



12 February 2018

Subject: Explanation of operating result in the financial statement ended 31 December 2017

To: Directors and Managers of the Stock Exchange of Thailand

With reference to the financial statement of Q3 2017/2018 period ended 31 December 2017 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht				
	Q3-2017/2018 Oct 17 - Dec 17	Q3-2016/2017 Oct 16 - Dec 16	Increase (Decrease)	
Revenue from sales of goods	2,371.16	2,302.82	68.34	2.97%
Revenue from service	2.62	1.10	1.52	138.44%
Total revenue	2,373.77	2,303.91	69.86	3.03%
Cost of goods sold	1,784.43	1,565.16	219.27	14.01%
Cost of service	2.26	0.76	1.50	197.80%
Total cost	1,786.69	1,565.92	220.77	14.10%
Selling and administrative expenses	458.92	463.14	-4.22	-0.91%
Finance costs	-0.58	22.93	-23.51	-102.54%
Net profit	182.94	331.98	-149.04	-44.89%

The operating result of the Company for Q3 2017/2018 (1 October 2017 to 31 December 2017), the Company earned net profit of 182.94 million Baht which was 44.89% decreased from net profit 331.98 million Baht in Q3 2016/2017 (1 October 2016 to 31 December 2016), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 2,371.16 million Baht was increased by 68.34 million Baht or 2.97% from Q3 of the previous fiscal year. The sale growth rates compared to the Q3 of the previous fiscal year are from our 3 business categories as follows:
 - Aeroflex increased 11.57%
 - Aeroklas increased 4.92%
 - Eastern Polypack decreased 9.06%

Revenue from sale of Eastern Polypack softens due to the slow recovery in domestic plastic packaging consumption. In addition to that, the market competition intensified to compete for market share.

2. Total cost of goods sold amounting to 1,784.43 million Baht was increased by 219.27 million Baht from the Q3 of the previous fiscal year or 14.01%. 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 decreased by 4.22 million Baht or 0.91% 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 23.51 million Baht or 102.54%, 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