



Translation

February 19, 2020

Subject: Management explanation and analysis for Year ended 31 December 2019

Attn: The Managing Director, the Stock Exchange of Thailand

Pacific Pipe Public Company Limited would like to clarify the operating results of the year ended December 31, 2019 that has net Profit of Baht 71.52 million, decreased from the same period of previous year that has net profit of Baht 94.00 million, decreased Baht 22.48 million or 23.91 % as follow:

1. Revenue from sale and service was Baht 9,148.42 million, decreased Baht 546.20 million or 5.63% from last year , gross profit margin was 4.64% of Revenue from sale and service, increased from last year that gross profit margin was 4.28%. This is result from the world steel price in declining trend from last year. Also the Company manage cost better than last year.
2. Selling expense were Baht 178.84 million; decreased Baht 1.78 million or 0.98% from last year.  
This is the same trend of decreasing in Revenue from sale and service.
3. Administrative expenses were Baht 286.57 million; decreased Baht 22.52 million or 7.29% from last year. This is result from improvement in administrative expense to align with current operation.
4. Finance cost was Baht 56.04 million; increased Baht 0.99 million or 1.80 %. This is the result from increasing in company's working capital.

Yours faithfully

- Signed by -

(Miss.Viriya Ampornnapakul )

Company Secretary