

Pacific Pipe Public Company Limited
Review report and financial information
For the three-month and six-month periods
ended 30 June 2024

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Pacific Pipe Public Company Limited

I have reviewed the accompanying financial information of Pacific Pipe Public Company Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 8 August 2024

Pacific Pipe Public Company Limited

Statement of financial position

As at 30 June 2024

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		229,517	268,328
Trade and other receivables	3	946,585	763,913
Inventories	4	1,293,712	1,292,179
Other current assets		<u>21,123</u>	<u>26,221</u>
Total current assets		<u>2,490,937</u>	<u>2,350,641</u>
Non-current assets			
Property, plant and equipment	5	1,494,193	1,533,660
Intangible assets		20,961	23,217
Withholding tax refundable		-	10,500
Other non-current assets		<u>218</u>	<u>167</u>
Total non-current assets		<u>1,515,372</u>	<u>1,567,544</u>
Total assets		<u><u>4,006,309</u></u>	<u><u>3,918,185</u></u>

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

Pacific Pipe Public Company Limited
Statement of financial position (continued)
As at 30 June 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	6	1,721,319	1,627,005
Trade and other payables	7	123,320	96,831
Current portion of lease liabilities		12,751	12,255
Other current liabilities		20,394	14,035
Total current liabilities		<u>1,877,784</u>	<u>1,750,126</u>
Non-current liabilities			
Lease liabilities - net of current portion		18,185	18,757
Deferred tax liabilities		102,290	105,018
Provision for long-term employee benefits		34,867	32,636
Total non-current liabilities		<u>155,342</u>	<u>156,411</u>
Total liabilities		<u>2,033,126</u>	<u>1,906,537</u>

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

Pacific Pipe Public Company Limited

Statement of financial position (continued)

As at 30 June 2024

(Unit: Thousand Baht)

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Unaudited but reviewed)	(Audited)
Shareholders' equity		
Share capital		
Registered		
660,000,000 ordinary shares of Baht 1 each	<u>660,000</u>	<u>660,000</u>
Issued and fully paid up		
660,000,000 ordinary shares of Baht 1 each	660,000	660,000
Share premium		
Share premium on ordinary shares	514,845	514,845
Surplus on treasury shares	1,011	1,011
Retained earnings		
Appropriated - statutory reserve	67,000	67,000
Unappropriated	314,164	352,629
Other components of shareholders' equity	<u>416,163</u>	<u>416,163</u>
Total shareholders' equity	<u>1,973,183</u>	<u>2,011,648</u>
Total liabilities and shareholders' equity	<u>4,006,309</u>	<u>3,918,185</u>
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The accompanying notes are an integral part of the interim financial statements.

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Directors

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(Unaudited but reviewed)

Pacific Pipe Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 June 2024

(Unit: Thousand Baht, except loss per share expressed in Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Profit or loss:			
Revenues			
Sales and service income		1,971,809	2,042,390
Gains on exchange		6,556	12,355
Other income		<u>19,000</u>	<u>19,209</u>
Total revenues		<u>1,997,365</u>	<u>2,073,954</u>
Expenses			
Cost of sales and services		1,912,528	2,063,293
Selling and distribution expenses		35,343	31,863
Administrative expenses		<u>65,073</u>	<u>61,109</u>
Total expenses		<u>2,012,944</u>	<u>2,156,265</u>
Operating loss		(15,579)	(82,311)
Finance income		413	318
Finance cost		<u>(15,223)</u>	<u>(13,758)</u>
Loss before income tax benefits		(30,389)	(95,751)
Income tax benefits	8	<u>2,618</u>	<u>5,992</u>
Loss for the period		<u>(27,771)</u>	<u>(89,759)</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Changes in surplus on revaluation of assets		-	30,002
Less: Income tax effect	8	<u>-</u>	<u>(6,000)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>-</u>	<u>24,002</u>
Other comprehensive income for the period		<u>-</u>	<u>24,002</u>
Total comprehensive income for the period		<u>(27,771)</u>	<u>(65,757)</u>
Loss per share			
Basic loss per share			
Loss for the period		<u>(0.04)</u>	<u>(0.14)</u>

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

(Unaudited but reviewed)

Pacific Pipe Public Company Limited
Statement of comprehensive income
For the six-month period ended 30 June 2024

(Unit: Thousand Baht, except earnings (loss) per share expressed in Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Profit or loss:			
Revenues			
Sales and service income		3,933,467	4,748,811
Gains on exchange		12,965	22,395
Other income		<u>38,072</u>	<u>43,616</u>
Total revenues		<u>3,984,504</u>	<u>4,814,822</u>
Expenses			
Cost of sales and services		3,797,901	4,546,383
Selling and distribution expenses		68,084	71,780
Administrative expenses		<u>129,616</u>	<u>128,007</u>
Total expenses		<u>3,995,601</u>	<u>4,746,170</u>
Operating profit (loss)		(11,097)	68,652
Finance income		415	325
Finance cost		<u>(30,511)</u>	<u>(26,045)</u>
Profit (loss) before income tax benefits		(41,193)	42,932
Income tax benefits	8	<u>2,728</u>	<u>4,807</u>
Profit (loss) for the period		<u>(38,465)</u>	<u>47,739</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Changes in surplus on revaluation of assets		-	30,002
Less: Income tax effect	8	<u>-</u>	<u>(6,000)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>-</u>	<u>24,002</u>
Other comprehensive income for the period		<u>-</u>	<u>24,002</u>
Total comprehensive income for the period		<u>(38,465)</u>	<u>71,741</u>
Earnings (loss) per share			
Basic earnings (loss) per share			
Profit (loss) for the period		<u>(0.06)</u>	<u>0.07</u>

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

(Unaudited but reviewed)

Pacific Pipe Public Company Limited

Cash flow statement

For the six-month period ended 30 June 2024

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Profit (loss) before tax	(41,193)	42,932
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	55,009	57,620
Expected credit losses	329	341
Reduction of inventory cost to net realisable value	10,504	16,709
Loss on disposals/write-off of equipment	61	288
Loss on write-off of intangible assets	-	1,274
Gain on revaluation of land	-	(313)
Long-term employee benefits expenses	2,231	2,113
Unrealised loss (gain) on exchange	(48)	4,226
Gain on fair value adjustments of derivatives	(2,244)	(7,908)
Gain on cancelled lease	-	(27)
Finance income	(415)	(325)
Interest expenses	<u>30,374</u>	<u>25,801</u>
Profit from operating activities before changes in operating assets and liabilities	54,608	142,731
Operating assets (increase) decrease		
Trade and other receivables	(182,953)	(45,777)
Inventories	(12,037)	(67,323)
Advance payments for raw material	-	136,547
Other current assets	7,404	(9,736)
Other non-current assets	35	23
Operating liabilities increase (decrease)		
Trade and other payables	21,153	131,663
Other current liabilities	<u>6,359</u>	<u>16,923</u>
Cash flows from (used in) operating activities	(105,431)	305,051
Interest received	415	324
Interest paid	(30,337)	(26,777)
Received from withholding tax refundable	10,414	-
Income tax paid	<u>(62)</u>	<u>(24)</u>
Net cash flows from (used in) operating activities	<u>(125,001)</u>	<u>278,574</u>

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

(Unaudited but reviewed)

Pacific Pipe Public Company Limited

Cash flow statement (continued)

For the six-month period ended 30 June 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(3,271)	(16,907)
Proceeds from sales of equipment	<u>1,419</u>	<u>34</u>
Net cash flows used in investing activities	<u>(1,852)</u>	<u>(16,873)</u>
Cash flows from financing activities		
Cash received from short-term loans from financial institutions	4,004,903	4,598,232
Cash paid for short-term loans from financial institutions	(3,910,589)	(4,896,425)
Payment of principal portion of lease liabilities	<u>(6,272)</u>	<u>(5,842)</u>
Net cash flows from (used in) financing activities	<u>88,042</u>	<u>(304,035)</u>
Net decrease in cash and cash equivalents	(38,811)	(42,334)
Cash and cash equivalents at beginning of period	<u>268,328</u>	<u>253,134</u>
Cash and cash equivalents at end of period	<u><u>229,517</u></u>	<u><u>210,800</u></u>
	-	
Supplemental cash flows information:		
Non-cash transactions		
Acquisition of plant and equipment for which no cash has been paid	5,294	2,553
Additions of right-of-use assets and lease liabilities	6,196	1,580
Acquisition of intangible asset for which no cash has been paid	5	-

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

(Unaudited but reviewed)

Pacific Pipe Public Company Limited
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2024

(Unit: Thousand Baht)

	Issued and fully paid-up share capital	Share premium on ordinary shares	Surplus on treasury shares	Retained earnings		Other components of equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus on revaluation of assets	
Balance as at 1 January 2023	660,000	514,845	1,011	67,000	408,780	392,162	2,043,798
Profit for the period	-	-	-	-	47,739	-	47,739
Other comprehensive income for the period	-	-	-	-	-	24,002	24,002
Total comprehensive income for the period	-	-	-	-	47,739	24,002	71,741
Balance as at 30 June 2023	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>456,519</u>	<u>416,164</u>	<u>2,115,539</u>
Balance as at 1 January 2024	660,000	514,845	1,011	67,000	352,629	416,163	2,011,648
Loss for the period	-	-	-	-	(38,465)	-	(38,465)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(38,465)	-	(38,465)
Balance as at 30 June 2024	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>314,164</u>	<u>416,163</u>	<u>1,973,183</u>

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

Pacific Pipe Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2024

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.2 Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Company's financial statements.

2. Related party transactions

During the period, 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. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

(Unaudited but reviewed)

Summaries significant business transactions with related parties as follows.

(Unit: Million Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Transactions with related parties</u>				
Office rental and service expenses	1.1	1.1	2.2	2.2
Land rental expenses	1.5	1.5	3.0	2.9

The balances between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	30 June 2024	31 December 2023
		(Audited)
<u>Lease liabilities - related parties</u>		
Major shareholder of the Company	4,548	6,539
Related companies (related by common shareholders)	15,450	17,901
Total lease liabilities - related parties	<u>19,998</u>	<u>24,440</u>

Directors and management's benefits

(Unit: Thousand Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	6,315	6,258	12,859	12,045
Post-employment benefits	191	256	382	511
Total	<u>6,506</u>	<u>6,514</u>	<u>13,241</u>	<u>12,556</u>

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
		(Audited)
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	739,094	558,496
Past due		
Up to 3 months	200,858	192,195
3 - 6 months	2,886	7,587
6 - 12 months	1,253	13,181
Over 12 months	39,449	29,044
Total	983,540	800,503
Less: Allowance for expected credit losses	(37,599)	(37,270)
Total trade receivables - unrelated parties, net	945,941	763,233
<u>Other receivables</u>		
Other receivables - unrelated parties	644	680
Total other receivables	644	680
Total trade and other receivables - net	946,585	763,913

4. Inventories

Movements of the reduction of inventory cost to net realisable value account during the six-month period ended 30 June 2024 are summarised below:

	(Unit: Thousand Baht)
Balance as at 1 January 2024	23,495
Add: Reduction of inventory cost to net realisable value during the period	10,504
Balance as at 30 June 2024	33,999

(Unaudited but reviewed)

5. Property, plant and equipment

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
Net book value:		(Audited)
Property, plant and equipment	1,467,087	1,506,800
Right-of-use assets	27,106	26,860
Total	<u>1,494,193</u>	<u>1,533,660</u>

Movements of the property, plant and equipment account during the six-month period ended 30 June 2024 are summarised below:

	(Unit: Thousand Baht)			
	Assets on	Assets on cost basis		
	revaluation	Plant and	Right-of-use	
	basis - land	equipment	assets	Total
Net book value as at 1 January 2024	779,217	727,583	26,860	1,533,660
Acquisitions during the period	-	8,565	6,196	14,761
Disposals/Write-off during the period - net book value at disposals/write-off date	-	(1,480)	-	(1,480)
Depreciation for the period	-	(46,798)	(5,950)	(52,748)
Net book value as at 30 June 2024	<u>779,217</u>	<u>687,870</u>	<u>27,106</u>	<u>1,494,193</u>

Land were measured at fair value using level 3 input.

6. Short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Interest rate			
	(Percent per annum)			
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Short-term loans from financial institutions	3.25 - 3.77	3.15 - 3.77	676,404	561,675
Trust receipt	3.15 - 3.49	3.29 - 3.77	1,044,915	1,065,330
Total			<u>1,721,319</u>	<u>1,627,005</u>

The credit facilities agreement with the banks contains financial covenants that, among other things, maintain certain current ratio and debt to equity ratio according to the agreement and required the Company to be restricted on the disposal of its assets or the creation of lien thereon without prior consent from banks.

(Unaudited but reviewed)

7. Trade and other payables

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
		(Audited)
Trade payables - unrelated parties	50,440	28,061
Other payables - unrelated parties	51,251	43,502
Accrued expenses	21,629	25,268
Total trade and other payables	<u>123,320</u>	<u>96,831</u>

8. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax benefits for the three-month and six-month periods ended 30 June 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>2,618</u>	<u>5,992</u>	<u>2,728</u>	<u>4,807</u>
Income tax benefits reported in profit or loss	<u>2,618</u>	<u>5,992</u>	<u>2,728</u>	<u>4,807</u>

The amounts of income tax relating to other comprehensive income for the three-month and six-month periods ended 30 June 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Deferred tax on gains from revaluation of land	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>

9. Commitments and contingent liabilities

9.1 Letters of credit

As at 30 June 2024, the Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 13 million.

9.2 Guarantees

As at 30 June 2024, there were outstanding bank guarantees of approximately 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)
Guarantee electricity use	15
Guarantee as an AEO authorised importer and/or exporter to the Customs Department	1

10. Fair value of financial instrument

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.

11. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2024.