extinguishing systems. This created brand value and differentiated the products from others in the market.</p>
2015	<p>The Company received the ISO 14001 Environment Management Systems Use from TUV NORD (Thailand) Limited, which guaranteed that the Company had systematic environmental management. The Company's products received the FM Approvals Class: 1603 - Steel Pipe for Automatic Fire Sprinkler Systems standard certification from FM Global, United States of America, which is one of the largest commercial, industrial insurance and risk management standards. Such standard certified product would be marked with the symbol FM, which would be an alternative for a standardized steel pipe for fire extinguishing systems.</p>

### 1.1.3 Spending of the raised fund to serve the objectives declared in the registration statement for securities offering

Is there an issuance of equity securities or debt securities? : No

### 1.1.4 The obligations to which the company has committed in the registration statement, including the compliance with such obligations or conditions in the following years

Are there any issued securities with obligations or conditions? : No

### 1.1.5 Company information

Company name : PACIFIC PIPE PUBLIC COMPANY LIMITED

Symbol : PAP

Address : 298, 298/2 Moo 1 Suksawad Rd., Pakklongbangplakod, Prasamutjedee

Province : Samut Prakarn

Postcode : 10290

Business : The Company manufactures and distributes steel pipes.

Registration number : 0107547000206

Telephone : 0-2679-9000

Facsimile number : 0-2679-9075

Website : <http://www.pacificpipe.co.th>

Email : [info@pacificpipe.co.th](mailto:info@pacificpipe.co.th)

**Total shares sold**

Common stock : 660,000,000

Preferred stock : 0

## 1.2 Nature of business

### 1.2.1 Revenue structure

#### Revenue structure by product line or business group

	2022	2023	2024
Total revenue from operations (thousand baht)	9,891,039.16	8,748,762.11	7,491,441.46
Sales and service income (thousand baht)	9,789,065.34	8,643,024.55	7,405,091.57
Net foreign exchange gain (thousand baht)	8,026.19	21,775.02	15,588.46
Others (thousand baht)	93,947.64	83,962.54	70,761.43
Total revenue from operations (%)	100.00%	100.00%	100.00%
Sales and service income (%)	98.97%	98.79%	98.85%
Net foreign exchange gain (%)	0.08%	0.25%	0.21%
Others (%)	0.95%	0.96%	0.94%

#### By geographical area or market

	2022	2023	2024
Total revenue (thousand baht)	9,891,039.16	8,748,762.11	7,491,441.46
Domestic (thousand baht)	9,864,331.46	8,717,458.47	7,470,285.35
International (thousand baht)	26,707.70	31,303.64	21,156.11
Total revenue (%)	100.00%	100.00%	100.00%
Domestic (%)	99.73%	99.64%	99.72%
International (%)	0.27%	0.36%	0.28%

#### Other income as specified in the financial statements

	2022	2023	2024
Total other income (thousand baht)	82,320.84	84,640.27	70,761.43
Other income from operations (thousand baht)	81,933.37	83,962.54	69,962.90
Other income not from operations (thousand baht)	387.47	677.73	798.53

### 1.2.2 Information on products and services

#### 1.2.2.1 Product/service information and business innovation development

##### Product

The Company's produces steel pipes through the process of the electric resistance welded (ERW) production system. The Company offers both made to order and make to stock, which the pipes can be divided into 2 categories according to their usage.

##### a. Steel Pipe for Structural Purposes

Structural steel pipes can be utilized in a variety of ways; e.g., fences, doors, decorative work, railing, guard rails, billboards etc. At present, it is also a preferred alternative to use large steel pipes to replace wood, guttering, angles, H-beam and I-beam structural steel, as well as can be used for concrete structural work, e.g., piling, scaffolding, roof rails or railing. Because of its strength, durability, lightweight, and convenience to connect, there is less damage during transporting, which allows for better quality construction work. More importantly, it saves time and costs when compared with using wood and concrete.

#### **b. Steel Piping for Pipeline Systems**

In general, steel pipes can be applied in numerous aspects, e.g., public utilities, plumbing, and fire protection systems. There is a tendency of expanding the use of steel piping because of their qualities in replacing other materials in various other applications, e.g., it can be used as a groundwater pipe or sprinkler in a fire extinguisher system for high-rise buildings instead of using PVC pipes. This is because of its strength and pressure, which can handle up to 5 times the pressure of PVC pipes.

The Company can produce steel piping at a thickness of up to 12.70 mm. and at a diameter of 10 - 16 inches. This is classified as special large steel piping produced under the electric resistance welded (ERW) system, which can be produced in the country at the present time.

#### QUALITY CERTIFICATION

Pacific Pipe Public Company Limited has emphasized and given priority to the provision of the highest quality products. Therefore, the quality control of the products has adhered to the standards together with inspection and testing by a professional engineering team that is the heart of the production. From this commitment, the Company has received various certified products standards for steel piping for pipeline system and structural purpose from the Thai Industrial Standards Institute (TISI) and numerous renowned international standard certification institutes worldwide, including FM, UL, JQA, etc.

The Company received the TIS 17025 (ISO/IEC 17025) certification as an accredited laboratory for testing. This is verification that the laboratory for testing the product quality is accurate and reliable. Thus, the Company will issue a product quality certificate to the customer every time when the standard pipes are purchased as a guarantee of the quality from various national and international standards/certifications that the company has obtained. The details are as follows:

- ISO 9001: 2015 Quality Management System by The TUV NORD (Thailand) Ltd.
- ISO/IEC17025: 2005 General Requirement for Competence of Testing and Calibration Laboratories by Thai Industrial Standard Institute, The Ministry of Industry
- ISO 14001: 2015 Environmental Management Systems by The TUV NORD (Thailand) Ltd.
- ISO 45001: 2018 Occupational Health and Safety Assessment Series by The TUV NORD (Thailand) Ltd.
- Made in Thailand (MIT) by The Federation of Thai Industries

Pacific Pipe PCL is the first steel pipe and structural steel manufacturer in Thailand that received ISO 9001:2015, the Quality Management System standard. The accolade created confidence in the organization's efficient management that could respond to the demand of customers and create sustainable growth. In terms of products, the Company has received certifications for various products at the national and international levels as follows:

- Thai Industry Standards (TIS) by Thai Industrial Standard Institute, The Ministry of Industry, THAILAND
- Metallic Sprinkler Pipe for Fire Protection Service by Underwriters Laboratories Inc, USA.
- Japan Industry Standards (JIS) by Japan Quality Assurance Organization, JAPAN
- FM Approvals Class: 1630 Steel Pipe for Automatic Fire Sprinkler Systems by FM Global, USA

At present, Pacific Pipe Public Company Limited is a leading manufacturer and distributor of high-quality standard steel pipes in Thailand. The Company's products are widely recognized and include black steel pipes, primer-coated steel pipes and galvanized steel pipes, for structural work and pipeline systems both in the domestic and international markets.

#### **Service**

The Company provides procurement services for various steel products with equipment to respond to customers' needs in full. Moreover, with experience in the construction industry for over 40 years, the Company is aware that customers' needs at present do not only comprise a variety of high quality, strong, and attractive products, but also need to be ready for use with accuracy, speed, and modern technology. For this reason, the Company increased the product fabrication, including cutting, drilling, welding, bending, primer-coating, and galvanizing. Moreover, the Company provides consulting services in the selection

of construction materials, replication, and construction project management. Therefore, it can be regarded that the Company has progressed to be a “Steel Solution Services Centre” that has both products and services of quality and value for customer service.

## Research and development policy in various areas, and details regarding innovation development in processes, products and/or services, or business models.

Research and development (R&D) policy : No

### 1.2.2.2 Marketing policies of the major products or services during the preceding year

#### COMPETITIVE STRATEGY

##### a. High quality products

The Company will issue a product quality certificate every time a standard product is sold to customers. This is to guarantee product quality and be the first steel pipe manufacturer in Thailand to have products that has been licensed to display the Industrial Standards Mark (TIS) for all products, as well as being certified for product quality both domestically and internationally. As a result, the Company’s steel pipes can be made to the customers’ needs and utilities.

##### b. Branding strategy

Since 1998, the Company has focused on developing the "Pacific Pipe" brand to be known and accepted among customers, from dealers, building contractors, as well as engineers supervising the constructions, to promote the widespread use of standard quality steel pipes. In preceding years, standard quality steel pipes made by the Company have become more accepted among customers. This can be observed from fact that some large construction projects, both domestic and abroad, have specified the use of the Company's steel pipes exclusively for construction process. The Company is also considered as a leader in the market of standard quality steel pipes in Thailand.

##### c. On-time and reliable delivery of products

In addition to product quality, on-time delivery of products is also an important factor which influence customers’ decision to purchase steel pipes, especially for customers who are working on projects. Moreover, the Company has an efficient inventory management system, with accurate product demand forecasts from the management team as well as close liaisons with partners and people involved in planning and procurement of steel raw materials. This allows the Company to start producing steel pipes according to customer orders immediately.

##### d. Product variety

The Company has placed importance on the continuous research and development of products to have more diversity in terms of form, size, thickness, length, and the characteristics of the pipe end. Currently the Company produces and distributes steel pipes covering more than 5,000 types. Furthermore, it can also produce square steel pipe sizes of 300 x 300 millimeters as an alternative to consumers to replace the use H-Beam and I-Beam steel structures for large-scale building construction.

##### e. Customer relationship management system

The Company has introduced a customer relationship management (CRM) software system for tracking sales, checking customer service, collecting data on customers behaviors in contacting and trading, as well as customer needs through various channels of the Company for analyzing. These analyses shall be used to improve products, services, and management policies. The endgame goal of CRM development is customer satisfaction. which will eventually lead to customer loyalty.

#### CUSTOMER CHARACTERISTICS AND CHANNELS OF DISTRIBUTION

The company's products have a wide range of applications. Covering many industries such as real estate industry, utilities, and agriculture, etc. Customer groups can be categorized into 4 groups as follows:

##### 1. Reseller customers

Reseller customers are a group of dealers. which purchases the company's products and resell to other end customers such as steel shops, general building materials stores Modern trade stores, etc.

##### 2. Construction project customers

Construction project customers are contractor companies which both the company Sell products directly and selling products through dealers to bring the company's products to be used in various construction projects Both engineering structures, system works, and decorations.

##### 3. Industrial customers

Industrial customers is a group of customers who will bring the company's products to be processed or assembled into parts of various products such as agricultural machinery conveyor belt, etc.

##### 4. Other customer

Other customers are general retail customers who bought the company's products through a dealer to take advantage directly for construction home decoration or for use in general work.

## The industry competition during the preceding year

### COMPETITION CONDITIONS

The Company places importance on the needs of each group of customers according to the nature of their businesses and product application of each industry, which has a wide range of needs in terms of form, quality, standard, and quantity of use, for the maximum benefit and value for each group of customers. This is done by providing steel products with full thickness, possess great chemical and mechanical qualities according to standards which are tested within internal testing rooms per ISO 17025 standards. Additionally, the steels' production will be controlled in every process from the import of raw material, production process, and delivery to customers. The Company has divided customers into 3 groups as follows:

1. Dealers, a group of stores that has been appointed by the Company to buy products directly from the Company. This group of stores are medium to large sizes, which is considered the largest group of customers of the Company. It can be further divided into general retail stores and modern trade stores, which operates business in the form of buying and selling and has a behavior of demanding a variety of products that have standard size for general construction use. They would often demand these products in high volume and with speedy ordering and delivery processes to meet the needs of end customers fully and promptly without losing trade opportunities.

2. Construction contractors, a group of customers who want to order products for use in various forms of construction works, both standard products for general construction use and made-to-order products with specific size, thickness, standards, and other controls in response to structural and systemic works in a variety of formats. This group often demands good quality products which are made in accordance with specified standards and delivered products on time, reducing the burden of storage for fast construction and on-time delivery.

3. Industrial works, which is a group of customers who wishes to order products for processing into various other products per demands. They usually request made-to-order products with specific size, thickness, standards, and other special controls. They also offer consulting on product processing to achieve production efficiency, cost-effectiveness, and waste reduction in the customer's production process. At the same time, the products must be delivered in time to avoid any disruption in the customer's production line.

In order to respond to the needs of various customers, the Company must understand the needs and restrictions on ordering products from the manufacturers, as well as having a good relationship, to ensure that the Company has enough raw materials for production and is able to deliver products to customers on time.

### 1.2.2.3 Procurement of products or services

At the present, the Company has 4 plants which have the total installed capacity of 450,000 tons per annum, 2 distribution centers and 1 sale office as follows:

1. **Phra Pradaeng Factory** - Located at 298, 298/2 Moo 1 Suksawad Road, Pakklongbangplakod, Prasamutjedee, Samutprakarn, 10290
2. **Mahachai Factory 1** - Located at 1/112 Samutsakorn Industrial Park, Moo 2, Rama II Road, Tambol Tasai, Amphoe Muang, Samutsakorn, 74000
3. **Mahachai Factory 2** - Located at 1/97 Samutsakorn Industrial Park, Moo 2, Rama II Road, Tambol Tasai, Amphoe Muang, Samutsakorn, 74000
4. **Mahachai Factory 3** - Located at 24/31 Moo 2, Tambol Tasai, Amphoe Muang, Samutsakorn, 74000
5. **Bangna Distribution Center** - Located at 158 Moo 6, Tambol Bangbor, Amphoe Bangbor, Samutprakarn, 10560
6. **Ladlumkaew Distribution Center** - Located at 50/6 Moo 2, Tambol Namai, Amphoe Lad Lum Kaew, Pratumthani, 12140
7. **Lumpini Center Sales Office** - Located at 1168/68-69, Fl.24 and 1168/74, Fl.26, Lumpini Tower, Rama IV Road, Kwang Tungmahamek, Khet Sathorn, Bangkok, 10120

### The company's production capacity

	Production capacity	Total utilization (Percent)
Production capacity (Ton)	450,000.00	60.76

The Company offers both made to order and make to stock products. Thus, the Company has a production plan from the executive, production division and marketing division, which there will be a meeting to regularly monitor the movement of the customers' needs to use in setting the production policy and to effectively plan for the procurement of raw materials and finished products. This will help save production costs and allow the Company to deliver the steel pipe products immediately. In addition, in order to maintain the conditions of the machinery in the plant, the Company has scheduled inspections and improved machinery every week.

**Inventory Policy:** For the inventory management of both the raw materials and finished products, the Company has a flexible policy; in other words, management is conducted in accordance with the economic and market conditions at that time. Study, analysis and evaluation of the potential future situation is conducted in order to adjust the optimum quantity of inventory in accordance with the market demand.

### Acquisition of raw materials or provision of service

The main raw material for the production of the Company's steel pipes is hot-rolled coil. The Company's usage of hot-rolled coils accounts for 100% of the total raw material value. As the Company's business policy attaches importance to the matter of product quality and on-time delivery of works, the quality of raw materials and the reliability of raw material suppliers are therefore the most important factors in considering the purchase of raw materials. The Company regularly evaluates the performance of raw material suppliers.

### Proportion of domestic and overseas procurement

Countries	Name of raw material	Value (Baht)
Thailand	Hot rolled coil	4,963,335,737.78
China	Hot rolled coil	1,585,333,007.60
Vietnam	Hot rolled coil	19,041,947.60
Hong Kong	Hot rolled coil	22,409,299.53

### Major raw material distributors

Number of major raw material distributors (persons) : 3

At present, the Company has made purchases of hot-rolled coils which account to approximately 71.88% of the total raw material value from 3 major domestic producers, namely (1) G Steel Public Company Limited, (2) Sahaviriya Steel Industries Public Company Limited and (3) G J Steel Public Company Limited.

## 1.2.2.4 Assets used in business undertaking

### Core permanent assets

In 2024, the Company has fixed assets used in business operations as follows:

### The appraisal price of core permanent assets

List of assets	Book value / Appraised value	Ownership	Obligations	Additional details
Land and land improvements	780,180,644.54	Owner	No	-
Buildings and building improvement	192,647,649.17	Owner	No	-
Machinery and factory equipment	413,126,774.01	Owner	No	-

List of assets	Book value / Appraised value	Ownership	Obligations	Additional details
Utilities system and office equipment	11,979,342.09	Owner	No	-
Motor vehicles	23,906,888.94	Owner	No	-
Construction in Progress	11,518,956.97	Owner	No	-
Right-to-use Land	9,988,396.43	Tenant	Yes	The details are disclosed in, "Connected Transaction".
Right-to-use Building	2,118,771.77	Tenant	Yes	The details are disclosed in, "Connected Transaction".
Right-to-use Office equipment	3,421,745.41	Tenant	Yes	-
Right-to-use Moter vehicles	5,202,562.65	Tenant	Yes	-









### Core intangible assets

The company owns proprietary software and has also registers the trademark with the Department of Intellectual Property, Ministry of Commerce by product type. Trademark has period of 10 years from the date of registration and can be renewed for 10 years each time, details of the company's trademark are as follows:

### The appraisal price of core intangible assets

List of assets	Types	Book value / Appraised value	Additional details
Office intangible assets	Software	17,320,657.63	-
Factory intangible assets	Software	1,437,945.96	-

### Diagram of the appraisal of intangible assets

Trademark	Registration no.	Product/service type	Protection period
	๓33682	Steel pipe, Metal pipe	10 years since Nov. 24, 2014 – Jan. 5, 2025
	171105814	Galvanized steel pipe	10 years since Feb. 24, 2017 – Jul. 28, 2025
	171105815	Galvanized steel pipe	10 years since Feb. 24, 2017 – Jul. 28, 2025
	161113210	Steel pipe	10 years since Dec. 21, 2016 – Sep. 29, 2025
	181118461	Galvanized steel pipe	10 years since Aug. 07, 2018 – Apr. 17, 2027
	191106685	Galvanized steel pipe	10 years since Nov. 28, 2017 – Nov. 27, 2027
	191106686	Galvanized steel pipe	10 years since Nov. 28, 2017 – Nov. 27, 2027
	191106687	Steel pipe, Structural Steel, C Light LIP Channel	10 years since Dec. 19, 2017 – Dec. 18, 2027

### Investment policy in the subsidiaries and associated companies

Investment policy in the subsidiaries and associated : No  
companies

At present, the Company does not have any subsidiaries and associated companies, but the Company has an investment policy in business related to the Company's main business both domestic and abroad to strengthen stability and the ability to compete both in the form of establishing new company acquisitions and investments in other companies.

### 1.2.2.5 Under-construction projects

Under-construction projects : No

### Details of under-construction projects

Total projects : N/A  
Values of total ongoing projects : N/A  
Realized value : N/A  
Unrealized value of remaining projects : N/A  
Additional details : -

## 1.3 Shareholding structure

### 1.3.1 Shareholding structure of the group of companies

#### Policy on operational organization within the group of companies

At present, the Company does not have any subsidiaries and associated companies.

#### Shareholding diagram of the group of companies

#### Shareholding diagram

At present, the Company does not have any subsidiaries and associated companies.

### 1.3.2 Shareholding by a person with a potential conflict of interest holding exceeding 10 percent of the voting shares in a subsidiary or associated company

Does the company have a person with potential : No  
conflicts of interest holding shares in a subsidiary or  
associated company?

### 1.3.3 Relationship with major shareholders' business

Does the company have a relationship with a business : No  
group of a major shareholder?

### 1.3.4 Shareholders

#### List of major shareholders <sup>(1)</sup>

Group/List of major shareholders	Number of shares (shares)	% of shares
1. บริษัท ตั้งหมงเส็ง โฮลดิ้ง จำกัด	257,762,500	39.05
2. Lekapojpanich Group	229,560,000	34.78
2.1. Mr. Suppanat Lekapojpanich	25,000,000	3.79
2.2. Ms. Nattaporn Lekapojpanich	25,000,000	3.79
2.3. Ms. Nalin Lekapojpanich	24,250,000	3.67
2.4. Mr. Kanin Lekapojpanich	24,250,000	3.67
2.5. Mrs. Sasidhon Lekapojpanich	19,500,000	2.95
2.6. Ms. Wareeya Lekapojpanich	19,000,000	2.88
2.7. Ms. Wanalee Lekapojpanich	19,000,000	2.88
2.8. Ms. Waranya Lekapojpanich	19,000,000	2.88
2.9. Mrs. Sukanya Lekapojpanich	17,822,500	2.70
2.10. Mrs. Sumalee Lekapojpanich	17,812,500	2.70

Group/List of major shareholders	Number of shares (shares)	% of shares
2.11. Mr. Somchai Lekapojpanich	10,187,500	1.54
2.12. Mr. Vichai Lekapojpanich	8,737,500	1.32
3. Ms. Siree Koowuttayakorn	19,125,000	2.90
4. Dr. Prasan Kemakongkanon	18,550,000	2.81
5. Ms. Sichon Koowuttayakorn	6,375,000	0.97
6. Mrs. Piriyaorn Saehueng	5,123,100	0.78
7. Thai NVDR Company Limited	4,605,110	0.70
8. DBS BANK LTD. AC DBS NOMINEES-PB CLIENTS	4,502,100	0.68
9. Mrs. Sutraporn Jittarasakul	3,450,000	0.52
10. Mr. Nantawat Sathirachaiyawit	3,330,800	0.50
11. Ms. Sunisa Kwanbunbumphen	2,550,000	0.39

Remark : <sup>(1)</sup> The shareholders of Lekapojpanich Group are shareholders of Tang Mong Seng Holding Company Limited.

### Major shareholders' agreement

Does the company have major shareholders' : No  
agreements?

## 1.4 Amounts of registered capital and paid-up capital

### 1.4.1 Registered capital and paid-up capital

#### Registered capital and paid-up capital

Registered capital (Million Baht)	:	660,000,000.00
Paid-up capital (Million Baht)	:	660,000,000.00
Common shares (number of shares)	:	660,000,000
Value of common shares (per share) (baht)	:	1.00

#### Has the company listed in other stock exchange?

Has the company listed in other stock exchange? : No

### 1.4.2 Other types of share whose rights or terms differ from those of ordinary share

Other types of share whose rights or terms differ from those of : No  
ordinary share

### 1.4.3 Shareholding by Thai NVDR Company Limited (NVDR)

Are shares held by Thai NVDR Company Limited (NVDR)? : Yes

Number of shares (Share)	:	4,605,110
Calculated as a percentage (%)	:	0.70

#### The impacts on the voting rights of the shareholders

None

## 1.5 Issuance of other securities

### 1.5.1 Convertible securities

Convertible securities : No

### 1.5.2 Debt securities

Debt securities : No

## 1.6 Dividend policy

### The dividend policy of the company

The Company is committed to creating sustainable business growth and build competitiveness to increase the value to the shareholders in the long term. The Company has established a policy to pay the dividend at a rate of no less than 40 percent of the net profit after income tax and after the deduction of the reserves in accordance with the law. Nonetheless, such dividend payment can be changed depending on the Company's operational performance, financial status and investment plan.

The resolution of the Annual General Meeting of the Shareholders 2024 of Pacific Pipe Public Company Limited on April 11, 2024. The resolution approved the dividend omission to the shareholders due to the net lost as listed on the Separate financial statements in the amount of 56.15 million baht.

### Historical dividend payment information

	2020	2021	2022	2023	2024
Net profit per share (baht : share)	0.5200	0.3100	0.8400	-0.4900	-0.0900
Dividend per share (baht : share)	0.2700	0.1800	0.8400	0.0000	0.0000
Ratio of stock dividend payment (existing share : stock dividend)	0.0000	0.0000	0.0000	0.0000	0.0000
Value of stock dividend per share (baht : share)	0.0000	0.0000	0.0000	0.0000	0.0000
Total dividend payment (baht : share)	178,200,000.00 00	118,800,000.00 00	554,393,280.00 00	0.0000	0.0000
Dividend payout ratio compared to net profit (%)	51.92	58.06	100.00	0.00	0.00

## 2. Risk management

### 2.1 Risk management policy and plan

#### Risk management policy and plan

The board of directors supports and promotes the establishment of a risk management system within the corporation, which is one of the key mechanisms for achieving objectives and adding value to stakeholders. The Company has disclosed the full version of the risk management policy and plan on the website at [www.pacificpipe.co.th](http://www.pacificpipe.co.th)

Link for risk management policy and plan : <https://www.pacificpipe.co.th/files/policy/%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%9A%E0%B8%A3%E0%B8%B4%E0%B8%AB%E0%B8%B2%E0%B8%A3%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B9%80%E0%B8%AA%E0%B8%B5%E0%B9%88%E0%B8%A2%E0%B8%87.pdf>

## 2.2 Risk factors

The Company has a systematic risk management by appointing the Executive Risk Management and Sustainability Committee which perform supervisory duties through assessing and monitoring key risks and reporting them to the board of directors. In 2024, the Company has reviewed and assessed the risk factors and has set up a control plan to reduce the impact of risks which could affect business operations, financial status, and operating results of the Company. Environmental, Social and Governance (ESG) issues are part of the risk factor assessment as follows:

### 2.2.1 Risk that might affect the company's business, including environmental, social and corporate governance issues

#### Risk 1 Risks from dependence on raw materials from few major manufacturers

- Related risk topics : [Strategic Risk](#)
- Reliance on large partners / distributors or few partners / distributors

#### Risk characteristics

In 2024, the company has ordered hot-rolled steel sheets and galvanized cold-rolled steel sheets with hot-dip coating from both domestic producers and domestic and international traders. Seventy-one point eighty-eight percent of the total raw material orders are from Sahaviriya Steel Industries Public Company Limited, G Steel Public Company Limited, and G J Steel Public Company Limited, similar to the 71.13% in 2023. This is because the hot-rolled steel sheet and galvanized cold-rolled steel sheet business has few suppliers, and there are restrictions on importing products due to anti-dumping and anti-subsidy measures, as well as anti-circumvention laws. This ensures that the production of goods meets the required volume to satisfy customer demand, with quality standards and competitive pricing.

#### Risk-related consequences

Risk of shortage of raw materials used in production.

#### Risk management measures

The company has a policy of fostering good relationships with its partners and establishing MOUs (Memorandums of Understanding) with domestic producers capable of producing goods that meet the required specifications and maintaining inventory levels of raw materials within the specified range. Additionally, the company continues to seek other suppliers or traders, both domestically and internationally, to serve as alternative sources and mitigate the risk of product shortages.

#### Risk 2 Risk from Material Price Fluctuation and Inventory

- Related risk topics :
- [Operational Risk](#)
    - Shortage or fluctuation in pricing of raw materials or productive resources
    - Inventory risk

#### Risk characteristics

The company's main raw materials are hot-rolled steel sheets and galvanized cold-rolled steel sheets with hot-dip coating, which account for 100.00% of the total raw material purchases. These materials are subject to fluctuations in global steel prices. Therefore, the risk from raw material price volatility is a significant risk factor. It could lead to risks from the depreciation of raw materials or, in cases where raw material prices decline, impact the selling prices of products.

#### Risk-related consequences

In 2024, the price of steel sheets sharply declined by approximately 11% in the third quarter and remained stable until the end of the year. This fluctuation in steel sheet prices led to a rapid decrease in market prices, and the company was impacted by the steel sheet costs, which were significantly higher than the market prices.

#### Risk management measures

The company has implemented a policy to reduce such risks by closely monitoring the global steel prices of raw materials. Additionally, the company has increased caution in raw material procurement and controls the inventory levels of raw materials and finished goods to maintain an appropriate balance.

### Risk 3 Risks from Personnel Management

Related risk topics :

#### Operational Risk

- Shortage or reliance on skilled workers

#### Risk characteristics

The year 2024 is significantly impacted by external factors, including raw material prices and rising labor costs.

#### Risk-related consequences

The organizational structure has been adjusted to support the strategic plan, particularly in the Commercial and Strategy & Sustainability divisions. The restructuring is based on customer segments to accommodate varying needs, ensuring proper management aligned with appropriate strategies.

#### Risk management measures

There is a personnel development plan aimed at enhancing job-specific knowledge and skills. For example, a comprehensive training process is provided for sales employees before they start working in the field, and regular training sessions are conducted for the production team. This training program will continue in 2025, not only reinforcing knowledge for each role but also improving employees' skills and qualifications. Additionally, it aims to develop skilled in-house trainers who can effectively pass on knowledge to colleagues, reducing reliance on external trainers and cutting training costs. At the same time, it fosters specialized skills among internal trainers, ensuring quality personnel who can share expertise within the organization. This approach provides employees with career growth opportunities and helps mitigate future workforce shortages in key positions.

Beyond personnel development, the company continues to prioritize workplace safety, beginning with the creation of a clean, safe, and suitable working environment. To support this, the company has launched the 5S initiative at its factory, covering both production areas and office spaces. This initiative serves as a foundation for instilling workplace discipline, which is expected to enhance production quality and significantly reduce serious workplace accidents.<sup>40</sup>

### Risk 4 Risks created from working processes or procedures.

Related risk topics :

#### Operational Risk

- Human error in business operations

#### Risk characteristics

The Human Resources department must continue to review work processes regularly, as changes to forms through electronic systems may impact employees' workflows. Without proper improvements, the work process may become inefficient. Additionally, a lack of consistent skill development for employees could lead to operational errors and potential delays in task execution.

#### Risk-related consequences

If the processes are not improved, it could lead to delays in operations and make the inspection process more complicated, which may increase the chances of errors and reduce work efficiency. Additionally, ineffective management could result in higher operational costs.

#### Risk management measures

To prevent and reduce risks, the Human Resources department has implemented various measures, such as continuously reviewing and improving work processes through electronic systems to make operations more efficient and faster. Additionally, there has been a revision of the interview evaluation approach to enhance the effectiveness of recruitment. There are also added steps to provide training for employees before they begin work in certain positions, as well as to enhance safety knowledge. Furthermore, skill development training for production employees is organized, and job position details are regularly reviewed to ensure that employees can perform their tasks correctly and efficiently.

### Risk 5 Credit risks

Related risk topics :

#### Financial Risk

- Default on payment or exchange of goods

**Risk characteristics**

As of December 31, 2024, the company has total net trade receivables of 800.92 million baht, with an average collection period of 39 days. The company has overdue receivables of 570.53 million baht, representing 71.23% of total net receivables. The company may face risks in collecting payments from trade receivables.

**Risk-related consequences**

If the company's trade receivables encounter operational issues, it could impact the company's profitability and financial position

**Risk management measures**

The company has measures to mitigate such risks by appointing a credit committee responsible for setting policies for granting trade credit limits to customers. There is also a department tasked with analyzing customers' purchasing needs and their ability to repay debts. Additionally, the company considers risk mitigation tools, such as collateral from banks or credit insurance, to reduce the potential impact in case customers are unable to repay their debts

**Risk 6 Exchange rate risks**

Related risk topics :

Financial Risk

- Fluctuation in exchange rates, interest rates, or the inflation rate

**Risk characteristics**

In 2024 and 2023, the company imported approximately 23.50% and 25.28% of the total order value of hot-rolled steel sheets from abroad, respectively. These purchases were made entirely in U.S. dollars, while the company's revenue is almost entirely in Thai baht.

**Risk-related consequences**

The company is therefore exposed to the risk of exchange rate fluctuations, which could impact its profitability and financial position.

**Risk management measures**

The company has mitigated the impact of exchange rate risk by entering into forward contracts or converting foreign currency debts into debts in Thai baht, based on the appropriateness of the situation.

**Risk 7 Interest rate risks**

Related risk topics :

Financial Risk

- Fluctuation in exchange rates, interest rates, or the inflation rate

**Risk characteristics**

As of December 31, 2024, the company's total debt from borrowings consists of short-term debt from financial institutions amounting to 1,727.82 million baht, representing 81.28% of total liabilities. The company's borrowings primarily consist of short-term loans in the form of promissory notes and trust receipts, which are used as working capital for purchasing raw materials.

**Risk-related consequences**

Fluctuations in interest rates due to economic uncertainties may impact the company's interest expenses. The interest expenses in 2023 and 2022 were 0.80% and 0.62% of sales, respectively. The company's interest coverage ratio in 2024 was (2.50) times, based on operating profit before interest and taxes, compared to (0.03) times in 2023.

**Risk management measures**

The company has a policy to reduce the risk of interest rate fluctuations by securing credit lines from multiple financial institutions to manage interest costs and cash flow. This ensures there is enough liquidity for business operations and minimizes reliance on excessive borrowing from financial institutions.

**Risk 8 Potential risks from the effects of anti-dumping and market subsidies measures**

Related risk topics :

Compliance Risk

- Laws and regulations is not favorable for doing business

**Risk characteristics**

In 2024, the Anti-Dumping and Countervailing Committee of the Ministry of Commerce initiated an investigation into circumvention of anti-dumping measures regarding hot-rolled steel sheets, both in coil and non-coil forms, originating from the People's Republic of China. This was to extend the imposition of anti-dumping duties on imports of hot-rolled steel sheets, both in coil and non-coil forms, alloyed, from the People's Republic of China, involving 17 manufacturers (Anti-circumvention). This new measure to prevent circumvention of anti-dumping duties has resulted in restrictions on the importation of raw materials used in the production of the company's finished goods, with these steel sheets accounting for more than 80% of the total cost.

**Risk-related consequences**

This measure will lead to higher import costs, with prices exceeding those of domestic products. As a result, the company and importers will have to rely on locally produced goods instead. The increased demand may result in insufficient supply to meet requirements and limitations in the size and quality of certain products.

**Risk management measures**

The company has measures in place to manage this risk by establishing MOUs (Memorandums of Understanding) with domestic producers capable of manufacturing products that meet the required specifications. This helps reduce the risk of raw material shortages and ensures that inventory levels of raw materials are maintained within the specified range.

**Risk 9 New emerging risks in business environment and landscape**

Related risk topics : Strategic Risk

- ESG risk

**Risk characteristics**

Currently, environmental issues have gained global attention, leading to changes in raw materials, laws, policies, and consumer preferences that increasingly prioritize eco-friendly products. Additionally, the enforcement of carbon footprint regulations in many countries, along with Thailand's goal of achieving carbon neutrality by 2065–2070, has compelled industrial factories to adapt in order to reduce greenhouse gas emissions throughout the supply chain. If businesses fail to align with these measures and market trends, their competitiveness may be affected.

**Risk-related consequences**

Environmental risks will directly impact production processes and business operations, such as increased costs from adapting production processes to be more environmentally friendly, complying with stricter environmental laws and standards, and meeting consumer demand for eco-friendly products. Failure to do so could result in lost market opportunities for businesses.

**Risk management measures**

The company has developed a concrete plan to reduce greenhouse gas emissions through four main activities: reducing air pollution, decreasing electricity consumption, increasing green spaces, and minimizing industrial waste. These efforts are part of managing the risk associated with greenhouse gas emissions, which will impact business operations in accordance with government regulations and future trade measures.

**Risk 10 Organization-Wide Impact**

Related risk topics : Strategic Risk

- ESG risk

**Risk characteristics**

In addition to various risks, there are other risks arising from external factors such as natural disasters, floods, storms, epidemics, political situations, etc., and internal factors such as negligence in operations, fire hazards, technical problems, and issues that impact the company's operations. Protests may escalate into riots as well. Additionally, there are risks related to information systems, such as system crashes, technical issues, or cyber theft.

**Risk-related consequences**

The mentioned risks may impact the company's operations and could potentially cause business disruption.

### Risk management measures

To mitigate these risks, a comprehensive Business Continuity Plan (BCP) must be in place, regularly reviewed and updated, to ensure the company can operate continuously and effectively. We are committed to constantly improving our BCP to ensure that we can confidently continue our operations despite any potential threats.

## 2.2.2 Risk to securities holders

Are there any risk factors affecting securities holders? : Yes

### Risk 1 Risks from Major shareholders

Related risk topics : Risk to Securities Holder

- Risk of the company having a majority shareholder holding > 50% of shares

### Risk characteristics

Tang Mong Seng Holding Company Limited and the shareholders group have held 73.83% of the total shares of the Company, thus allowing control of almost all resolutions of the shareholders' meeting.

### Risk-related consequences

Therefore, other shareholders may not be able to collect votes to review and balance matters proposed by major shareholders with the exception of legal matters or matters related to the Company's regulations, which requires three-fourths of the votes of the shareholders' meeting.

## 2.2.3 Risk to securities holders from investing in foreign securities (applicable to only foreign companies)

Are there any risk factors affecting securities holders : No  
from investing in foreign securities?

## 3. Sustainable Development

### 3.1 Policy and goals of sustainable management

#### Sustainability Policy

Sustainability Policy : Yes

Pacific Pipe Public Company Limited is committed to running the business and developing the corporation towards sustainability, with responsibility to the economic, social, and environmental systems to create value with all stakeholders. Therefore, the Company has set Sustainable Development Goals: (SDGs) of the United Nations that are relevant to the organizational context as a direction of operation, as well as strengthen the structure and management system to develop a sustainable organization, by referring to the environment, social, and governance framework (ESG Framework) which is designed for application to drive the organization to create benefits for the country's economy, society, and environment in a balanced and sustainable manner according to international principles.

#### ESG Framework

**Economy** - Creates economic growth and stability together with business alliances, business partners, and customers in a sustainable manner.

**Society** - Conducts business in a socially responsible manner and improves the quality of life of those involved through knowledge and safety.

**Environment** - Cares for the environment by using natural resources responsibly and generate maximum benefits.

The Company has established a sustainability working group consisting of representatives of various agencies in order to operate the corporate sustainability works of the Company continuously and effectively. This will help achieve success in accordance with the policy and sustainability objectives set by corporation. This will show that the Company is a corporation which conducts its business responsibly and with transparency and fairness, building trust with all groups of stakeholders as well as developing towards sustainable growth. The details are as published on the website. The operating guidelines are as follows:

1. Determine appropriate corporate sustainability guidelines and plans to be in line with the strategies and corporate policies
2. Supervise and review the corporation's sustainability performance and drive it to take action and create participation in the implementation of various projects under the framework of sustainable development with relevant agencies, both internally and externally.
3. Create a culture of sustainable development and communicate to the directors, executives, employees at all levels, trade partners, and related parties to acknowledge, understand, and aware of sustainable development.
4. Report sustainable development performance results and present to the Executive Risk Management and Sustainability Committee quarterly.
5. Prepare an annual sustainability report and disseminate to all groups of stakeholders for acknowledgment.

Reference link for sustainability policy : [https://www.pacificpipe.co.th/files/policy/10%20sustainability%20policy\\_2025\\_1.pdf](https://www.pacificpipe.co.th/files/policy/10%20sustainability%20policy_2025_1.pdf)

#### Sustainability management goals

Does the company set sustainability management goals : Yes

The Company is determined to operate its business to develop sustainability and play a role in driving Thai society and the world community towards Sustainable Development Goals: (SDGs) of the United Nations. Furthermore, the Company is determined to build confidence for all stakeholders that the Company's operations are in line with international goals. In 2024, the Company has organized projects and activities related to sustainability in the dimensions of economy, society, and environment, which are consistent with 15 Sustainable Development Goals from a total of 17 goals.

United Nations SDGs that align with the organization's sustainability management goals : Goal 1 No Poverty, Goal 2 Zero Hunger, Goal 3 Good Health and Well-being, Goal 4 Quality Education, Goal 5 Gender Equality, Goal 6 Clean Water and Sanitation, Goal 7 Affordable and Clean Energy,

Goal 8 Decent Work and Economic Growth, Goal 9 Industry, Innovation and Infrastructure, Goal 10 Reduce Inequalities, Goal 11 Sustainable Cities and Communities, Goal 12 Responsible Consumption and Production, Goal 13 Climate Action, Goal 15 Life on Land, Goal 16 Peace, Justice and Strong Institutions

## Review of policy and/or goals of sustainable management over the past year

Has the company reviewed the policy and/or goals of sustainable management over the past year : Yes

Has the company changed and developed the policy and/or goals of sustainable management over the past year : No

In the past year, the Company has reviewed its sustainability policy and reviewed sustainability issues, which can be summarized as follows:

### Sustainability Key Analysis

**Step 1:** Identifying sustainability issues The Company has determined the issues in the analysis into 3 areas, namely economic, environmental, and social aspects. These issues have affected shareholders and they have expectations from the Company's operations.

**Step 2:** Ranking of important issues The Company shall consider ranking the importance of each issue, which is done by measuring the importance from the Company and external stakeholders' point of views, which takes into account both the positive and negative effects of each issue on the economic, environmental, and social dimensions.

**Step 3:** Verifying data and reviewing key issues The sustainability working group has proposed issues in order of importance to report to management for consideration and to be presented in the annual report form 56-1 One Report and disseminate through the company's website. In addition, the Company has also assigned relevant departments and working groups to validate the accuracy and completeness of issues covering economic, environmental, and social dimensions, by reviewing key issues affecting key activities in the Company's value chain regularly every year. These information shall be used for planning policies, strategies, and operational plans including setting sustainability goals.

### Assessment Results of Key Sustainability Issues in 2024

- High 1. Management for business growth
- High 2. Good corporate governance
- High 3. Anti-Corruption
- Medium 4. Creating innovations for products
- High 5. Improving the quality of products and services
- Medium 6. Customer relationship management
- High 7. Developing employee potential
- High 8. Caring for employees' health and safety
- High 9. Improving the workplace environment
- Medium 10. Respecting human rights
- High 11. Participation and development of communities and society
- Low 12. Employing local labor
- Medium 13. Efficient use of energy
- High 14. Greenhouse gas emissions
- High 15. Waste management
- Medium 16. Water Management

From the results of the assessment of important sustainability issues in the above table, the Company has grouped various issues in order to plan sustainability management in economic, environmental, and social dimensions for the year 2024 which can be presented in this report as follows:

#### Sustainability Management in the Economic Dimension

- Corporate governance towards sustainability
- Risk management in business operations

- Product quality and service improvements through innovation and technology

Sustainability Management in the Environmental Dimensions

- Greenhouse gas management
- Garbage, waste and pollution management
- Responsible energy and resource management

Sustainability Management in the Social Dimension

- Enhancement of human resource potential and human rights
- Occupational health and safety at work
- Participation in the development of communities and society

You can view the full details of our business drive towards sustainability at <https://www.pacificpipe.co.th/TH/TH/investor.html#publications> (Topic Investor Relations > Corporate Governance > Other Important Information).

## 3.2 Management of impacts on stakeholders in the business value chain

### 3.2.1 Business value chain

The Pacific Pipe Public Company Limited operates its business in accordance with its vision “Your Partner for Total Solutions”, which can be defined that **we are committed to driving business growth to improve the industry through quality products and services. This can be achieved through up-to-date innovations and willingness to become a strong partner of stakeholders in all dimensions to drive towards sustainable development together** through the implementation of 5 main activities as follows:

#### Smart Procurement

- Sufficient supply of raw materials for product manufacturing
- Control the quality of raw materials to meet standards
- Develop relationships with manufacturers

#### Smart Production

- Manufacture products and control their quality to meet standards
- Reduce environmental impact
- Employ up-to-date production technology

#### Smart Distribution

- Manage warehouses and distribution centers efficiently with up-to-date communication and technology

#### Smart Delivery

- Precise, fast, and accurate shipping process
- Reduce the impact of shipping on the environment and communities

#### Smart Service

- Provide honest and accurate product and service information
- Receive comments, suggestions, and complaints about products and services
- Set reasonable and fair prices

The Company has set guidelines for conducting business to deliver sustainable value to relevant stakeholders in accordance with good corporate governance principles. It also conducts business with ethics in parallel of managing important sustainability issues that takes into account the stakeholder groups according to their roles and impacts, which will lead the Company to grow according to sustainability goals in economic, social, and environmental dimensions in the future.

### Business value chain diagram



### **3.2.2 Analysis of stakeholders in the business value chain**

To conduct the Company's operations sustainably, it is essential to gain the cooperation, participation, and support from stakeholders that are affected both positively and negatively from the Company's operations through 5 main activities which cover both internally and externally of the corporation. The Company therefore pays attention to all groups of stakeholders by providing communication channels for listening and exchanging information, both official and unofficial, to assess and respond to expectations appropriately, including using the information to develop or improve work processes in various parts of the Company as well as creating a bond to improve the relationships with stakeholders, which can be summarized as follows:

#### **Details of stakeholder analysis in the business value chain**

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<b>Internal stakeholders</b>			
<ul style="list-style-type: none"> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Monetary and non-monetary welfares</li> <li>• Career opportunities, advancement, and compensation</li> <li>• Competence development</li> <li>• Work safety</li> <li>• Equality and non-discrimination treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Promote good working environment, health care, and workplace safety</li> <li>• Fair treatment and respect for human rights</li> <li>• Performance evaluation of 2 times/year and feedback process</li> <li>• Training courses to educate and develop employee skills</li> <li>• Monetary and non-monetary programs and benefits for employees</li> <li>• Communication of business goals, policies, and useful news</li> </ul>	<ul style="list-style-type: none"> <li>• Others <ul style="list-style-type: none"> <li>• Channels for receiving suggestions, opinions, and complaints through the Company's complaints system throughout the year</li> <li>• Organize surveys on corporate satisfaction and loyalty at least once a year</li> <li>• Ensure that there are both online and offline internal communication channels, including consistent social media throughout the year.</li> <li>• Organize training courses and seminars according to the company's training plan</li> <li>• Formulate CEO Town hall in VDO format quarterly</li> <li>• Organize employee engagement activities as planned throughout the year</li> </ul> </li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<b>External stakeholders</b>			
<ul style="list-style-type: none"> <li>• Customers</li> </ul>	<ul style="list-style-type: none"> <li>• Products and services are of high quality and standard.</li> <li>• The products are diverse and complete.</li> <li>• Accurate, complete, on-time delivery</li> <li>• Proper implementation and maximum efficiency</li> <li>• Knowledge about the products and various related standards</li> </ul>	<ul style="list-style-type: none"> <li>• Adopting technology and innovation to develop products and services to meet the needs of customers</li> <li>• Produce products and provide quality services</li> <li>• Manage the transportation system to be efficient</li> <li>• Supervise and manage inventory to respond to customer needs promptly.</li> <li>• Provide knowledge and suggestions related to products and services through various activities and channels in an accessible and efficient manner</li> </ul>	<ul style="list-style-type: none"> <li>• Others <ul style="list-style-type: none"> <li>• Conduct customer satisfaction surveys twice a year</li> <li>• Meet with customers regularly to improve products and services as well as provide useful information to develop the business jointly.</li> <li>• Organize training courses to educate customers continuously throughout the year</li> <li>• Provide opportunities for customers to visit factories and production processes throughout the year</li> <li>• Communicate news and information, listen to suggestions, and receive complaints through the Company's online channels</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Joint business development with good and stable operating results consistently</li> <li>• There is a good, transparent, and auditable procurement system</li> <li>• There is equality in conducting business, which is fair and does not discriminate</li> <li>• Receive payments on time and in full</li> </ul>	<ul style="list-style-type: none"> <li>• There are fair policies and practices regarding procurement under the Company's Code of Conduct</li> <li>• An efficient, transparent, and verifiable procurement system</li> <li>• Have an anti-corruption policy in place</li> </ul>	<ul style="list-style-type: none"> <li>• Others <ul style="list-style-type: none"> <li>• Organize visits to business partners at least once a year</li> <li>• Organize supplier assessment at least once a year</li> <li>• Organize meetings with partners regularly throughout the year to plan purchase orders</li> <li>• Channels for receiving suggestions, opinions, and complaints through the Company's complaints system throughout the year</li> </ul> </li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> <li>• Community</li> <li>• Society</li> <li>• Others               <ul style="list-style-type: none"> <li>• Environment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Emphasis on environmental quality preservation</li> <li>• Operate a business that does not cause any impact to the communities</li> <li>• Place importance on complaints and suggestions by the communities fairly and communicate explanation to communities for acknowledgement promptly</li> <li>• Promote participation in activities that are beneficial to community development</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the production process to be environmentally friendly with noise, waste, water, and air pollution controls</li> <li>• Improve the environment of the factory to be clean and safe both internally and externally.</li> <li>• Share the Company's knowledge and specializations for various institutes and departments regularly</li> <li>• Provide resources and various equipment that are beneficial to the communities and society</li> </ul>	<ul style="list-style-type: none"> <li>• Others               <ul style="list-style-type: none"> <li>• Build a network and appoint a Community Relations Working Group to meet with community representatives regularly throughout the year</li> <li>• Participate in transferring business knowledge to community enterprises continuously throughout the year</li> <li>• Provide knowledge to institutions and agencies on a regular basis throughout the year</li> <li>• Cooperate with the education sector and provide continuous knowledge sharing every year</li> <li>• Open channels for suggestions, comments, and complaints throughout the year</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Investors or investment institutions</li> <li>• Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>• Make dividend payments regularly</li> <li>• Continuous and stable business growth</li> <li>• Govern with good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare annual report 'Form 56-1 One Report'</li> <li>• Clarification of business results through the Company and the stock exchange's websites</li> <li>• Manage performance according to strategic plans under appropriate risk management.</li> <li>• Development of channels for accessing complete information for the convenience of investors</li> <li>• Achieved an 'Excellent' rating in Corporate Governance Assessment (5 Star CGR)</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting (AGM)</li> <li>• Others               <ul style="list-style-type: none"> <li>• Open year-long channels for information inquiries through the website, investor relations emails, and call center regularly</li> </ul> </li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> <li>• Government agencies and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with rules, regulations, laws, and policies of relevant regulatory bodies.</li> <li>• Cooperate in providing requested information promptly and accurately.</li> </ul>	<ul style="list-style-type: none"> <li>• Report performance and provide truthful information accurately and promptly</li> <li>• Cooperate and support various projects of government agencies</li> <li>• Strictly comply with the rules, regulations, laws, and policies of relevant regulatory bodies.</li> </ul>	<ul style="list-style-type: none"> <li>• Others <ul style="list-style-type: none"> <li>• Report business results and performance</li> <li>• Participate in government activities and projects continuously</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Financial institution</li> </ul>	<ul style="list-style-type: none"> <li>• Operate the business in accordance with the goals or the investment plan</li> <li>• Make loan repayments per the agreed terms and specified time</li> </ul>	<ul style="list-style-type: none"> <li>• Manage the Company's performance under appropriate risk management</li> <li>• Follow the investment plan</li> </ul>	<ul style="list-style-type: none"> <li>• Others <ul style="list-style-type: none"> <li>• Hold meetings to exchange information and news that are beneficial to business operations regularly throughout the year</li> <li>• Negotiate conditions for using the credit limit according to the appropriate cycle</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Competitors</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct business with transparency under fair trade and competition</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct business with transparency and fairness under free market competition</li> </ul>	<ul style="list-style-type: none"> <li>• Others <ul style="list-style-type: none"> <li>• Hold joint meetings between organizations and related associations as appropriate to the occasion</li> <li>• Channels for receiving suggestions, opinions, and complaints through the Company's complaints system throughout the year</li> </ul> </li> </ul>

## 3.3 Management of environmental sustainability

### 3.3.1 Environmental policy and guidelines

#### Environmental policy and guidelines

Environmental policy and guidelines : Yes  
Environmental guidelines : Others : Occupational Safety, Health, and Working Environment

The Company is a leader in the major steel pipe manufacturing industry in Thailand. The Company is aware of the importance of occupational health, safety and environment to be applied in operations, focusing on the participation of personnel and stakeholders to create continuous development. The details are in the Occupational Safety, Health, and Working Environment policy, which the company has announced on the website at <https://www.pacificpipe.co.th/TH/about.html#policy>

Reference link for environmental policy and guidelines : [https://www.pacificpipe.co.th/files/policy/1.%20pap-i-qs02-sdsh-001\\_%E0%B8%99%E0%B9%82%E0%B8%A2%E0%B8%9A%E0%B8%B2%E0%B8%A2%E0%B8%AD%E0%B8%B2%E0%B8%8A%E0%B8%B5%E0%B8%A7%E0%B8%AD%E0%B8%99%E0%B8%B2%E0%B8%A1%E0%B8%B1%E0%B8%A2%20%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B8%9B%E0%B8%A5%E0%B8%AD%E0%B8%94%E0%B8%A0%E0%B8%B1%E0%B8%A2%E0%B9%81%E0%B8%A5%E0%B8%B0.pdf](https://www.pacificpipe.co.th/files/policy/1.%20pap-i-qs02-sdsh-001_%E0%B8%99%E0%B9%82%E0%B8%A2%E0%B8%9A%E0%B8%B2%E0%B8%A2%E0%B8%AD%E0%B8%B2%E0%B8%8A%E0%B8%B5%E0%B8%A7%E0%B8%AD%E0%B8%99%E0%B8%B2%E0%B8%A1%E0%B8%B1%E0%B8%A2%20%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B8%9B%E0%B8%A5%E0%B8%AD%E0%B8%94%E0%B8%A0%E0%B8%B1%E0%B8%A2%E0%B9%81%E0%B8%A5%E0%B8%B0.pdf)

#### Review of environmental policies, guidelines, and/or goals over the past year

Review of environmental policies, guidelines, and/or goals : Yes  
over the past year

As a member of the steel pipe manufacturing industry, which has an impact on the environment through pollution, industrial waste, and the use of natural resources, the Company is committed to managing the environment systematically by applying the ISO 14001: 2015 standard for a sustainable environment. The operations are as follows.

1. Greenhouse gas management by evaluating the organization's current carbon emissions in each scope to set carbon emissions reduction targets and plan through concrete campaigns on an ongoing basis.
2. Management of garbage, waste, and pollution by creating operating rules based on the three R's: Reduce, Reuse, and Recycle. Segregation of waste enables it to be managed and disposed of more effectively and efficiently.
3. Responsible energy and resource management by promoting energy efficiency and maximizing benefit. Previously, various activities such as public relations campaigns on energy and water conservation, as well as activities to raise awareness of the value of resource use in both online and offline formats, as well as changing, improving, and changing again various energy and resource-related devices, such as changing the light fixture to High Bay LED were undertaken, and the factory is also certified as a Green Factory and modernization of machinery, etc..

#### The company has the following environmental goals:

- By 2027, greenhouse gas emissions per unit of production will be 20% lower than in the baseline year (B.E. 2563).
- Increase green area by 20 percent by 2027
- The amount of electricity per ton consumed decreases every year.
- Water usage is less than 80 cubic meters / person / year
- Control the amount of waste (industrial waste) generated to ensure compliance with the requirements of the industrial waste and underutilized materials management by the amount of industrial waste per ton of production per year steadily decreasing every year.

### 3.3.2 Environmental operating results

#### Information on energy management

## Energy management plan

In its current state, the country is confronted with energy issues, which is a significant problem that has a major impact on the country's society and environment. As a result, the Company has implemented an energy management system and valuable resources to be applied within the corporation in order to contribute to sustainable environmental development. The Company recognizes the importance of energy conservation and it is the responsibility of all employees to work together to manage energy in a sustainable manner. As a result, the Company has devised an energy conservation strategy, which is available on the Company's website at [www.pacificpipe.co.th/TH/about.html#policy](http://www.pacificpipe.co.th/TH/about.html#policy) to serve as a guideline for energy operations, promoting energy efficiency and maximizing benefit. Previously, various activities such as public relations campaigns on energy and water conservation, as well as activities to raise awareness of the value of resource use in both online and offline formats, as well as changing, improving, and changing again various energy and resource-related devices, such as changing the light fixture to High Bay LED were undertaken, and the factory is also certified as a Green Factory and modernization of machinery, etc.

The company's energy management plan : Yes

- Evaluate the corporation's current energy usage in order to establish targets for energy reduction and various values.
- Appoint a person to be responsible of planning for energy conservation and reduction, including water and fuel usage.
- Implement the work according to the plan and follow up on it.
- Analyze and amend the action plan by summarizing the performance and comparing it to the objectives.

Reference link for company's energy management plan : <https://www.pacificpipe.co.th/files/policy/%E0%B8%99%E0%B9%82%E0%B8%A2%E0%B8%9A%E0%B8%B2%E0%B8%A2%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%AD%E0%B8%99%E0%B8%B8%E0%B8%A3%E0%B8%B1%E0%B8%81%E0%B8%A9%E0%B9%8C%E0%B8%9E%E0%B8%A5%E0%B8%B1%E0%B8%87%E0%B8%87%E0%B8%B2%E0%B8%99.pdf>

## Setting goals for managing electricity and/or oil and fuel

Does the company set goals for electricity and/or fuel management : Yes

### Details of setting goals for electricity and/or fuel management

Target(s)	Base year(s)	Target year(s)
Reduction of electricity purchased for consumption	2021 : purchased electricity for consumption 20,288,928.00 Kilowatt-hour	2024 : Reduced by 2%

## Performance and outcomes of energy management

Performance and outcomes of energy management : Yes

In 2024, the company was able to reduce electricity consumption by 21.34% compared to the base year (2021) and communication efforts to promote energy and environmental awareness were carried out according to the plan, achieving 100%. The company has also been certified under the Green Industry Program at Level 3. And received the White Flag with a Green Star, reflecting the company's commitment to conducting business in accordance with corporate governance principles. The company adheres to management standards with transparency and accountability towards the environment, elevating industry standards towards sustainability.

## Diagram of Performance and outcomes of energy management



Green Industry Program at Level 3



White Flag with a Green Star



### Energy management: Fuel consumption

	2022	2023	2024
Diesel (Litres)	786,034.51	789,068.04	772,282.00
LPG (Kilograms)	9,845.00	9,510.00	12,114.00

### Energy management: Electricity consumption

	2022	2023	2024
Total electricity consumption within the organization (Kilowatt-Hours)	17,921,540.00	18,238,848.00	16,002,916.00

## Information on water management

### Water management plan

The Company's water management plan : Yes

- Evaluate the corporation's current energy usage in order to establish targets for energy reduction and various values.
- Appoint a person to be responsible of planning for energy conservation and reduction, including water and fuel usage.
- Implement the work according to the plan and follow up on it.
- Analyze and amend the action plan by summarizing the performance and comparing it to the objectives.

### Setting goals for water management

Does the company set goals for water management : Yes

### Details of setting goals for water management

Target(s)	Base year(s)	Target year(s)
Reduction of water withdrawal	2021 : Water withdrawal 60,872.00 Cubic meters	2024 : Reduced by 5%

### Performance and outcomes of water management

Performance and outcomes of water management : Yes

In 2024, water usage can be reduced by 41.16% compared to the base year (2021). And public relations communication campaign to promote energy and environment to be 100% in accordance with the plan

### Water management: Water withdrawal by source

	2022	2023	2024
Total water withdrawal (Cubic meters)	34,207.00	41,668.00	35,914.00
Water withdrawal by third-party water (cubic meters)	34,207.00	41,668.00	35,914.00

#### Water management: Water consumption

	2022	2023	2024
Total water consumption (Cubic meters)	34,207.00	41,668.00	35,914.00

### Information on waste management

#### Waste management plan

The company's waste management plan : Yes

The Company is cognizant of the value of waste and garbage management. As a result, the Company works to enhance waste management, particularly the management of industrial waste and underutilized materials, by establishing operating rules based on the three R's: Reduce, Reuse, and Recycle. Segregation of waste enables it to be managed and disposed of more effectively and efficiently, hence minimizing the environmental impact in accordance with the Company's aims.

#### Setting goals for waste management

Does the company set goals for waste management : Yes

#### Details of setting goals for waste management

Target(s)	Base year(s)	Target year(s)	Waste management methods
Reduction of waste generation Waste type: Non-hazardous waste	2023	2024 : Reduced by 1%	• Other : Manage waste from the manufacturing process to reduce it.

#### Performance and outcomes of waste management

Performance and outcomes of waste management : Yes

- Able to separate waste according to work instructions 100%
- Reduce the amount of sewage or unwanted scrap materials produced by <1% / Tons produced.
- Reduce the amount of all waste by <1% / Tons produced

#### Waste management: Waste Generation

	2022	2023	2024
Total waste generated (Kilograms)	13,167,147.00	14,137,135.00	12,368,978.00
Total non-hazardous waste (kilograms)	11,475,388.00	12,921,630.00	11,385,927.00
Total hazardous waste (kilograms)	1,691,759.00	1,215,505.00	983,051.00

## Waste management: Waste reuse and recycling

	2022	2023	2024
Total reused/recycled waste (Kilograms)	2,748,599.00	2,647,485.00	6,083,801.00
Reused/Recycled non-hazardous waste (Kilograms)	1,056,840.00	1,431,980.00	5,100,750.00
Reused/Recycled hazardous waste (Kilograms)	1,691,759.00	1,215,505.00	983,051.00

## Information on greenhouse gas management

### Greenhouse gas management plan

The company's greenhouse gas management plan : Yes

The Company acknowledges the critical nature of climate change issues. The Company has set rules for greenhouse gas management operations (Carbon Footprint) in a responsible manner in order to contribute to ecosystem protection, mitigate global warming, and repair the natural environment on a continuous basis. Additionally, the Company has encouraged employees to understand the corporation's and products' carbon footprints and to collect data for the purposes of calculating, monitoring, reporting, and verifying greenhouse gas emissions or reabsorption, resulting in a plan for continuously implementing GHG reduction activities in the corporation and products in accordance with international standards. The Company has designed the following procedure for managing greenhouse emissions in accordance with internationally recognized norms and frameworks, which include the United Nations Sustainable Development Goals:

1. The target of greenhouse gas emissions per unit of production is reduced by 20 percent by 2027 compared to the baseline year (B.E. 2563).
2. Measures
3. In terms of carbon footprint preparation and evaluation, the Company calculates the quantity of greenhouse gas emissions from various operations in the form of carbon dioxide equivalent trees, taking into account the three major components:
  - Part 1 Calculation of carbon footprint (direct emissions) from organizational activities, such as the combustion of corporate machines, car use (owned by the Company), the use of chemicals in wastewater treatment and leaks from processes or activities, etc.
  - Part 2 Calculation of carbon footprint from energy indirect emissions, which is the acquisition of energy for usage in the corporation, such as electric power, thermal power, and steam power, etc.
  - Part 3 Other indirect carbon footprint calculations, employee travel in non-corporate vehicles, trips to on-site seminars, the use of materials, equipment, etc.
4. Enhancements to resource efficiency

### Compliance with principles and standards for greenhouse gas or climate change management

Principles and standards for greenhouse gas or climate change : Thailand Greenhouse Gas Management Organization (TGO) management

### Setting greenhouse gas emission goals

Does the company set greenhouse gas management goals : Yes

Company's existing targets : Setting other greenhouse gas reduction targets

### Setting other greenhouse gas reduction targets

#### Details of setting other greenhouse gas reduction targets

Greenhouse gas emission scope	Base year(s)	Short-term target year	Long-term target year
Scope 1-3	2020 : Greenhouse gas emissions 12,982.92 tCO <sub>2</sub> e	2024 : Reduced by 3% in comparison to the base year	2027 : Reduced by 20% in comparison to the base year

## Performance and outcomes of greenhouse gas management

Performance and outcomes of greenhouse gas management : Yes

As a result of the Company's attention on greenhouse gas reduction, the total corporate greenhouse gas emissions (CFO) in 2024 were 11,797.01 tons of CO<sub>2</sub>eq, a 9.13% increase over the 2020 base year (12,982.92 ton of CO<sub>2</sub>eq), and the indicators of greenhouse gas emissions from the Company's operations were carbon intensity, expressed as a percentage of greenhouse gas emissions per unit of product generated (kgCO<sub>2</sub>eq/EQ), is used as a proxy for corporate performance in lowering greenhouse gas emissions.

The company has been certified by the Greenhouse Gas Management Organization under the Carbon Footprint for Organization (CFO) project.

## Diagram of Performance and outcomes of greenhouse gas management



### Greenhouse gas management : Corporate greenhouse gas emission

	2022	2023	2024
Total greenhouse gas emissions (Metric tonnes of carbon dioxide equivalent)	12,619.23	13,098.00	11,797.01
Total greenhouse gas emissions - Scope 1 (Metric tonnes of carbon dioxide equivalent)	1,892.58	2,102.00	2,109.35
Total greenhouse gas emissions - Scope 2 (Metric tonnes of carbon dioxide equivalent)	8,784.72	8,990.00	7,895.43
Total greenhouse gas emissions - Scope 3 (Metric tonnes of carbon dioxide equivalent)	1,941.93	2,006.00	1,792.23

## Greenhouse gas management: Verification of the company's greenhouse gas emissions over the past year

Verification of the company's greenhouse gas emissions : Yes

List of greenhouse gas verifier entity : ECEE Company Limited

## Information on other environmental management

### Plans, performance, and outcomes related to other environmental management

Control the environment (noise, PM10) in accordance with applicable laws. For more details on other environmental audit results, please see the full Sustainability Business Report at <https://www.pacificpipe.co.th/TH/TH/investor.html#publications> (Topic Investor Relations > Corporate Governance > Other Important Information).

## Information on incidents related to legal violations or negative environmental impacts

### Number of cases and incidents of legal violations or negative environmental impacts

	2022	2023	2024
Number of cases or incidents of legal violations or negative environmental impact (cases)	0	0	0

## 3.4 Social sustainability management

### 3.4.1 Social policy and guidelines

Social and human rights policy and guidelines	:	Yes
Social and human rights guidelines	:	Employee rights, Migrant/foreign labor, Child labor, Consumer/customer rights, Community and environmental rights, Safety and occupational health at work, Non-discrimination, Supplier rights

The Company places a high value on human resource development since it recognizes that the corporation can grow based on the potential and abilities of its employees. As a result, the Company is committed to continuously developing human resources through various processes and strictly adhering to the principles of human rights in accordance with Thai labor standards set by the Ministry of Labor, including emphasizing fair labor practices without discrimination in terms of employment, compensation, promotion, and development. There is no discrimination based on gender, age, educational institution, religion, ethnicity, color, or physical impairment or disadvantage, and, most significantly, the Company attempts to prevent sexual violations or harassment, as well as infringement of copyright or intellectual property rights. The Company's human rights and employment policies are available on the Company's website at <https://www.pacificpipe.co.th/TH/about.html#policy>

In addition, the Company places great importance on care management of occupational safety, health, and working environment to ensure that the Company is providing services and carrying out various activities in order to raise the Company's labor standards. This includes the employees' quality of life, better and safer working environment that is not harmful to health both physically and mentally, fair treatment that is in accordance with related laws and regulations. This is a way for the Company to show commitment and comply with the aforementioned objectives continuously. Moreover, the Company is determined to be

a manufacturer of quality, safe, and environmentally friendly steel pipes. The details of the safety, health, and environment policy are displayed on the [website https://www.pacificpipe.co.th/files/Safety,OccupationalHealthandEnvironmentPolicy.pdf](https://www.pacificpipe.co.th/files/Safety,OccupationalHealthandEnvironmentPolicy.pdf)

Reference link for social and human rights policy and guidelines	:	<a href="https://www.pacificpipe.co.th/files/policy/%E0%B8%99%E0%B9%82%E0%B8%A2%E0%B8%9A%E0%B8%B2%E0%B8%A2%E0%B8%94%E0%B9%89%E0%B8%B2%E0%B8%99%E0%B8%AA%E0%B8%B4%E0%B8%97%E0%B8%98%E0%B8%B4%E0%B8%A1%E0%B8%99%E0%B8%B8%E0%B8%A9%E0%B8%A2%E0%B8%8A%E0%B8%99%20%E0%B9%81%E0%B8%A5%E0%B8%B0%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%9B%E0%B8%8F%E0%B8%B4%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%B8%B4%E0%B8%95%E0%B9%88%E0%B8%AD%E0%B9%81%E0%B8%A3%E0%B8%87%E0%B8%87%E0%B8%B2%E0%B8%99.pdf">https://www.pacificpipe.co.th/files/policy/%E0%B8%99%E0%B9%82%E0%B8%A2%E0%B8%9A%E0%B8%B2%E0%B8%A2%E0%B8%94%E0%B9%89%E0%B8%B2%E0%B8%99%E0%B8%AA%E0%B8%B4%E0%B8%97%E0%B8%98%E0%B8%B4%E0%B8%A1%E0%B8%99%E0%B8%B8%E0%B8%A9%E0%B8%A2%E0%B8%8A%E0%B8%99%20%E0%B9%81%E0%B8%A5%E0%B8%B0%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%9B%E0%B8%8F%E0%B8%B4%E0%B8%9A%E0%B8%B1%E0%B8%95%E0%B8%B4%E0%B8%95%E0%B9%88%E0%B8%AD%E0%B9%81%E0%B8%A3%E0%B8%87%E0%B8%87%E0%B8%B2%E0%B8%99.pdf</a>
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### Compliance with human rights principles and standards

Human rights management principles and standards	:	Thai Labour Standard: Corporate Social Responsibility of Thai Businesses (TLS 8001-2010) by the Ministry of Labour
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### Review of social and human rights policies, guidelines, and/or goals over the past year

Review of social and human rights policies, guidelines, and/or goals over the past year	:	Yes
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The Company has prioritized the responsibilities to communities and society on a continuous basis, particularly in regard to living together with the communities and society through good communication and participation in activities, with the goal of fostering a positive relationship and understanding between the Company and the communities in order to ensure that the Company's business operations will have no negative consequences, but instead support the communities and society to grow sustainably in accordance. Including care management of occupational safety, health, and working environment to ensure that the Company is providing services and carrying out various activities in order to raise the Company's labor standards. This includes the

employees' quality of life, better and safer working environment that is not harmful to health both physically and mentally. The operations are as follows.

1. Appoint a community relations committee to define duties and guidelines for effective operations.
2. Create participation between the company, community, and society by using the company's resources, knowledge, and expertise to create maximum value. Through various projects such as "PAP: Providing Knowledge to Society" Project and "PAP Providing Happiness to Sustainable Society" Project on a continuous basis every year.
3. Compliance with the relevant laws, regulations, requirements, and rules of safety and environmental management.
4. Prevent and reduce the risk of workplace hazard by establishing a safety, occupational health, and working environment committee to increase lighting, improve landscaping, and reduce blind corners in the production area.
5. Create and promote employees to be conscious of workplace safety for employees. The company has organized training to educate employees in Awareness, Risk Assessment, and the methods of assessing the management system in terms of occupational health and safety (Internal Audit Training). Employees who have passed these trainings will be able to work appropriately and will receive a certificate for a trainee in various courses.

The company has the following social objectives:

- Assessment of employee engagement with the corporation and employee satisfaction have results of more than 80%
- The turnover rate is less than 10%.
- Employees received development constantly with an average of 25 hours of training per employee in each year.
- There is no labor conflict or human rights abuse
- Conduct business operations in accordance with related laws and regulations
- Injury Frequency Rates (IFR: ) has been declining every year.
- Safety awareness is continuously promoted every year.

### Human Rights Due Diligence : HRDD

Does the company have an HRDD process : No

### 3.4.2 Social operating results

#### Information on employees and labor

#### Employees and labor management plan

The Company has created implementation guidelines of human resource management operations to set as a standard for all departments to follow and to drive effective personnel management as follows:

- Structural design based on the appropriateness of administration in relation to the Company's goals and business strategy
- Fair and effective recruitment and selection of personnel. The process was designed and the method was selected in order to hire employees who has the qualifications and attitudes as the corporation set
- Organize personnel promotion and development by setting plans for human resource development from the executive level up to the operational level. This is in order to enable progress and promote ethical employees in relation to the goals of the corporation.
- Fair compensation management with a clear salary structure and in line with the labor market. There are both monetary and non-monetary forms of return. This is achieved by using a fair and transparent performance appraisal system.
- Encourage employee interaction activities by creating a balance between work and good relationships between the corporation, colleagues, and executives

The company's employee and labor management plan : Yes

Employee and labor management plan implemented by the Company in the past year : Fair employee compensation, Employee training and development, Promoting employee relations and participation, Migrant/foreign labor, Child labor, Safety and occupational health at work

- Work under the human rights principles following to Thai labor standards and social responsibility of Thai businesses (UTCC. 8001-2553) of the Ministry of Labor strictly.
- Implement human rights and labor policy to be a guideline in the corporation.
- Provide knowledge and understanding of human rights and human resource development at the executive level.

- Create and promote a good working environment.
- Promote employee potential and skill development for career advancement.
- Create a conscious culture among employees through shared value corporation continuously.

## Setting employee and labor management goals

Does the company set employee and labor management : Yes  
goals

### Details of setting goals for employee and labor management

Target(s)	Indicator(s)	Base year(s)	Target year(s)
• Promoting employee relations and participation	employee satisfaction	-	2024: employee satisfaction have results of more than 80%
• Employee training and development	Employee training hours	-	2024: 25 hours/person/year
• Others : The turnover	The turnover rate	-	2024: The turnover rate is less than 10%.
• Migrant/foreign labor • Non-discrimination	Complaint	-	2024: There is no labor conflict or human rights abuse

## Performance and outcomes for employee and labor management

Performance and outcomes for employee and labor : Yes  
management

1. The company conducts a relationship survey and assesses employee satisfaction with the corporation. The survey's findings are as follows:

- Employee's relationship with the corporation are 78.36%
- Employee's satisfaction with the corporation are 75.78%

The Company will examine the survey data to identify areas for improvement across multiple dimensions as indicated by the survey findings to raise employee engagement and satisfaction and exceed the target by more than 80%.

2. Employee turnover rate are 14.82%. Although the current employee turnover rate has decreased compared to the previous year, it still exceeds the company's target of less than 10%. Therefore, the company needs to implement additional action plans in 2025 to ensure that the employee turnover rate aligns with the company's set target.

3. Employees receive ongoing training to maximize their potential and knowledge, with training hours of 25.38 hours/person/year. This is in line with the target of average employee training hours of 25 hours/person/year. In 2024, the Company has trained employees in categories as follows:

1. Development in human resource management training: 17 courses. A total number of 302 people has attended and passed the training courses such as basic employee courses that consist of Corporate Governance, Product Knowledge, Safety, ISO 9001:2015, Corporate Information, PDPA, etc.
2. Developing specific skills, competencies training: 84 courses. A total number of 708 people has attended and passed the training courses such as accounting course, technology course, Management course, products and services course etc.
3. Safety training: 42 courses. A total number of 467 people has attended and passed the training courses such as Primary firefighting and fire evacuation, Building Safety Awareness with KYT, Foreseeable danger, OSH&E Committee program etc.

4. Employees who are promoted are 2 persons or 2.76% of the total number of employees, divided by position as follows:

- Management level are 2 persons

- Employee level are 8 persons
- Operation level are 12 persons

5. Throughout 2024, the Company has no labor conflict or human rights abuse.

## Employee and labor management: Employment

Under the principle of human rights, the Company has a method for recruiting, selecting, and treating employees equitably. The Company has recruited and carefully considered employees in accordance with the corporation's employment policy. The recruitment process is based on qualifications, skills, knowledge, abilities, and a good attitude that is appropriate to the position and shared values of the corporation, as demonstrated by the administration of three types of tests, namely general knowledge, knowledge related to that job function, personality and attitude, and finally an interview by the position's department in collaboration with human resources officers. During the past year, the Company has recruited and considered employing people in accordance with the Company's growth objectives.

The Company had 796 employees as of 31 December 2024, with an average age of 37 years and 7 years of employment

### Hiring employees

	2022	2023	2024
Total employees (persons)	876	855	796
Male employees (persons)	697	679	617
Female employees (persons)	179	176	179

### Employment of workers with disabilities

	2022	2023	2024
Total employment of workers with disabilities (persons)	0	0	1
Total number of employees with disabilities (persons)	0	0	1
Total male employees with disabilities (persons)	0	0	1
Total female employees with disabilities (persons)	0	0	0
Total number of workers who are not employees with disabilities (persons)	0	0	0
Contributions to empowerment for persons with disabilities fund <sup>(2)</sup>	No	No	No

Remark : <sup>(2)</sup> The Company has provided concessions for disabled persons in accordance with the Act on Promotion and Development of the Quality of Life of Disabled Persons B.E. 2550, Section 35, every year.

## Employee and labor management: Remuneration

The Company has a reward management program that utilizes the remuneration management policy as the primary tool for recruiting and retaining personnel, both in monetary terms and through a variety of non-monetary activities. The monetary remuneration is determined by the employee's well-being as income increases through performance reviews that include key performance indicators (KPIs), and there is a proposal for employees to partake in exams for promotions. For non-monetary remuneration, there will be a component that motivates employees to grow their careers, gain knowledge, and develop skills in responsible work through training activities, both internal and external. There is a suitable atmosphere and basic utilities required for operation, as well as the coordination of employee relations activities to foster a relationship between employees and the Company. Additionally, the Company will assist employees in

relieving stress associated with their job responsibilities.

### Employee remuneration

	2022	2023	2024
Total employee remuneration (baht)	40,090,469.24	27,509,629.04	24,316,975.52
Total male employee remuneration (Baht)	31,944,085.89	21,848,147.38	17,186,230.93
Total female employee remuneration (Baht)	8,146,383.35	5,661,481.66	7,130,744.59

### Employee and labor management: Employee training and development

#### Training

The Company maintains a continuous training program for employees through joint training planning sessions with internal agencies to develop internal training courses and the provision of training courses from external corporations. Additionally, the human resources department has established a framework for consideration and an individual development plan for the highest supervisor of each unit, using the results of the analysis (gap analysis) as data for personnel development through a variety of tools, including training, coaching, on-the-job training, mentors, media training, and activities to close gaps (close gap competency). In 2024, the Company has planned training courses and dispatched employees to participate, totaling an average of 25.38 hours of training per employee per year.

#### Employee Development

The Company has planned a framework and rules to ensure that the potential is utilized effectively to support main operational performance and career progression.

- **Provide comprehensive and equitable career path** plans for employees based on their positions and the difficulty of the jobs. This process entails identifying skill levels for each job category and utilizing them to develop a compensation structure.

- **In terms of promotion system**, after employees have completed the knowledge, skill, and competence development system suited to their positions, the Company will allow employees to apply for promotion tests to ensure employees at all level could be promoted based on the Company's requirements.

- **Recruitment and succession plans of top executives:** Prior to considering outsiders for the Company's executive positions, internal employees will be considered first, as the Company believes that being an executive requires knowledge, abilities, experience, and a true understanding of the Company's business. They also shall be honest people with excellent ethics. The Company will assign challenging assignments and conduct performance reviews during the recruiting process, as well as compel them to study and complete various duties within the corporation in order to improve leadership abilities and expertise in all areas.

#### Employee training and development

	2022	2023	2024
Average employee training hours (hours / person / year)	11.00	18.94	25.38
Training and development expenses for employees (baht)	2,960,267.28	3,744,059.60	1,976,888.60

### Employee and labor management: Safety, occupational health, and environment at work

The company operates as follows:

1. Compliance with the relevant laws, regulations, requirements, and rules of safety and environmental management.
  - Assess occupational health and environmental management system to follow all applicable safety and environmental laws, regulations, requirements, and regulations annually, or when current or new regulations are implemented.
  - Improve and correct the Company's policies, requirements, regulations, or guidelines in accordance with the above assessment.
2. Prevent and reduce the risk of workplace hazards.

- Formulate a safety, occupational hygiene, and work environment committee to have a responsibility to develop plans and methods to reduce hazards and occupational health and work environment risks, as well as to control, prevent, and assess risks in accordance with applicable laws, regulations, and requirements.
- Add lightning and reduce blind corners around the production area and warehouse in order to reduce the risk of hazards caused by insufficient lightning.
- Adjust traffic landscape, routes, and symbols within the factory area and warehouse according to international standards. This includes painting the traffic line, designing parking area, and installing traffic signs in order to prevent and control the dangers of traffic in the Company's area.
- Measure work environment. Employ a certified external agency to measure the work environment (light, noise, heat, chemicals) to ensure that the Company's work environment is appropriate according to the law and safe for employees within the corporation.
- Review and rehearse emergency prevention and suppression plans at least 1 time a year.

### 3. Create and promote employees to be conscious of workplace safety.

The Company has implemented effective occupational health and safety policy by educating employees in the methods of management system requirements (Awareness Training), the methods of risk assessment (Risk Assessment Training) and the methods of assessing the management system in terms of occupational health and safety (Internal Audit Training). Employees who have passed these trainings will be able to work appropriately and will receive a certificate of a trainee in various courses. The Company also has a process for the occupational hygiene and safety management assessment in order to review and improve continuously.

The Company has been certified by ISO 45001:2018 (Occupational health and safety management systems) from TUV NORD (Thailand) Ltd., which is an occupational health and safety management system standard. The goal is to reduce and control the hazards of employees, including increasing the efficiency of business operations for safety and promoting corporate image of responsibility towards employees and society. In the past year of 2024, the Company has organized various activities in order to create and promote safety awareness as follows:

- Provide training courses on safety, occupational health, and work environment, with a total of 42 courses, with 467 employees attending and passing the training.
- Organize the Zero Accident Reduction Campaign "PAP Safety Campaign" continuously for the 4th year, which is a public relations activity in various forms to get employees involved, creating awareness of the causes of accidents and ways to prevent dangers from an accident.
- Returning home safely and far from danger" project, which is an activity that the Company has continued to cooperate with Thai Health Promotion Foundation. Organize activities before the long holiday such as Songkran Festival and New Year Festival to send employees home safely from travel hazards and intoxication from alcohol and drugs.
- The quality of lighting and noise hazards in every factory are inspected and improved as required by law, and the health of employees in general diseases, vision quality and hearing are continuously checked every year.
- Organize 5S activities to improve working conditions to be orderly, promote safety, increase work efficiency, reduce the risk of accidents that may occur, as well as promote cooperation among employees and instill systematic work discipline.

## Safety, occupational health, and environment at work

	2022	2023	2024
Total number of lost time injury incidents by employees (cases) <sup>(3)</sup>	24	40	24

Remark : <sup>(3)</sup> The Company has set a target for the Incident Frequency Rate (IFR) to continuously decrease every year, by setting a target of at least 20% reduction compared to the previous year. For 2024, the Company has an IFR rate of 40.54, which is a decrease of 0.66% from 2023. The Company has set a clear and tangible action plan to reduce accidents.

## Employee and labor management: Employee engagement and internal employee groups

The purpose of the employee engagement survey and employee satisfaction with the corporation is to research and analyze the data to develop and enhance people management activities. The Company has conducted a survey on the topic by using a questionnaire for all Company employees without collecting personal information in order to obtain the most genuine opinions and suggestions. The HR department will collect and evaluate data in order to provide the executives with a development strategy to improve human resource operations. They have presented the survey results to the Company's personnel in order to demonstrate the Company's sincerity and good intentions.

The organization has implemented measures to reinforce its shared values and foster a cohesive organizational culture. Specifically, the company has identified six core values and communicated them to employees through the CHANGE initiative, which employs various multimedia formats such as videos, posters, and computer displays. This effort has aimed to increase employee awareness and understanding of the company's values, as well as to demonstrate the alignment between these values and the company's culture. Furthermore, the company has launched an internal online campaign to encourage employees to share their personal experiences and demonstrate how they have applied the company's values in their everyday lives. This campaign has sought to promote consistent behavior and foster a shared sense of purpose across the organization.

### Employee engagement

	2022	2023	2024
Total number of employee turnover leaving the company voluntarily (persons)	146	129	118
Total number of male employee turnover leaving the company voluntarily (persons)	105	91	87
Total number of female employee turnover leaving the company voluntarily (persons)	41	38	31
Proportion of voluntary resignations (%)	16.67	15.09	14.82
	2022	2023	2024
Evaluation result of employee engagement	Yes	Yes	Yes

### Employee internal groups

Employee internal groups : Yes  
Types of employee internal groups : Welfare committee

## Information about customers

### Customer management plan

Company's customer management plan : Yes  
Customer management plan implemented by the company over the past year : Responsible production and services for customers, Communication of product and service impacts to customers/consumers, Development of customer satisfaction and customer relationship, Consumer data privacy and protection

The Company places importance on and is committed to continually developing products and services to meet the needs of all groups. This can be achieved by leveraging technology and modern innovations to design production and business processes that enhance efficiency, increase productivity, reduce waste, save time and costs, improve safety, and minimize environmental impact, as follows.

1. Study and understand the needs of each group of customers.
2. Explore the processes in the corporation's value chain to identify gaps in efficiency improvements.
3. Assign responsible persons for each department to assess risks and opportunities. in both business dimensions and operation
4. Employ technology and innovation to enhance efficiency in the value chain processes.

### Setting customer management goals

Does the company set customer management goals : Yes

### Details of setting customer management goals

Target(s)	Indicator(s)	Base year(s)	Target year(s)
<ul style="list-style-type: none"> <li>Responsible production and services for customers</li> <li>Communication of product and service impacts to customers/consumers</li> <li>Development of customer satisfaction and customer relationship</li> <li>Consumer data privacy and protection</li> <li>Other : Continuously employ technology to increase efficiency in production processes and services every y</li> </ul>	Satisfaction	-	2024: The overall customer satisfaction rating is more than 80%.

### Performance and outcomes of customer management

Performance and outcomes of customer management : Yes

The Company has introduced technology to be employed in the production and work processes to increase efficiency and safety and reduce costs in terms of time and expenses. Additionally, technology can help reduce waste that may affect the environment. The Company has taken the following actions:

- Developing a reporting and business analysis system using Business Intelligence or Power BI to transform routine operational data into actionable insights for decision-making, performance analysis, and monitoring. This enables faster, more accurate, and highly efficient management decisions. In 2024, the CEO Scorecard Dashboard Financial system was developed to allow executives to efficiently monitor financial performance and sales results. This system supports strategic decision-making and precise business planning.
- Developing an online billing system to enhance invoice management efficiency, reduce errors from manual paperwork, and minimize processing time and operational costs. The system is seamlessly integrated with relevant platforms, enabling the organization to manage cash flow effectively and elevate business standards in the digital era.
- The e-Document system and online approval process have been implemented across various document workflows, expanding the scope from 2021 to cover all activities. This enhances operational efficiency by streamlining processes, reducing time consumption, minimizing document loss errors, and decreasing paper usage. From 2021 to 2024, a total of 95 online forms have been developed, resulting in a reduction of 149 reams of paper, equivalent to saving six trees and offsetting 346,329.60 kgCO<sub>2</sub>eq in carbon footprint.

Additionally, the company received an award at the ASA Platform Selected Materials 2024 in the Raw Materials category for its PAP+ steel pipes and also played a key role in providing a strong structural foundation for the Aluminum Grotto, the winner of the Thematic Pavilion of the Year 2024 at Architect '2024."

### Customer management: Customer satisfaction

#### Customer satisfaction

	2022	2023	2024
Evaluation results of customer satisfaction <sup>(4)</sup>	Yes	Yes	Yes

Remark : <sup>(4)</sup> The average total customer satisfaction is 88.8%.

## Information on community and society

### Community and social management plan

Company's community and social management plan : Yes

Community and social management plan implemented by the company over the past year : Education, Sports and recreation, Occupational health, safety, health, and quality of life, Disadvantaged and vulnerable groups

The Company has prioritized the responsibilities to communities and society on a continuous basis, particularly in regard to living together with the communities and society through good communication and participation in activities, with the goal of fostering a positive relationship and understanding between the Company and the communities in order to ensure that the Company's business operations will have no negative consequences, but instead support the communities and society to grow sustainably in accordance. The operations are as follows.

1. Appoint a community relations committee to define duties and guidelines for effective operations.
2. Create participation between the company, community, and society by using the company's resources, knowledge, and expertise to create maximum value. Through various projects such as "PAP: Providing Knowledge to Society" Project and "PAP Providing Happiness to Sustainable Society" Project on a continuous basis every year.

### Setting community and social management goals

Does the company set community and social management goals : Yes

#### Details of setting community and social management goals

Target(s)	Indicator(s)	Base year(s)	Target year(s)
• Others : Zero complaints	0	-	2024: 0
• Others : Carry out projects that improve cooperation between the Company, communities, and society continuo	Continuously every year	-	2024: Continuously every year

### Performance and outcomes of community and social management

Performance and outcomes of community and social management : Yes

1. Appoint a community relations committee to define duties and guidelines for effective operations in compliance with the code of business ethics as follows:
  - Review sustainable development policy and guidelines for effective community relations by focusing on community development in order to have a better quality life in 3 dimensions: economy, society, and environment.
  - Appoint a working group responsible for community relations in each area to represent the Company in discussing and listening to problems and complaints, collecting data, and analyzing problems systematically in order to achieve effective access to the communities and build relations with relevant stakeholders, which contributes to a quick and effective way to support

communities and surrounding society.

- Arrange a board meeting to consider plans, budgets, as well as related important issues, then present a summary of operating results to the executives quarterly.

2. Promote participation in communities and social development by considering surrounding communities which are close to the Company and can be potentially affected directly by the Company's operations. These include Kobe Community (Suksawat 80), Tha Sai Community (Samut Sakhon), and Samut Sakhon Industrial Estate. Furthermore, the Company prioritizes on supporting and developing a high quality life in Thailand's society without discrimination. The Company also supports as much as it could to help bring communities and society towards sustainable growth. Throughout 2024, the Company has completed the following projects and activities:

**2.1. "PAP: Providing Knowledge to Society" Project**

- Volunteer Coach Project, which is part of the "SET Social Impact Gym" project for the five years in a row. The project is organized by the Stock Exchange of Thailand with aims to improve social entrepreneurship potential (Social Enterprise: SE). The project also helps promote the growth of social entrepreneurs by providing knowledge, experience, specialization in corporate management, and suggestions by experts to develop business potential of social enterprises. The Company has allocated 1 executive to be coaches for the SET Social Impact Gym 2024 project. The executives have participated throughout the course of the project's 9 weeks period, with a total of 55 hours for Association for Parents of Person with Intelligences Disability of Thailand (APID).
- Shared knowledge through special lectures on construction business management with a special "Business Modeling" topic for the 5th under the FIET Family-Visit Alumni 2024 project, consecutive year to assist students in understanding the perspective of business ownership and knowledge of construction business before entering the labor market. Participating students are from the Department of Industrial Education, Civil Engineering, King Mongkut's University of Technology Thonburi.
- Provide knowledge about steel production, processing, and standards related to both structural steel pipes and steel pipes system to engineers, architects, contractors, as well as construction building designers. This is organized jointly with trading partners, the Engineering Institute of Thailand, Society of Structural Engineers of Thailand, and Siamese Architects. Throughout the year 2024, the Company has held 21 seminars online and offline, with a total of 3,125 participants.

**2.2 PAP Project: Providing Happiness to Sustainable Society**

- The company, in collaboration with the Central Vocational Education Institute 5, led the Samut Sakhon Technical College team in a social initiative to create stretching areas in public parks. This involved installing exercise equipment for muscle stretching, including a single pull-up bar, a double pull-up bar, a push-up bar, and a muscle stretching bar, across 13 public parks in Bangkok. These parks include Chatuchak Park, Benjakitti Park, Santiphap Park, Saranrom Park, Thung Si Kan Romanee Park, a public park at the Phran Nok-Phutthamonthon Sai 4 overpass intersection with Phutthamonthon Sai 2 Road, Seri Thai Park, Nawamin Phirom Park, Chaloem Phrakiat 7th Cycle Public Park (Bang Bon), Wana Tham Park, Chaloem Phrakiat 80th Anniversary Public Park (Bang Khun Non), Thawee Wanaram Park, and Thawee Kanchanaphisek Park. The project, valued at over 800,000 baht, was successfully completed and officially handed over to the Bangkok Metropolitan Administration.
- Donating unused IT equipment and tools to Samut Prakan Technical College for the third year in a row to benefit education and reduce electronic waste, which is part of developing knowledge and skills and reducing electronic waste at the same time.
- Collaborating with business partners to support the budget for organizing the "Iron Man Mini Marathon" charity event to promote awareness of the benefits of exercise for strong physical and mental health, as well as a good relationship between the company and its partners.

**Information on incidents related to legal or social and human rights violations**

**Number of cases and incidents of significant legal or social and human rights violations**

	2022	2023	2024
Total number of cases or incidents of significant legal or social and human rights violations (cases)	0	0	0
Total number of cases or incidents leading to significant labor disputes (cases)	0	0	0



## 4. Management Discussion and Analysis (MD&A)

### 4.1 Operation, financial condition and material changes

#### Operational overview

In 2024, Thailand's economy grew by 2.5% due to strong domestic private sector demand, a recovering tourism industry, and increased government budget disbursements. However, the Thai steel industry faced challenges, particularly competition from imported steel from China, which captured market share and pressured steel prices downward. Additionally, declining steel demand in the construction and automotive sectors contributed to a contraction in domestic steel production.

In 2024, the company generated operating revenue of 7,405.09 million baht, a decrease of 14.32% from 2023 due to a 7.51% decline in sales volume and lower average annual steel market prices compared to 2023. As a result, the company reported a net loss of 203.77 million baht in 2024, a significant increase from the net loss of 56.15 million baht in the previous year, representing a 262.89% rise.

#### Analysis on the operation and financial condition

##### Operating results and profitability

In 2024, the company reported net sales and service revenue of 7,405.09 million baht, a decrease of 1,237.93 million baht or 14.32% from 2023. However, the company recorded a net loss of 203.77 million baht, representing 1.99% of sales and service revenue, or a net loss per share of 0.31 baht. The net profit margin stood at -2.75% due to a decline in steel market prices, impacted by the global economic slowdown. Sales volume decreased in line with Thailand's economic conditions, with domestic steel demand contracting. Additionally, the company was affected by the global oversupply of steel from China, which also impacted Thailand.

##### Revenue

For the year ended December 31, 2024, the company recorded sales and service revenue of 7,405.09 million baht, accounting for approximately 98.86% of total revenue, representing a 14.32% decline from 2023. Total revenue decreased from 8,748.76 million baht in 2023 to 7,490.64 million baht in 2024, a reduction of 14.38%.

Revenue distribution by customer segment showed that distributors accounted for the largest portion, making up 77.95% of sales and service revenue.

##### Gross Profit Margin

The gross profit margin was 1.99% of sales and service revenue, down from 3.32% in the previous year. The decline was primarily due to a sharp drop in steel prices, leading to market prices falling below the company's inventory costs. Additionally, the company recorded an inventory valuation adjustment of approximately 10 million baht under net realizable value (NRV), which was reflected in the cost of sales.

##### Sales and Administrative Expenses

The selling expenses amounted to 132.65 million baht, a decrease of 7.29 million baht or 5.21% compared to the same period last year. This decline was due to reduced marketing and sales promotion expenses, as well as lower transportation costs. Administrative expenses totaled 248.90 million baht, decreasing by 4.87 million baht or 1.92% compared to the same period last year, resulting from effective cost control measures.

##### Return on Equity (ROE)

In 2024, the company recorded a net loss of 203.77 million baht, resulting in a negative ROE of 10.67%, compared to a negative ROE of 2.77% in 2023. This increase in negative ROE was directly linked to the company's net loss, as detailed in the operating performance section.

#### Asset management capability

##### Assets

##### Total assets

At the end of 2024, the company had total assets of 3,931.80 million baht, an increase of 13.62 million baht or 0.35%

compared to 2023. This increase was mainly due to the rise in advance payments for raw materials and an increase in cash.

#### Account receivable

In 2024, trade receivables amounted to 800.92 million baht, an increase of 37.01 million baht or 4.84% compared to 2023. The company's average collection period in 2024 and 2023 was 39 days and 35 days, respectively, aligning with the company's credit policy of 30 to 90 days, which varies by customer industry.

In 2024, trade receivables amounted to 800.92 million baht, comprising:

- Receivables not yet due: 570.53 million baht
- Overdue receivables: 833.46 million baht
- Allowance for expected credit losses: (33.20) million baht
- Other receivables (unrelated parties): 0.67 million baht

The details are as shown in the image.

#### Inventory

At the end of 2024, inventory was valued at 1,239.92 million baht, a decrease of 52.26 million baht or 4.04% from 2023. While the volume of inventory increased, lower inventory costs resulted in a reduced total inventory value. The inventory turnover period in 2024 was 64 days, which was about 9 days longer than the previous year due to increased year-end stockpiling to support future sales.

#### Property, plant and equipment

Property, plant and equipment were valued at 1,454.09 million baht, a decrease of 79.57 million baht or 5.19% from 2023. This was due to the absence of significant investments during the year. After accounting for increased accumulated depreciation, the value of land, buildings, and equipment declined compared to the previous year.

#### Liquidity

The company's liquidity ratio in 2024 and 2023 was 1.25 and 1.34 times, respectively. The company's overall cash cycle was 11 days in 2024, compared to 9 days in 2023. Regarding debt repayment capability, at the end of 2024, the company's interest coverage ratio was negative 2.25 times due to operating losses before interest and tax.

In 2024, net cash used in operating activities was negative 36.15 million baht, a decline from 2023, where net cash from operating activities was positive 299.15 million baht. This decline was primarily due to an increase in trade receivables and advance payments for raw materials compared to the previous year. The breakdown of cash flow by activity is presented in the financial statements.

### Diagram of asset management capability

	(Unit : Million Baht)		
The outstanding amount on the basis of the due dates	2022	2023	2024
Not yet due	626.42	558.49	570.53
Past due			
Up to 3 months	249.07	192.20	221.45
3 - 6 months	2.85	7.59	12.01
6 - 12 months	2.74	13.18	3.66
Over 12 months	41.68	29.04	25.81
<b>Total</b>	<b>922.76</b>	<b>880.50</b>	<b>833.46</b>
Less: Expected Credit Loss	(52.97)	(37.27)	(33.20)
<b>Total trade receivables - net</b>	<b>869.79</b>	<b>763.23</b>	<b>800.25</b>
Other receivables - unrelated parties	0.94	0.68	0.67
<b>Total trade and other receivables - net</b>	<b>870.73</b>	<b>763.91</b>	<b>800.92</b>

	(Unit : Million Baht)		
Cash Flow	2022	2023	2024
From operations - acquired (used)	720.17	299.15	(36.15)
From investment - acquired (used)	(8.27)	(40.83)	(17.05)
From procurement - acquired (used)	(860.11)	(243.13)	87.79
<b>Net increase in cash (decrease)</b>	<b>(148.21)</b>	<b>15.19</b>	<b>34.59</b>

### Liquidity and capital adequacy

#### Liabilities

Total liabilities in 2024 amounted to 2,125.71 million baht, an increase of 219.17 million baht from the previous year. This increase was due to the company having short-term loans from financial institutions amounting to 1,727.82 million baht and trade payables of 222.11 million baht. These amounts rose by 100.81 million baht and 125.28 million baht, respectively, compared to 2023, reflecting the higher working capital usage.

### Shareholders' Equity

In 2024, the company's shareholders' equity was 1,806.10 million baht, a decrease of 205.55 million baht or 10.22% compared to 2023, mainly due to a net loss of 203.77 million baht.

### Capital Structure

The company's debt-to-equity ratio as of December 31, 2024, and 2023 was 1.18 times and 0.95 times, respectively.

## **Environmental, Social, and Corporate Governance**

From the current situation that has challenges economically, socially and environmentally continuously by creating new risks that affect the continuous operation of the business, the Company is aware of the importance of good corporate governance by adhering to supervision measures to create sustainable value for the business which also includes the management system to control the internal operations of the Company for the Company to achieve the set goals for the highest benefit of shareholders in the long run. The important results of operations can be summarized as follows:

### Business risk management

The company supports and promotes the establishment of an internal risk management system, which is one of the key mechanisms for achieving objectives and adding value to stakeholders. The board has assigned executives and employees in various departments to be risk owners, who have roles, duties, and responsibilities to assess and manage risks responsible to be at acceptable levels by the Company. The operations are as follows.

1. The Company assesses the risk factors that may occur and has an effect on business operations in various dimensions. The details are summarized in the "Risk Factors in the Company's Business" section.
2. The Company operates the risk management process and has summarized the details in the Risk Management topic, which has been approved by the exclusive risk management and sustainability committee. This is to provide a guideline for each department to determine their respective risk management procedures systematically and put into practice, which shall be in accordance with the goals of the corporation.
3. All departments are required to conduct a risk assessment and risk review annually at least once. The departments shall also be assessed by internal audit to ensure that all departments have been operating in accordance with the policies and working standards.

### Improving the quality of products and services through innovation and technology

The Company places importance on and is committed to continually developing products and services to meet the needs of all groups. This can be achieved by using technology and modern innovations to design the production and business processes to be efficient as follows.

1. Developing a reporting and data analysis system using Business Intelligence or Power BI. In 2023, the system has been developed from the previous year to include more integrated information in many dimensions.
2. Expand an e-Document and online approval system to cover all document-related activities, expanding from 2021 to increase work efficiency by reducing time, errors, and paper usage. From 2021 to 2024, a total of 95 online forms have been developed in the system, which has reduced paper usage by 149 reams, equivalent to saving 6 trees. This is compared to a carbon footprint reduction of 346,329.60 kgCO<sub>2</sub>eq.

### Occupational hygiene and safety

The Company places great importance on care management of occupational safety, health, and working environment to ensure that the Company is providing services and carrying out various activities in order to raise the Company's labor standards. This includes the employees' quality of life, better and safer working environment that is not harmful to health both physically and mentally. The operations are as follows.

1. Compliance with the relevant laws, regulations, requirements, and rules of safety and environmental management.
2. Prevent and reduce the risk of workplace hazard by establishing a safety, occupational health, and working environment committee to increase lighting, improve landscaping, and reduce blind corners in the production area.
3. Create and promote employees to be conscious of workplace safety for employees. The company has organized training to educate employees in Awareness, Risk Assessment, and the methods of assessing the management system in terms of occupational health and safety (Internal Audit Training). Employees who have passed these trainings will be able to work appropriately and will receive a certificate for a trainee in various courses.

### Participation in the Development of Communities and Society

The Company has prioritized the responsibilities to communities and society on a continuous basis, particularly in regard to living together with the communities and society through good communication and participation in activities, with the goal of fostering a positive relationship and understanding between the Company and the communities in order to ensure that the Company's business operations will have no negative consequences, but instead support the communities and society to grow sustainably in accordance. The operations are as follows.

1. Appoint a community relations committee to define duties and guidelines for effective operations.
2. Create participation between the company, community, and society by using the company's resources, knowledge, and expertise to create maximum value. Through various projects such as "PAP: Providing Knowledge to Society" Project and "PAP Providing Happiness to Sustainable Society" Project on a continuous basis every year

### Sustainability management in environmental dimensions

As a member of the steel pipe manufacturing industry, which has an impact on the environment through pollution, industrial waste, and the use of natural resources, the Company is committed to managing the environment systematically by applying the ISO 14001: 2015 standard for a sustainable environment. The operations are as follows.

1. Greenhouse gas management by evaluating the organization's current carbon emissions in each scope to set carbon emissions reduction targets and plan through concrete campaigns on an ongoing basis.
2. Management of garbage, waste, and pollution by creating operating rules based on the three R's: Reduce, Reuse, and Recycle. Segregation of waste enables it to be managed and disposed of more effectively and efficiently.
3. Responsible energy and resource management by promoting energy efficiency and maximizing benefit. Previously, various activities such as public relations campaigns on energy and water conservation, as well as activities to raise awareness of the value of resource use in both online and offline formats, as well as changing, improving, and changing again various energy and resource-related devices, such as changing the light fixture to High Bay LED were undertaken, and the factory is also certified as a Green Factory and modernization of machinery, etc..

### **Issuance of debt securities with an obligation to maintain financial ratios**

Is there an issuance of debt securities with an obligation : No  
to maintain financial ratios?

## 4.2 Potential factors or incidents that may materially affect the financial condition or the operating results

### Significant factors or incidents that may materially affect the future financial condition or the operating results

#### Risk from Material Price Fluctuation and Inventory

The Company's main raw material was Hot Rolled Coils and Galvanized Steel Coils, which the cost fluctuated in accordance with the world steel price and the world zinc price. Therefore, the risk from the price fluctuation of the raw materials was a significant factor because of the effect from the world steel price. If the price decreased dramatically, there may be a risk of the impairment of raw material, or in the event that the material price increased, this could adversely affect the sale price. Moreover, such a risk was an external factor, which would be beyond the Company's control. Furthermore, raw material price fluctuation and inventory are also impacted by long lead time of galvanized steel coils. However, the Company set a policy to reduce the aforementioned by:

- (1) Monitoring the prices of the raw materials of the global steel price with caution and purchasing raw materials more carefully.
- (2) Maintain the quantity of the raw materials and inventory at appropriate levels.

For more risks that will impact the operational results of the company in the future, investors can study the information and obtain more details are disclosed in, "Risk Factor".

## 4.3 Information from financial statements and significant financial ratios

### Information from financial statements

#### Summary of financial position statements

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
<b>Assets</b>			
Cash And Cash Equivalents (ThousandTHB)	253,133.68	268,327.94	302,919.02
Trade And Other Receivables - Current - Net (ThousandTHB)	870,736.45	763,913.10	800,921.75
Inventories - Net (ThousandTHB)	1,234,452.05	1,292,179.17	1,239,920.61
Other Current Assets (ThousandTHB)	258,860.24	26,220.81	114,863.54
Advance Payment For Purchases Of Assets (ThousandTHB)	226,300.00	N/A	88,751.34
Other Current Assets - Others (ThousandTHB)	32,560.24	26,220.81	26,112.20
<b>Total Current Assets</b> (ThousandTHB)	<b>2,617,182.43</b>	<b>2,350,641.01</b>	<b>2,458,624.91</b>
Property, Plant And Equipment - Net (ThousandTHB)	1,569,689.43	1,533,659.65	1,454,091.73
Intangible Assets - Net (ThousandTHB)	28,535.43	23,216.89	18,758.60
Intangible Assets - Others (ThousandTHB)	28,535.43	23,216.89	18,758.60
Other Non-Current Assets (ThousandTHB)	186.35	10,667.47	327.60
Other Non-Current Assets - Others (ThousandTHB)	186.35	10,667.47	327.60
<b>Total Non-Current Assets</b> (ThousandTHB)	<b>1,598,411.22</b>	<b>1,567,544.00</b>	<b>1,473,177.93</b>
<b>Total Assets</b> (ThousandTHB)	<b>4,215,593.64</b>	<b>3,918,185.02</b>	<b>3,931,802.85</b>

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
<b>Liabilities</b>			
Bank Overdrafts And Short-Term Borrowings From Financial Institutions (ThousandTHB)	1,858,220.96	1,627,004.73	1,727,818.95
Trade And Other Payables - Current (ThousandTHB)	129,214.01	96,831.01	222,112.65
Derivative Liabilities - Current (ThousandTHB)	N/A	1,320.51	2,762.02
Current Portion Of Lease Liabilities (ThousandTHB)	11,806.88	12,254.72	10,179.98
Other Current Liabilities (ThousandTHB)	16,694.53	12,714.67	9,231.09
<b>Total Current Liabilities</b> (ThousandTHB)	<b>2,015,936.39</b>	<b>1,750,125.65</b>	<b>1,972,104.69</b>
Non-Current Portion Of Lease Liabilities (ThousandTHB)	29,833.05	18,756.94	13,909.60
Provisions For Employee Benefit Obligations - Non-Current (ThousandTHB)	28,410.05	32,635.79	39,137.27
Deferred Tax Liabilities (ThousandTHB)	97,615.91	105,018.28	100,554.76
<b>Total Non-Current Liabilities</b> (ThousandTHB)	<b>155,859.01</b>	<b>156,411.01</b>	<b>153,601.62</b>
<b>Total Liabilities</b> (ThousandTHB)	<b>2,171,795.39</b>	<b>1,906,536.66</b>	<b>2,125,706.32</b>

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
<b>Shareholders' equity</b>			
Authorised Share Capital (ThousandTHB)	660,000.00	660,000.00	660,000.00
Authorised Ordinary Shares (ThousandTHB)	660,000.00	660,000.00	660,000.00
Issued And Paid-Up Share Capital (ThousandTHB)	660,000.00	660,000.00	660,000.00
Paid-Up Ordinary Shares (ThousandTHB)	660,000.00	660,000.00	660,000.00
Premium (Discount) On Share Capital (ThousandTHB)	514,845.00	514,845.00	514,845.00
Premium (Discount) On Ordinary Shares (ThousandTHB)	514,845.00	514,845.00	514,845.00
Retained Earnings (Deficits) (ThousandTHB)	475,780.45	419,629.20	215,860.70
Retained Earnings - Appropriated (ThousandTHB)	67,000.00	67,000.00	67,000.00
Legal And Statutory Reserves (ThousandTHB)	67,000.00	67,000.00	67,000.00
Retained Earnings (Deficits) - Unappropriated (ThousandTHB)	408,780.45	352,629.20	148,860.70
Other Components Of Equity (ThousandTHB)	393,172.80	417,174.16	415,390.83
Surplus (Deficits) (ThousandTHB)	1,010.91	1,010.91	1,010.91
Surplus (Deficits) From Treasury Shares (ThousandTHB)	1,010.91	1,010.91	1,010.91
Other Components Of Equity - Others (ThousandTHB)	392,161.89	416,163.25	414,379.91
<b>Equity Attributable To Owners Of The Parent</b> (ThousandTHB)	2,043,798.25	2,011,648.36	1,806,096.53
<b>Total Equity</b> (ThousandTHB)	2,043,798.25	2,011,648.36	1,806,096.53

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
<b>Total Liabilities And Equity</b> <small>(ThousandTHB)</small>	4,215,593.64	3,918,185.02	3,931,802.85

## Summary of income statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
<b>Statement of Comprehensive Income</b>			
Revenue From Operations (ThousandTHB)	9,789,065.34	8,643,024.55	7,405,091.57
Revenue From Sales And Rendering Services (ThousandTHB)	9,789,065.34	8,643,024.55	7,405,091.57
Interest And Dividend Income (ThousandTHB)	387.47	677.73	798.53
Interest Income (ThousandTHB)	387.47	677.73	798.53
Other Income (ThousandTHB)	81,933.37	83,962.54	69,962.90
<b>Total Revenue</b> (ThousandTHB)	<b>9,871,386.18</b>	<b>8,727,664.82</b>	<b>7,475,853.00</b>
Costs (ThousandTHB)	9,775,817.21	8,356,477.51	7,258,083.72
Selling And Administrative Expenses (ThousandTHB)	403,320.84	393,711.67	381,553.26
Selling Expenses (ThousandTHB)	143,725.14	139,935.67	132,649.99
Administrative Expenses (ThousandTHB)	259,595.70	253,776.00	248,903.27
<b>Total Cost And Expenses</b> (ThousandTHB)	<b>10,179,138.04</b>	<b>8,750,189.18</b>	<b>7,639,636.98</b>
Other Gains (Losses) (ThousandTHB)	8,026.19	21,775.02	15,588.46
Gains (Losses) On Foreign Currency Exchange (ThousandTHB)	8,026.19	21,775.02	15,588.46
<b>Profit (Loss) Before Finance Costs And Income Tax Expense</b> (ThousandTHB)	<b>-299,725.68</b>	<b>-749.34</b>	<b>-148,195.51</b>
Finance Costs (ThousandTHB)	37,116.01	53,999.88	59,590.67
Income Tax Expense (ThousandTHB)	-1,877.64	1,402.03	-4,017.69
<b>Profit (Loss) For The Period From Continuing Operations</b> (ThousandTHB)	<b>-334,964.05</b>	<b>-56,151.25</b>	<b>-203,768.49</b>

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
<b>Net Profit (Loss) For The Period</b> (ThousandTHB)	-334,964.05	-56,151.25	-203,768.49
Net Profit (Loss) For The Period / Profit (Loss) For The Period From Continuing Operations (ThousandTHB)	-334,964.05	-56,151.25	-203,768.49
Remeasurement Of Employee Benefit Obligations (ThousandTHB)	8,232.93	N/A	-2,229.17
Income Taxes Relating To Items That Will Not Be Subsequently Reclassified To Profit Or Loss (ThousandTHB)	-1,646.59	-6,000.34	445.83
<b>Other Comprehensive Income (Expense) - Net Of Tax</b> (ThousandTHB)	6,586.34	24,001.36	-1,783.34
<b>Total Comprehensive Income (Expense) For The Period</b> (ThousandTHB)	-328,377.70	-32,149.89	-205,551.83
Net Profit (Loss) Attributable To : Owners Of The Parent (ThousandTHB)	-334,964.05	-56,151.25	-203,768.49
Total Comprehensive Income (Expense) Attributable To : Owners Of The Parent (ThousandTHB)	-328,377.70	-32,149.89	-205,551.83
<b>Basic Earnings (Loss) Per Share (Baht/Share)</b> (ThousandTHB)	N/A	-0.09	-0.31
EBITDA (ThousandTHB)	-172,760.89	114,598.50	-38,274.29
Operating Profit (ThousandTHB)	-390,072.71	-107,164.63	-234,545.41
Normalize Profit (ThousandTHB)	-342,990.24	-77,926.27	-219,356.96

## Summary of cash flow statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
<b>Cash flow statement</b>			
Net Profit (Loss) Attributable To Owners Of The Parent For The Period (ThousandTHB)	N/A	-54,749.22	-207,786.18
Depreciation And Amortisation (ThousandTHB)	126,964.79	115,347.85	109,921.22
(Reversal Of) Expected Credit Losses (ThousandTHB)	8,902.79	-9,539.17	1,437.51
(Reversal Of) Loss From Diminution In Value Of Inventories (ThousandTHB)	-18,261.41	-14,155.63	10,419.78
(Gains) Losses On Fair Value Adjustments Of Other Financial Instruments (ThousandTHB)	N/A	1,320.51	2,645.20
(Gains) Losses On Disposal And Write-Off Of Fixed Assets (ThousandTHB)	257.45	2,218.18	2,284.13
Dividend And Interest Income (ThousandTHB)	-387.47	-677.73	-798.53
Interest Income (ThousandTHB)	-387.47	-677.73	-798.53
Finance Costs (ThousandTHB)	36,777.63	53,620.05	59,306.05
Employee Benefit Expenses (ThousandTHB)	2,352.53	4,225.74	4,272.31
Other Reconciliation Items (ThousandTHB)	N/A	-26.69	82.44
<b>Cash Flows From (Used In) Operations Before Changes In Operating Assets And Liabilities</b> (ThousandTHB)	-165,806.12	97,271.79	-18,216.08
(Increase) Decrease In Trade And Other Receivables (ThousandTHB)	131,439.06	116,363.76	-38,446.17

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
(Increase) Decrease In Inventories (ThousandTHB)	1,052,209.02	-43,571.49	41,838.78
(Increase) Decrease In Other Operating Assets (ThousandTHB)	-233,917.57	222,245.17	-88,490.37
Increase (Decrease) In Trade And Other Payables (ThousandTHB)	-227.24	-36,305.38	119,735.34
Increase (Decrease) In Other Operating Liabilities (ThousandTHB)	-905.97	-3,979.86	-4,804.09
<b>Cash Generated From (Used In) Operations</b> (ThousandTHB)	782,791.18	352,023.99	11,617.41
Interest Received (ThousandTHB)	384.52	676.49	798.53
Interest Paid (ThousandTHB)	-36,693.44	-53,459.75	-58,869.69
Income Tax (Paid) Received (ThousandTHB)	-26,324.18	-86.86	10,304.33
<b>Net Cash From (Used In) Operating Activities</b> (ThousandTHB)	720,158.08	299,153.88	-36,149.42
Proceeds From Disposal Of Fixed Assets (ThousandTHB)	236.52	141.07	317.43
Property, Plant And Equipment (ThousandTHB)	236.52	141.07	317.43
Payment For Purchase Of Fixed Assets (ThousandTHB)	-20,525.91	-40,967.24	-17,363.08
Property, Plant And Equipment (ThousandTHB)	-19,952.91	-40,041.74	-17,358.08
Intangible Assets (ThousandTHB)	-573.00	-925.50	-5.00
<b>Net Cash From (Used In) Investing Activities</b> (ThousandTHB)	-20,289.38	-40,826.17	-17,045.65
Proceeds From Borrowings (ThousandTHB)	9,404,848.25	8,169,362.38	7,260,668.73

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Separate	Separate
	AUDITED	AUDITED	AUDITED
Proceeds From Short-Term Borrowings (ThousandTHB)	9,404,848.25	8,169,362.38	7,260,668.73
Proceeds From Short-Term Borrowings - Financial Institutions (ThousandTHB)	9,404,848.25	8,169,362.38	7,260,668.73
Repayments On Borrowings (ThousandTHB)	-9,700,096.17	-8,400,578.61	-7,159,854.50
Repayments On Short-Term Borrowings (ThousandTHB)	-9,700,096.17	-8,400,578.61	-7,159,854.50
Repayments On Short-Term Borrowings - Financial Institutions (ThousandTHB)	-9,700,096.17	-8,400,578.61	-7,159,854.50
Repayments On Lease Liabilities (ThousandTHB)	-10,469.99	-11,917.22	-13,028.08
<b>Net Cash From (Used In) Financing Activities</b> (ThousandTHB)	-860,111.19	-243,133.44	87,786.14
<b>Net Increase (Decrease) In Cash And Cash Equivalent</b> (ThousandTHB)	-160,242.50	15,194.26	34,591.08
Cash And Cash Equivalents, Beginning Balance (ThousandTHB)	413,376.18	253,133.68	268,327.94
<b>Cash And Cash Equivalents, Ending Balance</b> (ThousandTHB)	253,133.68	268,327.94	302,919.02

## Key financial ratios

	2022	2023	2024
<b>Liquidity ratio</b>			
Current ratio (times)	1.29	1.34	1.25
Quick ratio (times)	0.57	0.60	0.57
Cash flow liquidity ratio (times)	0.33	0.16	-0.02
Average account receivable turnover (times)	10.40	10.57	9.46
Average collection period (days)	35.00	35.00	39.00
Average inventory turnover (times)	5.58	6.61	5.73
Average inventory turnover period (days)	65.00	55.00	64.00
Average account payable turnover (times)	4.58	4.50	3.95
Average payment period (days)	80.00	81.00	92.00
Average cash cycle (days)	20.00	9.00	11.00
<b>Profitability ratio</b>			
Gross profit margin (%)	0.14	3.32	1.99
Operating margin (%)	-3.04	-0.02	-1.99
Other income to total income (%)	0.91	1.21	1.14
Cash from operation to operating profit (%)	-239.96	-20,962.66	24.26
Net profit margin (%)	-3.39	-0.64	-2.72
Return on equity (ROE) (%)	-13.48	-2.77	-10.67
<b>Financial policy ratio</b>			
Total debts to total equity (times)	1.06	0.95	1.18
Interest coverage ratio (times)	-8.09	-0.03	-2.50
Debt service coverage ratio (times)	2.10	1.01	1.25

	2022	2023	2024
Dividend payout ratio (%)	0.00	0.00	0.00
<b>Efficiency ratio</b>			
Return on asset (ROA) (%)	-6.95	-1.38	-5.19
Return On Fixed Assets (%)	-12.56	3.75	-6.20
Asset turnover (times)	2.05	2.15	1.91

## 5. General information and other material facts

### 5.1 General information

#### General information

#### Securities registrar

**Name of securities registrar** : Thailand Securities Depository Co., Ltd.  
Address/location : 93 Ratchadaphisek Road  
Subdistrict : Din Daeng  
District : Din Daeng  
Province : Bangkok  
Postcode : 10400  
Telephone : 02-009-9000  
Facsimile number : 02-009-9991

#### Auditing firm

**Name of auditing firm\*** : EY OFFICE LIMITED  
Address/location : 33RD FLOOR, LAKE RAJADA OFFICE COMPLEX, 193/136-137  
RAJADAPISEK ROAD  
Subdistrict : KHLONG TOEI  
District : KHLONG TOEI  
Province : Bangkok  
Postcode : 10110  
Telephone : +66 2264 9090  
Facsimile number : +66 2264 0789-90  
**List of auditors** : Mrs CHONLAROS SUNTIASVARAPORN  
License number : 4523  
**List of auditors** : Mr CHATCHAI KASEMSRITHANAWAT  
License number : 5813  
**List of auditors** : Miss ISARAPORN WISUTTHIYAN  
License number : 7480

## 5.2 Other material facts

### 5.2.1 Other information that may significantly influence investors' decision making

Other information that may influence investors' decision : No  
making

### 5.2.2 Restrictions of foreign shareholders

Are there restrictions on foreign shareholders? : No

## 5.3 Legal disputes

According to the opinion of the Company's legal advisor, as of December 31, 2024, the Company is not a party in the following cases:

1. Cases that may have a negative impact on the assets of the Company with an amount higher than 5% of the shareholders' equity as of December 31, 2024, which is the latest fiscal year-end.
2. Cases that affect the business operations of the company or its subsidiaries significantly
3. In the process of having a dispute with a government agency that affects the business operations of the Company or its subsidiaries

### Legal disputes

Is there any legal dispute? : No

### Details of legal dispute

## 5.4 Secondary market

### Secondary market

Has the company's security been listed on a stock exchange in : No  
another country?

## 5.5 Financial institution with regular contact (in case of debt securities offeror)

### Financial institution with regular contact

Are there any debt securities offered? : No

## Part 2 Corporate Governance

## 6. Corporate governance policy

### 6.1 Overview of the policy and guidelines

#### Overview of the policy and guidelines

Corporate governance policy and guidelines : Yes

##### Definition

The definition of the Company's corporate governance is the relationship and regulatory measures that create value for a sustainable business. In addition, corporate governance policy includes the management system and internal control of the Company to achieve goals for the utmost benefits to the shareholders in the long term under the principles of the Securities and Exchange Commission Thailand (SEC) together with the principles of the Organization for Economic Co-Operation and Development (OECD) to be used as a guideline in establishing good corporate governance principles of the Company. This would create confidence to all related parties and be the basis of sustainable growth of the business with transparency, integrity, accountability and competitiveness. As for the practices that have not been adopted. The reasons have already been recorded as a resolution of the Board of Directors' meeting.

The principles of good corporate governance for the company have guidelines that have been divided into 5 sections as follows:

1. Rights of the Shareholders
2. Equitable Treatment of the Shareholders
3. Role of the Stakeholders
4. Disclosure and Transparency
5. The Board of Directors' Responsibilities consist of 8 principles:

Principle 1 Realize the role and responsibilities of the Board of Directors as an organizational leader that creates sustainable value for the business.

Principle 2 Define the main objectives and goals that are sustainable.

Principle 3 Strengthen the Board of Directors' effectiveness.

Principle 4 Recruit and develop senior executives and administrative personnel.

Principle 5 Promote innovation and responsible business operations.

Principle 6 Ensure that there is an appropriate risk management system and internal control.

Principle 7 Maintain financial reliability and disclosure of information.

Principle 8 Encourage participation and communication with shareholders.

Reference link for the full version of corporate governance policy and guidelines : [https://www.pacificpipe.co.th/files/good\\_coperate\\_governance/1%20cg\\_2025.pdf](https://www.pacificpipe.co.th/files/good_coperate_governance/1%20cg_2025.pdf)

#### 6.1.1 Policy and guidelines related to the board of directors

Are there policy and guidelines related to the board of directors : Yes

Guidelines related to the board of directors : Other guidelines regarding the board of directors

#### Other guidelines related to the board of directors

##### 1. Duties of the Board of Directors

##### 1.1 Authority of the Board of directors

- 1.1.1 Define the authority of the Chairman of the Board of Directors and Chief Executive Officer.
- 1.1.2 Establish the limitations of the financial authority of the Chief Executive Officer.
- 1.1.3 Appoint, dismiss and delegate duties to the sub-committees and Company's Secretary.
- 1.1.4 Consider the approval of investment projects, transactions of the acquisition and disposition of assets, connected transactions of the company and its subsidiaries (if any) with the exception that the transactions must receive the approval from the shareholders' meeting. In this regard, the consideration for the aforementioned approval must be conducted in accordance with the announcement of the Capital Market Supervisory Board and/or announcement of the regulations and/or related rules of the Stock Exchange of Thailand.

1.1.5 Approve the Board of Directors to have authority that is in part excessive on various issues, such as, receiving or canceling the credit limit, entering into transactions which are not usual business.

1.1.6 Expert consultation or the company's advisors (if any) or hire experts and external consultants if necessary.

## 1.2 Scope of the responsibilities

1.2.1 Perform the duties responsibly; be cautious and honest including must comply with the law, the company's objective, the company's regulations, as well as the resolutions of the shareholders' meeting with the exception of those transactions that must receive the approval of the shareholders before operation; such as, issues that the law require receiving a resolution from the shareholders' meeting, connected transactions, and acquisition and disposition of important assets in accordance with the regulations of the Stock Exchange of Thailand or as determined by other government agencies.

1.2.2 Consider the approval of the Company's business policy, goals, operational plan, business strategy and annual budget.

1.2.3 Consider and approve the appointment of persons that have the qualifications no prohibited qualities as specified in the Public Limited Companies Act B.E. 2535 (1992) and the laws on securities and stock exchange including regulatory announcements and/or rules related to persons who serve as directors in the case that the directorship is vacant due to reasons other than retirement by rotation.

1.2.4 Consider appointing independent directors by considering the qualifications and prohibited qualities of independent directors in accordance with the law on securities and stock exchange, announcement of the Capital Market Supervisory Board including regulatory announcements and/or the related rules of the Stock Exchange of Thailand, or as proposed to the shareholders' meeting for consideration as an independent director of the company.

1.2.5 Consider appointing a sub-committee to assist in the operations in accordance with the responsibility of the Company's Board of Directors.

1.2.6 Consider determining or amending the name of the authorized directors of the company.

1.2.7 Appoint other persons to conduct the company's business under the control of the Board of Directors or may appoint or authorize any individual to have the power and / or within the time as the Board of Directors deems appropriate. The Board of Directors may cancel, change or amend such power.

1.2.8 Consider approving the payment of the interim dividends to shareholders if the company has sufficient profit to do so and report the said dividend payment to the shareholders' meeting in the next shareholders' meeting.

1.2.9 Consider approving and reviewing the written policies, such as, the good corporate governance policy, code of conduct and business ethics, and handbook of the directors at least once a year.

1.2.10 Review and comment on the sufficiency of the company's internal control annually.

1.2.11 Establish a reliable financial report and audit system.

## 2. Duties of the Chairman

2.1 Be responsible as the Board of Director's leader to oversee, follow-up, and ensure that the duties of the Board of Directors are conducted efficiently to achieve the Company's objectives and main goals in accordance with the plan.

2.2 Ensure that all directors contribute to promoting the Company's ethical culture and good corporate governance.

2.3 Set the agenda of the Board of Directors' meeting by discussing with an independent director in the case the Chairman is not an independent director.

2.4 Be Chairman of the Board of Directors' meeting and the shareholders' meeting.

2.5 Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly and freely exercise opinions.

2.6 Be an intermediary for the Company and external organizations; such as, government agencies, funds, local organizations, and press when necessary. The Chief Executive Officer as the Company's key spokesperson.

2.7 Promote the good relationship between the executive and non-executive directors, and between the Board of Directors and management.

## 3. Duties of the Audit Committee

3.1 Review that the Company's financial reports are disclosed accurately and adequately by coordinating with auditor and management who is responsible for preparing both the quarterly and annual financial reports.

3.2 Review that the Company has established an appropriate and effective internal control system and internal audit system.

3.3 Consider approving the appointment, transfer, dismissal, and performance evaluation of the Deputy Director of the Internal Audit Department.

3.4 Consider the approval of the internal audit plan, budget and personnel of the Internal Audit Department.

3.5 Consider reviewing the independence and performance report of the Internal Audit Department.

3.6 Review that the Company has an appropriate and effective risk management system, including reviews the Company's

internal procedure of receiving notifications of tracing and complaints that have independence and the appropriate action by taking into account confidentiality and measures to prevent informers.

3.7 Review that the Company has conducted business in compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, or any related laws of the Company's business.

3.8 Evaluate the Company's auditor in the following issues:

a. To consider the auditor's compensation based on creditability, resource adequacy, and workload of the audit firm, including the experience of the personnel who have been assigned to audit the Company.

b. To consider the independence of the auditor to select and propose to be appointed/dismissed as the Company's auditor.

3.9 Consider the disclosing of the Company's information in the case a connected transaction occurs or there is a conflict of interest in accordance with the relevant regulations.

3.10 Perform other tasks as assigned by the Company's Board of Directors and consented by the Audit Committee.

3.11 Prepare report on the activities of the Audit Committee by disclosing in the Company's annual report.

3.12 Report any issues deemed necessary to be disclosed to the shareholders and general investors under the scope of the duties and responsibilities assigned by the Board of Directors.

3.13 Conduct a performance evaluation of the Audit Committee by relevant persons at least once a year to improve the operations for the highest benefit to shareholders and organization.

3.14 Report the regular activities of the Audit Committee to the Board of Directors for their acknowledgement.

3.15 In conducting the duties of the Audit Committee, if any suspicious transaction or actions that might significantly affect the Company's financial status and operation results, the Audit Committee must report the issue to the Board of Directors in a period of time that is deemed appropriate to resolve it. The following list consists of the types of transactions and action that need to be reported:

a. Transactions with a conflict of interest;

b. Corruption, irregularities or defects in the internal control system;

c. Violation of the Securities and Exchange Law, the regulations of the Stock Exchange of Thailand, and any other laws related to the Company's business.

If the Audit Committee reports to the Board of Directors about issues that significantly affect the financial status and operation result, and has already discussed with the Board of Directors and executive about the solution in a consensual time that has already expired, but the Audit Committee ignores implementing the said solution without justification, the Audit Committee could report the issue to the Office of Security and Exchange Commission and/or the Stock and Exchange of Thailand.

3.16 Report the preliminary audit result to the audit office and auditor within 30 days from the date of notification from the auditor about suspicious action that the director, or individual responsible for such juristic person's operation that violates the Security and Exchange Act (4th edition) B.E. 2551 (2008).

#### 4. Duties of the Remuneration of the Nomination and Corporate Governance Committee

##### **4.1 Nomination**

4.1.1 Consider the criteria and methods for nominating the Board of Directors.

4.1.2 Consider the structure, size and elements of the Board of Directors and sub-committees that would be appropriate for the Company's strategy and changing situation to propose to the Company's Board of Directors.

4.1.3 Nominate and propose qualified persons for the position of director to replace the director whose term has expired and propose to the Board of Directors' and shareholders' meeting for approval.

4.1.4 Nominate and propose qualified persons to the position of director to replace the director who resigns or vacates office before completing the term ends and propose to the Board of Directors' meeting for approval.

4.1.5 Nominate and propose qualified persons as members of the sub-committee and propose to the Board of Directors' meeting for approval.

4.1.6 The Remuneration Nomination and Corporate Governance Committee together with the Chief Executive Officer will consider the criteria and procedures for the nomination and appointment of persons in the position of the Chief Executive Officer and propose to the Board of Directors for approval.

##### **4.2 Remuneration**

4.2.1 To consider and determine the compensation for the Company's Board of Directors, the executive, and directors holding office in a sub-committee in various formats; for example, gratuities, meeting allowance, issuing of securities in accordance with the ESOP project, or other compensation to propose to the Board of Directors and/or the shareholder's meeting for approval. The consideration will consider based on:

a. The appropriateness of the existing criteria compared with the overview of the industry, economic situation, inflation, company's performance and other factors.

- b. Duties and responsibilities of directors who operate in each sub-committee.
- c. Information of the compensation of other companies that are in the same industry and have a similar business size and performance.

4.2.2 Consider the adjustment of the monthly salary, the provision of benefits and annual bonus payment to the Chief Executive Officer to propose to the Board of Directors' meeting for consideration for approval.

### **4.3 Corporate Governance**

4.3.1 Set the Company's Corporate Governance policy, Ethics and Code for Business Conduct and Corporate Social Responsibility policy and propose to the Board of Directors for approval.

4.3.2 Supervise the Company's operations in order to be in accordance with the principles of good corporate governance and the code of conduct of the Company's business operations.

4.3.3 Review the good corporate governance policy of the Company at least once a year by comparing to the international standard and best practices of the Stock Exchange of Thailand and propose to the Board of Director for consideration to be updated.

4.3.4 Review the Board of Directors' handbook and best practice of the Code of Conduct to propose to the Board of Directors at least once a year.

## **5. Duties of the Executive Risk Management and Sustainability Committee**

### **5.1 Management**

5.1.1 Establish the Company's policy, business direction, strategy, business operation, investment plan and annual budget to propose to the Board of Directors for consideration for approval.

5.1.2 Supervise the business operations of the Company to be in accordance with the policy, business direction and strategy including investment plan and budget that has received approval by the Board of Directors as well as report to the Board.

5.1.3 Alter and increase the annual expenditure budget in the case of an emergency, which would affect the usual business operation, and propose to the Board of Directors for ratification in the next meeting.

5.1.4 Approve the expense for purchasing raw materials for production or for products for selling for a normal business operation in the amount per transaction as assigned by the Board of Directors.

5.1.5 Approve the expense for investment in buildings, machinery, equipment, information system, or fixed assets that are related to normal business operations in the amount per transaction as assigned by the Board of Directors.

5.1.6 Consider the interim or annual dividends to propose to the Board of Directors for consideration for approval.

5.1.7 Consider the organizational structure and authority of the executive.

### **5.2 Risk Management**

5.2.1 Set the risk management policy and propose to the Board of Directors for the approval.

5.2.2 Provide opinions on the evaluation results and method of the Company's risk management on each issue to comply with the policy. The strategy and method of risk management can be assessed, followed-up and prevent the risks at an appropriate level. There are guidelines that can be used when a situation arises.

5.2.3 Arrange a review of the Company's and the subsidiaries (if any)' risks regularly by covering various external and internal issues as follows:

- (1) Risk strategy
- (2) Operating risks and the regulatory risks
- (3) Financial risks
- (4) Regulatory
- (5) Society and environment

5.2.4 Follow-up, oversee and review the risk management policy, including the strategy and conduct when risks occur at least once a year to ensure that the risk management strategy is effectively and appropriately implemented to a particular situation.

5.2.5 Provide advice and support to the Company's Executive Committee regarding corporate risk management, including the promotion and support to improvement of the Company's internal risk management system in continuously and regularly.

5.2.6 Communicate, exchange, and coordinate information about risk management and the internal control with the Company's Audit Committee.

5.2.7 Appoint a working group and/or Company Executive team to support the process and risk management activities, as appropriate and necessary.

5.2.8 Perform any tasks assigned by the Board of Directors.

### 5.3 Sustainability Management

- 5.3.1 Consider policies, guidelines and plans for corporate sustainability in line with sustainable business operations.
- 5.3.2 Review the corporate sustainability policy to be up to date at least once a year and propose to the Board of Directors for approval.
- 5.3.3 Consider and approve the sustainability report before publishing and disclosing it in the Company's annual report.

### 6. Duties of Chief Executive Officer

- 6.1 Create and propose the Company's business policies, goals, operational plans, business strategies, and annual budget for approval from the Executive Risk Management and Sustainability Committee and the Board of Directors, respectively.
- 6.2 Set business plans, the budget, and authorization to seek approval from the Executive Risk Management and Sustainability Committee and the Board of Directors, respectively.
- 6.3 Have the authority to approve financial operations to purchase raw materials and asset procurement for the Company's financial expansion in accordance with the limitations based on the defined scope of authorization.
- 6.4 Set efficient organizational and administration structures to cover the Company's selection, training, employment and dismissal of employees.
- 6.5 Supervise and approve issues related to the Company's operations and may appoint or authorize any individual or team to engage in any activity as it deems appropriate. The authorization can be canceled, changed or amended.
- 6.6 To perform any other tasks assigned by the Company's Board of Directors and Executive.

The delegation of authority and responsibilities will not have the authorization, or delegate authorization that would allow the person with power of attorney to approve any items or a person who has an interest, or conflict of interest with the Company and its subsidiaries (if any) (as defined in the Notification of the Securities and Exchange Commission). Approval of items in that manner must be proposed to the Board of Directors' and/or shareholders' meetings (depending on the case) for consideration of approval in accordance with the Company's and subsidiaries' regulations (if any), or relevant laws with the exception as a transaction with normal business conditions that has specified limits.

### Board of Directors' responsibilities

The Board of Directors performs its duties with responsibility in accordance with good corporate governance based on the principles of the Securities and Exchange Commission (SEC). There are 8 principles as follows:

**PRINCIPLE 1.** Realize the clear role and responsibilities of the Board in a leadership capacity that create sustainable value for the business.

- 1. Set the charter of the Board of Directors, which defines its duties and responsibilities. This charter will state that the directors must administer the Company's operations in accordance with the law, regulations, the shareholders' meeting resolution, including the guidelines as well as approval processes of important operations in accordance with the set laws including the Board of Directors' authority in approving various issues of the Company.
- 2. Create and review the good corporate governance policy, business code of conduct, and directors' handbook at least once a year to be the rules and guidelines in the Company's operations and oversee all stakeholders.

**PRINCIPLE 2.** Define the objectives and key goals of sustainable business.

The joint committee has set a vision, mission, direction, business goals and reviews such issues at least every 5 years. To set the strategy, the Board of Directors will consider all aspects including the economic situation and competition to analyze the environment, risk factors, and issues relating to society and the stakeholders. As a consequence, the Board of Directors will assign the Executive to produce an action plan to propose to the Board of Directors to ensure that the Company will achieve the specified goal, as well as report the results of the operation quarterly. In 2022, the Board of Director considered and approved the Company's vision, business director and 5-year strategy plan (2023-2027) by focusing on creating strength internally by developing employees and the process improvement, as well as increase the ability to compete in the long-term sustainably. As such, the Chief Executive Officer announced and communicated the target direction and strategy goal for all departments to acknowledge and assign to the action plan to support and achieve the goal, as well as required a quarterly report of the performance from the Executive and the Board of Directors.

**PRINCIPLE 3.** Strengthening the Board of Directors effectiveness.

#### 1. Composition of the Board of Directors

- 1.1 The Board of Director consists of 9 directors, which are divided into 5 independent directors, 1 non-executive director and 3 executive directors.
- 1.2 The composition of the Board consists of more than half of independent directors. In case, the Chairman is not an independent director, one independent director will be appointed to consider the agenda of the Board of Directors' meeting.

1.3 The nomination and appointment of directors must be in accordance with the Company's regulations and relevant laws and must be transparent. The nomination of directors must have the consideration of the Remuneration Nomination and Corporate Governance Committee and proposed to the Board of Directors and/or shareholders' meeting for approval, as the case may be.

1.4 The Company Secretary shall be appointed to assist the Company's Board of Directors in various activities and assist the Board and the Company to act in accordance with relevant laws and regulations.

## 2. Qualifications of Directors

2.1 A director must be a person with knowledge, ability, ethics who dedicates time, and attempts to perform his/her duties and be independent in making decisions.

2.2 Have the qualifications and is not legally prohibited by a public limited company and other related laws.

2.3 Limit the number of directorship positions in other companies to be no more than 5 listed companies.

2.4 Limit the number of directorship positions in other companies as C-Level Executives to be no more than 5 listed companies.

2.5 Can be independent in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.6 The tenure of a director must comply with each Board of Director's charter in accordance with the Company's regulations Section no. 13, which states that in every Annual General Meeting, one - third of the directors must resign. If the number of directors cannot be divided into 3, the number of directors that is the closest to one-third must resign. The directors who must resign in the first and second year after the Company has been listed can be decided upon by drawing lots. For later years, directors who have held a position the longest must resign. Directors who have resigned can be reappointed into a position again.

## 3. Diversity of the Board of Director's Policy

The Company's Board of Directors is aware of the benefits of the diversity of the Board of Directors, and this is an important factor in enhancing the decision-making and working efficiency of the Board of Directors.

This diversity is not limited only to gender, but also to the age, education, professional experience, skills and knowledge. Therefore, in nominating and considering the appointment of the Company will be based on knowledge and ability by using the criteria in the selection, which takes into account diversity.

## 4. Establishment of Sub-committees

Apart from the Company's Board of Directors, there are 3 sub-committees comprising:

4.1 The Audit Committee consists of 4 independent directors who are also members of the Company's Board of Directors. At least one member of the Audit Committee must have expertise in accounting/finance, and the Audit Committee must have the qualifications relating to being independent. The period of tenure is 3 years.

4.2 The Remuneration Nomination and Corporate Governance Committee has 3 members consisting of 2 independent directors and 1 non-executive director. The period of tenure is 3 years.

4.3 The Executive Risk Management and Sustainability Committee has 5 members comprising at least 3 directors but not more than 7 directors and at least half of them must be directors of the Company. The period of tenure is 3 years.

## 5. Board of Directors' Meeting

In each year, the Board of Directors will arrange the schedule for the annual general meeting in advance with a minimum of at least 6 times. In each Board of Directors' meeting, the Company's Secretary will send an invitation letter and the related documents for the Board's meeting at least 7 days in advance. All directors can submit the meeting agenda, and if for any reason they are unable to attend the meeting, the Board of Directors will inform the Company at least 1-2 days in advance. There should be not less than 75% of the total number of directors attending the Board meetings held throughout the year. The Board meeting will provide sufficient time for discussing and expressing opinions, including allowing the senior executive explain information as the person involved directly with the problem. Voting in the meeting requires a minimum of a quorum of at least two-thirds of all directors when the Board has a resolution, as well as the minutes of the meeting must be written. In addition, the Board of Directors' meeting has set the policy to hold a meeting of non-executive directors at least once a year.

## 6. Board of Directors' Report

The Board of Directors is responsible for the financial statements of the Company. These financial statements are executed in accordance with the accepted accounting standards. The selected accounting policy shall be appropriate and consistent, as well as use careful discretion, including the best estimation for adequately disclosing important information in the financial statements. The Company's Board of Directors shall be responsible for the financial information appearing in the financial statements disclosed in the annual report, and the Audit Committee, consisting of independent directors, will be accountable for the quality of the financial statements and adequate systems of internal control and the Audit Committee's comments will appear in the Audit Committee's report in the annual report.

## 7. Orientation for New Directors

The Company will have the Secretary act as the coordinator of internal training for new directors; for example, handbook, anti-corruption policy, good corporate governance policy, and the code of business conduct including a plant visit, so to understand the characteristics of the business supply chain as well as the management structure.

#### 8. Evaluation of the Board of Directors' Performance

The evaluation of the Board of Directors' performance is conducted, so the Board of Directors can perform their duties with the highest efficiency. This is also a framework for the review and improving the operational development of the Board of Directors and evaluating the individual performance, as well as that of the sub-committees by the Board of Directors.

The Remuneration Nomination and Corporate Governance Committee will propose the evaluation criteria to the first Board of Directors' meeting of every year in order to bring the evaluation results to be analyzed and share opinions on each issue. The results of the Board's evaluation will be used to determine the suitability of the Board's composition.

### **Principle 4.** Nomination and Development of Senior and Personnel Executive

#### 1. Nomination and Development of Senior and Personnel Executive

The Remuneration Nomination and Corporate Governance Committee in conjunction with the Chief Executive Officer set the criteria and procedures for the nomination of the Chief Executive Officer that would be proposed at the Board of Directors' meeting to be considered for other senior executive positions. The Executive Risk Management and Sustainability Committee are responsible for setting the successor plan of senior executives and nominating qualified and capable persons in accordance with the set criteria, including having a performance evaluation.

For the personnel executive, the Administration Department has prepared a personnel management plan and rate plan to propose to the Company's Board of Directors as part of the analysis and consideration of the organization's strategy.

#### 2. Evaluation and remuneration

The board of directors shall consider the methods for assessing the chief executive officer's performance, as well as the overall economic and social situation. The assessment results shall be used to consider the annual remuneration, taking into account the performance in accordance with the policies received from the board of directors and the general economic and social climate. The information will be used by the nomination, remuneration, and corporate governance committee to consider the chief executive officer's suitable salary and submit to the board of directors for consideration on a variety of issues, which are divided into 3 parts as follows:

1. Financial performance is based on operation profit margin and sales targets set for each year.
2. Performance results in sustainability dimensions, such as environment, society, and corporate governance. This will be based from employee satisfaction, customer satisfaction, complaints from external communities/society, employee safety statistics, reduction of greenhouse gas emissions, as well as business management in accordance with the principles of good corporate governance and the Company's business ethics.
3. Suggestions by the board of directors regarding the chief executive officer's management and development.

Part 3 is an assessment of the performance of the chief executive officer by independent directors and non-executive directors, who shall assess the performance individually with the results by each director are calculated as averages. The results will be summarized to the board of directors' meeting in every January, and the chairman of the board shall inform the results to the chief executive officer. In addition, key performance indicators (KPIs) are employed as tools for evaluating all positions in the company in order to be used as a basis for determining remuneration in the form of bonuses and adjust annual salary.

#### 3. Succession Plan

The Board of Directors has established a succession plan for the executive directors and senior executives. Each year, the Company will have an action plan meeting, which allows for the exchange of systematic knowledge and experience, so that investors can be assured that the Company will have a continuous operation and succession of executives in each department.

#### 4. Training and Knowledge Development

There is a compulsory training plan for all employees in accordance with the positions, including publicizing the training courses related to various positions. After completing the training, the Company will arrange to have skills testing in both theory and practice then report to the Executive.

### **Principle 5.** Promotion of Innovation and Responsible Business Practices

The Board of Directors is aware of the importance of responsible business operations, which must originate from the cooperation in the performance of the duties through responsibility and awareness of the employees at all levels and in all departments. Therefore, it ensures that all employees of the Company have understanding of the policy and ethics, code of business conduct, anti-corruption policy, including be acknowledgeable about the channel for complaints, or inform the Company, which disseminates its communications, and has arranged for employees to undertake a test through the Intranet system and summarize the results to the Executive and Board of Directors.

#### **Principle 6.** Assurance of an Effective Risk Management and Internal Control System

The Company's internal control and internal audit are independent departments that examine every department's operation to be in accordance with the set rules, including evaluating the effectiveness and efficiency of each department's internal control. This assists the Administration Department to be confident that the current internal control is operating consistently and is appropriate. It also searches for weaknesses and develops current operating systems to have greater efficiency. The Internal Audit Department can fully inspect and counterbalance where necessary and report directly to the Audit Committee.

##### **The Organization and the Environment**

1. The Company has set clear business goals and measures to present to the Board of Directors to consider as guidelines for employees' practices.
2. The Company has arranged the code of business conduct for good practice for all employees to perform their duties without violating the Company's code of ethics.
3. The organizational structure, clear segregation of duties, and the set approval of authority in writing have been established to assist the operation to be conducted effectively and appropriately according to the business size and condition.
4. Define and provide the job description, which specifies the nature of the duties, level of knowledge, ability, and skills of the position for the selection of appropriate personnel.
5. Have human resources management with regards to the recruitment of appropriate personnel for a position, personnel development and training, promotion, salary promotion, and consider providing reasonable incentives or compensation to employees.

##### **Control**

1. Apply key performance indicators (KPIs) that are clearly defined as a tool for planning and controlling the operation's results.
2. For each type of transaction, appoint authorities to approve the financial amount in writing.

##### **Follow-up and Evaluation**

1. Prepare the report that compares the actual operation with the quarterly forecasts.
2. The Internal Audit Department proposes the audit report to the Board of Directors and the Executive.

The Company has the Internal Audit Department, which is directly operating under the Audit Committee that supervises the operation of the Audit Office to have independence and ethics. There are professional standards for internal auditing through the charter of the Audit Committee to set the scope of duties, authority and responsibilities, including clear guidelines for conducting the audit and review every year. Therefore, for the appointment, transfer, dismissal, and evaluation of the performance of the Executive of the Company's Internal Audit Department, the Audit Committee must give approval each time.

##### **Board of Directors' Opinion on the Internal Control System**

The Audit Committee and Board of Directors agree that the Company has an adequate and appropriate internal control system with the operation in the current situation. There is adequate personnel and follow-up and control of the operation to protect the Company's assets from being misused by the directors or executives, or no authority to access the internal control system. Thus, the Company has used the assessment form of the Securities and Exchange Commission to evaluate the adequacy of the Company's internal control system.

##### **Risk Management**

The Company's Board of Directors gives importance to risk management by providing systematic risk management methods for the whole organization that are consistent with international standards, including assigning the Executive Risk Management and Sustainability Committee to consider offering suggestions and supporting the Risk Management Department to develop the organization's risk management system to have continuous efficiency, as well as support the cooperation at every level of the organization and to report the results on a quarterly basis.

In the operation of risk management, the Board of Directors must be aware of the importance in communicating to the employees at all levels to understand by establishing a risk management policy through the organization's Intranet each year. Following the announcement of the Company's strategy and the employees are aware, the risk owner has the duty of evaluating and preparing information about risk management to propose to the Executive Risk Management and Sustainability Committee and the Board of Directors to consider.

#### **Principle 7.** Maintaining Financial Reliability and Information Disclosure

1. The Board of Directors is responsible for having a system for the company's financial reporting, financial disclosure that must be reviewed by a certified auditor and in accordance with financial reporting standards and related practices. This includes the disclosure of information annually on Form 56-1, management discussion and analysis (MD&A) and various important information that is accurate, sufficient and timely.
2. Disclose the financial report information by considering the evaluation results of the adequacy of the internal control system, the auditor's observations and opinions, Audit Committee's opinions including being compliant with the Company's

objectives, goals and policy.

3. Ensure that the Executive reports on the Company's financial status and also regularly reports to the Board of Directors to know immediately or be aware of the signs that affect liquidity and ability to pay off any debts to resolve the problem and carefully conduct business and disclosure of information in accordance with the criteria of the related department.

4. Disclose non-financial information, which consists of various policies; for example, the corporate governance policy, code of business conduct, anti-corruption policy and complaints policy.

5. Report the responsibility of the Board of Directors for the financial report and disclose the performance of the Board of Directors and sub-committees.

6. Supervise the Investor Relations Department and assign the Executive to have a person to take responsibility as the Company's representative to communicate information to the investors, securities analysts, and related parties to acknowledge the Company's information equally and launch the channel for communications for the investors via the Company's website at <https://www.pacificpipe.co.th/EN/investor.html>.

#### **Principle 8.** Support Engagement and Communication with Shareholders

The Board of Directors supports the shareholders' participation in the rights of the minority shareholders to propose to the meeting's agenda in advance and nominate a person to be a director. The company sets and discloses the guideline as follows:

*Section 1* Rights of shareholders, fundamental rights and entitlement to receive information and express opinions in the shareholders' meeting. The details are disclosed in, "Corporate Governance > Policy and Practice for Directors".

*Section 2* Equitable treatment of shareholders. The details are disclosed in, "Corporate Governance > Policy and Practice for Shareholders and Stakeholders".

### **6.1.2 Policy and guidelines related to shareholders and stakeholders**

The Company's Board of Directors has realized the sustainable growth of the business that aims to grow with the expectation and the impact that may affect to all stakeholders in all sectors. Thus, the Board of Directors has ensured that the objectives, goals, and the strategy of the business are consistent with the achievement of the Company's objectives and main organizational goals. The executive will report to the Board of Directors at least once a year on these matters:

- Activities that are performed for the stakeholders.
- Stakeholders' needs based on social and environmental responsibility.

Are there policy and guidelines and measures related to : Yes  
shareholders and stakeholders

Guidelines and measures related to shareholders and : Shareholders, Employee, Customer, Business competitors, Suppliers,  
stakeholders Creditors, Community and society, Other guidelines and measures  
related to shareholders and stakeholders

## **Shareholders**

The Company is committed to creating sustainable business growth and ability to build competitiveness to generate value added to the shareholders in the long term by:

1. Having the dividend policy to pay the shareholders at the rate of no less than 40 percent of the net profit after deducting the reserves in accordance with the law for shareholders. At present, the Company has reserves of 10 percent of the Company's registered capital in accordance with the law. However, such dividend payment can be changed depending on the Company's performance, financial status and investment plan.

2. Shareholders and stakeholders can report or complain about any issue that may cause damage to the Company to the Board of Directors via various channels as follows:

(1) Investor Relations

Pacific Pipe Public Company Limited

1168/74, 26th Floor, Lumpini Tower, Rama IV Road, Bangkok 10120

Tel.: [662] 679-9000; Fax: [662] 679-9075, 76

Email: [ir.dep@pacificpipe.co.th](mailto:ir.dep@pacificpipe.co.th)

(2) Chairman of the Audit Committee: Dr. Somchai Harnhirun

Email : [harnhirun@yahoo.com](mailto:harnhirun@yahoo.com)

(3) Chairman of the Remuneration Nomination and Corporate Governance Committee : Mr. Kriengkrai Rukkulchon

Email : [kriengkrairukk@gmail.com](mailto:kriengkrairukk@gmail.com)

Investor relations will compile the report or complaint by the shareholders and submit to the Remuneration Nomination and Corporate Governance Directors, who are responsible for investigating the issue and reporting it to the Board of Directors.

## Employee

1. Support will not be provided for the enforcement of labor or prison labor and the use of corporal punishment or threat of violence, or other forms of physical, sexual, psychological or verbal abuse.
2. Oppose and not use child labor by not hiring any person under 15 years of age regardless of the purpose, both permanent work or part-time work including paid or unpaid work.
3. For the employment of foreign workers, the Company must act legally in accordance with the labor law.
4. The Company will select persons to be hired for various positions with fairness by considering the qualifications of each position, education, experience and other requirements necessary for the work. The Company will treat its personnel equally without discrimination on gender, age, race, religion, educational background, or other status that is not directly related to their working performance.
5. The Company realizes the importance of the employees and acknowledges that the employees as valuable resources, which are the key of the Company's success. Thus, the Company provides importance and ensures employees have the work skills and stability by:
  - (1) Provide a fair and appropriate salary with the employees' duties and responsibilities. All employees at all levels will receive a performance evaluation using the Key Performance Indicators (KPIs) as a basis for remuneration in the form of annual salary promotion and bonus.
  - (2) Organize orientation and provide employee manuals to all new employees to acknowledge and understand the employees' rights and that they have been accepted under fair employment ethics.
  - (3) Focus on continuously developing and providing training and education to employees to increase their work potential to have efficiency, and promote employees have career advancement by being considered for the examination for promotion each year.
  - (4) Set up a provident fund for employees for supporting them in saving funds in the long term for themselves and their families when they resign, retire, become disabled or die. This includes promoting employees to have knowledge and understanding about money management.
6. The Company has established a Safety Committee to maintain the work environment to always be safe for the life and property of the employees.
7. The Company will maintain personal data of the employees, such as, biography, health record, resumes, etc. The disclosure or transfer of the employees' personal data to the public will be conducted once receiving the approval from the said employee. The violation of this regulation is a disciplinary offense with the exception it is done in accordance with the Company's regulations or the law.

## Customer

1. Deliver products that meet the quality standards under fair conditions and on the basis of fair compensation for both parties.
2. Company employees must be devoted, strive to develop quality products and services at a reasonable price and in time with the situation, fair terms, and conditions without any restriction of consumers' fundamental rights.
3. Employees must comply with the contract or agreed conditions strictly. In the case that the employees are unable to comply with any part of the conditions, they must notify the partner and/or creditors in advance in order to jointly find search for solutions.
4. The employees Customers confidentiality must be seriously concealed with the exception whereby the customer agrees in writing or by the law to the disclosure. In addition, such information must not be used for personal and any other related party's benefit.

## Business competitors

1. Operate within the framework of fair competition, do not manipulate deceptive information, or any other methods to discredit competitors.
2. Do not search for confidential information of trade competitors in an inappropriate and dishonest way, such as offering compensation to competitors' employees.
3. Do not defame the trade competitors with unreasonable accusations or without actual information.

## Suppliers

1. Procurement requires steps that must be verified to provide transparency and maximum benefit.
2. The Company must operate with trade partners with equality on the basis of fair competition.
3. The Company's employees must purchase and supply goods and services by taking into account the need for value, price

and quality. Equal, accurate, unbiased, non-discriminatory information should be provided to trade partners, including purchasing, and supplying that is concise and consistent with the situation.

4. The Company's employees must not take advantage from purchasing supplies. Employees must be neutral, not close to the trade partner, as this may cause the trade partner to influence the decisions of the company's employees.

5. The employee shall strictly adhere to the contractual agreements. If either the Company or the trade partner fails to comply with the agreed terms and conditions, or any other reason that may render compliance with the contract impossible, the Company employee shall immediately report to his/her supervisor for advice.

## Creditors

The Company would comply with the terms of the loan agreement and provide accurate financial information including debt payments that are paid promptly on time every time and are strictly in accordance with the contract or the various terms agreed upon. In the case that the Company is unable to comply with any of the conditions, the Company shall inform the creditors in advance in order to jointly consider searching for a solution. In business negotiations, employees should refrain from claiming, receiving, or informing of any benefits that may cause any dishonest trade.

## Community and society

1. Support the preservation of the environment, education, religion, arts, culture and local customs and traditions where the company is located.

2. Conduct consistent activities to create a society, community, and environment, so that the community where the company is located have a better quality of life. These can be conducted by the Company and/or in cooperation with the government and community.

3. Prevent accidents and control the disposal of waste at an acceptable standard level.

4. The Company will cultivate awareness to employees regarding having responsibility for society, the environment and natural resources.

5. Encourage and promote the effective and efficient utilization of various materials, equipment and resources.

## Other guidelines and measures related to shareholders and stakeholders

### RIGHTS OF SHAREHOLDERS

#### 1. Fundamental right

The Company's Board of Directors has defined the good corporate governance policy with consideration to the shareholders' rights as stipulated by law which comprise the following:

1.1 The right to receive, transfer and fairness in the repurchase of shares by the Company and the right to receive sufficient information punctually via the communication channel provided by the Company to enable shareholders to consider the impact which may occur on themselves and the Company.

1.2 The right to attend the shareholders' meeting, express opinions, recommendations and jointly consider the Company's various agenda during the shareholders' meeting.

1.3 The right to elect and remove the Company's directors and approve the appointment of independent auditors.

1.4 The right of retail investors to elect directors

1.4.1 Each shareholder is entitled to vote with one share being equal to one vote.

1.4.2 Each shareholder appoints each director individually.

1.4.3 The persons receiving the highest votes in descending order shall be the elected directors equal to the number of directors that the shareholders' meeting must elect at the time. In the event that the persons who have been elected in descending order have equal votes in excess of the number of directors that the shareholders' meeting must elect at the time, then the chairman of the meeting shall have a casting vote.

1.5 The right in the equal sharing of profits.

#### 2. Entitlement to receive information and express opinions in the shareholders' meeting

2.1 With awareness of the Thai and foreigners' shareholders, the Company shall prepare the documents about the shareholders' meeting and memorandum in both the Thai and English languages.

2.2 The Company provides opportunities to shareholders to propose the agenda or submit questions for the shareholders' meeting in advance before the end of the fiscal year via the company's website at <https://www.pacificpipe.co.th/EN/investor.html> (Topic "Shareholder Information" >> "Shareholder's Meeting").

2.3 In the shareholders' meeting, the Company's directors and financial executives, including the independent auditors will attend the meeting. During the meeting, the chairman will provide an opportunity for all shareholders to have the equal

right to express their opinions and ask questions with sufficient time and allow the relevant directors explain and/or provide various information in full to the shareholders and announce the voting results on the next business day through the website of the Stock Exchange of Thailand (SET) and the Company's website. In addition, the Company will arrange and disseminate the minutes within 14 days from date of the shareholders' meeting via the websites of the Stock Exchange of Thailand and company's website at (<https://www.pacificpipe.co.th/EN/investor.html> Topic "Shareholder Information").

2.4 All form of compensation of the Board of Directors will be approved by the shareholders annually. The Company will propose the criteria and methods in determining the compensation, as well as the comparative information of the Board of Directors compensation in the past year.

2.5 The election of directors will be conducted individually.

2.6 The Company specifies each agenda of the meeting clearly and there shall not be any additions made to the agenda without prior notification to the shareholders.

### 3. Attending the shareholders' meeting

3.1 The Company releases the documents, both in the Thai and English languages, for the meeting 30 days in advance on the Company's website at <https://www.pacificpipe.co.th/EN/investor.html> before the meeting date and sends the documents to the shareholders. The Company granted Thailand Securities Depository Co., Ltd., the share registrar of the Company, to send all the documents to the shareholders 30 days before the meeting date.

3.2 In arranging the shareholders' meeting, the Company took into account the convenience of the shareholders and institutional investors to attend the meeting; such as, the venue of the meeting and access to information through the Company's website.

**In 2024, the company held the annual general meeting of shareholders in the form of a meeting via electronic media by hiring Quid Lab Co., Ltd. to organize meetings which is a certified company for electronic conferencing control system, registration and voting system from the Electronic Transactions Development Agency (ETDA) and broadcast the meeting live On Thursday, April 11, 2024 at 2:00 p.m. at the meeting room, 24th floor, Lumpini Tower, Rama 4 Road, Thungmahamek, Sathorn, Bangkok, Thailand.**

The Company informed the details to the shareholders to bring all the necessary documents to the meeting to maintain the rights to attend the meeting according to the Company's regulations of the shareholders' meeting. The Company also attached a proxy for shareholders who would like to authorize another person or the Company's independent director to attend the meeting instead. Moreover, the shareholders could download the proxy via the Company's website at <https://www.pacificpipe.co.th/EN/investor.html>.

3.3 The Company provided shareholders with an opportunity to propose the name of a person for the position as the Company's director. For more information, the shareholders were able to visit the Company's website at <https://www.pacificpipe.co.th/EN/investor.html>.

3.4 In every shareholders' meeting, the Company would use technology for the registration and counting the votes and showing the results. The chairman would inform the shareholders of the voting method and the number of the quorum, in providing opportunities for shareholders to equally exercise their rights in enquiring, expressing their opinions, and offering various recommendations, including use a ballot paper and acknowledge the voting results on each agenda.

3.5 The Company provided shareholders with the right to attend the shareholders' meeting after it had already started and the right to vote in the agenda that was still pending and not yet voted.

3.6 In preparing the minutes of the shareholders' meeting, the following information must be recorded:

- (1) The names of the directors and executives that attend the meeting and the proportion of directors who attend and do not attend the meeting.
- (2) The method of voting and counting the votes, the resolutions and the results of the voting (approve, disapprove or abstained) of each agenda.
- (3) The questions and answers at the meeting including the name-surname of the enquirer and respondent.

## 6.2 Business code of conduct

### Business code of conduct

Business code of conduct : Yes

The board of directors has realized and placed importance on encouraging employees at all levels in the corporation to adhere to the code of conduct and behavior standards that should be performed in business and operate under the framework of ethics, integrity and constructive integrity and equality, as well as realize the importance of transparency. They shall not take any action that is involved in corruption in all forms. The Company therefore has prepared a manual on morals and business ethics as a guideline for all directors, executives, employees, investors, and related stakeholders to follow the direction of business operations.

Reference link for the full version of business code of conduct : [https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct\\_2025.pdf](https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct_2025.pdf)

### Policy and guidelines related to business code of conduct

Guidelines related to business code of conduct : Prevention of misuse of inside information, Anti-corruption, Whistleblowing and Protection of Whistleblowers, Preventing the misuse of inside information, Gift giving or receiving, entertainment, or business hospitality, Information and assets usage and protection, Human rights, Other guidelines related to business code of conduct

### Prevention of misuse of inside information

The board of directors and the audit committee have put in place safeguards to protect internal information from being used for personal gain. In the event of transactions that may produce conflicts of interest, those transactions must be carefully considered, and ensure the disclosure of information about transactions with potential conflicts of interest to stakeholders after approving.

For details of measures related to conflicts of interest, the Company has published on the website [www.pacificpipe.co.th](http://www.pacificpipe.co.th) under the topic of investor relations, corporate governance, good corporate governance policy, and business ethics and code of conduct manual.

Results of actions related to conflicts of interest are published under the topic of "Connected transactions"

Reference link for prevention of conflicts of interest : [https://www.pacificpipe.co.th/files/good\\_coperate\\_governance/7%20conflict%20of%20interest%20policy%202025.pdf](https://www.pacificpipe.co.th/files/good_coperate_governance/7%20conflict%20of%20interest%20policy%202025.pdf)

### Anti-corruption

The Company aims to raise awareness of anti-corruption and bribery through internal communication within the company so that the Company's directors, executives, and employees understand and realize the importance of anti-corruption and bribery as well as related policies and practices.

The Company forbids all directors, executives, and employees of the Company and its subsidiaries (if any) to tolerate corruption. All forms of corruption which cause an abuse of power for direct or indirect benefit to oneself, family, friends, and acquaintances, whether in the form of a receiver or giver, monetary or non-monetary, to government agencies or private entities that the Company is conducting business or has a connection with, such as accepting gifts, receptions, donations/raised money, or any other benefits for oneself from an entity who conducts business with the Company. The anti-corruption policy will be strictly adhered to. In addition, the Company has a policy not to demote, punish, or cause negative consequences to employees who oppose the corruption, even if such actions will cause the Company to lose a business opportunity. The company assesses the risk of corruption by assessing and grading the risk level of work or events that may cause corruption, along with a process for checking, following up, and setting preventive control measures. and report to the Board of Directors.

The Company has joined the Thailand's Private Sector Collective Action Coalition Against Corruption through the Thai Institute of Directors Association (IOD) since 2019. And has been renewed as a member until now.

For the Anti-Corruption Policy details, the Company has published on the website <https://www.pacificpipe.co.th> Topic: Investor relation > Corporate Governance > Anti-Corruption Policy.

The details about related operations are written in the "Report on Significant Operations on Corporate Governance" topic.

Reference link for anti-corruption : [https://www.pacificpipe.co.th/files/3%20Anti-Corruption\\_2025.pdf](https://www.pacificpipe.co.th/files/3%20Anti-Corruption_2025.pdf)

## Whistleblowing and Protection of Whistleblowers

### Complaints Policy and Guidelines for Whistleblowing and Reporting Complaints

The scope of complaints and guidelines for whistleblowing when in doubt or witness an act of violation should abide by good practices in the following issues:

- Violation of the compliance with the principles and guidelines of the Company's good corporate governance policy.
- Violation of the Company's rules and regulations.
- Receiving unfair treatment while working.
- Actions deemed as fraud, corruption and bribery, or actions that cause any suspicion.

And have a negative impact on the organization, the employee should enquire or consult with a trusted supervisor of any level. If the employee does not feel comfortable or is unsure of doing so, the employee can report the issue directly as per the details in a complaints channel.

### Measures for the Protection of Complainants or Informants

1. The Company will keep the information and identity of the complainant and respondent to be confidential.
2. The Company will disclose sufficient information by taking into account the safety and damage of the reporter, source of information, or related party.
3. The party receiving the damages shall receive appropriate and fair damage mitigation.
4. The Company will not act unfairly to the reporter or complainant.

### Whistleblowing and Reporting Complaints Channel

The employees are able to file a complaint or related information via the following channel;

1. Report the issue via a comment box at each plant and each distribution center of the Company.
2. Contact/report to the person in charge as follows:

2.1 Chairman of the Audit Committee

Dr. Somchai Harnhirun E-mail : [harnhirun@yahoo.com](mailto:harnhirun@yahoo.com)

2.2 Chairman of the Remuneration Nomination and Corporate Governance Committee

Mr. Kriengkrai Rakkulchon E-mail : [kriangkraiukk@gmail.com](mailto:kriangkraiukk@gmail.com)

Thus, the Company allows all stakeholders to report issues when they need to lodge a complaint or find information about the Company's performance that are against the good corporate governance policy and/or ethics and code of conducts. If there are any additional questions or recommendation, these can be informed to complaints channel as follows:

- Send an e-mail directly to the responsible person in accordance with the list in Items 2.1 - 2.2.
- Send a letter by mail to:

The Remuneration Nomination and Corporate Governance Committee

Pacific Pipe Public Company Limited

Address : 1168/74, 26th Floor, Lumpini Tower Building Rama IV Road, Sathon, Bangkok 10120

The Company has disclosed the processes and measures to protect whistleblowers, complainants, and complaint channels under the Anti-Corruption Policy on <https://www.pacificpipe.co.th> Topic: Corporate Governance and Anti-Corruption Policy.

Reference link for whistleblowing and protection of whistleblowers : [https://www.pacificpipe.co.th/files/3%20Anti-Corruption\\_2025.pdf](https://www.pacificpipe.co.th/files/3%20Anti-Corruption_2025.pdf)

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### Preventing the misuse of inside information

Internal information refers to information on operations of the Company's business management that is confidential and has not yet been made public. If such information is disclosed, there will be an impact on the Company or its subsidiaries (if any), particularly on the value of shares traded on the stock exchange. Employees must not disclose any internal information received from performing their duties to anyone and must not use such information for exploitation wrongfully or at the expense of the Company's benefits, especially regarding trading the Company's securities for personal or others' benefits, which is considered an offense according to Sections 241 and 242 of the Securities and Exchange Act B.E. 2535 amended by the Securities and Exchange Act (No.5) B.E. 2559

For the details of internal information supervision and guidelines, the Company has published on the website [www.pacificpipe.co.th](http://www.pacificpipe.co.th) under the topic "Investor relations, corporate governance, good corporate governance policy, and business ethics and code of conduct manual".

Reference link for misuse of inside information : [https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct\\_2025.pdf](https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct_2025.pdf)

## Gift giving or receiving, entertainment, or business hospitality

1. Employees must not request, receive, or agree to receive money, goods, or any other benefits from individuals involved in the company's business.
2. Employees may give or receive gifts if they do not influence business-related decision-making.
3. All gifts and other benefits must be disclosed to supervisors to ensure proper handling. If there is a necessity to accept gifts or other property, employees must report to their superiors for appropriate action in strict compliance with the company's policy on giving and receiving gifts and entertainment.
4. The giving and receiving of gifts are permissible only when conducted with transparency and proper disclosure.
5. Employees may host welcome banquets to promote business interests but should avoid organizing events that go beyond normal professional relationships with company-related parties or potential business partners.

Reference link for gift giving or receiving, entertainment, or business hospitality : [https://www.pacificpipe.co.th/files/good\\_coperate\\_governance/4%20gift%20and%20entertainment%20policy\\_2025.pdf](https://www.pacificpipe.co.th/files/good_coperate_governance/4%20gift%20and%20entertainment%20policy_2025.pdf)

## Information and assets usage and protection

1. Employees have a duty and responsibility to safeguard the company's assets from damage or loss and to use them efficiently. Employees must familiarize themselves with the proper usage and safety guidelines of company assets, ensuring they are utilized for the company's benefit to the fullest extent. Employees must not use company assets for personal gain or for the benefit of others.
2. These assets include both tangible and intangible assets, such as movable and immovable property, technology, academic knowledge, legal documents, patents, copyrights, and confidential information that is not publicly disclosed, including business plans, financial projections, and human resources data.
3. All employees must strictly avoid disclosing or misusing confidential information.
4. Employees are responsible for properly managing confidential information and must not share any undisclosed, material information obtained through their work with unauthorized departments or external parties. Employees must make every effort to safeguard confidential information, including ensuring proper storage and handling of confidential documents.

Reference link for information and assets usage and protection : [https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct\\_2025.pdf](https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct_2025.pdf)

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## Human rights

1. Not support the enforcement of labour or prison labour and do not use physical punishment or threat from being abused or other punishment of physical abuse, sex, mental or verbal. This is the measures of discipline or control.
2. Refuse and oppose to child labour by not hiring people under 15 years of age, no matter which of the objectives both of routines or during non-business hours including working with wages, and no pay.
3. The Company hires foreign workers legally under the labour law.
4. Recruit a person to be employed in various positions fairly and consideration of the qualifications of each position, education, experience and other requirements necessary for the job. The company treats its personnel equally without discrimination, regardless of race; religion; educational background, or other status that is not directly related to their working performance.
5. Realizes the importance of employee and aware that employees as valuable resources which as the key of company's success. For these reason, the company give precedence, take care of employees and train any skills in working by;
  - 5.1 Provide the fair salary and appropriate with duties and responsibilities by using the Key Performance Indicators (KPIs) as a basis for remuneration consideration.
  - 5.2 Organize orientation and give manuals to new employees to acknowledge and understand the benefits that the employee should receive and ethics and comply with labour law strictly.
  - 5.3 Focus on development and provide training to educate employees continuously to increase the potential for work efficiently and promote the employee to advance in careers by testing to get a promotion in each year.
  - 5.4 Set up the provident fund to employee for supporting in saving account in long term for themselves and their family when employee resign, retire, disabled person or died.
6. Establish a Security Committee to maintain an environment that is secure against the life and property of the employee.
7. Keep the personal data of employees such as health history, biographies, resumes etc. The disclosure or transfer the personal data of employees to the public will have to get approval from that employee. The harassment is a disciplinary offense

unless done according to the company regulations or law.

Reference link for human rights : [https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct\\_2025.pdf](https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct_2025.pdf)

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## **Other guidelines related to business code of conduct**

### Using Information Technology and Communication

1. The Company promotes and uses genuine device tools and programs that are legal copyright.
2. Employee shall not perform any act that might interfere with or cause disruption to others on the computer and Internet system in the office. Employee shall not use the computer system to release inappropriate information that is against the law, morality, culture or tradition; e.g., causing damage to reputation or property, propagating pornography, disrupting mail forwarding that are interruption.
3. Employee shall safeguard their passwords and not disclose them to others to prevent unauthorized access to the computer system. Accessing unfamiliar websites should be avoided since it may cause damage to the computer system.
4. In case of the employee request access to the company information technology system for a outsider person, they shall oversee such person's use of the computer and be held responsible for any consequent damages.
5. In case of the employee asks for authorization manager allowing the external person access the company information system, an employee of a company that is requesting to control your external and be responsible for damage that may occur with the company information system.
6. When the Company employees bring computer equipment or accessories from outside into office, they must be approved by authorized person.

Reference link for other guidelines related to business code of : [https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct\\_20conduct\\_25.pdf](https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct_20conduct_25.pdf)

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### Intellectual Property

The Company will comply with the legal requirements on intellectual property and copy rights. Employees must check beforehand that the work or information that belongs to third parties can be used within the Company without violating the intellectual property of others.

1. Any work that is performed under the Company is considered the Company's intellectual property.
2. All the intellectual properties which include the work in progress, innovation in all formats shall be returned to the Company once an employee vacates the office.
3. Employees who use the Company's computers should use only the licensed software programs of the Company to avoid violating intellectual property of others.
4. Employees must check beforehand that the work or information that belongs to third parties can be used within the Company without violating the intellectual property of others.

Reference link for other guidelines related to business code of : [https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct\\_20conduct\\_25.pdf](https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct_20conduct_25.pdf)

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### Management and Maintenance of Ethics

1. All of the company's employees must strictly follow the moral practice. If any violation is found, the company will consider a punishment by nature of a guilty.
2. The management must be a good role model of following the ethical practice, and also have a duty of investigating and encourage a subordinate to follow the ethical practice.
3. Requesting for the ethical practice exception to the employees and the directors must be approved by the company's board of director.
4. All of the company's employees have a duty to sign for an acknowledgement of the ethics when they fill in a position of the company.

Reference link for other guidelines related to business code of : [https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct\\_20conduct\\_25.pdf](https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct_20conduct_25.pdf)

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## Promotion of compliance with the business code of conduct

Promotion for the board of directors, executives, and employees to comply with the business code of conduct : Yes

1. The Board of Directors has reviewed the company's business ethics and code of conduct.
2. Annual review and testing included as part of the basic employee curriculum. It is a Corporate Governance course which consists of
  - (1) Good Corporate Governance Policy
  - (2) Anti-Corruption Policy
  - (3) Ethics and Code of Conduct
  - (4) Procurement Policy
  - (5) Conflict of Interest Policy
  - (6) Gift and Entertainment Policy
  - (7) Donations and social activities Policy.

The employees must pass the test 80% of the test. The number of employees who passed the criteria was 98.21% of the employees who took the test.

## Participation in anti-corruption networks

Participation or declaration of intent to join anti-corruption networks : Yes

Anti-corruption networks or projects the company has joined or declared intent to join : Thai Private Sector Collective Action Against Corruption (CAC)  
CAC membership certification status : Certified

## 6.3 Material changes and developments in policy and corporate governance system over the past year

### 6.3.1 Material changes and developments related to the review of policy and guidelines in corporate governance system or board of directors' charter

In the past year, did the company review the corporate governance policy and guidelines, or board of directors' charter : Yes

Material changes and developments in policy and guidelines over the past year : No

Members of the board of directors consider that it is appropriate to combine the Securities and Exchange Commission's (SEC) standards and best practices with the Organization for Economic Co-operation and Development (OECD)'s corporate governance code in order to adapt with the Company's business operations at least once a year to ensure efficiency and adhered to morals and ethics. This is to build trust for investors, stakeholders, board members, executives, and all employees.

In 2024, members of the board of directors have assigned the Company's nomination and remuneration committee and corporate governance to review policies, practices and corporate governance systems according to the practice of corporate governance code for listed companies in 2017. It was then reported to the board of directors at Meeting with details of the changes as follows:

1. Examine the charters of various committees, such as the board of directors, audit committee, nomination, remuneration, and corporate governance committee, executive risk Management and sustainability committee, and others. The charters of these committees were found to be sufficient and consistent with the goals. As a result, no adjustments have been made to the Company's current operational strategy.

For details of the charters of the aforementioned committees, the Company has published on the website <https://www.pacificpipe.co.th> Topic: Investor relation > Corporate Governance > Committee Charters

2. The company's policies are reviewed at least once a year and published on the website <https://www.pacificpipe.co.th>.  
3. The board of directors has determined the composition for the nomination of directors by taking board skills into consideration.

### 6.3.2 Implementation of the CG Code for listed companies

Implementation of the CG Code as prescribed by the SEC : Mostly used in practice

The details about related operations are written in the "Report on Significant Operations on Corporate Governance" topic. And explanations for some practices which were not adopted.

1. The Board of Directors should consider the Company's corporate governance policy for its subsidiaries, including:

(1) The authority to appoint persons to be directors, executives, or others with controlling power in a subsidiary company, which will be specified in writing. In general, the Board of Directors should be the appointee with the exception that the subsidiary is small and is the "operating arms" of the business, the Board of Directors may assign this authority to the Chief Executive Officer to be the appointee.

(2) Set the duties and responsibilities of the persons who are representatives of the Company in accordance with Item (1), and representatives of the Company overseeing the operations in accordance with the subsidiaries' policies. In the case that the subsidiary company has investors, the Board of Directors should set the policy for the representative to perform his/her role in the subsidiary's best interest and be consistent with policy of the main company.

Reason The company has no subsidiary.

2. If participating in any investment of other significant businesses; such as, the proportion of shares with voting rights between 20% and 50%, and the investment amount or may require a significant additional investment, in the case that this is necessary, the Board of Directors should ensure that the shareholders' agreement or other agreements relating to authority are clarified. In the administration and participation in the decision-making of significant issues, the following-up of the operations that could be used as information for the preparation of the financial statement in accordance with the relevant standards and in time.

Reason The company has no policy to invest in any other business.

### 6.3.3 Other corporate governance performance and outcomes

### **Corporate Governance Towards Sustainability**

The Company realizes the importance of good corporate governance by adhering to regulatory measures to create sustainable business value. This also includes the management system and control of the Company's internal operations to allow the Company to achieve the goals set for the best interests of shareholders in the long run. The Company acts under the principles and best practices defined by the Securities and Exchange Commission (SEC) along with the good corporate governance principles by the Organization for Economic Co-operation and Development (OECD) which are used as guidelines in determining the principles of good corporate governance of the Company to build confidence among all concerned parties and become the foundation for sustainable growth of a business which has transparency, integrity, accountability, and competitiveness. The details of good corporate governance principles, business ethics, anti-corruption policy are published on the website [www.pacificpipe.co.th/TH/investor.html](http://www.pacificpipe.co.th/TH/investor.html) (Corporate Governance topic). The operational results are as follows:

1. The Company has reviewed the policies and guidelines for good corporate governance, including other policies and guidelines related to all groups of stakeholders as well as business partners.
2. Conduct audits, review, amend, and improve the Company's rules and regulations in accordance with the law and regulations of various departments that oversees business operations and various activities in the entire business chain of the corporation.
3. Conduct operations as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) and announce the No Gift Policy annually.
4. Apply the principles of good corporate governance for listed companies in 2017 (CG Code) to be adapted to suit the context of the corporation. And received an assessment for good corporate governance at an excellent level (5 stars) by the Thai Institute of Directors Association for the 6th year in a row.

### **Business Risk Management**

The board of directors supports and promotes the establishment of an internal risk management system, which is one of the key mechanisms for achieving objectives and adding value to stakeholders. The board has assigned executives and employees in various departments to be risk owners, who have roles, duties, and responsibilities to assess and manage risks responsible to be at acceptable levels by the Company, as well as promote and encourage risk management to be part of corporate culture by raising awareness of the importance of risk management. This can be achieved by providing effective risk management processes in every step, which complies with the framework of risk management structure based on international standards of the Committee of Sponsoring Organization of the Treadway Commission (COSO), which consists of the internal control system (COSO) framework and the Enterprise Risk Management (ERM) framework based on the principles of good corporate governance. This can help the Company increase its chances of success with limited resources effectively and reduce uncertainty in operating results. The Company has published details of the "Risk Management Policy" on the website [www.pacificpipe.co.th](http://www.pacificpipe.co.th). The operational results are as follows:

1. The Company assesses the risk factors that may occur and has an effect on business operations in various dimensions. The details are summarized in the "Risk Factors in the Company's Business" section.
2. The Company operates the risk management process and has summarized the details in the Risk Management topic, which has been approved by the risk management committee. This is to provide a guideline for each department to determine their respective risk management procedures systematically and put into practice, which shall be in accordance with the goals of the corporation. Which includes all 8 components as follows:

1. Internal Environment
  2. Objective Setting
  3. Event Identification
  4. Risk Assessment
  5. Control Activities
  6. Risk Response
  7. Monitoring
  8. Information & Communication
3. All departments are required to conduct a risk assessment and risk review annually at least once. The departments shall also be assessed by internal audit to ensure that all departments have been operating in accordance with the policies and working standards.

In addition, the board has disclosed other additional policies under the Corporate Governance Policy. The full version is published on the website [www.pacificpipe.co.th](http://www.pacificpipe.co.th) under the topic of "Investor relations > corporate governance > Other important information" and "About PAP > Management Policy".

- Corporate governance Policy
- Ethics and Code business conduct

- Anti - Corruption Policy
- Energy conservation Policy
- Occupational Health and Safety Policy
- Sustainability Policy
- Human rights and treatment of labor Policy
- Personal Data Protection Policy
- Risk management Policy
- Tax Policy

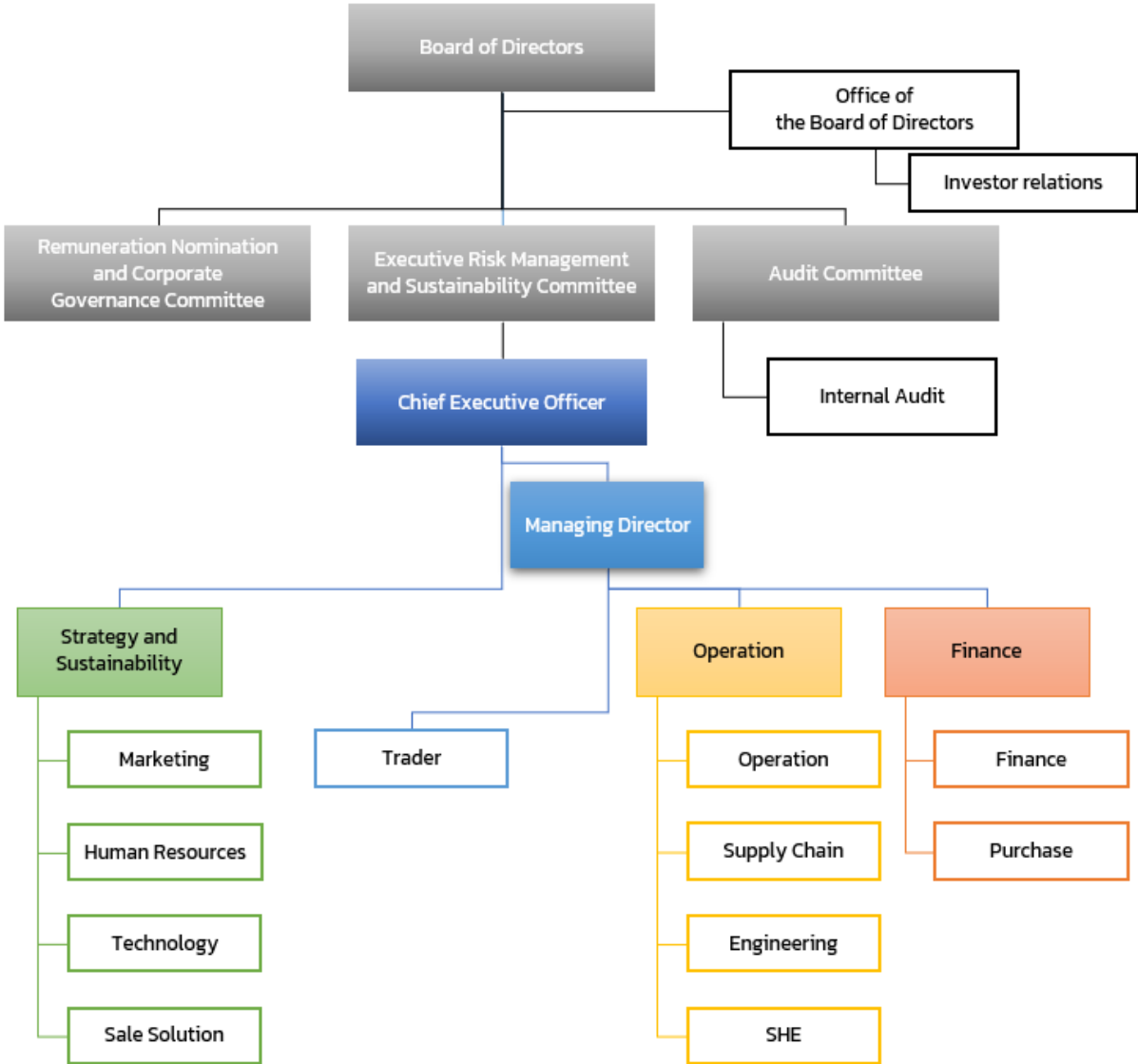
# 7. Corporate governance structure and significant information related to the board of directors, subcommittees, executives, employees, and others

## 7.1 Corporate governance structure

### Corporate governance structure diagram

Corporate governance structure as of date : 31 December 2024

### Corporate governance structure diagram



## 7.2 Information on the board of directors

### 7.2.1 Composition of the board of directors

	Number (persons)	Percent (%)
Total directors	9	100.00
Male directors	6	66.67
Female directors	3	33.33
Executive directors	3	33.33
Non-executive directors	6	66.67
Independent directors	5	55.56
Non-executive directors who have no position in independent directors	1	11.11

### 7.2.2 The information on each director and controlling person

#### List of the board of directors

List of directors	Position	First appointment date of director	Skills and expertise
<p>1. Mr. KRIENGGKRAI RUKKULCHON</p> <p>Gender: Male</p> <p>Age : 67 years</p> <p>Highest level of education : Barrister</p> <p>Study field of the highest level of education : Law</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p>	<p>Chairman of the board of directors</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	20 Apr 2007	Steel, Law, Accounting, Finance, Corporate Social Responsibility
<p>2. Mr. VICHARN ARAMVAREEKUL</p> <p>Gender: Male</p> <p>Age : 76 years</p> <p>Highest level of education : Doctoral degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : No</p> <p>DCP course : Yes</p>	<p>Vice-chairman of the board of directors</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	24 Apr 2014	Steel, Accounting, Finance, Risk Management, Corporate Social Responsibility
<p>3. Dr. SOMCHAI HARNHIRUN</p> <p>Gender: Male</p> <p>Age : 67 years</p> <p>Highest level of education : Doctoral degree</p> <p>Study field of the highest level of education : Economics</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p>	<p>Director</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	11 Apr 2023	Economics, Steel, Risk Management, Corporate Social Responsibility

List of directors	Position	First appointment date of director	Skills and expertise
<p>4. Ms. PIYANUS CHAIKAJORNWAT</p> <p>Gender: Female</p> <p>Age : 49 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Management</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p>	<p>Director</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	12 Jun 2008	Steel, Risk Management
<p>5. Mr. BUNSAK APHICHARTANAT</p> <p>Gender: Male</p> <p>Age : 52 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Innovative Management</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p>	<p>Director</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	12 Apr 2022	Finance, Accounting, Information & Communication Technology, Risk Management

List of directors	Position	First appointment date of director	Skills and expertise
<p>6. Mr. SOMCHAI LEKAPOJPANICH  Gender: Male  Age : 65 years  Highest level of education : Doctoral degree  Study field of the highest level of education : Innovation Management  Thai nationality : Yes  Residence in Thailand : Yes  Family relationship between directors and executives : Have  Legal offenses in the past 5 years <sup>(*)</sup> :  Doesn't Have  DAP course : Yes  DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 10,187,500 Shares (0.000000 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 17,812,500 Shares (2.698900 %)</li> </ul>	<p>Director  (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	17 Mar 2004	Economics, Steel, Accounting, Finance, Risk Management
<p>7. Dr. AEIMPORN PUNYASAI  Gender: Female  Age : 56 years  Highest level of education : Doctoral degree  Study field of the highest level of education : Innovation Management  Thai nationality : Yes  Residence in Thailand : Yes  Family relationship between directors and executives : Doesn't Have  Legal offenses in the past 5 years <sup>(*)</sup> :  Doesn't Have  DAP course : Yes  DCP course : Yes</p>	<p>Director  (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	1 Jan 2020	Economics, Steel, Information & Communication Technology, Corporate Social Responsibility, Risk Management

List of directors	Position	First appointment date of director	Skills and expertise
<p>8. Ms. THITIMA VATANASAKDAKUL  Gender: Female  Age : 44 years  Highest level of education : Master's degree  Study field of the highest level of education : E-Commerce  Thai nationality : Yes  Residence in Thailand : Yes  Family relationship between directors and executives : Doesn't Have  Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have  DAP course : No  DCP course : Yes</p>	<p>Director  (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	1 Dec 2021	Economics, Steel, Accounting, Finance, Risk Management
<p>9. Mr. KANIN LEKAPOJNICH  Gender: Male  Age : 34 years  Highest level of education : Master's degree  Study field of the highest level of education : Electrical and Electronic Engineering  Thai nationality : Yes  Residence in Thailand : Yes  Family relationship between directors and executives : Have  Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have  DAP course : Yes  DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 24,250,000 Shares (0.000000 %)</li> </ul>	<p>Director  (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	11 Apr 2023	Engineering

Additional explanation :

(\*) Any offense under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003), only in the following cases:

(1) Dishonest act or gross negligence

(2) Disclosure or dissemination of false information or statements that may be misleading or conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved

(3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts.

(\*\*) Shareholdings by persons related to directors or executives as prescribed in Section 59 of the Securities and Exchange Act B.E. 2535 (1992), such as spouses or cohabiting couple (unmarried couples living together openly), minor children, etc.

## Diagram of the board of directors

# Board of Directors



**MR. KRIENKRAI RUKKULCHON**

- Independent Director
- Chairman
- Chairman of Remuneration Nomination and Corporate Committee



**DR. VICHARN ARAMVAREEKUL**

- Independent Director
- Vice Chairman
- Audit Committee



**DR. SOMCHAI HARNHIRUN**

- Independent Director
- Chairman of Audit Committee



**MS. PIYANUS  
CHAIKAJORNWAT**

- Independent Director
- Audit Committee
- Remuneration Nomination and Corporate Committee



**MR. BUNSAK APHICHARTANAT**

- Independent Director
- Audit Committee



**MR. SOMCHAI LEKAPOJPANICH**

- Non-Executive Director
- Chairman of Executive, Risk Management and Sustainability Committee
- Remuneration Nomination and Corporate Committee



**DR. AEIMPORN PUNYASAI**

- Executive Director
- Executive, Risk Management and Sustainability Committee
- Chief Executive Officer



**MS. THITIMA VATTANASAKDAKUL**

- Executive Director
- Executive, Risk Management and Sustainability Committee
- Managing Director



**MR. KANIN LEKAPOJPANICH**

- Executive Director
- Executive, Risk Management and Sustainability Committee
- Chief Operating Officer



**MS. VIRIYA AMPORNNAPAKUL**

- Executive, Risk Management and Sustainability Committee
- Company Secretary



**MR. PERT LEEVILAIKUNRATT**

- Executive, Risk Management and Sustainability Committee
- Chief Financial Officer

## List of the board of directors by position

List of the board of directors	Position	Executive directors	Non-executive directors	Independent directors	Non-executive directors who have no position in independent directors	Authorized directors as per the company's certificate of registration
1. Mr. KRIENGRAI RUKKULCHON	Chairman of the board of directors		✓	✓		
2. Mr. VICHARN ARAMVAREEKUL	Vice-chairman of the board of directors		✓	✓		
3. Dr. SOMCHAI HARNHIRUN	Director		✓	✓		
4. Ms. PIYANUS CHAIKAJORNWAT	Director		✓	✓		
5. Mr. BUNSAK APHICHARTANAT	Director		✓	✓		
6. Mr. SOMCHAI LEKAPOJPANICH	Director		✓		✓	✓
7. Dr. AEIMPORN PUNYASAI	Director	✓				✓
8. Ms. THITIMA VATANASAKDAKUL	Director	✓				✓
9. Mr. KANIN LEKAPOJPANICH	Director	✓				
<b>Total (persons)</b>		<b>3</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>3</b>

## Overview of director skills and expertise

Skills and expertise	Number (persons)	Percent (%)
1. Economics	4	44.44
2. Steel	7	77.78
3. Information & Communication Technology	2	22.22
4. Law	1	11.11
5. Accounting	5	55.56
6. Finance	5	55.56
7. Corporate Social Responsibility	4	44.44
8. Engineering	1	11.11
9. Risk Management	7	77.78

## Information about the other directors

- The chairman of the board and the highest-ranking executive : No  
are from the same person
- The chairman of the board is an independent director : Yes
- The chairman of the board and the highest-ranking executive : No  
are from the same family
- Chairman is a member of the executive board or taskforce : No
- The company appoints at least one independent director to : Yes  
determine the agenda of the board of directors' meeting

## The measures for balancing the power between the board of directors and the Management

- The measures for balancing the power between the board of : Yes  
directors and the Management
- Methods of balancing power between the board of directors : Increasing the proportion of independent directors to more than  
and Management half, Appointing an independent director to jointly consider the  
agenda of the board of directors' meeting

The composition of the Board consists of more than half of independent directors. In case, the Chairman is not an independent director, one independent director will be appointed to consider the agenda of the Board of Directors' meeting.

### 7.2.3 Information on the roles and duties of the board of directors

- Board charter : Yes

The Board of Directors is the representative of shareholders and plays an important role in creating value for the business and generating returns on investment for shareholders. Generally, the Board of Directors will assign the management to perform the duties. Therefore, the main duties of the Board of Directors are divided into 2 areas:

- 1) Determining the direction, policies and business strategies of the Company to ensure that the Company operates in a direction that is of the utmost benefit to shareholders.
- 2) Monitoring the performance of the management to check, balance and be responsible for the Company's performance to shareholders.

The Board of Directors also has the powers and responsibilities as specified in the law, the Company's regulations and the resolutions of the shareholders' meeting. Important details are shown in Section 5 on the scope of power, duties and responsibilities.

- Reference link for the board charter : [https://www.pacificpipe.co.th/files/good\\_coperate\\_governance/chart%20board\\_2025\\_web.pdf](https://www.pacificpipe.co.th/files/good_coperate_governance/chart%20board_2025_web.pdf)

## 7.3 Information on subcommittees

### 7.3.1 Information on roles of subcommittees

#### Roles of subcommittees <sup>(5)</sup>

##### Board of Directors

###### Role

- Other
  - Approve the Company's policies, goals, business strategies and budgets.

###### Scope of authorities, role, and duties

The Board of Directors has the authority and duty to manage the company in compliance with the law, objectives, regulations, and resolutions of the shareholders' meetings. However, certain matters require prior approval from the shareholders' meeting, such as those mandated by law, related-party transactions, and significant asset acquisitions or disposals in accordance with the regulations of the Stock Exchange of Thailand or other relevant government authorities

###### Reference link for the charter

[https://www.pacificpipe.co.th/files/good\\_coperate\\_governance/charter%20board\\_2025\\_web.pdf](https://www.pacificpipe.co.th/files/good_coperate_governance/charter%20board_2025_web.pdf)

##### Audit Committee

###### Role

- Audit of financial statements and internal controls
- Other
  - Review the company's compliance with relevant laws and regulations.

###### Scope of authorities, role, and duties

The Audit Committee has performed its duties independently according to the scope of authority, duties and responsibilities assigned by the Board of Directors. This is in accordance with the Audit Committee's charter, which has been reviewed to be in line with the current situation of the company and the good practices of the Audit Committee as specified by the Stock Exchange of Thailand. The Company has been reviewed for compliance with relevant laws and regulations, including following the principles of good corporate governance to ensure transparency of the company. Risk management and internal control are adequate and appropriate, with an independent and efficient internal audit system to protect the interests of the company and all stakeholders equally.

###### Reference link for the charter

[https://www.pacificpipe.co.th/files/good\\_coperate\\_governance/charter%20ac\\_web.pdf](https://www.pacificpipe.co.th/files/good_coperate_governance/charter%20ac_web.pdf)

## Remuneration Nomination and Corporate Governance Committee

### Role

- Director and executive nomination
- Remuneration
- Corporate governance

### Scope of authorities, role, and duties

(1) Recruit and select qualified individuals for the position of company director and senior executives for nomination to the Board of Directors. (2) Consider and determine the remuneration for company directors, executive directors, and members of subcommittees in various forms, such as gratuities, meeting allowances, securities issuance under the ESOP program, or other compensation. These proposals shall be submitted to the Board of Directors and/or the shareholders' meeting for approval, as applicable. (3) Oversee the performance of the Board of Directors, subcommittees, and management to ensure compliance with good corporate governance principles and best practices in business ethics and conduct.

### Reference link for the charter

[https://www.pacificpipe.co.th/files/good\\_coperate\\_governance/charter%20mc\\_2025\\_web.pdf](https://www.pacificpipe.co.th/files/good_coperate_governance/charter%20mc_2025_web.pdf)

## Executive, Risk Management and Sustainability Committee

### Role

- Risk management
- Sustainability development
- Other
  - Management

### Scope of authorities, role, and duties

(1) Review and oversee the formulation of policies, directions, strategies, and business risk management, including the company's investment plans and annual budget allocation, for submission to the Board of Directors for approval. (2) Regularly review and assess the company's risks, ensuring continuous monitoring and supervision each year to maintain appropriate risk management in response to changing circumstances and to implement effective risk mitigation measures. (3) Evaluate policies, practices, and sustainability plans to align with the company's sustainable business operations.

### Reference link for the charter

[https://www.pacificpipe.co.th/files/good\\_coperate\\_governance/charter%20erc\\_2025\\_web.pdf](https://www.pacificpipe.co.th/files/good_coperate_governance/charter%20erc_2025_web.pdf)

*Remark : <sup>(5)</sup> In addition to the duties outlined in the company's charter, the roles and responsibilities of the directors across all committees are also defined as part of the company's corporate governance policy.*

## 7.3.2 Information on each subcommittee

### List of audit committee

The Audit Committee consists of 4 independent directors, who hold a 3-year term as from March 3, 2022 to March 3, 2025. The Audit Committee appointed Mr. Naritchai Bhurepongsonond as the Secretary of the Committee.

List of directors	Position	Appointment date of audit committee member	Skills and expertise
<p>1. Dr. SOMCHAI HARNHIRUN  Gender: Male  Age : 67 years  Highest level of education : Doctoral degree  Study field of the highest level of education : Economics  Thai nationality : Yes  Residence in Thailand : Yes  Expertise in accounting information review : No</p>	<p>Chairman of the audit committee  (Non-executive directors, Independent director)    Director type : Existing director</p>	3 Mar 2022	Economics, Steel, Risk Management, Corporate Social Responsibility
<p>2. Mr. VICHARN ARAMVAREEKUL<sup>(*)</sup>  Gender: Male  Age : 76 years  Highest level of education : Doctoral degree  Study field of the highest level of education : Business Administration  Thai nationality : Yes  Residence in Thailand : Yes  Expertise in accounting information review : Yes</p>	<p>Member of the audit committee  (Non-executive directors, Independent director)    Director type : Existing director</p>	3 Mar 2022	Steel, Accounting, Finance, Risk Management, Corporate Social Responsibility
<p>3. Ms. PIYANUS CHAIKAJORNWAT  Gender: Female  Age : 49 years  Highest level of education : Master's degree  Study field of the highest level of education : Management  Thai nationality : Yes  Residence in Thailand : Yes  Expertise in accounting information review : No</p>	<p>Member of the audit committee  (Non-executive directors, Independent director)    Director type : Continuing director (Full term of directorship and being re-appointed as a director)</p>	3 Mar 2022	Steel, Risk Management
<p>4. Mr. BUNSAK APHICHARTANAT<sup>(*)</sup>  Gender: Male  Age : 52 years  Highest level of education : Master's degree  Study field of the highest level of education : Innovative Management  Thai nationality : Yes  Residence in Thailand : Yes  Expertise in accounting information review : Yes</p>	<p>Member of the audit committee  (Non-executive directors, Independent director)    Director type : Existing director</p>	3 Mar 2022	Finance, Accounting, Information & Communication Technology, Risk Management

Additional explanation :

(\*) Directors with expertise in accounting information review

## List of executive committee members who resigned / vacated their position during the year <sup>(6)</sup>

List of committee members	Position	Date of resignation / termination	Replacement committee member
1. Mr. Thitakorn Ussayaporn Gender: Male Age : 59 years Highest level of education : Master's degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	30 Sep 2024	-

Remark : <sup>(6)</sup> Mr. Thitakorn, the Executive Director, serves as a member of the Executive, Risk Management and Sustainability Committee.

## Other Subcommittees

- Remuneration Nomination and Corporate Governance Committee comprises 2 independent directors and 1 non-executive director, who hold a 3-year term as from February 4, 2024 to February 3, 2027. The Remuneration Nomination and Corporate Governance Committee appointed Ms. Viriya Ampornnapakul as the secretary of the Committee.

- Executive, Risk Management and Sustainability Committee comprises 1 non-executive director, 4 executive directors who hold a 3-year term as from February 19, 2024 February 18, 2027. The Executive, Risk Management and Sustainability Committee appointed Ms. Lalita Mahamaneekhajon as the Secretary of the Committee.

Subcommittee name	Name list	Position
Remuneration Nomination and Corporate Governance Committee	Mr. KRIENKRAI RUKKULCHON	The chairman of the subcommittee (Independent director)
	Ms. PIYANUS CHAIKAJORNWAT	Member of the subcommittee (Independent director)
	Mr. SOMCHAI LEKAPOJPANICH	Member of the subcommittee
Executive, Risk Management and Sustainability Committee	Mr. SOMCHAI LEKAPOJPANICH	The chairman of the subcommittee
	Dr. AEIMPORN PUNYASAI	Member of the subcommittee
	Ms. THITIMA VATANASAKDAKUL	Member of the subcommittee
	Ms. Viriya Ampornnapakul	Member of the subcommittee
	Mr. PERT LEEVILAIKULRATT	Member of the subcommittee
	Mr. KANIN LEKAPOJPANICH	Member of the subcommittee

## 7.4 Information on the executives

### 7.4.1 List and positions of the executive

List of the highest-ranking executive and the next four executives

List of executives	Position	First appointment date	Skills and expertise
<p>1. Dr. AEIMPORN PUNYASAI<sup>(***)</sup>  Gender: Female  Age : 56 years  Highest level of education : Doctoral degree  Study field of the highest level of education : Innovation Management  Thai nationality : Yes  Residing in Thailand : Yes  Highest responsibility in corporate accounting and finance : No  Accounting supervisor : No</p>	<p>CHIEF EXECUTIVE OFFICER  (The highest-ranking executive)</p>	<p>1 Jan 2020</p>	<p>Economics, Steel, Information &amp; Communication Technology, Corporate Social Responsibility, Risk Management</p>
<p>2. Ms. THITIMA VATANASAKDAKUL<sup>(***)</sup>  Gender: Female  Age : 44 years  Highest level of education : Master's degree  Study field of the highest level of education : E-Commerce  Thai nationality : Yes  Residing in Thailand : Yes  Highest responsibility in corporate accounting and finance : No  Accounting supervisor : No</p>	<p>Executive Director</p>	<p>1 Oct 2022</p>	<p>Economics, Steel, Accounting, Finance, Risk Management</p>
<p>3. Mr. PERT LEEVILAIKULRATT<sup>(**)(***)</sup>  Gender: Male  Age : 46 years  Highest level of education : Master's degree  Study field of the highest level of education : Business Administration  Thai nationality : Yes  Residing in Thailand : Yes  Highest responsibility in corporate accounting and finance : Yes  Accounting supervisor : No</p>	<p>CHIEF FINANCIAL OFFICER</p>	<p>1 Oct 2022</p>	<p>Finance, Accounting</p>

List of executives	Position	First appointment date	Skills and expertise
4. Mr. KANIN LEKAPOJPNICH <sup>(***)</sup> Gender: Male Age : 34 years Highest level of education : Master's degree Study field of the highest level of education : Electrical and Electronic Engineering Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	ACTING CHIEF OPERATING OFFICER	1 Oct 2022	Engineering
5. Mr. Supat Bosombat Gender: Male Age : 58 years Highest level of education : Master's degree Study field of the highest level of education : Political Science Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	Sales Director Solution	1 Oct 2024	Steel, Economics, Risk Management, Human Resource Management, Marketing
6. Mr. Nara Srisuwan Gender: Male Age : 45 years Highest level of education : Master's degree Study field of the highest level of education : Management Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	Marketing Director	1 Oct 2024	Steel, Marketing, Risk Management, Sustainability

Additional Explanation :

(\*) Highest responsibility in corporate accounting and finance

(\*\*) Accounting supervisor

(\*\*\*) Appointed after the fiscal year end of the reporting year

## Organization structure diagram of the highest-ranking executive and the next four executives

Organization structure of the highest-ranking executive and the : 31 Dec 2024  
 next four executives as of date

## Organization structure diagram of the highest-ranking executive and the next four executives from the top executive

# Executive



**DR. AEIMPORN PUNYASAI**  
Chief Executive Officer



**MS. THITIMA VATTANASAKDAKUL**  
Managing Director



**MR. PERT LEEVILAIKUNRATT**  
Chief Financial Officer



**MR. KANIN LEKAPOJPANICH**  
Chief Operating Officer



**MR. SUPAT BOSOMBAT**  
Solution Sales Director



**MR. NARA SRISUWAN**  
Marketing Director

## 7.4.2 Remuneration policy for executive directors and executives

The board of directors shall consider the methods for assessing the chief executive officer's performance, as well as the overall economic and social situation. The assessment results shall be used to consider the annual remuneration, taking into account the performance in accordance with the policies received from the board of directors and the general economic and social climate. The information will be used by the nomination, remuneration, and corporate governance committee to consider the chief executive officer's suitable salary and submit to the board of directors for consideration on a variety of issues, which are divided into 3 parts as follows:

1. Financial performance is based on operation profit margin and sales targets set for each year.
2. Performance results in sustainability dimensions, such as environment, society, and corporate governance. This will be based from employee satisfaction, customer satisfaction, complaints from external communities/society, reduction of greenhouse gas emissions, as well as business management in accordance with the principles of good corporate governance and the Company's business ethics.

3. Suggestions by the board of directors regarding the chief executive officer's management and development.

Part 3 is an assessment of the performance of the chief executive officer by independent directors and non-executive directors, who shall assess the performance individually with the results by each director are calculated as averages. The results will be summarized to the board of directors' meeting in every January, and the chairman of the board shall inform the results to the chief executive officer. In addition, key performance indicators (KPIs) are employed as tools for evaluating all positions in the company in order to be used as a basis for determining remuneration in the form of bonuses and adjust annual salary.

Does the board of directors or the remuneration committee : Yes  
 have an opinion on the remuneration policy for executive  
 directors and executives

### 7.4.3 Remuneration of executive directors and executives

#### Monetary remuneration of executive directors and executives

	2022	2023	2024
Total remuneration of executive directors and executives (baht)	21,539,762.60	15,697,942.67	18,911,483.33
Total remuneration of executives (baht)	21,539,762.60	15,697,942.67	18,911,483.33

#### Other remunerations of executive directors and executives

	2022	2023	2024
Company's contribution to provident fund for executive directors and executives (Baht)	639,530.88	697,743.33	737,444.00
Employee Stock Ownership Plan (ESOP)	No	No	No
Employee Joint Investment Program (EJIP)	No	No	No

#### Outstanding remuneration or benefits of executive directors and executives

Outstanding remuneration or benefits of executive directors : 0.00  
 and executives in the past year

Estimated remuneration of executive directors and executives : 0.00  
 in the current year

## 7.5 Information on employees

### Information on the company's employees

#### Employees

	2022	2023	2024
<b>Total employees</b> (persons)	876	855	796
Male employees (persons)	697	679	617
Female employees (persons)	179	176	179

#### Number of employees by position and department

##### Number of male employees by position

	2022	2023	2024
Total number of male employees in operational level (Persons)	652	636	584
Total number of male employees in management level (Persons)	42	40	28
Total number of male employees in executive level (Persons)	3	3	5

##### Number of female employees by position

	2022	2023	2024
Total number of female employees in operational level (Persons)	164	163	163
Total number of female employees in management level (Persons)	13	11	14
Total number of female employees in executive level (Persons)	2	2	2

##### Number of employees categorized by department over the past year

Department / Line of work / Unit / Business group	Number of employees
Strategy and Office of Executive	52
Sales and Marketing	41
Operations	634
Finance	69
<b>Total number of employees</b>	<b>796</b>

#### Significant changes in the number of employees

Significant changes in number of employees over the past 3 : No  
Years

## Information on employee remuneration

### Employee remuneration

	2022	2023	2024
Total employee remuneration (baht)	40,090,469.24	27,509,629.04	24,316,975.52
Total male employee remuneration (Baht)	31,944,085.89	21,848,147.38	17,186,230.93
Total female employee remuneration (Baht)	8,146,383.35	5,661,481.66	7,130,744.59

### Provident fund management policy

Provident fund management policy : Have

The Company set up a provident fund for employees for supporting them in saving funds in the long term for themselves and their families when they resign, retire, become disabled or die. This includes promoting employees to have knowledge and understanding about money management.

### Provident fund for employees (PVD)

	2022	2023	2024
Number of employees joining in PVD (persons)	279	283	268
Proportion of employees who are PVD members (%)	31.85	33.10	33.67
Total amount of provident fund contributed by the company (baht)	349,555.21	343,239.94	321,653.46

## 7.6 Other significant information

### 7.6.1 Assigned person

#### List of persons assigned for accounting oversight

General information	Email	Telephone number
1. Ms. Prangtong Choeisaweang	prangtong.cho@pacificpipe.co.th	-

#### List of the company secretary

The Board of Directors made a resolution to appoint Ms. Viriya Ampornnapakul as the Company Secretary to perform the duties of supporting the work of the Board of Directors in matters relating to the various regulations. The specific responsibilities of the Company Secretary are as follows:

1. Provide basic advice on the Company's various laws, rules and regulations that the Board of Directors must know and monitor for compliance with accuracy and consistency, including reporting significant changes in legal requirements to the Board.
2. Organise the meetings of the shareholders and the Board of Directors in accordance with the law, the company's regulations and code of conduct.
3. Record the minutes of the meetings of the shareholders and Board of Directors, including monitoring the compliance of the resolutions of the meetings of the shareholders and Board of Directors are practiced.
4. Prepare the Company's Annual Report, notice of the shareholders' meeting and the Board of Directors' meeting and the minutes of the meeting.
5. Ensure the disclosure of the Company's information and reports are in accordance with the relevant laws and regulations.
6. Contact, communicate and inform the shareholders about their rights.

General information	Email	Telephone number
1. Ms. Viriya Ampornnapakul	viriya@pacificpipe.co.th	-

#### List of the head of internal audit or outsourced internal auditor

The Company has nominated and appointed Mr. Naritchai Bhurepongsonond as the head of the Company's Internal Audit Department since April 1, 2004, considering his knowledge, ability and more than 19 years of experience of internal auditing in the industry.

For the appointment, transferring, dismissal and performance evaluation of the Executive of the Internal Audit Department, the Audit Committee must consider and approve each time.

General information	Email	Telephone number
1. Mr. Naritchai Bhurepongsonond	naritchai.bhu@pacificpipe.co.th	-

#### List of the head of the compliance unit

In addition, the Head of Internal Audit has responsibility examine every department's operation to be in accordance with the set rules, including evaluating the effectiveness and efficiency of each department's internal control. This assists the Administration Department to be confident that the current internal control is operating consistently and is appropriate. It also searches for weaknesses and develops current operating systems to have greater efficiency.

General information	Email	Telephone number
1. Mr. Naritchai Bhurepongsonond	naritchai.bhu@pacificpipe.co.th	-

### 7.6.2 Head of investor relations

Does the Company have an appointed head of investor relations : Yes

### List of the head of investor relations

The Company assigns the Marketing Department, Ms.Lalita Mahamaneekhajon is responsible for taking care of to act as a communication and disclose important information that is accurate, complete, transparent, and thorough to shareholders, investors, and related parties.

General information	Email	Telephone number
1. Ms. Lalita Mahamaneekhajon	ir.dep@pacificpipe.co.th	026799000

### 7.6.3 Company's auditor

#### Details of the company's auditor <sup>(7)</sup>

Audit firms	Audit fee (Baht)	Other service fees	Names and general information of auditors
EY OFFICE LIMITED 33RD FLOOR, LAKE RAJADA OFFICE COMPLEX, 193/136-137 RAJADAPISEK ROAD KHLONG TOEI KHLONG TOEI Bangkok 10110 Telephone +66 2264 9090	1,600,000.00	-	1. Mrs. CHONLAROS SUNTIASVARAPORN Email: Chonlaros.Suntiasvaraporn@th.ey.com License number: 4523  2. Mr. CHATCHAI KASEMSRITHANAWAT Email: Kasemsrithanawat@th.ey.com License number: 5813  3. Ms. ISARAPORN WISUTTHIYAN Email: Isaraporn.wisutthiyan@th.ey.com License number: 7480

Remark : <sup>(7)</sup> The audit company and the auditor had no relationship or any conflict of interest with the Company, Executives, major shareholders or any related parties.

### 7.6.4 Assigned personnel in case of a foreign company

Does the company have any individual assigned to be representatives in Thailand : No

## 8. Report on key operating results on corporate governance

### 8.1 Summary of duty performance of the board of directors over the past year

#### 8.1.1 Selection, development and evaluation of duty performance of the board of directors

##### Information about the selection of the board of directors

##### List of directors whose terms have ended and have been reappointed

List of directors	Position	First appointment date of director	Skills and expertise
Mr. KRIENGRAI RUKKULCHON	Chairman of the board of directors (Non-executive directors, Independent director)	20 Apr 2007	Steel, Law, Accounting, Finance, Corporate Social Responsibility
Ms. PIYANUS CHAIKAJORNWAT	Director (Non-executive directors, Independent director)	12 Jun 2008	Steel, Risk Management
Mr. SOMCHAI LEKAPOJPNICH	Director (Non-executive directors)	17 Mar 2004	Economics, Steel, Accounting, Finance, Risk Management

##### Selection of independent directors

##### Criteria for selecting independent directors

There will be additional consideration in the selection of independent directors from the selection of directors and executives, which the Company defines as directors who do not serve as executives and being independent directors in accordance with the Securities and Exchange Commission.

1. Holding not more than 1 percent of the total number of shares with voting rights of the Company, subsidiary company, associated company, or any juristic person who may have a conflict of interest. These include shares held by related persons of that independent director.
2. Cannot be or have been involved with the management, employees, staff, or advisor who has received a monthly salary or a controlling person of the company, a subsidiary company, a associated company, a subsidiary company of the same level, a major shareholder, or any juristic person who may have a conflict of interest with the exception of is free from the above-mentioned features no less than 2 years prior to his/her appointment as an Independent Director.
3. Is an independent director who has no blood relationship or legal registration in the form as father, mother, spouse, sibling, child including spouse of the child of an Executive, major shareholder, controlling authority, or an individual who will be nominated as an Executive or controlling authority over the company and a subsidiary company.
4. Is an Independent Director who has no or ever had a business relationship with the Company, a subsidiary company, an associated company, or any juristic person who may have a conflict of interest in such a manner that may obstruct their exercise of independent judgment. This includes not being or has been a major shareholder or a director who is not independent, or an executive of a party with a business relationship with the Company, a subsidiary company, associated company, or any juristic person who may have a conflict of interest with the exception of is free from the above-mentioned features no less than 2 years prior to his/her appointment as an Independent Director.

Business relationships include allowing conventional business transactions to conduct business, rent, or lease of property. It is a transaction involving assets or services, or a provision, or obtaining financial assistance by accepting or lending, a guarantee, use of assets as collateral against debt, including other similar situations, which has resulted in the Company or the party to the contract having a debt to be repaid to another party for the amount of 3% of the net tangible assets (NTA) of the Company or from 20 million Baht, whichever is lower. As such, the calculation of the debt obligations shall be in accordance with the method of calculating the value of the connected transaction value as per the announcement of the Stock

Exchange of Thailand (SET). The disclosure of information and the practices of the listed companies in the connected transaction. It is mutatis mutandis, but consideration is given to the debt obligations that shall be inclusive of any debts incurred 1 year before the date of the business relationship with the same party.

5. Cannot or have been an auditor of the Company, a subsidiary company, associated company, or any juristic person who may have a conflict of interest and a major shareholder, a director who is not independent, an executive, or a managing partner of an auditing office that acts as the auditors of the Company, a subsidiary company, associated company, or any juristic person who may have a conflict of interest with the exception of is free from the above-mentioned features no less than 2 years prior to his/her appointment as an Independent Director.

6. Is not or has been a person rendering any professional service including providing legal or financial advice who is paid more than 2 million Baht per year by the Company, a subsidiary company, associated company, or any juristic person who may have a conflict of interest. In the case that a person has rendered any professional service as a juristic person including being a major shareholder, a director who is not independent, an executive, or a managing partner of a party that provides professional service with the exception of is free from the above-mentioned features no less than 2 years prior to his/her appointment as an Independent Director.

7. Is a director who has not been appointed to be a nominee of a director of the Company, a major shareholder or a shareholder who is connected to a major shareholder.

8. Does not engage in a business of the same nature as and is a significant competitor of the Company, or a subsidiary company, or is not a significant partner of a partnership, or a director with involvement in the management, employees, staff, advisor with a monthly salary, or who holds more than 1% of the total number of shares with voting rights of another company, which is engaged in a business of the same nature as and which is a significant competitor of the Company or a subsidiary company.

9. Does not have any other characteristic which prevents him/her from providing an independent opinion relating to Company's operations. Following appointment as an independent director as stated in Items no. 1-8 of, they may be assigned by the Board of Directors to make collective decisions involving the business of the Company, a subsidiary company, associated company, a subsidiary company of the same level, or any juristic person who may have a conflict of interest by making collective decisions.

For the 2024 Annual General Meeting of Shareholders, the Company gives the shareholders the right to nominate a person who is qualified to be appointed as a director of the Company between 1 December 2023 - 31 December 2023. This is also published through the SET website / Company website.

However, no shareholder has nominated a person to be elected as a director in advance.

## **Business or professional relationships of independent directors over the past year**

Business or professional relationships of independent : No  
directors over the past year

## **Selection of directors and the highest-ranking executive**

The nomination, remuneration, and corporate governance committee shall consider the nomination of people from the composition of board skills, both in terms of knowledge, talents, and experience which are appropriate, sufficient, and beneficial to the Company. Moreover, candidates should have work history and good ethics. Additionally, candidates' directorship in other companies will also be considered whether they are in line with the Company's corporate governance policy and the possible impact in the event of directors holding positions in several other companies, as they have to be able to devote their time to working as the developer of the Company. Including the use of the director pool in consideration of recruiting new directors.

The committee will recruit qualified people as mentioned above to be nominated in the next board of directors and shareholders' meeting.

In the event that the committee has nominated a former director, their past performance as director shall be taken into consideration.

For the nomination of top executives, the committee, together with the chief executive officer, shall determine the methods and propose to the board of directors' meeting for consideration.

## **Method for selecting directors and the highest-ranking executive**

Method for selecting persons to be appointed as directors through the nomination committee : Yes  
Method for selecting persons to be appointed as the highest-ranking executive through the nomination committee : Yes

### Number of directors from major shareholders

Number of directors from each group of major shareholders over the past year (persons) : 2

### Rights of minority shareholders on director appointment

1. Each shareholder has one vote per share.
2. Allow shareholders to vote for the appointment of directors individually.
3. Candidates who received the most votes in the election are appointed as directors in the same number as the number of directors that must be appointed in that shareholders' meeting. In the event that runner-up candidates have equal number of votes but there is no vacant director position left, the chairman of the meeting shall elect a person to have a casting vote at the shareholders' meeting.

Method of director appointment : Method whereby each director requires approval votes more than half of the votes of attending shareholders and casting votes

### Setting qualifications for the selection of directors

Board skills were considered and formulated by the board of directors as a clear guideline in selecting directors with adequate qualifications. It is a guideline for knowledge and competence development that is appropriate and consistent with business activities that are required in the board of directors. The guideline is separated into 11 topics as follows:

#### Industry knowledge and experience

- Steel industry

#### Specialized knowledge and experience

- Accounting and finance
- Economics
- Human resources management
- Real estate, construction, marketing, transportation and distribution
- Research and development
- Social and environment
- Legal
- Innovation and technology
- Information Technology & Cyber Security

#### Supervisory skills

- Risk management and crisis management

## Information on the development of directors

### Development of directors over the past year

The Company has a policy to promote and support senior directors and managers to attend related training courses in order to develop their knowledge, capabilities to support their work duties. Moreover, this policy is designed to help them apply experiences and skills in business operations and develop the corporation for sustainable growth.

## Details of the development of directors over the past year

List of directors	Participation in training in the past financial year	History of training participation
1. Mr. KRIENGRAI RUKKULCHON Chairman of the board of directors	Participating	Other <ul style="list-style-type: none"> <li>• 2024: Observational journey on energy business and innovation in the Republic of Austria and the Republic of France</li> </ul>
2. Mr. VICHARN ARAMVAREEKUL Vice-chairman of the board of directors	Participating	Other <ul style="list-style-type: none"> <li>• 2024: Seminar on prevention and suppression of inappropriate behavior of listed companies by SET</li> <li>• 2024: Sustainable Future: The Board as catalyst for value by IOD</li> <li>• 2024: Emerging Audit Standard &amp; Implications for the Audit Committee by IOD</li> </ul>
3. Dr. SOMCHAI HARNHIRUN Director	Participating	Thai Institute of Directors (IOD) <ul style="list-style-type: none"> <li>• 2024: Strategic Board Master Class (SBM)</li> </ul>
4. Ms. PIYANUS CHAIKAJORNWAT Director	Participating	Other <ul style="list-style-type: none"> <li>• 2024: Seminar on prevention and suppression of inappropriate behavior of listed companies by SET</li> </ul>
5. Mr. BUNSAK APHICHARTANAT Director	Participating	Other <ul style="list-style-type: none"> <li>• 2024: Seminar on prevention and suppression of inappropriate behavior of listed companies by SET</li> </ul>
6. Mr. SOMCHAI LEKAPOJPANICH Director	Participating	Other <ul style="list-style-type: none"> <li>• 2024: Hot issue for Director - Empowering Boards: Enhancing Governance, Standards, and Financial Insights by SET</li> </ul>
7. Dr. AEIMPORN PUNYASAI Director	Participating	Other <ul style="list-style-type: none"> <li>• 2024: Thai-Chinese Leadership Science (TLS) Class 6</li> <li>• 2024: Individual Development Plan : IDP (Internal training)</li> <li>• 2024: (Lecturer) B2B Sales Master Class 1st Generation by DeOne Academy</li> </ul>
8. Ms. THITIMA VATANASAKDAKUL Director	Participating	Other <ul style="list-style-type: none"> <li>• 2024: Hot issue for Director - Empowering Boards: Enhancing Governance, Standards, and Financial Insights by SET</li> </ul>
9. Mr. KANIN LEKAPOJPANICH Director	Participating	Other <ul style="list-style-type: none"> <li>• 2024: 5S for Lean Project (Internal training)</li> <li>• 2024: Individual Development Plan : IDP (Internal training)</li> </ul>

## Information on the evaluation of duty performance of directors

### Criteria for evaluating the duty performance of the board of directors

All 25 items of the Board of Directors' performance evaluation covered the director's preparedness, strategy and business planning, risk management and internal control, controlling and preventing conflict of interest, and following-up the financial reports and operations.

All 18 items of the individual director's evaluation covered the director's qualifications, Board meetings, performing the director's duty, and good corporate governance.

Every sub-committee received a performance evaluation as well, but this was conducted by the Board of Directors. In particular, the sub-committee brought the evaluation results to be proposed to the Board of Directors to suggest solutions to improve various issues from the Board's performance evaluation that was similar to a tool to help improve the operations

## Evaluation of the duty performance of the board of directors over the past year

In the year 2024, the results of the performance evaluation of the Board of Directors, the Audit Committee, Remuneration Nomination and Corporate Governance Committee, and Executive and Risk Management Committee by the Board of Directors are as follows:

### Details of the evaluation of the duty performance of the board of directors

List of directors	Assessment form	Grade / Average score received	Grade / Full score
Board of Directors	Group assessment	99.02	100
	Self-assessment	98.73	100
	Cross-assessment (assessment of another director)	None	None
Audit Committee	Group assessment	100	100
	Self-assessment	None	None
	Cross-assessment (assessment of another director)	None	None
Remuneration Nomination and Corporate Governance Committee	Group assessment	100	100
	Self-assessment	None	None
	Cross-assessment (assessment of another director)	None	None
Executive, Risk Management and Sustainability Committee	Group assessment	95.50	100
	Self-assessment	None	None
	Cross-assessment (assessment of another director)	None	None

### 8.1.2 Meeting attendance and remuneration payment to each board member

In each year, the Board of Directors will arrange the schedule for the annual general meeting in advance with a minimum of at least 6 times. In the case of online meetings, all committees will hold meetings via Microsoft Team and shareholders' meetings via Quidlab, both of which are certified by ETDA. And the Remuneration Nomination and Corporate Governance Committee considered the remuneration of directors based on duties, responsibilities and considered size of business, the Company's performance, and rate of directors' remuneration, which had same type of business in listed company.

#### Meeting attendance of the board of directors

### Meeting attendance of the board of directors

In 2024, the participation of all committee members in meetings was in accordance with the specified number of sessions, with a full quorum achieved. All meetings were conducted in a fully physical format. The details are as follows:

1. The Board of Directors held 6 meetings.
2. The Audit Committee held 6 meetings.
3. The Remuneration Nomination and Corporate Committee held 3 meetings.
4. The Executive, Risk Management and Sustainability Committee held 13 meetings.

For committees listed in items 2-4, details regarding the attendance of each committee member are provided in the attached documents of each committee's report.

To provide an opportunity for the Board of Directors to discuss and express their opinions on other issues. It is another approach to develop benefits for the organization. In 2024, the non-executive director's physical meeting held one meeting without the management presented to discuss management matters and report the results of the meeting to the Board of Directors for acknowledgement.

Number of the board of directors meeting over the past : 6  
year (times)  
Date of AGM meeting : 11 Apr 2024  
EGM meeting : No

### Details of the board of directors' meeting attendance

List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
1. Mr. KRIENGRAI RUKKULCHON (Chairman of the board of directors, Independent director)	6	/	6	1	/	1	N/A	/	N/A
2. Mr. VICHARN ARAMVAREEKUL (Vice-chairman of the board of directors, Independent director)	6	/	6	1	/	1	N/A	/	N/A
3. Dr. SOMCHAI HARNHIRUN (Director, Independent director)	6	/	6	1	/	1	N/A	/	N/A
4. Ms. PIYANUS CHAIKAJORNWAT (Director, Independent director)	6	/	6	1	/	1	N/A	/	N/A
5. Mr. BUNSAK APHICHARTANAT (Director, Independent director)	6	/	6	1	/	1	N/A	/	N/A
6. Mr. SOMCHAI LEKAPOJPANICH (Director)	6	/	6	1	/	1	N/A	/	N/A

List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
7. Dr. AEIMPORN PUNYASAI (Director)	6	/	6	1	/	1	N/A	/	N/A
8. Ms. THITIMA VATANASAKDAKUL (Director)	6	/	6	1	/	1	N/A	/	N/A
9. Mr. KANIN LEKAPOJPANICH (Director)	6	/	6	1	/	1	N/A	/	N/A

## Remuneration of the board of directors

### Types of remuneration of the board of directors

The Remuneration Nomination and Corporate Governance Committee considered the remuneration of directors based on duties, responsibilities and considered size of business, the Company's performance, and rate of directors' remuneration, which had same type of business in listed company. The Annual General Meeting of the Shareholders 2024 approved a resolution for the remuneration for 2024 for the amount of 6,800,000 Baht. In 2024, a total of 5,892,500 Baht. The Company paid the meeting allowance and monthly remuneration to the independent directors whereas the Executive were only paid a monthly remuneration but no allowance.

#### Gratuity and Meeting Allowance for year 2024

##### • *The Board of Directors*

###### Meeting allowance (Baht/Time)

- Chairman 25,000 Baht/Time
- Vice Chairman 20,000 Baht/Time
- Executive Director -none-
- Non-Executive Director 20,000 Baht/Time

###### Gratuity (Baht/Year)

- Chairman 480,000 Baht/Year
- Vice Chairman 360,000 Baht/Year
- Executive Director 240,000 Baht/Year
- Non-Executive Director 240,000 Baht/Year

##### • *Audit Committee (AC)*

###### Meeting allowance (Baht/Time)

- Chairman 20,000 Baht/Time
- Member 15,000 Baht/Time

###### Gratuity (Baht/Year)

- Chairman 300,000 Baht/Year
- Member 150,000 Baht/Year

##### • *Remuneration Nomination and Corporate Governance Committee (RNC)*

###### Meeting allowance (Baht/Time)

- Chairman 15,000 Baht/Time
- Executive Director -none-

- Non-Executive Director 10,000 Baht/Time
- Gratuity (Baht/Year)
- Chairman 240,000 Baht/Year
- Executive Director 90,000 Baht/Year
- Non-Executive Director 120,000 Baht/Year
- **Executive, Risk Management and Sustainability Committee (ERC)**
- Meeting allowance (Baht/Time)
- Chairman 15,000 Baht/Time
- Executive Director -none-
- Non-Executive Director 10,000 Baht/Time
- Gratuity (Baht/Year)
- Chairman 240,000 Baht/Year
- Executive Director 90,000 Baht/Year
- Non-Executive Director 120,000 Baht/Year

## Remuneration of the board of directors <sup>(8)</sup>

### Details of the remuneration of each director over the past year

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
<b>1. Mr. KRIENGRAI RUKKULCHON</b> (Chairman of the board of directors)			<b>915,000.00</b>		<b>N/A</b>
Board of Directors	150,000.00	480,000.00	630,000.00	Yes	
Remuneration Nomination and Corporate Governance Committee	45,000.00	240,000.00	285,000.00	Yes	
<b>2. Mr. VICHARN ARAMVAREEKUL</b> (Vice-chairman of the board of directors)			<b>720,000.00</b>		<b>N/A</b>
Board of Directors	120,000.00	360,000.00	480,000.00	Yes	
Audit Committee	90,000.00	150,000.00	240,000.00	Yes	
<b>3. Dr. SOMCHAI HARNHIRUN</b> (Director)			<b>780,000.00</b>		<b>N/A</b>
Board of Directors	120,000.00	240,000.00	360,000.00	Yes	
Audit Committee	120,000.00	300,000.00	420,000.00	Yes	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
<b>4. Ms. PIYANUS CHAIKAJORNWAT (Director)</b>			<b>750,000.00</b>		<b>N/A</b>
Board of Directors	120,000.00	240,000.00	360,000.00	Yes	
Audit Committee	90,000.00	150,000.00	240,000.00	Yes	
Remuneration Nomination and Corporate Governance Committee	30,000.00	120,000.00	150,000.00	Yes	
<b>5. Mr. BUNSAK APHICHARTANAT (Director)</b>			<b>600,000.00</b>		<b>N/A</b>
Board of Directors	120,000.00	240,000.00	360,000.00	-	
Audit Committee	90,000.00	150,000.00	240,000.00	-	
<b>6. Mr. SOMCHAI LEKAPOJANICH (Director)</b>			<b>945,000.00</b>		<b>N/A</b>
Board of Directors	120,000.00	240,000.00	360,000.00	Yes	
Executive, Risk Management and Sustainability Committee	195,000.00	240,000.00	435,000.00	Yes	
Remuneration Nomination and Corporate Governance Committee	30,000.00	120,000.00	150,000.00	Yes	
<b>7. Dr. AEIMPORN PUNYASAI (Director)</b>			<b>220,000.00</b>		<b>N/A</b>
Board of Directors	0.00	160,000.00	160,000.00	Yes	
Executive, Risk Management and Sustainability Committee	0.00	60,000.00	60,000.00	Yes	
<b>8. Ms. THITIMA VATANASAKDAKUL (Director)</b>			<b>330,000.00</b>		<b>N/A</b>
Board of Directors	0.00	240,000.00	240,000.00	Yes	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
Executive, Risk Management and Sustainability Committee	0.00	90,000.00	90,000.00	Yes	
<b>9. Mr. KANIN LEKAPOJPNICH (Director)</b>			<b>315,000.00</b>		<b>N/A</b>
Board of Directors	0.00	240,000.00	240,000.00	Yes	
Executive, Risk Management and Sustainability Committee	0.00	75,000.00	75,000.00	Yes	
<b>10. Ms. Viriya Ampornnapakul (Member of the subcommittee)</b>			<b>250,000.00</b>		<b>N/A</b>
Executive, Risk Management and Sustainability Committee	130,000.00	120,000.00	250,000.00	Yes	
<b>11. Mr. PERT LEEVILAIKULRATT (Member of the subcommittee)</b>			<b>0.00</b>		<b>N/A</b>
Executive, Risk Management and Sustainability Committee	0.00	0.00	0.00	No	
<b>12. Mr. Thitakorn Ussayaporn (Member of the executive committee)</b>			<b>67,500.00</b>		<b>N/A</b>
Executive Committee	0.00	67,500.00	67,500.00	Yes	

### Summary of the remuneration of each committee over the past year

Names of board members	Meeting allowance	Other monetary remuneration	Total (Baht)
1. Board of Directors	750,000.00	2,440,000.00	3,190,000.00
2. Audit Committee	390,000.00	750,000.00	1,140,000.00
3. Executive Committee	0.00	67,500.00	67,500.00
4. Remuneration Nomination and Corporate Governance Committee	105,000.00	480,000.00	585,000.00

Names of board members	Meeting allowance	Other monetary remuneration	Total (Baht)
5. Executive, Risk Management and Sustainability Committee	325,000.00	585,000.00	910,000.00

Remark : <sup>(8)</sup> Mr. Thitakorn Ussayaporn (Executive Director) is a member of the Sub-Committee of the Executive, Risk Management and Sustainability Committee, resigned from the position on September 30, 2024.

## Remunerations or benefits pending payment to the board of directors

Remunerations or benefits pending payment to the : 0.00  
board of directors over the past year  
(Baht)

### 8.1.3 Supervision of subsidiaries and associated companies

#### Mechanism for overseeing subsidiaries and associated companies

Does the Company have subsidiaries and associated : No  
companies

Mechanism for overseeing subsidiaries and associated : No / In Progress  
companies

Mechanism for overseeing management and taking : Disclosure of financial condition and operating results, Transactions  
responsibility for operations in subsidiaries and between the company and related parties, Other significant transactions,  
associated companies approved by the board of Acquisition or disposal of assets  
directors

Currently, the Company has neither subsidiaries nor affiliated companies. However, the Company has established operational responsibilities for subsidiaries, as approved by the Board of Directors, such as investment project approvals, asset acquisition or disposal transactions, and related party transactions of the Company and its subsidiaries (if any), except for transactions requiring shareholder approval. All such approvals are in accordance with the announcements of the Capital Market Supervisory Board and/or relevant regulations, rules, and notifications of the Stock Exchange. Additionally, the Company regularly reviews risks for both itself and its subsidiaries (if any), covering both external and internal risks.

### 8.1.4 The monitoring of compliance with corporate governance policy and guidelines

#### Prevention of conflicts of interest

#### Operations for conflict of interest prevention over the past year

Has the company operated in preventing conflicts of : Yes  
interest over the past year

The Company's directors and executives are responsible for implementing the Conflicts of Interest Policy and reporting to the Company about their interests and associated parties through the internal audit department. The gathered reports will be submitted to the audit committee and the board of directors for consideration.

In 2024, no action that were in the conflict of interest policy were discovered. The details are written in the "Related Party Transaction" topic.

#### Number of cases or issues related to conflict of interest

	2022	2023	2024

	2022	2023	2024
Total number of cases or issues related to conflict of interest (cases)	0	0	0

## Prevention of the use of inside information to seek benefits

### Operations for prevention of the use of inside information to seek benefits over the past year

Has the company operated in preventing the use of : Yes  
inside information to seek benefits over the past year

Internal information practices are the responsibility of the Company's directors and executives, including the implementation of good corporate governance. The details of the practices are as follows:

1) Executives, directors, and employees from the deputy director level must inform about the Company's securities holdings to the internal audit department on a quarterly basis. Then, the internal audit department will report to the board of directors.

2) Notify directors, executives, and employees from the deputy director level must inform about the time of securities trading prohibition through the company's E-mail within 30 days before to the quarterly financial statement disclosure and 1 business day following the disclosure.

In 2024, no violations of the company's securities trading guidelines by directors, executives, or employees at the director level and above were found. The directors and executives holding the company's securities, both directly and indirectly, are as follows:

- Mr. Somchai Lekapojpanich  
Shares held personally: 10,187,500  
Shares held by spouse and minor children: 17,812,500  
Total shareholding: 4.24%
  - Mr. Kanin Lekapojpanich  
Shares held personally: 24,250,000  
Shares held by spouse and minor children: 0  
Total shareholding: 3.67%
  - Ms. Viriya Ampornnapakul  
Shares held personally: 300,000  
Shares held by spouse and minor children: 0  
Total shareholding: 0.05%
- Further details are available in the attached document, "Details of Directors."

In the last 5 years, the Company's directors, officers, and authority figures have no record of being punished for violations of the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546. The only offenses found are as follows:

- (1) Acts of corruption or gross negligence
- (2) Disclosure of false information that may cause misunderstandings or conceal factual statements that should be disclosed which may affect the decision of shareholders, investors or related people.
- (3) Acts of unfairness or taking advantage of investors in trading assets or of future contracts, or involvement in such actions

### Number of cases or issues related to the use of inside information to seek benefits

	2022	2023	2024
--	------	------	------

	2022	2023	2024
Total number of cases or issues related to the use of inside information to seek benefits (cases)	0	0	0

## Anti-corruption action

### Operations in anti-corruption in the past year

Has the company operated in anti-corruption over the : Yes  
past year

Form of operations in anti-corruption : Review of appropriateness in anti-corruption, The participation in anti-corruption projects, Communication and training for employees on anti-corruption policy and guidelines

The Company aims to raise awareness of anti-corruption through internal communication within the Company so that the Company's directors, executives, and employees understand and realize the importance of anti-corruption and bribery, as well as related practices and policies.

For the anti-corruption policy disclosure, details are published on the website <https://www.pacificpipe.co.th> Topic: Corporate Governance and Anti-Corruption Policy.

In 2024, the Company has launched the Anti-Corruption Policy as follows:

- 1) The board of directors has reviewed and amended the anti-corruption policy
- 2) Announced the No Gift Policy for the year 2024 and communicated to the Company's stakeholders through both internal and external communication channels.
- 3) Participated in Thailand's Private Sector Collective Action Coalition Against Corruption since 2019 The Company renewed the project for the 1st time on June 30, 2022.
- 4) Educated new employees through training in the orientation course with 100% of employees participating.
- 5) Annual review and testing included as part of the basic employee curriculum. It is a Corporate Governance course which consists of (1) Good Corporate Governance Policy (2) Anti-Corruption Policy (3) Ethics and Code of Conduct (4) Procurement Policy (5) Conflict of Interest Policy (6) Gift and Entertainment Policy (7) Donations and social activities Policy. The employees must pass the test 80% of the test. The number of employees who passed the criteria was 98.21% of the employees who took the test.
- 6) Create tax policy, details are published on the website <https://www.pacificpipe.co.th> Topic: About us and Policy.

### Number of cases or issues related to corruption

	2022	2023	2024
Total number of cases or issues related to corruption (cases)	0	0	0

## Whistleblowing

### Operations related to whistleblowing over the past year

Has the company implemented whistleblowing : Yes  
procedures over the past year

The company places great importance on corporate governance and transparency in its business operations. A clear whistleblowing policy has been established, covering reporting processes, whistleblower protection measures, and penalties for misconduct. These guidelines are explicitly outlined in the Code of Conduct and Business Ethics, which is publicly available on

the company's website: [https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct\\_2025.pdf](https://www.pacificpipe.co.th/files/2%20Code%20of%20conduct_2025.pdf) (under Investor Relations > Corporate Governance > Code of Conduct and Business Ethics). To ensure all employees are well-informed and fully understand these policies, the Board of Directors encourages them to study proper practices through regular training sessions and annual assessments.

In 2024, the company received no complaints related to operations, regulatory violations, ethical misconduct, or corruption. Additionally, there were no disputes or complaints from competitors or any other stakeholders.

### Number of cases or issues related to whistleblowing

	2022	2023	2024
Total number of cases or issues received through whistleblowing channels (cases)	0	0	0

## 8.2 Report on the results of duty performance of the audit committee in the past year

### 8.2.1 Meeting attendance of audit committee

Meeting attendance of audit committee (times) : 6

List of directors	Meeting attendance of audit committee		
	Meeting attendance (times)	/	Meeting attendance rights (times)
1 Dr. SOMCHAI HARNHIRUN (Chairman of the audit committee)	6	/	6
2 Mr. VICHARN ARAMVAREEKUL (Member of the audit committee)	6	/	6
3 Ms. PIYANUS CHAIKAJORNWAT (Member of the audit committee)	6	/	6
4 Mr. BUNSAK APHICHARTANAT (Member of the audit committee)	6	/	6

### 8.2.2 The results of duty performance of the audit committee

In this connection, the Audit Committee will meet with management and the auditor to discuss important issues or issues that may affect the Company's operations. The performance of the Audit Committee is continuously reported to the Board of Directors. The main issues in the work of the Audit Committee can be summarized as follows.

**Financial Report.** The Audit Committee reviewed the company's financial reports, including quarterly and annual financial statements for 2024, in collaboration with management, the internal audit department, and external auditors. The review ensured accuracy, completeness, and appropriate accounting practices, with sufficient disclosure of information. The auditors issued an unqualified opinion.

In 2024, the Audit Committee held one meeting with the auditors, without the presence of management, to discuss the audit scope and Key Audit Matters (KAM).

**Related Transactions.** The Audit Committee reviewed related party transactions and potential conflicts of interest to ensure fairness and transparency, in compliance with good corporate governance policies.

**Internal Audit Oversight.** The Audit Committee approved the 2024 internal audit plan to align with corporate strategy and adapt to evolving risks. It also supported budget allocations and IT integration to enhance efficiency. The committee monitored audit results and continuously evaluated improvements in audit quality.

**Good Corporate Governance.** The committee reviewed compliance with SET regulations and anti-corruption measures, enhancing the whistleblowing system. In 2024, no significant conflicts of interest were identified.

**Audit Committee Performance.** The Audit Committee conducted an annual performance evaluation, receiving a high rating. It regularly reported its findings and recommendations to the Board of Directors.

**Auditor Appointment.** The committee approved the appointment and remuneration of auditors for 2025, subject to approval at the Annual General Meeting.

Conclusion, the Audit Committee concluded that the company upholds strong corporate governance, transparency, and

compliance with legal and international standards. For details on the performance of the Audit Committee, please refer to the attached document, "Audit Committee Report."

## 8.3 Summary of the results of duty performance of subcommittees

### 8.3.1 - 8.3.2 Meeting attendance and the results of duty performance of subcommittees

#### Meeting attendance Executive Committee

Mr. Thitakorn, the Executive Director, serves as a member of the Executive, Risk Management and Sustainability Committee. by resigning from the board of directors on September 30, 2024.

Meeting Executive Committee (times) : 13

List of Directors	Meeting attendance Executive Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. Thitakorn Ussayaporn (Member of the executive committee)	7	/	8

#### The results of duty performance of Executive Committee

You can find details on the performance of the Executive, Risk Management and Sustainability Committee in the attached document.

#### Meeting attendance Remuneration Nomination and Corporate Governance Committee

Meeting Remuneration Nomination and  
Corporate Governance Committee (times) : 3

List of Directors	Meeting attendance Remuneration Nomination and Corporate Governance Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. KRIENGGKRAI RUKKULCHON (The chairman of the subcommittee)	3	/	3
2 Ms. PIYANUS CHAIKAJORNWAT (Member of the subcommittee)	3	/	3
3 Mr. SOMCHAI LEKAPOJPNICH (Member of the subcommittee)	3	/	3

#### The results of duty performance of Remuneration Nomination and Corporate Governance Committee

##### Recruitment

Review the board structure and composition, increase the number of directors, and recruit qualified individuals to enhance management efficiency and comply with stock exchange regulations.

##### Compensation

Determine appropriate remuneration for the board, aligning with industry standards and company performance. Assess the CEO's compensation based on key performance indicators, including financial growth, sustainability, and corporate governance.

##### Corporate Governance

- Review and update board charters and company policies.
- Communicate key policies such as business ethics, anti-corruption, and procurement etc.
- Report corporate governance assessment results, receiving an "Excellent" rating from the Thai Institute of Directors (IOD).
- Evaluate the performance of the board and CEO to drive continuous improvement.
- Ensure the board operates independently, fairly determines compensation, and submits it for shareholder approval.

The Remuneration Nomination and Corporate Committee operates with transparency, efficiency, and adherence to good corporate governance principles. For details on the performance, please refer to the attached document, "Remuneration Nomination and Corporate Committee Report."

## Meeting attendance Executive, Risk Management and Sustainability Committee

Meeting Executive, Risk Management and Sustainability Committee (times) : 13

List of Directors	Meeting attendance Executive, Risk Management and Sustainability Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. SOMCHAI LEKAPOJPANICH (The chairman of the subcommittee)	13	/	13
2 Dr. AEIMPORN PUNYASAI (Member of the subcommittee)	13	/	13
3 Ms. THITIMA VATANASAKDAKUL (Member of the subcommittee)	13	/	13
4 Ms. Viriya Ampornnapakul (Member of the subcommittee)	13	/	13
5 Mr. PERT LEEVILAIKULRATT (Member of the subcommittee)	1	/	1
6 Mr. KANIN LEKAPOJPANICH (Member of the subcommittee)	11	/	11

## The results of duty performance of Executive, Risk Management and Sustainability Committee

1. Set business goals and strategies, along with presenting the budget and annual plan to the company's board of directors.
2. Adjust the organizational structure to align with the current business situation and policies.
3. Monitor the company's overall operations and provide recommendations to management.
4. Assess and consider investments with attention to the interests of the company and shareholders.
5. Risk management by evaluating both internal and external risks, including implementing controls and prioritizing risks.
6. Review sustainability policies and plans, and track progress on sustainability efforts.

The details of the performance are in the attached document, "Report of the Executive, Risk Management and Sustainability Committee."

## 9. Internal control and related party transactions

### 9.1 Internal control

#### Summary of the opinion of the board of directors regarding the internal control of the company

The Audit Committee and Board of Directors agree that the Company has an adequate and appropriate internal control system with the operation in the current situation. There is adequate personnel and follow-up and control of the operation to protect the Company's assets from being misused by the directors or executives, or no authority to access the internal control system. Thus, the Company has used the assessment form of the Securities and Exchange Commission to evaluate the adequacy of the Company's internal control system.

#### 9.1.1 Adequacy and appropriateness of the company's internal control system

Company's internal control system : COSO - Enterprise Risk Management Framework (ERM)

#### COSO - Enterprise Risk Management Framework (ERM)

For the above activities throughout the year of 2024, the Audit Committee has found that the Board of Directors and the Management have hold the policy of good governance as importance and adhered to the business ethics by striving their operation toward the achievement of the Company's objectives and have taken the operation in accordance with the policies, rules of good conduct and the relevant laws into consideration. The activities included the development of the risk management as crucial part in order to achieve the effectiveness and to support the internal audit to achieve the effective result. These activities covered as well the independency of internal audit and the auditing processes that has been conducted in accordance with international standard of the professional internal auditing which have been improved continuously as well.

#### 9.1.2 Deficiencies related to the internal control system

	2022	2023	2024
Total number of deficiencies related to the internal control system (cases)	0	0	0

#### 9.1.3 Opinions of the audit committee and auditor's observations on internal control

Does the audit committee have opinions on internal control : No  
different from the board of directors' opinions?

Does the auditor have any observations on the company's : No  
internal control?

#### 9.1.4 Opinions of the audit committee on the position of the head of the internal audit unit

Head of the internal audit unit : Internal personnel

The Company has nominated and appointed Mr. Naritchai Bhurepongsanond as the head of the Company's Internal Audit Department since April 1, 2004, considering his knowledge, ability and more than 19 years of experience of internal auditing in the industry.

#### 9.1.5 Appointment, discharge, and transfer of the head of the internal audit unit

Does the appointment, discharge, and transfer of the head of : Yes  
the internal audit unit require the audit committee approval?

Therefore, for the appointment, transfer, dismissal, and evaluation of the performance of the Executive of the Company's Internal Audit Department, the Audit Committee must give approval each time.

## 9.2 Related party transactions

### Related party transactions

Does the company have any related party transactions? : Yes

#### 9.2.1 - 9.2.2 Names of the group of persons who may have a conflict of interest, nature of relationship, and information on related party transactions

##### Persons/entities with potential conflicts

Name of person or entity/type of business	Nature of relationship	Information as of date
Bang Bo Asset Company Limited Buy, sell, rent, installment sales, real estate	Mr. Kanin Lekapojpanich is a director of Bang Bo Asset Co., Ltd. and a director of PAP. And is the son of Mr. Somchai Lekapojpanich, who is a director of PAP.	31 Dec 2024
Lad Lum Kaew Asset Co., Ltd. Buy, sell, rent, installment sales, real estate	Mr. Kanin Lekapojpanich is a director of Lad Lum Kaew Asset Co., Ltd. and a director of PAP. And is the son of Mr. Somchai Lekapojpanich, who is a director of PAP.	31 Dec 2024
Tang Mong Seng Holding Company Limited Holding Company	Tang Mong Seng Holding Company Limited. Holds 39.05% of PAP's paid up capital. Mr. Somchai Lekapojpanich is a director of Tang Mong Seng Holding Company Limited and is a Director of PAP	31 Dec 2024

## Details of related party transactions

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
Bang Bo Asset Company Limited			
<p><b>Transaction 1</b></p> <p><u>Nature of transaction</u></p> <p>Rental Land of Distribution Center at Bangna - Trad km. 29</p> <p><u>Details</u></p> <p>Lessee: Pacific Pipe PLC  Lessor: Bang Bo Asset Co., Ltd.  The Board of Director's meeting no. 7/2014 on 11th November 2014 passed the resolution to renew rental contract at Bangna-Trad for 11 years with the area of 22 Rai 22 square wa, which is currently a distribution center. The landowners are Mr.Prayoon Lekapojpanich and Mr.Vichai Lekapojpanich. They are brothers. In order that the rental rate will be increase 10% every 3 years, the details are as follows;  Rental period:  11 Years since 1st Sep. 2014 - 31st Aug. 2025  Rental rate at year 1-3 2,208,000 Baht / year  Rental rate at year 4-6 2,428,800 Baht / year  Rental rate at year 7-9 2,671,680 Baht / year  Rental rate at year 10-11 2,938,848 Baht / year</p> <p>In 2015, there was an adjustment of the landowner since Mr. Prayoon Lekapojpanich and Mr. Vichai Lekapojpanich (former landowner) transferred the land ownership to Bang Bo Asset Company Limited ("BBA") (new landowner) which Mr. Kanin Lekapojpanich and Mr. Supanut Lekapojpanich position as directors. However, the terms in land lease agreement between Pacific Pipe Public Company Limited and Bang Bo Asset Company Limited (new landowner) remain invariable.</p> <p><u>Necessity/reasonableness</u></p> <p>Location of distribution Center at Bangna - Trad km. 29</p> <p><u>Audit committee's opinion</u></p> <p>The rental rate is considered by the Audit Committee and proposed to The Board of Director for approval. Regard to this agenda, the directors who have the conflict of interests, constantly, temporarily left the meeting and their votes were recorded as abstentions.  Transactions between each other are conducted in accordance with the principles and have reasonable and appropriate prices.</p>	2,671,680.00	2,760,736.00	2,938,848.00

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
Lad Lum Kaew Asset Co., Ltd.			
<p><b>Transaction 1</b></p> <p><u>Nature of transaction</u></p> <p>Rental Land of Distribution Center at Lad Lum Kaew</p> <p><u>Details</u></p> <p>Lessee: Pacific Pipe PLC Lessor: Lad Lum Kaew Asset Co., Ltd. The Board of Director meeting no. 4/2015 on 2nd July 2015 passed the resolution to renew the land lease agreement at Bang Bua Thong – Suphan Buri, (Highway no. 340, between km. 32-33) Na Mai, Lad Lump Kaew, Phatum Thani with the area of 25 Rai, 12 Gnan, 31 square Wa. The land is now a distribution center of the Company. Within 13 years of lease agreement, Lad Lump Kaew Asset Co., Ltd. is the landowner. The land rental rate will be increase 10% every 3 years which described as follows: Rental period: 13 Years since 1st July 2015 - 30th June 2028 Rental rate at year 1-3 2,550,000 Baht / year Rental rate at year 4-6 2,805,000 Baht / year Rental rate at year 7-9 3,085,500 Baht / year Rental rate at year 10-12 3,394,050 Baht / year Rental rate at year 13 3,733,455 Baht / year</p> <p><u>Necessity/reasonableness</u></p> <p>Location of distribution Center at Lad Lum Kaew</p> <p><u>Audit committee's opinion</u></p> <p>The rental land rate is considered by the Audit Committee and proposed to The Board of Director for approval. Regard to this agenda, constantly, the directors who have the conflict of interest temporarily left the meeting and their votes were recorded as abstentions. Transactions between each other are conducted in accordance with the principles and have reasonable and appropriate prices.</p>	3,085,500.00	3,085,500.00	3,239,775.00
Tang Mong Seng Holding Company Limited			
<p><b>Transaction 1</b></p> <p><u>Nature of transaction</u></p>	4,241,562.50	4,362,750.00	4,362,750.00

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p>Lease office space on 24th floor of Lumpini Tower Building</p> <p><u>Details</u></p> <p>Lessee: Pacific Pipe PLC. Lessor: Tang Mong Seng Holding Company Limited. The Board of directors meeting no.6/2019 held on 13 August 2019 approved to rent the office area from Tang Mong Seng Holding Company Limited which located at 1168/68-69 Floor 24 Lumpini Tower, RamalV Road, Tungmahamek, Satorn, Bangkok. The period of contract is 6 years which is retroactive on 1st August 2019 to 31st July 2025. Criteria to determine value of transaction is made by comparison with the market rate proposed by Lumpini Property Management Company Limited. The rental rates of 6 years are as follows; Rental period: 6 years since 1st Aug 2019 – 30th July 2025 Rental rate at year 1-3 500 Baht / square meter / month Rental rate at year 4-6 525 Baht/ square meter / month</p> <p><u>Necessity/reasonableness</u></p> <p>Renting space for use as a company sales office</p> <p><u>Audit committee's opinion</u></p> <p>Mr.Somchai Lekapojpanich, director of the Company and also a director of Tang Mong Seng Holding Company Limited considered as connected persons, to allow the Board of Directors to freely consider such matter, Mr.Somchai Lekapojpanich did not participate in the approval of this agenda. Transactions with related persons are conducted in accordance with the principles and have reasonable and appropriate prices.</p>			

### 9.2.3 Policy and future trends of related party transactions and the compliance with the obligations specified in the prospectus of the company

The related transactions possibly occur in the future are subjected to 2 categories, which include normal business transaction and extraordinary and occasionally transaction. The procedures of transaction approval of any related transactions are described as follows;

#### 1. Normal business transaction

Normal business transaction includes selling and purchasing transaction which occurs in continuous basis. Therefore, the company has established guidelines and procedures for such transactions, for instance, using fair and verifiable market price or price as a benchmark. These guidelines were proposed and approved by the Company's Audit Committee. Moreover, the Audit Committee also conducts quarterly reviews to ensure that the Company conforms to the guideline occur reasonably.

#### 2. Extraordinary and occasionally transaction

The Company entitles the Audit Committee to provide opinion on extraordinary transaction appropriateness. Should the Audit Committee has no specialty on the transaction, the Company will employ independent specialists such as land appraisal and legal advisor who has no conflict of interest with the Company to provide opinion on the transaction. The opinion of the Audit Committee or specialists

will be included in determinant of the Board of Director and the shareholders meeting, depending on each case and related regulation

## Measures and procedures for approving related party transactions or connected transactions

### Land lease

The rental rate is considered by the Audit Committee and proposed to The Board of Director for approval. Regard to this agenda, the directors who have the conflict of interests, constantly, temporarily left the meeting and their votes were recorded as abstentions. The rental rate calculating method as follows:

#### Rental Rate Calculating Method of Rental Land

The method for land rental rate calculating is divided into 2 types as follows:

**Method 1** Multiplying fair market value from 3 independent assessor who receives permission from Security and Exchange Commission (SEC) by the 3-year benefit gained the government bond counted at the rental rate adjusting due date. (Government bond gain information from Thai BMA)

**Method 2** Considering from the market rental rate and that the transactions from 3 independent assessor who receives permission from Security and Exchange Commission (SEC) The Board of Director will use the 2 methods as the direction to define the Company's appropriate land rental rate.

### Office space rental

Mr.Somchai Lekapojpanich, director of the Company and also a director of Tang Mong Seng Holding Company Limited considered as connected persons, to allow the Board of Directors to freely consider such matter, Mr.Somchai Lekapojpanich did not participate in the approval of this agenda.

## 9.2.4 Information on appraised assets and appraisal price in conjunction with the execution of related party transactions

Can be referred in attachment 4: assets for business undertaking and details of asset appraisal

## Part 3 Financial Statement

Board of Directors' Responsibility Statement for the  
Financial Report

## REPORT ON THE RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR THE FINANCIAL REPORT YEAR 2024

The Board of Directors is responsible for the financial reports of the Company and places importance by complying with the good corporate governance policy. This is to ensure that the financial report of the Company and other financial information appearing in the annual report is accurate, complete and conducted in accordance with the accepted accounting principles by selecting the accounting policies and/or practices that are appropriate and regularly applied. Use reasonable discretion carefully in the accounting estimates, including ensure that important information is adequately disclosed and audited with an unqualified opinion by an independent certified public accountant.

The Board of Directors provided an appropriate and efficient internal control system to ensure that the financial information was accurate, complete and adequate for maintaining the assets, as well as for preventing corruption or any significant unusual operations. In this regard, the Board of Directors appointed the Audit Committee that comprised independent directors to review the appropriateness and effectiveness of the internal control system and internal auditing.

The financial statements of the Company were examined by a Certified Public Accountant, EY Office Limited. To conduct the audit, the Board of Directors provided support of the information and various documents to allow the auditor to audit and express opinions in accordance with the accepted auditing standards. The auditor's opinion was presented in the auditor's report included in this annual report.

The Board of Directors was of the opinion that the Company's overall internal control system had functioned at a satisfactory level and rendered credibility and reliability to the financial report of the Company for the year ending December 31, 2024, with reliability, by adhering to the accepted accounting principles and operating correctly in accordance with the relevant laws and regulations.

(Mr. Kriengkrai Rukkunchon)

Chairman

January 24, 2025

## Auditor's Report

Pacific Pipe Public Company Limited  
Report and financial statements  
31 December 2024

## **Independent Auditor's Report**

To the Shareholders of Pacific Pipe Public Company Limited

### **Opinion**

I have audited the accompanying financial statements of Pacific Pipe Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2024, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pacific Pipe Public Company Limited as at 31 December 2024, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### *Revenue recognition from sales transactions*

Revenue from sales transactions constitutes one of the significant accounts of the Company since sales directly affect the profit and loss for the year. In addition, the Company has a diverse customer base across various business sectors. Given these factors, I have therefore focused on the occurrence of revenue recognition from sales.

I assessed and tested the IT systems and internal control system of the Company with respect to the sales revenue cycle by making inquiries of responsible executives, gaining an understanding of the processes, and randomly selecting representative samples to test the operation of the designed key controls. On a sampling basis, I examined supporting documentation for sales transactions occurring during the year and sales transactions occurred near the end of the accounting period. I also reviewed credit notes issued by the Company after the period end and performed analytical procedures on disaggregated sales revenue data to identify potential irregular sales transactions that may occur throughout the accounting period, especially those recorded through journal vouchers.

#### *Provision for diminution in value of inventory*

Estimating net realisable value of inventory, as disclosed in Note 9 to the financial statements, requires significant management judgement. In addition, the Company's major products comprise hot-rolled coil and steel pipes, of which raw material costs are subject to market price fluctuations. There is therefore a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed methods and assumptions used by management in determining the provision for diminution in value of inventory by making inquiries with management, gaining an understanding of, and reviewing the basis applied in determining the provision for diminution in value of inventory. I also reviewed the consistency of the application of that basis, performed a comparative analysis of gross profit margins on goods sold, analysed data on inventory holding periods and movements to identify potentially slow-moving inventory groups, and compared net proceeds from sales transactions occurring after the period end and steel price trends after the financial statement date against the cost of inventory.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Chonlaros Suntiasvaraporn  
Certified Public Accountant (Thailand) No. 4523

EY Office Limited  
Bangkok: 24 February 2025

## Financial Statements

**Pacific Pipe Public Company Limited****Statement of financial position****As at 31 December 2024**

		(Unit: Baht)	
	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	302,919,019	268,327,943
Trade and other receivables	8	800,921,746	763,913,095
Inventories	9	1,239,920,611	1,292,179,165
Advance payments for raw material		88,751,336	-
Other current assets		<u>26,112,201</u>	<u>26,220,810</u>
<b>Total current assets</b>		<u>2,458,624,913</u>	<u>2,350,641,013</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	1,454,091,732	1,533,659,648
Intangible assets	11	18,758,604	23,216,886
Withholding tax refundable		196,048	10,500,382
Other non-current assets		<u>131,550</u>	<u>167,086</u>
<b>Total non-current assets</b>		<u>1,473,177,934</u>	<u>1,567,544,002</u>
<b>Total assets</b>		<u><u>3,931,802,847</u></u>	<u><u>3,918,185,015</u></u>

The accompanying notes are an integral part of the financial statements.

**Pacific Pipe Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2024**

		(Unit: Baht)	
	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	12	1,727,818,953	1,627,004,731
Trade and other payables	13	222,112,649	96,831,014
Derivative liabilities	24.1	2,762,022	1,320,512
Current portion of lease liabilities	14	10,179,981	12,254,722
Other current liabilities		<u>9,231,089</u>	<u>12,714,670</u>
<b>Total current liabilities</b>		<u>1,972,104,694</u>	<u>1,750,125,649</u>
<b>Non-current liabilities</b>			
Lease liabilities - net of current portion	14	13,909,601	18,756,939
Deferred tax liabilities	19	100,554,756	105,018,281
Provision for long-term employee benefits	15	<u>39,137,267</u>	<u>32,635,789</u>
<b>Total non-current liabilities</b>		<u>153,601,624</u>	<u>156,411,009</u>
<b>Total liabilities</b>		<u>2,125,706,318</u>	<u>1,906,536,658</u>

The accompanying notes are an integral part of the financial statements.

**Pacific Pipe Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2024**

		(Unit: Baht)	
	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Shareholders' equity</b>			
Share capital			
Registered			
660,000,000 ordinary shares of Baht 1 each		<u>660,000,000</u>	<u>660,000,000</u>
Issued and fully paid up			
660,000,000 ordinary shares of Baht 1 each		660,000,000	660,000,000
Share premium			
Share premium on ordinary shares		514,845,000	514,845,000
Surplus on treasury shares		1,010,911	1,010,911
Retained earnings			
Appropriated - statutory reserve	16	67,000,000	67,000,000
Unappropriated		148,860,704	352,629,197
Other components of shareholders' equity		<u>414,379,914</u>	<u>416,163,249</u>
<b>Total shareholders' equity</b>		<u>1,806,096,529</u>	<u>2,011,648,357</u>
<b>Total liabilities and shareholders' equity</b>		<u>3,931,802,847</u>	<u>3,918,185,015</u>
		-	-

The accompanying notes are an integral part of the financial statements.

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**Pacific Pipe Public Company Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2024**

		(Unit: Baht)	
	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales and service income		7,405,091,568	8,643,024,549
Gains on exchange		15,588,464	21,775,019
Other income		<u>69,962,902</u>	<u>83,962,539</u>
<b>Total revenues</b>		<u>7,490,642,934</u>	<u>8,748,762,107</u>
<b>Expenses</b>			
Cost of sales and services		7,258,083,716	8,356,477,510
Selling and distribution expenses		132,649,985	139,935,674
Administrative expenses		<u>248,903,274</u>	<u>253,775,998</u>
<b>Total expenses</b>		<u>7,639,636,975</u>	<u>8,750,189,182</u>
<b>Operating loss</b>		(148,994,041)	(1,427,075)
Finance income		798,529	677,731
Finance cost	17	<u>(59,590,671)</u>	<u>(53,999,877)</u>
<b>Loss before income tax benefits (expenses)</b>		(207,786,183)	(54,749,221)
Income tax benefits (expenses)	19	<u>4,017,690</u>	<u>(1,402,033)</u>
<b>Loss for the year</b>		<u>(203,768,493)</u>	<u>(56,151,254)</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods:</i>			
Changes in surplus on revaluation of assets	10	-	30,001,700
Actuarial losses	15	(2,229,169)	-
Less: Income tax effect	19	<u>445,834</u>	<u>(6,000,340)</u>
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods - net of income tax		<u>(1,783,335)</u>	<u>24,001,360</u>
<b>Other comprehensive income for the year</b>		<u>(1,783,335)</u>	<u>24,001,360</u>
<b>Total comprehensive income for the year</b>		<u>(205,551,828)</u>	<u>(32,149,894)</u>
<b>Loss per share</b>			
Basic loss per share	20		
Loss for the year		<u>(0.31)</u>	<u>(0.09)</u>

The accompanying notes are an integral part of the financial statements.

**Pacific Pipe Public Company Limited****Cash flow statement****For the year ended 31 December 2024**

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Loss before tax	(207,786,183)	(54,749,221)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	109,921,223	115,347,847
Bad debts	5,503,941	6,156,951
Reversal of expected credit losses	(4,066,427)	(15,696,117)
Reduction of inventory cost to net realisable value (reversal)	10,419,776	(14,155,626)
Loss on disposals/write-off of equipment	2,284,128	943,820
Loss on write-off of intangible assets	-	1,274,356
Gain on revaluation of land	-	(312,100)
Long-term employee benefits expenses	4,462,049	4,225,744
Loss on fair value adjustments of derivatives	2,645,197	1,320,512
Loss (gain) on cancelled lease	82,436	(26,692)
Finance income	(798,529)	(677,731)
Interest expenses	<u>59,306,045</u>	<u>53,620,047</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	(18,026,344)	97,271,790
Operating assets (increase) decrease		
Trade and other receivables	(38,446,165)	116,363,758
Inventories	41,838,778	(43,571,490)
Advance payments for raw material	(88,751,336)	226,300,000
Other current assets	225,434	(4,074,093)
Other non-current assets	35,537	19,266
Operating liabilities increase (decrease)		
Trade and other payables	119,735,340	(36,305,381)
Derivative liabilities	(1,320,512)	-
Other current liabilities	(3,483,581)	(3,979,864)
Paid for long-term employee benefits	<u>(189,740)</u>	<u>-</u>
Cash flows from operating activities	11,617,411	352,023,986
Interest received	798,529	676,494
Interest paid	(58,869,692)	(53,459,748)
Received from withholding tax refundable	10,413,525	-
Corporate income tax paid	<u>(109,192)</u>	<u>(86,856)</u>
<b>Net cash flows from (used in) operating activities</b>	<u>(36,149,419)</u>	<u>299,153,876</u>

The accompanying notes are an integral part of the financial statements.

**Pacific Pipe Public Company Limited**  
**Cash flow statement (continued)**  
**For the year ended 31 December 2024**

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(17,358,077)	(40,041,740)
Acquisition of intangible assets	(5,000)	(925,500)
Proceeds from sales of equipment	<u>317,428</u>	<u>141,067</u>
<b>Net cash flows used in investing activities</b>	<u>(17,045,649)</u>	<u>(40,826,173)</u>
<b>Cash flows from financing activities</b>		
Cash received from short-term loans from financial institutions	7,260,668,725	8,169,362,378
Cash paid for short-term loans from financial institutions	(7,159,854,502)	(8,400,578,606)
Payment of principal portion of lease liabilities	<u>(13,028,079)</u>	<u>(11,917,216)</u>
<b>Net cash flows from (used in) financing activities</b>	<u>87,786,144</u>	<u>(243,133,444)</u>
<b>Net increase in cash and cash equivalents</b>	34,591,076	15,194,259
Cash and cash equivalents at beginning of year	<u>268,327,943</u>	<u>253,133,684</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>302,919,019</u></u>	<u><u>268,327,943</u></u>

**Supplemental cash flows information:**

Non-cash transactions

Acquisition of plant and equipment for which no cash has been paid	5,109,942	3,762,083
Additions to right-of-use assets and lease liabilities	6,196,000	1,580,000

The accompanying notes are an integral part of the financial statements.

**Pacific Pipe Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2024**

(Unit: Baht)

	Issued and fully paid-up share capital	Share premium on ordinary shares	Surplus on treasury shares	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
						Surplus on revaluation of assets	
<b>Balance as at 1 January 2023</b>	660,000,000	514,845,000	1,010,911	67,000,000	408,780,451	392,161,889	2,043,798,251
Loss for the year	-	-	-	-	(56,151,254)	-	(56,151,254)
Other comprehensive income for the year	-	-	-	-	-	24,001,360	24,001,360
<b>Total comprehensive income for the year</b>	-	-	-	-	(56,151,254)	24,001,360	(32,149,894)
<b>Balance as at 31 December 2023</b>	<u>660,000,000</u>	<u>514,845,000</u>	<u>1,010,911</u>	<u>67,000,000</u>	<u>352,629,197</u>	<u>416,163,249</u>	<u>2,011,648,357</u>
							-
<b>Balance as at 1 January 2024</b>	660,000,000	514,845,000	1,010,911	67,000,000	352,629,197	416,163,249	2,011,648,357
Loss for the year	-	-	-	-	(203,768,493)	-	(203,768,493)
Other comprehensive income for the year	-	-	-	-	-	(1,783,335)	(1,783,335)
<b>Total comprehensive income for the year</b>	-	-	-	-	(203,768,493)	(1,783,335)	(205,551,828)
<b>Balance as at 31 December 2024</b>	<u>660,000,000</u>	<u>514,845,000</u>	<u>1,010,911</u>	<u>67,000,000</u>	<u>148,860,704</u>	<u>414,379,914</u>	<u>1,806,096,529</u>

The accompanying notes are an integral part of the financial statements.

## Notes to the Financial Statements

**Pacific Pipe Public Company Limited**  
**Notes to financial statements**  
**For the year ended 31 December 2024**

**1. General information**

Pacific Pipe Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Tang Mong Seng Holding Company Limited, which was incorporated in Thailand. The Company is principally engaged in manufacturing and distribution of steel pipes for construction work. The registered office of the Company is at 298, 298/2, Soi Klabcharoen, Suksawat Road, Tambon Pakklongbangplakod, Amphur Phrasamutjedi, Samutprakarn.

**2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**3. New financial reporting standards**

**3.1 Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

## **4. Accounting policies**

### **4.1 Revenue and expense recognition**

#### **Sales of goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

#### **Rendering of service**

Service revenue is recognised at a point in time upon completion of the service.

#### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Inventories**

Finished goods and conversion raw materials are valued at lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials and factory supplies are valued at the lower of weighted average cost and net realisable value and are charged to production costs whenever consumed.

### **4.4 Property, plant and equipment/Depreciation**

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation of the Company's assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

Depreciation of building and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Land improvement	5 - 20 years
Buildings and building improvement	3 - 20 years
Machinery and factory equipment	2 - 31 years
Utilities system and office equipment	3 - 20 years
Motor vehicles	5 - 25 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.5 Intangible assets**

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 and 10 years

#### **4.6 Leases**

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Company as a lessee**

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	10 - 13 years
Buildings	6 years
Office equipment	3 - 5 years
Motor vehicles	5 - 7 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **4.7 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.8 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.9 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use-assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However, in cases where land were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.10 Employee benefits**

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### **Post-employment benefits**

###### ***Defined contribution plans***

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

###### ***Defined benefit plans***

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### **4.11 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.12 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.13 Financial instruments**

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

For trade receivables, the Company applies a simplified approach in calculating expected credit losses (“ECLs”). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.14 Derivatives**

The Company uses derivatives, is forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **4.15 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates the net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price or cost directly relating to events occurring after the end of the reporting period.

### **Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 10 to the financial statements.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	For the years ended 31 December		Transfer pricing policy
	<u>2024</u>	<u>2023</u>	
(Unit: Million Baht)			
<b><u>Transactions with related parties</u></b>			
Office rental and service expenses	4	4	Contract price
Land rental expenses	6	6	Contract price

As at 31 December 2024 and 2023, the balances of the accounts between the Company and those related parties are as follows:

	<u>2024</u>	<u>2023</u>
(Unit: Thousand Baht)		
<b><u>Lease liabilities - related parties</u></b>		
Major shareholder of the Company	2,489	6,539
Related companies (related by shareholders)	12,761	17,901
Total lease liabilities - related parties	<u>15,250</u>	<u>24,440</u>

## **Directors and management's benefits**

During the years ended 31 December 2024 and 2023, the Company had employee benefit expenses payable to their directors and management as below.

	<u>2024</u>	<u>2023</u>
(Unit: Thousand Baht)		
Short-term employee benefits	24,390	24,652
Post-employment benefits	765	1,021
Total	<u>25,155</u>	<u>25,673</u>

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Cash	187	171
Bank deposits	302,732	268,157
Total	<u>302,919</u>	<u>268,328</u>

As at 31 December 2024, bank deposits in saving accounts carried interests 0.40 percent per annum (2023: between 0.40 and 0.60 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	570,535	558,496
Past due		
Up to 3 months	221,446	192,195
3 - 6 months	12,006	7,587
6 - 12 months	3,664	13,181
Over 12 months	25,805	29,044
Total	<u>833,456</u>	<u>800,503</u>
Less: Allowance for expected credit losses	<u>(33,203)</u>	<u>(37,270)</u>
Total trade receivables - unrelated parties, net	<u>800,253</u>	<u>763,233</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	<u>669</u>	<u>680</u>
Total other receivables	<u>669</u>	<u>680</u>
Total trade and other receivables - net	<u>800,922</u>	<u>763,913</u>

The normal credit term is 7 to 90 days.

Set out below is the movements in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Beginning balance	37,270	52,966
Reversal of provision for expected credit losses	(4,067)	(15,696)
Ending balance	<u>33,203</u>	<u>37,270</u>

Trade receivables were written-off during 2024 amounting to Baht 5.5 million (2023: Baht 6.2 million).

## 9. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finished goods	638,795	749,112	(31,440)	(23,139)	607,355	725,973
Conversion raw materials	130,572	116,973	-	-	130,572	116,973
Raw materials	245,749	384,714	(2,475)	(356)	243,274	384,358
Factory supplies and others	14,380	14,473	-	-	14,380	14,473
Raw materials in transit	244,340	50,402	-	-	244,340	50,402
Total	<u>1,273,836</u>	<u>1,315,674</u>	<u>(33,915)</u>	<u>(23,495)</u>	<u>1,239,921</u>	<u>1,292,179</u>

During the current year, the Company reduced cost of inventories by Baht 10.4 million, to reflect the net realisable value. This was included in cost of sales. (2023: reversed the write-down of cost of inventories by Baht 14.2 million, and reduced the amount of inventories recognised as expenses during the year).

## 10. Property, plant and equipment

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Net book value:		
Property, plant and equipment	1,433,361	1,506,800
Right-of-use assets (Note 14)	20,731	26,860
Total	<u>1,454,092</u>	<u>1,533,660</u>

Movements of property, plant and equipment for the years ended 31 December 2024 and 2023 are summarised below.

(Unit: Thousand Baht)

	Revaluation basis		Cost basis					Assets under construction	Total
	Land	Land improvement	Buildings and building improvement	Machinery and factory equipment	Utilities system and office equipment	Motor vehicles			
<b>Cost/Revalued amount:</b>									
1 January 2023	750,062	14,682	829,728	1,638,246	80,552	184,096	10,187	3,507,553	
Additions	-	-	-	5,111	2,277	675	35,740	43,803	
Transfers in (out)	-	-	3,975	26,478	1,396	560	(32,409)	-	
Disposals/Write-off	-	-	-	(14,961)	(3,155)	(745)	-	(18,861)	
Reclassification	-	-	-	(98)	98	-	-	-	
Revaluations	30,002	-	-	-	-	-	-	30,002	
31 December 2023	780,064	14,682	833,703	1,654,776	81,168	184,586	13,518	3,562,497	
Additions	-	-	345	10,103	2,705	22	9,293	22,468	
Transfers in (out)	-	-	-	6,972	2,706	-	(9,678)	-	
Disposals/Write-off	-	-	-	(17,539)	(3,993)	(18)	(1,614)	(23,164)	
Reclassification	-	-	-	32	(32)	-	-	-	
31 December 2024	780,064	14,682	834,048	1,654,344	82,554	184,590	11,519	3,561,801	
<b>Accumulated depreciation:</b>									
1 January 2023	-	8,384	573,168	1,162,420	68,894	146,860	-	1,959,726	
Depreciation for the year	-	263	34,380	52,370	3,952	7,506	-	98,471	
Depreciation on disposals/ write-off	-	-	-	(13,769)	(3,132)	(652)	-	(17,553)	
Reclassification	-	-	-	(51)	51	-	-	-	
31 December 2023	-	8,647	607,548	1,200,970	69,765	153,714	-	2,040,644	
Depreciation for the year	-	263	30,194	51,284	4,585	6,979	-	93,305	
Depreciation on disposals/ write-off	-	-	-	(16,586)	(3,949)	(10)	-	(20,545)	
Reclassification	-	-	-	33	(33)	-	-	-	
31 December 2024	-	8,910	637,742	1,235,701	70,368	160,683	-	2,113,404	
<b>Allowance for impairment loss:</b>									
1 January 2023	1,159	4,808	3,658	5,671	209	83	-	15,588	
Decrease during the year	(312)	-	-	(138)	(2)	(83)	-	(535)	
31 December 2023	847	4,808	3,658	5,533	207	-	-	15,053	
Decrease during the year	-	-	-	(17)	-	-	-	(17)	
31 December 2024	847	4,808	3,658	5,516	207	-	-	15,036	
<b>Net book value:</b>									
31 December 2023	779,217	1,227	222,497	448,273	11,196	30,872	13,518	1,506,800	
31 December 2024	779,217	964	192,648	413,127	11,979	23,907	11,519	1,433,361	
<b>Depreciation for the year</b>									
2023 (Baht 76 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)								98,471	
2024 (Baht 67 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)								93,305	

The Company arranged for an independent professional valuer to appraise the value of land in 2023, using the market approach. Land were measured at fair value using level 3 input.

Key assumptions used in the valuation are summarised below:

		Result to fair value whereas an increase in assumption value
Price per square wah (Thousand Baht)	8.4 - 36.0	Increase in fair value

Details of land carried at its revalued amount is as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Historical cost	259,860	259,860
Surplus on revaluation	520,204	520,204
Impairment	(847)	(847)
Revalued amount	<u>779,217</u>	<u>779,217</u>

Surplus on revaluation of assets, presented in shareholders' equity net of income tax, can neither be offset against deficit nor used for dividend payment.

As at 31 December 2024, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,056 million (2023: Baht 872 million).

## 11. Intangible assets

The net book value of intangible assets as at 31 December 2024 and 2023 is presented below.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Computer software - at cost	58,531	58,619
Less: Accumulated amortisation	(39,772)	(35,402)
Net book value	<u>18,759</u>	<u>23,217</u>

A reconciliation of the net book value of intangible assets for the years 2024 and 2023 is presented below.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Net book value at beginning of year	23,217	28,535
Acquisition of computer software	5	926
Write-off during the year - net book value as of write-off date	-	(1,274)
Amortisation	(4,463)	(4,970)
Net book value at end of year	<u>18,759</u>	<u>23,217</u>

## 12. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Interest rate			
	(Percent per annum)			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term loans from financial institutions	3.05 - 3.46	3.15 - 3.77	576,024	561,675
Trust receipts	2.93 - 3.50	3.29 - 3.77	1,151,795	1,065,330
Total			<u>1,727,819</u>	<u>1,627,005</u>

The credit facilities agreements with the banks contain financial covenants that, among other things, required the Company to maintain certain current ratio and debt to equity ratio according to the agreements and required the Company to be restricted on the disposal of its assets or the creation of lien thereon without prior consent from banks.

As at 31 December 2024, the credit facilities of the Company which have not yet been drawn down amounting to Baht 3,220 million (2023: Baht 3,321 million).

## 13. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Trade payables - unrelated parties	157,421	28,061
Other payables - unrelated parties	47,688	43,502
Accrued expenses	17,004	25,268
Total trade and other payables	<u>222,113</u>	<u>96,831</u>

## 14. Leases

### The Company as a lessee

The Company has lease contracts for assets used in its operations. Leases generally have lease terms between 3 - 13 years. The lease contracts cannot be cancelled and prohibit sub-leasing or use of the underlying assets by another party.

#### a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2024 and 2023 are summarised below:

(Unit: Thousand Baht)

	Land	Buildings	Office equipment	Motor vehicles	Total
1 January 2023	19,359	9,405	2,737	5,949	37,450
Additions	-	-	1,580	-	1,580
Write-off	-	-	-	(264)	(264)
Depreciation for the year	(4,685)	(3,643)	(1,980)	(1,598)	(11,906)
31 December 2023	14,674	5,762	2,337	4,087	26,860
Additions	-	-	3,206	2,990	6,196
Write-off	-	-	-	(173)	(173)
Depreciation for the year	(4,685)	(3,643)	(2,121)	(1,703)	(12,152)
31 December 2024	9,989	2,119	3,422	5,201	20,731

#### b) Lease liabilities

(Unit: Thousand Baht)

	2024	2023
Lease payments	26,676	34,361
Less: Deferred interest expenses	(2,586)	(3,350)
Total	24,090	31,011
Less: Portion due within one year	(10,180)	(12,255)
Lease liabilities - net of current portion	13,910	18,756

A maturity analysis of lease payments is disclosed in Note 24.2 under the liquidity risk.

#### c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	2024	2023
Depreciation expense of right-of-use assets	12,152	11,906
Interest expense on lease liabilities	1,799	2,346
Expense relating to leases of low-value assets	559	816

#### d) Others

The Company had total cash outflows for leases for the year ended 31 December 2024 of Baht 15 million (2023: Baht 15 million), including the cash outflow related to leases of low-value assets.

#### 15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, was as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
<b>Provision for long-term employee benefits at beginning of year</b>	32,636	28,410
Included in profit or loss:		
Current service cost	3,435	3,331
Interest cost	1,027	895
Included in other comprehensive income:		
Actuarial loss arising from		
Financial assumptions changes	2,205	-
Experience adjustments	24	-
Benefits paid during the year	(190)	-
<b>Provision for long-term employee benefits at end of year</b>	<u>39,137</u>	<u>32,636</u>

The Company expects to pay Baht 1.8 million of long-term employee benefits during the next year (2023: Baht 0.2 million).

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 14 years (2023: 14 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	<u>2024</u>	<u>2023</u>
Discount rate	2.55	3.15
Salary increase rate	4	4
Staff turnover rate (depending on age)	3.34 - 40.11	3.34 - 40.11

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below:

(Unit: Million Baht)

	As at 31 December 2024		As at 31 December 2023	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(3.6)	4.2	(3.0)	3.5
Salary increase rate	3.9	(3.4)	3.8	(3.3)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(3.7)	4.5	(3.5)	4.3

#### 16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

#### 17. Finance cost

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Interest expenses on borrowings	57,507	51,274
Interest expenses on lease liabilities	1,799	2,346
Others	285	380
Total	<u>59,591</u>	<u>54,000</u>

#### 18. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Salaries and wages and other employee benefits	295,612	308,969
Depreciation and amortisation expenses	109,921	115,347
Transportation expenses	38,768	46,819
Raw materials and consumables used	6,804,392	8,040,356
Changes in inventories of finished goods	110,317	(59,345)

## 19. Income tax

Income tax expenses for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
<b>Current income tax:</b>		
Current income tax charge	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	4,018	(1,402)
<b>Income tax benefits (expenses) reported in profit or loss</b>	<u>4,018</u>	<u>(1,402)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Deferred tax on actuarial losses	(446)	-
Deferred tax on changes in revaluation land	-	6,000
Total	<u>(446)</u>	<u>6,000</u>

The reconciliation between accounting loss and income tax expenses is shown below.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Accounting loss before tax	<u>(207,786)</u>	<u>(54,749)</u>
Applicable tax rate	20%	20%
Accounting loss before tax multiplied by income tax rate	41,557	10,950
Tax loss for the year which unrecognised to deferred tax asset	(37,707)	(13,831)
Effects of:		
Non-deductible expenses	(508)	(963)
Additional expense deductions allowed	831	772
Others	(155)	1,670
Total	<u>168</u>	<u>1,479</u>
Income tax benefits (expenses) reported in profit or loss	<u>4,018</u>	<u>(1,402)</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	<u>2024</u>	<u>2023</u>
<b>Deferred tax assets</b>		
Allowance for expected credit losses	6,641	7,454
Allowance for diminution in value of inventories	6,783	4,699
Allowance for assets impairment	3,007	3,010
Provision for long-term employee benefits	7,827	6,527
Others	1,224	1,094
Total	<u>25,482</u>	<u>22,784</u>
<b>Deferred tax liabilities</b>		
Difference depreciation between tax and accounting base	21,973	23,761
Surplus on revaluation of land	104,041	104,041
Other	23	-
Total	<u>126,037</u>	<u>127,802</u>
<b>Presentation in the statements of financial position</b>		
Deferred tax liabilities	<u>100,555</u>	<u>105,018</u>

As at 31 December 2024, the Company has unused tax losses totaling Baht 585 million (2023: Baht 397 million), on which deferred tax assets have not been recognised due to steel price fluctuations and uncertain economic conditions.

Details of expiry date of unused tax loss are summarised as below:

	(Unit: Million Baht)	
	<u>2024</u>	<u>2023</u>
31 December 2027	327	327
31 December 2028	70	70
31 December 2029	188	-
	<u>585</u>	<u>397</u>

## 20. Loss per share

Basic loss per share is calculated by dividing loss for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## **21. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as chief executive officer.

The one main reportable operating segment of the Company is the manufacture and distribution of steel pipes, structural steels and contract of steel productions for construction work and the main single geographical area of its operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

For the years 2024 and 2023, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

## **22. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2024 amounting to approximately Baht 2.7 million were recognised as expense (2023: Baht 3.8 million).

## **23. Commitments and contingent liabilities**

### **23.1 Capital commitments**

As at 31 December 2024, the Company had capital commitments of approximately Baht 7.6 million (2023: Baht 1.5 million), relating to the computer system development, acquisition of equipment, building material and the factory system improvement.

### **23.2 Letters of credit**

As at 31 December 2024, the Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 13.0 million (2023: USD 8.3 million).

### 23.3 Guarantees

As at 31 December 2024, there were outstanding bank guarantees of approximately Baht 16 million (2023: Baht 16 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of its business. These included letters of guarantee to guarantee as follows:

	(Unit: Million Baht)	
	<u>2024</u>	<u>2023</u>
Guarantee electricity use	15	15
Guarantee as an AEO authorised importer and/or exporter to the Customs Department	1	1

## 24. Financial instruments

### 24.1 Derivatives

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
<b>Derivative asset</b>		
Derivative asset not designated as hedging instruments		
Foreign exchange forward contracts (included in other current assets)	117	-
<b>Derivative liabilities</b>		
Derivative liabilities not designated as hedging instruments		
Foreign exchange forward contracts	2,762	1,320

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods generally of 6 months. The foreign exchange forward contracts were measured at fair value using level 2 input.

During the current year, there were no transfers within the fair value hierarchy.

### 24.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade receivable, short-term loans from financial institutions and trade payable. The financial risks associated with these financial instruments and how they are managed is described below.

## **Credit risk**

The Company is exposed to credit risk primarily with respect to trade receivable. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

### ***Trade receivables***

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and the Company considers mitigating risk by, for example, requiring collateral from a bank or arranging debtor insurance. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type and rating, and coverage by other forms of credit insurance. Other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and subject to enforcement activity and the debtor has not the ability to pay the debt.

## **Market risk**

There are two types of market risk comprising interest rate risk and commodity price risk.

### ***Interest rate risk***

The Company's exposure to interest rate risk relates primarily to its short-term loans. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Company manages its interest rate risk by borrowings short-term loans that carry fixed interest rates.

As at 31 December 2024 and 2023, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

2024					
	Fixed				
	interest rates	Floating	Non- interest	Total	Effective
	within 1 year	interest rate	bearing		interest rate
					(% per annum)
<b>Financial assets</b>					
Cash and cash equivalents	-	303	-	303	Note 7
Trade and other receivables	-	-	801	801	-
	-	303	801	1,104	
<b>Financial liabilities</b>					
Short-term loans from financial institutions	1,728	-	-	1,728	Note 12
Trade and other payables	-	-	222	222	-
	1,728	-	222	1,950	

(Unit: Million Baht)

2023					
	Fixed				
	interest rates	Floating	Non- interest	Total	Effective
	within 1 year	interest rate	bearing		interest rate
					(% per annum)
<b>Financial assets</b>					
Cash and cash equivalents	-	268	-	268	Note 7
Trade and other receivables	-	-	764	764	-
	-	268	764	1,032	
<b>Financial liabilities</b>					
Short-term loans from financial institutions	1,627	-	-	1,627	Note 12
Trade and other payables	-	-	97	97	-
	1,627	-	97	1,724	

### **Commodity price risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of coil steel that is a primary material, therefore the Company is exposed to changes in the price of its forecast steel purchases.

The Company has developed and enacted a risk management strategy for commodity price risk and its mitigation. The Company mainly hedges the purchase price by sourcing the coil steel from domestic sources and ordering the properly quantities in accordance with the production plan and sales forecast of each month.

## Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of short-term loans from financial institutions and lease. As at 31 December 2024, the Company has undrawn credit facilities from several banks, as described in Note 12 and consequently has sufficient working capital.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

	(Unit: Million Baht)		
	As at 31 December 2024		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	1,782	-	1,782
Trade and other payables	222	-	222
Lease liabilities	12	15	27
<b>Total non-derivatives</b>	<b>2,016</b>	<b>15</b>	<b>2,031</b>
<b>Derivatives</b>			
Derivative liabilities	3	-	3
<b>Total derivatives</b>	<b>3</b>	<b>-</b>	<b>3</b>

	(Unit: Million Baht)		
	As at 31 December 2023		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	1,685	-	1,685
Trade and other payables	97	-	97
Lease liabilities	14	20	34
<b>Total non-derivatives</b>	<b>1,796</b>	<b>20</b>	<b>1,816</b>
<b>Derivatives</b>			
Derivative liabilities	1	-	1
<b>Total derivatives</b>	<b>1</b>	<b>-</b>	<b>1</b>

### 24.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

## **25. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Company has complied with these covenants throughout the reporting periods.

As at 31 December 2024, the Company's debt-to-equity ratio was 1.18:1 (2023: 0.95:1).

## **26. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2025.

Back up attachment

## Back up attachment

Attachment 1 : Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0805/2024/1739842180908.pdf>



Attachment 2 : Details of the directors of subsidiaries

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0805/2024/1739842180912.pdf>



Attachment 3 : Details of the Heads of the Internal Audit and Compliance Units

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0805/2024/1739682559587.pdf>



Attachment 4 : Assets for business undertaking and details of asset appraisal

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0805/2024/1739842180928.pdf>



Attachment 5 : Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0805/2024/1739842180916.pdf>



Attachment 6 : Report of the Audit Committee

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0805/2024/1739682559555.pdf>



Attachment 7 :REMUNERATION NOMINATION AND CORPORATE GOVERNANCE COMMITTEE REPORT

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0805/2024/1739682559559.pdf>



Attachment 8 :EXECUTIVE, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Link to attachment: <https://eonemedia.setlink.set.or.th/report/0805/2024/1739682559563.pdf>

Back up attachment

