



Translation

PAP_SET18009

May 8, 2018

Subject: Management explanation and analysis for Quarter ended 31 March 2018

Attn: The Managing Director, the Stock Exchange of Thailand

Pacific Pipe Public Company Limited would like to clarify the operating results of the Quarter ended March 31, 2018 that has net Profit of Baht 87.24 million, decreased from the same period of previous year that has net profit of Baht 95.70 million, decreased Baht 8.46 million or 8.84 % as follow:

1. Revenue from sale and service was Baht 2,511.17 million, increased Baht 608.05 million or 31.95 % from the same period of last year. This is result from sale volume was increasing and the world steel price trend increasing from the same period of last year.
2. Cost of goods sold and service of Baht 2,340.92 million or 93.22 % of sales and service income compare to the same period of last year of Baht 1,691.72million or 88.89% of sales and service income. The cost of sales and service portion to sales and service income increased from the last year because the steel cost was higher than the same period last year according to steel price trend increasing.
3. Gross profit margin was 6.78% of Revenue from sale and service, decrease from last year that gross profit margin was 11.11% because steel price trend increasing.
4. Administrative expenses were Baht 79.10 million; increased Baht 0.36 million or 0.46 % from the same period of last year. This is result from increasing in normal administrative expense.
5. Selling expenses were Baht 43.54 million, increased Baht 5.40 million or 14.16 % from the same period of last year. This is result from the increasing in sale volume.
6. Finance cost was Baht 12.12 million; increased Baht 5.11 million or 72.90% from the same period of last year. This is the result from increasing in short term loans from financial institutions using for company's working capital.

Yours faithfully

(Mr. Pert Leevilaikunratt)

Company Secretary