

Translation

February 23, 2023

Subject: Management explanation and analysis for Year ended 31 December 2022

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, 2022, which has a net loss of Baht 334.96 million, which decreased from the same period of the previous year that has a net profit of Baht 554.69 million or 160.39 % as follow:

1. Revenue from sales and service was Baht 9,789.06 million, a increased baht 175.70 million or 1.83% compared to last year. This is because the average selling price is higher than last year, although sales volume decreased from last year. The global market price trend is significant declining in this period from the reduction of China's steel production from covid lock down and concerns about the global economic recession.
2. Gross profit margin was negative 1.04% of total revenue, decreased from last year that gross profit margin was 11.88%. As a result of steel prices fall very sharply and rapidly so the market price lower than the company's inventory cost. Although, the Company try to reduce inventory level, the impact still high.
3. Selling expenses were Baht 143.73 million, which decreased baht 6.30 million or 4.20% from last year. As a result of from decreased in sale volume from last year.
4. Administrative expenses were Baht 259.60 million, which decreased baht 23.78 million or 8.39% from last year. This is the result of the decrease in staff costs, expenses related to COVID-19, and effective expense management.
5. Finance cost was Baht 37.12 million; increased by Baht 0.90 million or 2.48% Because of the increased in interest rate

Yours faithfully

(Mr. Pert Leevilaikunratt)

Chief Financial Officer