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Varopakorn Public Company Limited
Review report and financial information
For the three-month period ended 31 March 2025

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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Varopakorn Public Company Limited

I have reviewed the accompanying financial information of Varopakorn Public Company Limited (the Company), which comprises the statement of financial position as at 31 March 2025, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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*.

Wattoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 14 May 2025

Varopakorn Public Company Limited**Statement of financial position****As at 31 March 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: Thousand Baht)

	<u>Note</u>	<u>31 March 2025</u>	<u>31 December 2024</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		133,563	72,207
Trade and other current receivables	3	836,778	734,780
Inventories		806,823	863,268
Derivatives assets		4,551	-
Other current assets	4	81,634	58,593
Total current assets		<u>1,863,349</u>	<u>1,728,848</u>
Non-current assets			
Restricted bank deposits		400	400
Property, plant and equipment	5	757,409	776,260
Intangible assets		653	743
Other non-current assets		65	65
Total non-current assets		<u>758,527</u>	<u>777,468</u>
Total assets		<u><u>2,621,876</u></u>	<u><u>2,506,316</u></u>

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

Varopakorn Public Company Limited
Statement of financial position (continued)
As at 31 March 2025

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(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2025</u>	<u>31 December 2024</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from			
financial institutions	6	52,762	170,252
Accounts payable - trust receipts	6	1,141,466	873,780
Trade and other current payables		341,081	388,197
Current portion of lease liabilities		994	980
Current portion of long-term loans	7	25,200	25,200
Derivatives liabilities		73	1,459
Other current liabilities		7,955	54,006
Total current liabilities		<u>1,569,531</u>	<u>1,513,874</u>
Non-current liabilities			
Lease liabilities, net of current portion		1,488	1,742
Long-term loans, net of current portion	7	30,100	36,400
Non current provision for employee benefits		16,691	15,896
Deferred tax liabilities		35,595	35,174
Other non-current liabilities		1,215	1,266
Total non-current liabilities		<u>85,089</u>	<u>90,478</u>
Total liabilities		<u>1,654,620</u>	<u>1,604,352</u>

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Varopakorn Public Company Limited
Statement of financial position (continued)
As at 31 March 2025

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	(Unit: Thousand Baht)	
	31 March 2025	31 December 2024
	(Unaudited but reviewed)	(Audited)
Shareholders' equity		
Share capital		
Registered		
100,000,000 ordinary shares of Baht 5 each	500,000	500,000
Issued and fully paid		
99,902,123 ordinary shares of Baht 5 each	499,511	499,511
Share premium	374,400	374,400
Retained earnings		
Appropriated - statutory reserve	50,000	50,000
Unappropriated (deficits)	(113,446)	(178,738)
Other component of shareholders' equity	156,791	156,791
Total shareholders' equity	967,256	901,964
Total liabilities and shareholders' equity	2,621,876	2,506,316
	-	-

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

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Directors

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Varopakorn Public Company Limited
Statement of comprehensive income



(Unaudited but reviewed)

For the three-month period ended 31 March 2025

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

	<u>2025</u>	<u>2024</u>
Profit or loss		
Revenues		
Sales	923,286	752,976
Other income		
Gain on exchange	6,522	-
Gain on derivatives revaluation	5,936	9,514
Others	<u>3,771</u>	<u>3,912</u>
Total revenues	<u>939,515</u>	<u>766,402</u>
Expenses		
Cost of sales	832,933	692,924
Selling and distribution expenses	12,257	11,480
Administrative expenses	13,922	13,376
Loss on exchange	<u>-</u>	<u>1,844</u>
Total expenses	<u>859,112</u>	<u>719,624</u>
Operating profit	80,403	46,778
Finance cost	<u>(14,690)</u>	<u>(15,095)</u>
Profit before income tax	65,713	31,683
Income tax benefit (expenses)	<u>(421)</u>	<u>(2,660)</u>
Profit for the period	<u>65,292</u>	<u>29,023</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>65,292</u></u>	<u><u>29,023</u></u>
Basic earnings per share		
Profit for the period	<u><u>0.65</u></u>	<u><u>0.29</u></u>

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

(Unaudited but reviewed)

Varopakorn Public Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2025

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(Unit: Thousand Baht)

	<u>Issued and paid-up</u>		<u>Retained earnings</u>		<u>Other component of</u>	<u>Total</u>
					<u>shareholders' equity</u>	
					Other comprehensive income	
	<u>share capital</u>	<u>Share premium</u>	<u>Appropriated - statutory reserve</u>	<u>Unappropriated (deficits)</u>	<u>Surplus on revaluation of assets</u>	
Balance as at 1 January 2024	499,511	374,400	50,000	(309,169)	156,791	771,533
Profit for the period	-	-	-	29,023	-	29,023
Total comprehensive income for the period	-	-	-	29,023	-	29,023
Balance as at 31 March 2024	<u>499,511</u>	<u>374,400</u>	<u>50,000</u>	<u>(280,146)</u>	<u>156,791</u>	<u>800,556</u>
Balance as at 1 January 2025	499,511	374,400	50,000	(178,738)	156,791	901,964
Profit for the period	-	-	-	65,292	-	65,292
Total comprehensive income for the period	-	-	-	65,292	-	65,292
Balance as at 31 March 2025	<u>499,511</u>	<u>374,400</u>	<u>50,000</u>	<u>(113,446)</u>	<u>156,791</u>	<u>967,256</u>

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

Varopakorn Public Company Limited**Cash flow statement****For the three-month period ended 31 March 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.*

(Unaudited but reviewed)

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Profit before tax	65,713	31,683
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	23,035	24,391
Reduction of inventory cost to net realisable value (reversal)	2	(9,520)
Loss (gain) on disposal of machinery and equipment	(51)	48
Unrealised exchange loss (gain)	(2,636)	11,889
Gain on derivatives revaluation	(5,936)	(9,514)
Income from government grant	(52)	(76)
Finance cost	14,690	15,095
Provision for employee benefits	<u>794</u>	<u>924</u>
Profit from operating activities before changes in operating assets and liabilities	95,559	64,920
Operating assets (increase) decrease		
Trade and other current receivables	(102,518)	(86,321)
Inventories	56,442	166,687
Other current assets	(23,041)	(9,897)
Operating liabilities decrease		
Trade and other current payables	(45,170)	(43,498)
Other current liabilities	(46,051)	(3,300)
Cash paid for employee benefits	<u>-</u>	<u>(11,817)</u>
Cash flows from (used in) operating activities	(64,779)	76,774
Cash paid for interest expenses	<u>(15,469)</u>	<u>(14,262)</u>
Net cash flows from (used in) operating activities	<u>(80,248)</u>	<u>62,512</u>

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

Varopakorn Public Company Limited**Cash flow statement (continued)****For the three-month period ended 31 March 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.*

(Unaudited but reviewed)

(Unit: Thousand Baht)

	<u>2025</u>	<u>2024</u>
Cash flows from investing activities		
Acquisition of machinery and equipment	(5,969)	(13,863)
Proceeds from sales of machinery and equipment	<u>51</u>	<u>292</u>
Net cash flows used in investing activities	<u>(5,918)</u>	<u>(13,571)</u>
Cash flows from financing activities		
Decrease in bank overdrafts and short-term loans		
from financial institutions	(117,490)	(45,336)
Increase in accounts payable - trust receipts	271,552	84,952
Payment of lease liabilities	(240)	(227)
Repayment of long-term loans	<u>(6,300)</u>	<u>(6,891)</u>
Net cash flows from financing activities	<u>147,522</u>	<u>32,498</u>
Net increase in cash and cash equivalents	61,356	81,439
Cash and cash equivalents at beginning of period	<u>72,207</u>	<u>1,292</u>
Cash and cash equivalents at end of period	<u><u>133,563</u></u>	<u><u>82,731</u></u>
	-	
Supplemental disclosures of cash flow information		
Non-cash transactions		
Payable of acquisition of equipment	7,793	9,668

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(Unaudited but reviewed)

Varopakorn Public Company Limited

Condensed notes to interim financial statements

For the three-month period ended 31 March 2025

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 a 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 financial statements.

1.2 Accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2024.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2025, do not have any significant impact on the Company's financial statements.

2. Related party transactions

During the period, the Company had significant business transactions with related parties. Such transactions 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 business transactions with related parties are as follows.

	(Unit: Million Baht)	
	For the three-month periods ended 31 March	
	<u>2025</u>	<u>2024</u>
<u>Transactions with related company</u>		
Sales of goods	244	169

The Company entered into a distribution agreement with related companies for the distribution of products to Japanese customers. Commercial terms are as stipulated in the agreement.

The balances of the accounts between the Company and the related party are as follows:

	(Unit: Thousand Baht)	
	31 March	31 December
	<u>2025</u>	<u>2024</u>
Trade receivables - related parties (Note 3)		
Related companies (related by shareholders)	245,321	215,872
Total trade receivables - related parties	<u>245,321</u>	<u>215,872</u>
Trade payables - related parties		
Related company (related by shareholders and directors)	-	6
Total trade payable - related parties	<u>-</u>	<u>6</u>

Directors and management's benefits

	(Unit: Million Baht)	
	For the three-month periods ended 31 March	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	2.4	2.2
Post-employment benefits	0.1	0.8
Total	<u>2.5</u>	<u>3.0</u>

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(Unaudited but reviewed)

3. Trade and other current receivables

(Unit: Thousand Baht)

	31 March 2025	31 December 2024
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	245,321	157,881
Past due		
Up to 3 months	-	57,991
Total trade receivables - related parties	245,321	215,872
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	350,269	419,148
Past due		
Up to 3 months	241,175	99,747
Over 12 months	1,437	1,437
Total	592,881	520,332
Less: Allowance for expected credit losses	(1,437)	(1,437)
Total trade receivables - unrelated parties, net	591,444	518,895
Total trade receivables - net	836,765	734,767
<u>Other current receivables</u>		
Other current receivables - unrelated parties	13	13
Total other current receivables	13	13
Total trade and other current receivables - net	836,778	734,780

4. Other current assets

(Unit: Thousand Baht)

	31 March 2025	31 December 2024
Input tax refundable	69,526	47,057
Deposit payment for goods	2,398	519
Others	9,710	11,017
Total other current assets	81,634	58,593

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(Unaudited but reviewed)

5. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2025 are summarised below.

(Unit: Thousand Baht)

	Assets stated at revalued amounts - land	Assets stated at cost	Total
Net book value as at 1 January 2025	236,300	539,960	776,260
Acquisitions during period - at cost	-	4,094	4,094
Depreciation for period	-	(22,945)	(22,945)
Net book value as at 31 March 2025	<u>236,300</u>	<u>521,109</u>	<u>757,409</u>

The Company has mortgaged land with structures thereon and part of its machinery, with a total net book value as at 31 March 2025 amounting to approximately Baht 507 million (31 December 2024: Baht 520 million) to secure short-term loans, long-term loans and credit facilities from financial institutions.

6. Bank overdrafts and short-term loans from financial institutions / accounts payable - trust receipts

(Unit: Thousand Baht)

	Interest rate (percent per annum)	31 March 2025	31 December 2024
<u>Bank overdrafts and short-term loans</u>			
<u>from financial institutions</u>			
Bank overdrafts	MOR	2,762	252
Promissory note	3.95 - 6.15	50,000	170,000
Total		<u>52,762</u>	<u>170,252</u>
<u>Accounts payable - trust receipts</u>			
Accounts payable - trust receipts	LIBOR/SIBOR plus a fixed rate	<u>1,141,466</u>	<u>873,780</u>

Credit facilities obtained from financial institutions are secured by the mortgage of the Company's land with structures thereon and part of its machinery, as discussed in Note 5 to the financial statements.

7. Long-term loans

Movements in the long-term loans account during the three-month period ended 31 March 2025 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2025	61,600
Less: Repayment	(6,300)
Balance as at 31 March 2025	<u>55,300</u>

Long-term loans are secured by the mortgage of the Company's land with structures thereon and part of its machinery as discussed in Note 5 to the financial statements.

The loan agreements mentioned above contain certain covenants as specified in the agreements that, among other things, require the Company to maintain debt to equity ratio, debt service coverage ratio, and interest coverage ratio according to the specified ratio prescribed in the agreements.

8. 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 Chairman of the Board.

The Company is principally engaged in the manufacture and distribution of semi-finished aluminium products. 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 or loss and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	For the three-month periods ended 31 March	
	<u>2025</u>	<u>2024</u>
Revenue from external customers		
Thailand	343	266
Asia	518	456
Oceania	5	5
America	22	7
Europe	35	19
Total	<u>923</u>	<u>753</u>

9. Commitments and contingent liabilities

As at 31 March 2025, the Company had capital commitments relating to the purchases of machinery, equipment and computer software, and purchase of raw material commitments of approximately USD 11 million, Renminbi 1 million and Baht 8 million (31 December 2024: USD 10 million, Renminbi 25 million and Baht 8 million).

In addition, there have been no significant changes with respect to the guarantees as disclosed in Notes 24.2 to the financial statements for the year 2024.

10. Financial instruments**10.1 Fair value of financial instruments**

Most of the Company's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

The Company had financial assets and liabilities, that were measured at fair value as follows:

(Unit: Thousand Baht)		
Level 2		
	31 March 2025	31 December 2024
Financial assets measured at fair value		
Commodity swap contracts	4,551	-
Financial liabilities measured at fair value		
Foreign currency forward contracts	73	1,459

During the current period, there were no change in the method and assumptions used in estimating the fair value of financial instruments and there were no transfers within the fair value hierarchy.

11. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2025.