



UNION PLASTIC PUBLIC COMPANY LIMITED

INTEGRITY QUALITY SERVICE

SAHA-UNION GROUP

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14 MAY 2018

RE: Explanation of change in operating results for the first quarter of 2018 exceeds twenty percent from the previous year.

ATTN: Managing Director, Stock Exchange of Thailand

Whereas Union Plastic Public Company Limited (the Company) has submitted its financial statement for three months ending 31st March 2018, the financial statements show investments by the Company's equity method with total comprehensive profit (loss) for the first quarter of 28.1 million baht. If compared to the same period for the previous year, the total comprehensive profit (loss) has increased by 2,260.47 percent, which is more than twenty percent. Therefore, the company would like to explain the reasons for the aforementioned changes in performance with the following key information:

Overall Operating Results of Union Plastic Public Company Limited

For first quarter of 2018 ending 31st March 2018

(Unit: Thousand Baht)

Items	2018	2017	Increase/Decrease	
			Amount	%
Sales and service income	158,006	172,651	(14,645)	(8.48)
Other income	4,611	3,717	894	24.05
Cost of sales and services	153,154	157,117	(3,963)	(2.52)
Selling expenses	7,875	7,789	86	1.10
Administrative expenses	11,366	11,205	161	1.44
Share of profit from investment in associate	131	683	(552)	(80.82)
Income tax benefits (expenses)	(169)	249	(418)	(167.87)
Comprehensive income (loss) for the period (from operation)	(9,816)	1,189	(11,005)	(925.57)
Income from investments	34,396	0	34,396	∞
Other comprehensive income (loss) for the period	3,486	0	3,486	∞
Total comprehensive income (loss) for the period	28,066	1,189	26,877	2,260.47

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In the financial statement for the first quarter ending 31st March 2018, the Company recognized income from investments of 34.4 million baht and other comprehensive income of 3.5 million baht incurred as a result of estimation based on actuarial assumptions of obligations under employee benefit program. These two items were the main factors that significantly affected the operating results of the first quarter of 2018 to be different from the previous year. In the same period, the Company reported sales and service income of 158 million baht, which was 14.65 million baht or 8.48 percent lower from the previous years. Majority of sales were revenues from providing plastic part injection service and sale of molds in the automobile segment. Cost of sales and services decreased by 4 million baht or 2.52 percent year-on-year. This was not in proportion with the decrease in sales service income due to rise in costs of raw materials and labor costs. Meanwhile, selling expenses and administrative expenses were close to the previous years. Therefore, the Company posted comprehensive loss from operation (excluding income from investments and other comprehensive income for the period) of 9.8 million baht, decrease of 11 million baht or 925.57 percent as compared to the previous year which the Company reported net profit of 1.19 million baht.

Your kind acknowledgement would be highly appreciated.

Respectfully,



(Mr. Rames Khempet)

Managing Director