



11 February 2019

Subject: Explanation of operating result in the financial statement ended 31 December 2018

To: President of the Stock Exchange of Thailand

With reference to the financial statement of Q3 2018/2019 period ended 31 December 2018 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht

	Q3-2018/19	Q3-2017/18	Increase (Decrease)	
	Oct 18 - Dec 18	Oct 17 - Dec 17		
Revenue from sale of goods	2,740.44	2,371.16	369.28	15.57%
Revenue from service	2.19	2.62	-0.42	-16.28%
<b>Total revenue</b>	<b>2,742.63</b>	<b>2,373.77</b>	<b>368.86</b>	<b>15.54%</b>
Cost of Good sold	2,005.55	1,784.43	221.12	12.39%
Cost of service	1.56	2.26	-0.69	-30.97%
<b>Total cost</b>	<b>2,007.11</b>	<b>1,786.69</b>	<b>220.43</b>	<b>12.34%</b>
Selling and administrative expense	534.91	458.92	75.99	16.56%
Share of profit from investment in associates	43.08	63.12	-20.04	-31.75%
<b>Net Profit</b>	<b>225.24</b>	<b>182.94</b>	<b>42.31</b>	<b>23.13%</b>

The operating result of the Company for Q3 2018/2019 (1 October 2018 to 31 December 2018), the Company earned net profit of 225.24 million Baht which was increased by 42.31 million Baht or 23.13% from net profit of 182.94 million Baht in Q3 2017/2018 (1 October 2017 to 31 December 2017), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 2,740.44 million Baht was increased by 369.28 million Baht or 15.57% 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 decreased 2.27%
  - Aeroklas increased 28.43%
  - Eastern Polypack increased 13.12%

The increase in revenue from sale of EPG, is majorly contributed by the outstanding sale growth of the Automotive and Accessories business that is resulted from the launch of new products and expansion in Operation in Australia. In Addition, the plastic packaging business is also expanded from the marketing activities in food packaging.

2. Total cost of goods sold amounting to 2,005.55 million Baht was increased by 221.12 million Baht from the Q3 of the previous fiscal year or 12.39 %. The cost increased less than the increase in sales despite the current high price in raw material as the company start to achieve relatively healthier economic of scale from the insulation and automotive and accessories business in comparison to the previous year.
3. Selling and administrative expenses was increased by 75.99 million Baht or 16.56 % mainly cause by additional expenses of business and retail 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 both domestic and international.
4. Share of profit from investment in associates decrease by 20.04 million Baht or 31.75 %, from Factory improvement expense in accordance to the change in environmental standard overseas, expense of major maintenance and the provision reserve in accordance to the new accounting policy.

For your information.

Respectfully Yours,

***Mr. Pawat Vitoorapakorn***

Chief Executive Officer

Eastern Polymer Group Public Company Limited