



Translation

August 8, 2018

Subject: Management explanation and analysis for Quarter ended 30 June 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 June 30, 2018 that has net Profit of Baht 7.82 million, increased from the same period of previous year that has net loss of Baht 22.90 million, increased Baht 30.72 million or 134.15% as follow:

1. Revenue from sale and service was Baht 2,402.71 million, increased Baht 495.65 million or 25.99 % 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 2,317.11 million or 96.44 % of sales and service income compare to the same period of last year of Baht 1,857.31million or 97.39% of sales and service income. The cost of sales and service portion to sales and service income decreased from the last year because of inventory management and effective manufacturing cost control.
3. Gross profit margin was 3.56% of Revenue from sale and service, increased from last year that gross profit margin was 2.61% because steel price trend increasing.
4. Selling expenses were Baht 45.47 million, increased Baht 8.59 million or 23.29 % from the same period of last year. This is the same trend of increasing in Revenue from sale and service.
5. Administrative expenses were Baht 75.38 million; increased Baht 6.89 million or 10.07 % from the same period of last year. This is result from increasing in normal administration.
6. Finance cost was Baht 13.65 million; increased Baht 2.42 million or 21.51% 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