



10 November 2017

Subject: Explanation of operating result in the financial statement ended 30 September 2017

To: Directors and Managers of the Stock Exchange of Thailand

With reference to the financial statement of Q2 2017/2018 period ended 30 September 2017 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht				
	Q2-2017/2018 Jul 17 - Sep 17	Q2-2016/2017 Jul 16 - Sep 16	Increase (Decrease)	
Revenue from sales of goods	2,429.97	2,414.39	15.58	0.65%
Revenue from service	1.57	1.40	0.17	11.99%
Total revenue	2,431.54	2,415.79	15.75	0.65%
Cost of goods sold	1,715.01	1,627.27	87.74	5.39%
Cost of service	1.05	0.99	0.07	6.76%
Total cost	1,716.06	1,628.25	87.81	5.39%
Selling and administrative expenses	467.17	429.18	37.99	8.85%
Finance costs	2.11	24.10	-21.99	-91.23%
Net profit	291.87	396.57	-104.71	-26.40%

The operating result of the Company for Q2 2017/2018 (1 July 2017 to 30 September 2017), the Company earned net profit of 291.87 million Baht which was 26.40% decreased from net profit 396.57 million Baht in Q2 2016/2017 (1 July 2016 to 30 September 2016), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 2,429.97 million Baht was increased by 15.58 million Baht or 0.65% from Q2 of the previous fiscal year. The sale growth rates compared to the Q2 of the previous fiscal year are from our 3 business categories as follows:
 - Aeroflex increased 10.07%
 - Aeroklas increased 0.76%
 - Eastern Polypack decreased 10.03%

Revenue from sale of Eastern Polypack softens due to continuous contraction in plastic packaging business since October 2016. According to the information from office of industrial Economics the domestic sale of plastic packaging during July to September 2017 was 15.3%. In addition to that, the market competition intensified to compete for market share due to contraction in demand.

2. Total cost of goods sold amounting to 1,715 million Baht was increased by 87.74 million Baht from the Q2 of the previous fiscal year or 5.39%. The cost increased more than the increasing of sales as a result of upwardly adjust in raw material price and soften economic of scale of the plastic packaging business.
3. Selling and administrative expenses was increased by 37.99 million Baht or 8.85% mainly cause by additional expenses of shop expansion, marketing and development of the new international business of automotive part and accessories and increasing of all business sales promotion and sale marketing in Asian market.
4. Financial cost was decreased by 21.99 million Baht or 91.23%, according to the lower debt balance and exchange gain/loss on loans.

For your information.

Respectfully Yours,

Mr. Pawat Vitoorapakorn

Chief Executive Officer

Eastern Polymer Group Public Company Limited