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Pacific Pipe Public Company Limited
Report and financial statements
31 December 2025

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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 2025, 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 2025, 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.

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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.

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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.

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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.

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- 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: 25 February 2026

Pacific Pipe Public Company Limited

Statement of financial position

As at 31 December 2025

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(Unit: Baht)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Assets			
Current assets			
Cash and cash equivalents	7	237,032,229	302,919,019
Trade and other current receivables	8	888,241,209	800,921,746
Inventories	9	1,179,999,288	1,239,920,611
Advance payments for raw material		139,997,865	88,751,336
Other current assets		<u>12,657,599</u>	<u>26,112,201</u>
Total current assets		<u>2,457,928,190</u>	<u>2,458,624,913</u>
Non-current assets			
Property, plant and equipment	10	1,399,375,466	1,454,091,732
Intangible assets	11	18,266,024	18,758,604
Withholding tax refundable		-	196,048
Other non-current assets		<u>131,550</u>	<u>131,550</u>
Total non-current assets		<u>1,417,773,040</u>	<u>1,473,177,934</u>
Total assets		<u><u>3,875,701,230</u></u>	<u><u>3,931,802,847</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 2025



(Unit: Baht)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	12	1,551,336,454	1,727,818,953
Trade and other current payables	13	246,198,910	222,112,649
Current portion of lease liabilities	14	11,515,545	10,179,981
Other current liabilities		15,695,277	11,993,111
Total current liabilities		<u>1,824,746,186</u>	<u>1,972,104,694</u>
Non-current liabilities			
Lease liabilities - net of current portion	14	18,711,803	13,909,601
Deferred tax liabilities	19	103,280,762	100,554,756
Non-current provision for employee benefits	15	42,484,203	39,137,267
Total non-current liabilities		<u>164,476,768</u>	<u>153,601,624</u>
Total liabilities		<u>1,989,222,954</u>	<u>2,125,706,318</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 2025



(Unit: Baht)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Shareholders' equity			
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		227,459,116	147,077,369
Other components of shareholders' equity		<u>416,163,249</u>	<u>416,163,249</u>
Total shareholders' equity		<u>1,886,478,276</u>	<u>1,806,096,529</u>
Total liabilities and shareholders' equity		<u>3,875,701,230</u>	<u>3,931,802,847</u>
		-	-

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

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Director

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Pacific Pipe Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2025

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(Unit: Baht)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Profit or loss:			
Revenues			
Sales and service income		7,213,501,557	7,405,091,568
Gains on exchange		-	15,588,464
Other income		59,205,948	69,962,902
Total revenues		<u>7,272,707,505</u>	<u>7,490,642,934</u>
Expenses			
Cost of sales and services		6,752,411,133	7,258,083,716
Selling and distribution expenses		149,905,531	132,649,985
Administrative expenses		240,375,124	248,903,274
Total expenses		<u>7,142,691,788</u>	<u>7,639,636,975</u>
Operating profit (loss)		130,015,717	(148,994,041)
Finance income		665,958	798,529
Finance cost	17	(47,573,922)	(59,590,671)
Profit (loss) before income tax benefits (expenses)		83,107,753	(207,786,183)
Income tax benefits (expenses)	19	(2,726,006)	4,017,690
Profit (loss) for the year		<u>80,381,747</u>	<u>(203,768,493)</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods:</i>			
Remeasurement loss on defined benefit plan	15	-	(2,229,169)
Less: Income tax effect	19	-	445,834
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods - net of income tax		-	(1,783,335)
Other comprehensive income for the year		<u>-</u>	<u>(1,783,335)</u>
Total comprehensive income for the year		<u>80,381,747</u>	<u>(205,551,828)</u>
Earnings per share	20		
Basic earnings (loss) per share			
Profit (loss) for the year		<u>0.12</u>	<u>(0.31)</u>

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 2025

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(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 Other comprehensive income	Total
				Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets	shareholders' equity
Balance as at 1 January 2024	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)
Total comprehensive income for the year	-	-	-	-	(205,551,828)	-	(205,551,828)
Balance as at 31 December 2024	<u>660,000,000</u>	<u>514,845,000</u>	<u>1,010,911</u>	<u>67,000,000</u>	<u>147,077,369</u>	<u>416,163,249</u>	<u>1,806,096,529</u>
Balance as at 1 January 2025	660,000,000	514,845,000	1,010,911	67,000,000	147,077,369	416,163,249	1,806,096,529
Profit for the year	-	-	-	-	80,381,747	-	80,381,747
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	80,381,747	-	80,381,747
Balance as at 31 December 2025	<u>660,000,000</u>	<u>514,845,000</u>	<u>1,010,911</u>	<u>67,000,000</u>	<u>227,459,116</u>	<u>416,163,249</u>	<u>1,886,478,276</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 2025****DRAFT***This document is in draft form. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.*

(Unit: Baht)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Profit (loss) before tax	83,107,753	(207,786,183)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	102,040,784	109,938,459
Allowance for loss on impairment (reversal)	(21,575)	(17,236)
Bad debts	18,701,115	5,503,941
Reversal of expected credit losses	(18,090,208)	(4,066,427)
Reduction of inventory cost to net realisable value (reversal)	(4,536,264)	10,419,776
(Gain) loss on disposals/write-off of equipment	(260,929)	2,284,128
Provision for employee benefits expenses	4,092,261	4,462,049
Loss on fair value adjustments of derivatives	121,095	2,645,197
Loss on cancelled lease	-	82,436
Finance income	(665,958)	(798,529)
Interest expenses	<u>47,244,020</u>	<u>59,306,045</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	231,732,094	(18,026,344)
Operating assets (increase) decrease		
Trade and other current receivables	(87,930,370)	(38,446,165)
Inventories	64,457,587	41,838,778
Advance payments for raw material	(51,246,529)	(88,751,336)
Other current assets	13,436,112	225,434
Other non-current assets	-	35,537
Operating liabilities increase (decrease)		
Trade and other current payables	23,971,233	119,735,340
Other current liabilities	3,702,166	(4,804,093)
Paid for long-term employee benefits	<u>(745,325)</u>	<u>(189,740)</u>
Cash flows from operating activities	197,376,968	11,617,411
Interest received	665,958	798,529
Interest paid	(48,389,599)	(58,869,692)
Received from withholding tax refundable	196,048	10,413,525
Corporate income tax paid	<u>(102,605)</u>	<u>(109,192)</u>
Net cash flows from (used in) operating activities	<u>149,746,770</u>	<u>(36,149,419)</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 2025****DRAFT***This document is in draft form. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.*

(Unit: Baht)

	<u>2025</u>	<u>2024</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(26,251,427)	(17,358,077)
Acquisition of intangible assets	(2,587,499)	(5,000)
Proceeds from sales of equipment	<u>2,052,604</u>	<u>317,428</u>
Net cash flows used in investing activities	<u>(26,786,322)</u>	<u>(17,045,649)</u>
Cash flows from financing activities		
Cash received from short-term loans from financial institutions	6,724,287,722	7,260,668,725
Cash paid for short-term loans from financial institutions	(6,900,770,221)	(7,159,854,502)
Payment of principal portion of lease liabilities	<u>(12,364,739)</u>	<u>(13,028,079)</u>
Net cash flows from (used in) financing activities	<u>(188,847,238)</u>	<u>87,786,144</u>
Net increase (decrease) in cash and cash equivalents	(65,886,790)	34,591,076
Cash and cash equivalents at beginning of year	<u>302,919,019</u>	<u>268,327,943</u>
Cash and cash equivalents at end of year	<u><u>237,032,229</u></u>	<u><u>302,919,019</u></u>

Supplemental cash flows information:

Non-cash transactions

Acquisition of plant and equipment for which no cash

has been paid

6,370,547

5,109,942

Additions to right-of-use assets and lease liabilities

18,502,505

6,196,000

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

Pacific Pipe Public Company Limited**Notes to financial statements****For the year ended 31 December 2025****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 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 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 2026

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 2026. 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 - 10 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	3 - 13 years
Buildings	3 - 6 years
Office equipment	3 - 4 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.

			(Unit: Million Baht)
	For the years ended 31 December		Transfer pricing policy
	<u>2025</u>	<u>2024</u>	
<u>Transactions with related parties</u>			
Office rental and service expenses	4	4	Contract price
Land rental expenses	6	6	Contract price

As at 31 December 2025 and 2024, the balances of the accounts between the Company and those related parties are as follows:

			(Unit: Thousand Baht)
	<u>2025</u>	<u>2024</u>	
<u>Lease liabilities - related parties</u>			
Major shareholder of the Company	9,856	2,489	
Related companies (related by shareholders)	14,566	12,761	
Total lease liabilities - related parties	<u>24,442</u>	<u>15,250</u>	

The Company's Board of Directors Meeting on 13 May 2025 passed a resolution approving the Company to enter into an office lease agreement with the existing tenant, which is a major shareholder of the Company, with a total contract value of Baht 12.47 million for a period of 3 years, commencing from 1 August 2025 to 31 July 2028. Additionally, a land lease agreement with the existing tenant, which is another related party, was approved, with a total contract value of Baht 7.95 million for a period of 3 years, commencing from 1 September 2025 to 31 August 2028.

Directors and management's benefits

During the years ended 31 December 2025 and 2024, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	20,617	24,390
Post-employment benefits	214	765
Total	<u>20,831</u>	<u>25,155</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Cash	122	187
Bank deposits	236,910	302,732
Total	<u>237,032</u>	<u>302,919</u>

As at 31 December 2025, bank deposits in saving accounts carried interests 0.24 percent per annum (2024: 0.40 percent per annum).

8. Trade and other current receivables

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	619,748	570,535
Past due		
Up to 3 months	257,395	221,446
3 - 6 months	126	12,006
6 - 12 months	9,219	3,664
Over 12 months	16,290	25,805
Total	<u>902,778</u>	<u>833,456</u>
Less: Allowance for expected credit losses	<u>(15,113)</u>	<u>(33,203)</u>
Total trade receivables - unrelated parties, net	<u>887,665</u>	<u>800,253</u>
<u>Other current receivables</u>		
Other current receivables - unrelated parties	<u>576</u>	<u>669</u>
Total other current receivables	<u>576</u>	<u>669</u>
Total trade and other current receivables - net	<u>888,241</u>	<u>800,922</u>

The normal credit term is 7 to 90 days.

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Set out below is the movements in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Beginning balance	33,203	37,270
Reversal of provision for expected credit losses	(18,090)	(4,067)
Ending balance	<u>15,113</u>	<u>33,203</u>

Trade receivables were written-off during 2025 amounting to Baht 18.7 million (2024: Baht 5.5 million).

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Finished goods	679,617	638,795	(27,146)	(31,440)	652,471	607,355
Conversion raw materials	134,122	130,572	-	-	134,122	130,572
Raw materials	200,394	245,749	(2,232)	(2,475)	198,162	243,274
Factory supplies and others	13,720	14,380	-	-	13,720	14,380
Raw materials in transit	181,524	244,340	-	-	181,524	244,340
Total	<u>1,209,377</u>	<u>1,273,836</u>	<u>(29,378)</u>	<u>(33,915)</u>	<u>1,179,999</u>	<u>1,239,921</u>

During the current year, the Company reversed the write-down of cost of inventories by Baht 4.5 million and reduced the amount of inventories recognised as expenses during the year (2024: reduced cost of inventories by Baht 10.4 million and was included in cost of sales).

10. Property, plant and equipment

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Net book value:		
Property, plant and equipment	1,371,694	1,433,361
Right-of-use assets (Note 14)	<u>27,681</u>	<u>20,731</u>
Total	<u>1,399,375</u>	<u>1,454,092</u>

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Movements of property, plant and equipment for the years ended 31 December 2025 and 2024 are summarised below.

(Unit: Thousand Baht)

	Revaluation basis	Cost basis						
		Land	Buildings and improvement	Machinery and factory equipment	Utilities system and office equipment	Motor vehicles	Assets under construction	Total
Cost/Revalued amount:								
1 January 2024	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
Additions	-	-	-	6,639	1,345	624	18,905	27,513
Transfers in (out)	-	-	-	13,922	-	-	(13,922)	-
Disposals/Write-off	-	-	-	(1,866)	(6,391)	(1,438)	(1,720)	(11,415)
Reclassification	-	-	-	(584)	584	-	(1,375)	(1,375)
31 December 2025	780,064	14,682	834,048	1,672,455	78,092	183,776	13,407	3,576,524
Accumulated depreciation:								
1 January 2024	-	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
Depreciation for the year	-	263	29,172	46,872	4,151	5,576	-	86,034
Depreciation on disposals/ write-off	-	-	-	(1,816)	(6,378)	(1,428)	-	(9,622)
Reclassification	-	-	-	(86)	86	-	-	-
31 December 2025	-	9,173	666,914	1,280,671	68,227	164,831	-	2,189,816
Allowance for impairment loss:								
1 January 2024	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
Decrease during the year	-	-	-	(22)	-	-	-	(22)
31 December 2025	847	4,808	3,658	5,494	207	-	-	15,014

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(Unit: Thousand Baht)

	Revaluation	Cost basis						
	basis		Buildings	Machinery	Utilities		Assets	
		Land	and	and	system	Motor	under	
	Land	improvement	building	factory	and office	vehicles	construction	Total
			improvement	equipment	equipment			
Net book value:								
31 December 2024	779,217	964	192,648	413,127	11,979	23,907	11,519	1,433,361
31 December 2025	779,217	701	163,476	386,290	9,658	18,945	13,407	1,371,694
Depreciation for the year								
2024 (Baht 67 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)								93,305
2025 (Baht 64 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)								86,034

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>2025</u>	<u>2024</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 2025, 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 1,248 million (2024: Baht 1,056 million).

11. Intangible assets

The net book value of intangible assets as at 31 December 2025 and 2024 is presented below.

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Computer software - at cost	62,375	58,531
Less: Accumulated amortisation	(44,109)	(39,772)
Net book value	<u>18,266</u>	<u>18,759</u>

A reconciliation of the net book value of intangible assets for the years 2025 and 2024 is presented below.

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Net book value at beginning of year	18,759	23,217
Acquisition of computer software	2,587	5
Reclassification from assets under construction	1,375	-
Amortisation	(4,455)	(4,463)
Net book value at end of year	<u>18,266</u>	<u>18,759</u>

12. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (Percent per annum)			
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Short-term loans from financial institutions	2.00 - 2.45	3.05 - 3.46	473,786	576,024
Trust receipts	2.00 - 2.45	2.93 - 3.50	1,077,550	1,151,795
Total			<u>1,551,336</u>	<u>1,727,819</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 2025, the credit facilities of the Company which have not yet been drawn down amounting to Baht 3,197 million (2024: Baht 3,220 million).

13. Trade and other current payables

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Trade payables - unrelated parties	157,470	157,421
Other current payables - unrelated parties	55,888	47,688
Accrued expenses	32,841	17,004
Total trade and other current payables	<u>246,199</u>	<u>222,113</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 2025 and 2024 are summarised below:

(Unit: Thousand Baht)

	Land	Buildings	Office equipment	Motor vehicles	Total
1 January 2024	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
Additions	7,205	11,297	-	-	18,502
Depreciation for the year	(4,732)	(3,697)	(1,767)	(1,356)	(11,552)
31 December 2025	<u>12,462</u>	<u>9,719</u>	<u>1,655</u>	<u>3,845</u>	<u>27,681</u>

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b) Lease liabilities

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Lease payments	33,121	26,676
Less: Deferred interest expenses	(2,894)	(2,586)
Total	30,227	24,090
Less: Portion due within one year	(11,515)	(10,180)
Lease liabilities - net of current portion	18,712	13,910

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)

	<u>2025</u>	<u>2024</u>
Depreciation expense of right-of-use assets	11,552	12,152
Interest expense on lease liabilities	1,604	1,799
Expense relating to leases of low-value assets	1,006	559

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2025 of Baht 15 million (2024: Baht 15 million), including the cash outflow related to leases of low-value assets.

15. Provision for employee benefits

Provision for employee benefits, which represents compensation payable to employee after they retire, was as follows:

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Provision for employee benefits at beginning of year	39,137	32,636
Included in profit or loss:		
Current service cost	3,116	3,435
Interest cost	976	1,027
Included in other comprehensive income:		
Remeasurement loss arising from		
Financial assumptions changes	-	2,205
Experience adjustments	-	24
Benefits paid during the year	(745)	(190)
Provision for employee benefits at end of year	42,484	39,137

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The Company expects to pay Baht 3.6 million of long-term employee benefits during the next year (2024: Baht 1.8 million).

As at 31 December 2025, the weighted average duration of the liabilities for long-term employee benefit is 14 years (2024: 14 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	<u>2025</u>	<u>2024</u>
Discount rate	2.55	2.55
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 2025 and 2024 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2025		As at 31 December 2024	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(3.7)	4.3	(3.6)	4.2
Salary increase rate	4.3	(3.8)	3.9	(3.4)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(4.2)	5.1	(3.7)	4.5

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>2025</u>	<u>2024</u>
Interest expenses on borrowings	45,640	57,507
Interest expenses on lease liabilities	1,604	1,799
Others	330	285
Total	<u>47,574</u>	<u>59,591</u>

18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2025</u>	<u>2024</u>
Salaries and wages and other employee benefits	306,163	295,612
Depreciation and amortisation expenses	102,041	109,938
Transportation expenses	50,936	38,768
Raw materials and consumables used	6,141,887	6,804,392
Changes in inventories of finished goods	(40,822)	110,317

19. Income tax

Income tax expenses for the years ended 31 December 2025 and 2024 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2025</u>	<u>2024</u>
Current income tax:		
Current income tax change	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	2,726	(4,018)
Income tax expenses (benefits) reported in profit or loss	<u>2,726</u>	<u>(4,018)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2025 and 2024 are as follows:

	(Unit: Thousand Baht)	
	<u>2025</u>	<u>2024</u>
Deferred tax on remeasurement loss on defined benefit plan	-	(446)
Total	<u>-</u>	<u>(446)</u>

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This document is in draft form. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.

The reconciliation between accounting profit (loss) and income tax expenses is shown below.

	(Unit: Thousand Baht)	
	<u>2025</u>	<u>2024</u>
Accounting profit (loss) before tax	83,108	(207,786)
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	16,622	(41,557)
Previously deductible temporary differences and unrecognised tax losses that is used to reduce current tax expense	(14,738)	37,707
Effects of:		
Non-deductible expenses	637	508
Additional expense deductions allowed	(45)	(831)
Others	250	155
Total	842	(168)
Income tax expenses (benefits) reported in profit or loss	2,726	(4,018)

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	Statement of financial position	
	<u>2025</u>	<u>2024</u>
Deferred tax assets		
Allowance for expected credit losses	3,023	6,641
Allowance for diminution in value of inventories	5,876	6,783
Allowance for assets impairment	2,833	3,007
Provision for employee benefits	8,497	7,827
Others	702	1,224
Total	20,931	25,482
Deferred tax liabilities		
Difference depreciation between tax and accounting base	20,171	21,973
Surplus on revaluation of land	104,041	104,041
Other	-	23
Total	124,212	126,037
Presentation in the statements of financial position		
Deferred tax liabilities - net	103,281	100,555

As at 31 December 2025, the Company has unused tax losses totaling Baht 512 million (2024: Baht 585 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>2025</u>	<u>2024</u>
31 December 2027	253	327
31 December 2028	70	70
31 December 2029	189	188
	<u>512</u>	<u>585</u>

20. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (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 2025 and 2024, 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 2025 amounting to approximately Baht 4.5 million were recognised as expense (2024: Baht 4.7 million).

23. Commitments and contingent liabilities**23.1 Capital commitments**

As at 31 December 2025, the Company had capital commitments of approximately Baht 0.5 million relating to acquisition of machinery (2024: Baht 7.6 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 2025, the Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 4 million (2024: USD 13.0 million).

23.3 Guarantees

As at 31 December 2025, there were outstanding bank guarantees of approximately Baht 16 million (2024: 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>2025</u>	<u>2024</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>2025</u>	<u>2024</u>
Derivative asset		
Derivative asset not designated as hedging instruments		
Foreign exchange forward contracts (included in other current assets)	-	117
Derivative liabilities		
Derivative liabilities not designated as hedging instruments		
Foreign exchange forward contracts (included in other current liabilities)	121	2,762

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods generally of 2 - 3 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 2025 and 2024, 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)

	2025				
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	237	-	237	Note 7
Trade and other current receivables	-	-	888	888	-
	-	237	888	1,125	
Financial liabilities					
Short-term loans from financial institutions	1,551	-	-	1,551	Note 12
Trade and other current payables	-	-	246	246	-
	1,551	-	246	1,797	

(Unit: Million Baht)

	2024				
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Financial assets					
Cash and cash equivalents	-	303	-	303	Note 7
Trade and other current receivables	-	-	801	801	-
	-	303	801	1,104	
Financial liabilities					
Short-term loans from financial institutions	1,728	-	-	1,728	Note 12
Trade and other current payables	-	-	222	222	-
	1,728	-	222	1,950	

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 2025, 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 2025 and 2024 based on contractual undiscounted cash flows:

(Unit: Million Baht)			
As at 31 December 2025			
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	1,564	-	1,564
Trade and other current payables	246	-	246
Lease liabilities	13	20	33
Total non-derivatives	1,823	20	1,843

(Unit: Million Baht)			
As at 31 December 2024			
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	1,745	-	1,745
Trade and other current payables	222	-	222
Lease liabilities	12	15	27
Total non-derivatives	1,979	15	1,994

Derivatives			
Derivative liabilities	3	-	3
Total derivatives	3	-	3

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 2025, the Company's debt-to-equity ratio was 1.05:1 (2024: 1.18:1).

26. Events after the reporting period

On 25 February 2026, the Company's Board of Directors meeting passed a resolution to propose the payment of a dividend to the shareholders of Baht ... per share, or a total of Baht ... million. However, this resolution will be further proposed for the shareholders' approval in the 2026 Annual General Meeting of the Company's shareholders.

27. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2026.