Translation

May 11, 2017

Subject: Management explanation and analysis for Quarter ended 31 March 2017
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, 2017 that net profit was Baht 95.69 million, comparing to the same Quarter of previous year that has net profit Baht 237.06 million, decrease Baht 141.37 million or 59.63% as follow:

1. Revenue from sale and service was Baht 1,903.12 million, increased Baht 113.37 million or 6.33% from the same period of last year. This is result from the average selling price was in the upward trend as a result of world steel price trend.
2. Cost of goods sold and service was Baht 1,691.72 million, increased Baht 225.97 million or 15.42% from the same period of last year. This is result from upward world steel price trend. Moreover, inventories on hand end of 31 March 2016 had low cost since last quarter of year 2015.
3. Gross profit margin was 11.11% of Revenue from sale and service, decrease from the same period of last year that gross profit margin was 18.10%. This is result from inventories on hand end of 31 March 2016 had low cost since last quarter of year 2015.
4. Administrative expenses were Baht 78.74 million, increased Baht 20.59 million or 35.40 % from the same period of last year. This is result from increasing in normally administration such as increasing in staff cost.
5. Finance cost was Baht 7.01 million; decrease Baht 2.54 million or 26.61% from the same period of last year. This is the result from decrease in interest rate.

Yours faithfully

(Miss Viriya Ampornapakul)
President