

Translation

August 11, 2022

Subject: Management explanation and analysis for the period ended 30 June 2022

Attn: The Managing Director, the Stock Exchange of Thailand

Pacific Pipe Public Company Limited would like to clarify the operating results of period ended June 30, 2022 that has net Loss of Baht 95.38 million, decreased from the same period of previous year that has net profit of Baht 267.39 million or 135.67 % as follow:

1. Revenue from sale and service was Baht 2,516.08 million, increased Baht 151.20 million or 6.39% compared to last year. As a result of the average selling price is higher than the same quarter of last year. Global Steel Price is in high level compared to last year because of steel supply constrains effect from Russia-Ukraine war and the reduction of China's steel production from covid lock down.
2. Gross profit margin was negative 0.33% of total revenue, decreased from last year that gross profit margin was 18.71%. As a result of the reduction of inventory cost to net realizable value amount Baht 177.63 million has been account into cost of sales. At the middle of this quarter, steel prices fall very sharply and rapidly from concerns about the global economic recession.
3. Selling expenses were Baht 37.27 million; decreased Baht 0.75 million or 1.98% from last year. As a result of from decreased in sale quantity from the same period last year.
4. Administrative expenses were Baht 66.17 million; decreased Baht 0.60 million or 0.89% from last year. This is result from the effective expense management.
5. Finance cost was Baht 10.15 million; increased Baht 1.61 million or 18,87%. As a result of from the increased in short-term loans from financial institutions.

Yours faithfully

- Signed by -

(Miss. Thitima Vatanasakdakul)

Chief Financial Officer

Pacific Pipe Public Company Limited

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