

Pacific Pipe Public Company Limited
Review report and financial information
For the three-month and nine-month periods
ended 30 September 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 September 2024, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the nine-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: 7 November 2024

Pacific Pipe Public Company Limited

Statement of financial position

As at 30 September 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		246,660	268,328
Trade and other receivables	3	851,966	763,913
Inventories	4	1,208,474	1,292,179
Other current assets		<u>24,448</u>	<u>26,221</u>
Total current assets		<u>2,331,548</u>	<u>2,350,641</u>
Non-current assets			
Property, plant and equipment	5	1,474,168	1,533,660
Intangible assets		19,841	23,217
Withholding tax refundable		-	10,500
Other non-current assets		<u>219</u>	<u>167</u>
Total non-current assets		<u>1,494,228</u>	<u>1,567,544</u>
Total assets		<u><u>3,825,776</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 September 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	6	1,671,397	1,627,005
Trade and other payables	7	165,718	96,831
Current portion of lease liabilities		12,178	12,255
Other current liabilities		17,641	14,035
Total current liabilities		<u>1,866,934</u>	<u>1,750,126</u>
Non-current liabilities			
Lease liabilities - net of current portion		15,350	18,757
Deferred tax liabilities		90,041	105,018
Provision for long-term employee benefits		35,982	32,636
Total non-current liabilities		<u>141,373</u>	<u>156,411</u>
Total liabilities		<u>2,008,307</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 September 2024

(Unit: Thousand Baht)

	<u>30 September 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	158,450	352,629
Other components of shareholders' equity	<u>416,163</u>	<u>416,163</u>
Total shareholders' equity	<u>1,817,469</u>	<u>2,011,648</u>
Total liabilities and shareholders' equity	<u>3,825,776</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 September 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		1,716,053	2,042,064
Gains on exchange		-	4,624
Other income		15,322	20,507
Total revenues		<u>1,731,375</u>	<u>2,067,195</u>
Expenses			
Cost of sales and services		1,786,154	1,985,060
Selling and distribution expenses		29,898	34,764
Administrative expenses		67,888	62,515
Total expenses		<u>1,883,940</u>	<u>2,082,339</u>
Operating loss		(152,565)	(15,144)
Finance income		2	2
Finance cost		(15,400)	(12,628)
Loss before income tax benefits (expenses)		(167,963)	(27,770)
Income tax benefits (expenses)	8	12,249	(5,278)
Loss for the period		<u>(155,714)</u>	<u>(33,048)</u>
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(155,714)</u>	<u>(33,048)</u>
Loss per share			
Basic loss per share			
Loss for the period		<u>(0.24)</u>	<u>(0.05)</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 nine-month period ended 30 September 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		5,649,520	6,790,875
Gains on exchange		10,570	27,019
Other income		53,394	64,123
Total revenues		<u>5,713,484</u>	<u>6,882,017</u>
Expenses			
Cost of sales and services		5,584,055	6,531,443
Selling and distribution expenses		97,982	106,544
Administrative expenses		195,109	190,522
Total expenses		<u>5,877,146</u>	<u>6,828,509</u>
Operating profit (loss)		(163,662)	53,508
Finance income		417	327
Finance cost		(45,911)	(38,673)
Profit (loss) before income tax benefits (expenses)		(209,156)	15,162
Income tax benefits (expenses)	8	14,977	(471)
Profit (loss) for the period		<u>(194,179)</u>	<u>14,691</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	-	(6,000)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	24,002
Other comprehensive income for the period		<u>-</u>	<u>24,002</u>
Total comprehensive income for the period		<u>(194,179)</u>	<u>38,693</u>
Earnings (loss) per share			
Basic earnings (loss) per share			
Profit (loss) for the period		<u>(0.29)</u>	<u>0.02</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 nine-month period ended 30 September 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Profit (loss) before tax	(209,156)	15,162
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	82,776	86,519
Expected credit losses (reversal)	3,632	(7,211)
Reduction of inventory cost to net realisable value (reversal)	59,959	(13,283)
Loss on disposals/write-off of equipment	1,826	1,081
Loss on write-off of intangible assets	-	1,274
Gain on revaluation of land	-	(313)
Long-term employee benefits expenses	3,346	3,169
Loss (gain) on fair value adjustments of derivatives	3,153	(235)
Gain on cancelled lease	-	(27)
Finance income	(417)	(327)
Interest expenses	45,701	38,363
Profit (loss) from operating activities before changes in operating assets and liabilities	(9,180)	124,172
Operating assets (increase) decrease		
Trade and other receivables	(91,685)	(3,647)
Inventories	23,746	(7,491)
Advance payments for raw material	-	63,813
Other current assets	1,845	(14,742)
Other non-current assets	34	23
Operating liabilities increase (decrease)		
Trade and other payables	67,912	97,692
Other current liabilities	453	(1,651)
Cash flows from (used in) operating activities	(6,875)	258,169
Interest received	417	326
Interest paid	(46,124)	(38,423)
Received from withholding tax refundable	10,414	-
Income tax paid	(72)	(44)
Net cash flows from (used in) operating activities	<u>(42,240)</u>	<u>220,028</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 nine-month period ended 30 September 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(14,319)	(30,250)
Acquisition of intangible assets	(5)	-
Proceeds from sales of equipment	184	89
Net cash flows used in investing activities	<u>(14,140)</u>	<u>(30,161)</u>
Cash flows from financing activities		
Cash received from short-term loans from financial institutions	5,734,219	6,387,377
Cash paid for short-term loans from financial institutions	(5,689,827)	(6,585,311)
Payment of principal portion of lease liabilities	(9,680)	(8,856)
Net cash flows from (used in) financing activities	<u>34,712</u>	<u>(206,790)</u>
Net decrease in cash and cash equivalents	(21,668)	(16,923)
Cash and cash equivalents at beginning of period	268,328	253,134
Cash and cash equivalents at end of period	<u>246,660</u>	<u>236,211</u>
	-	
Supplemental cash flows information:		
Non-cash transactions		
Acquisition of plant and equipment for which no cash has been paid	1,398	6,778
Additions to right-of-use assets and lease liabilities	6,196	1,580

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 nine-month period ended 30 September 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	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	-	-	-	-	14,691	-	14,691
Other comprehensive income for the period	-	-	-	-	-	24,002	24,002
Total comprehensive income for the period	-	-	-	-	14,691	24,002	38,693
Balance as at 30 September 2023	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>423,471</u>	<u>416,164</u>	<u>2,082,491</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	-	-	-	-	(194,179)	-	(194,179)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(194,179)	-	(194,179)
Balance as at 30 September 2024	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>158,450</u>	<u>416,163</u>	<u>1,817,469</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 nine-month periods ended 30 September 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 presenting condensed interim financial statements. 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 and has presented notes to the interim financial statements on condensed basis.

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.

1.3 New 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.

The management of the Company believes that adoption of these amendments will 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.

Summaries significant business transactions with related parties as follows.

	(Unit: Million Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<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	3.3	3.3
Land rental expenses	1.6	1.5	4.6	4.3

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

	(Unit: Thousand Baht)	
	<u>30 September 2024</u>	<u>31 December 2023</u> (Audited)
<u>Lease liabilities - related parties</u>		
Major shareholder of the Company	3,527	6,539
Related companies (related by common shareholders)	14,117	17,901
Total lease liabilities - related parties	<u>17,644</u>	<u>24,440</u>

Directors and management's benefits

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	5,239	6,119	18,098	18,164
Post-employment benefits	192	255	574	766
Total	<u>5,431</u>	<u>6,374</u>	<u>18,672</u>	<u>18,930</u>

3. Trade and other receivables

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
		(Audited)
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	649,922	558,496
Past due		
Up to 3 months	199,788	192,195
3 - 6 months	7,742	7,587
6 - 12 months	3,970	13,181
Over 12 months	30,819	29,044
Total	892,241	800,503
Less: Allowance for expected credit losses	(40,902)	(37,270)
Total trade receivables - unrelated parties - net	851,339	763,233
<u>Other receivables</u>		
Other receivables - unrelated parties	627	680
Total other receivables	627	680
Total trade and other receivables - net	851,966	763,913

4. Inventories

Movements of the reduction of inventory cost to net realisable value account during the nine-month period ended 30 September 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	59,959
Balance as at 30 September 2024	83,454

(Unaudited but reviewed)

5. Property, plant and equipment

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
Net book value:		(Audited)
Property, plant and equipment	1,450,201	1,506,800
Right-of-use assets	23,967	26,860
Total	<u>1,474,168</u>	<u>1,533,660</u>

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

	(Unit: Thousand Baht)			
	Assets on revaluation basis - land	Assets on cost basis		Total
		Plant and equipment	Right-of-use assets	
Net book value as at 1 January 2024	779,217	727,583	26,860	1,533,660
Acquisitions during the period	-	15,717	6,196	21,913
Disposals/Write-off during the period - net book value at disposals/write-off date	-	(2,010)	-	(2,010)
Depreciation for the period	-	(70,306)	(9,089)	(79,395)
Net book value as at 30 September 2024	<u>779,217</u>	<u>670,984</u>	<u>23,967</u>	<u>1,474,168</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 September 2024	31 December 2023	30 September 2024	31 December 2023
Short-term loans from financial institutions	3.36 - 3.48	3.15 - 3.77	476,480	561,675
Trust receipt	3.14 - 3.49	3.29 - 3.77	1,194,917	1,065,330
Total			<u>1,671,397</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 September 2024	31 December 2023
		(Audited)
Trade payables - unrelated parties	103,461	28,061
Other payables - unrelated parties	42,629	43,502
Accrued expenses	19,628	25,268
Total trade and other payables	<u>165,718</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 nine-month periods ended 30 September 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	12,249	(5,278)	14,977	(471)
Income tax benefits (expenses) reported in profit or loss	<u>12,249</u>	<u>(5,278)</u>	<u>14,977</u>	<u>(471)</u>

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

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

9. Commitments and contingent liabilities

9.1 Letters of credit

As at 30 September 2024, the Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 6 million.

9.2 Guarantees

As at 30 September 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 7 November 2024.