

30 May 2022

Subject: Explanation of operating result in the financial statement ended 31 March 2022

To: Directors and Managers of the Stock Exchange of Thailand

With reference to the financial statement of FY 2021/2022 period ended 31 March 2022 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht				
	Year 2021/22	Year 2020/21	Increase (Decrease)	
	Apr 21 - Mar 22	Apr 20 - Mar 21		
Revenue from sale of goods	11,739.6	9,569.2	2,170.4	22.7%
Cost of Good sold	8,015.7	6,586.0	1,429.7	21.7%
Gain (Loss) on Exchange	67.3	21.4	45.9	215.0%
Selling and administrative expense	2,339.4	1,927.1	412.3	21.4%
Finance costs	80.9	61.3	19.6	32.0%
Share of profit from investment in associates	226.2	92.6	133.7	144.4%
Net Profit	1,602.4	1,221.2	381.1	31.2%

The operating result of the Company for FY 2021/2022 (1 April 2021 to 31 March 2022), the Company earned net profit of 1,602.4 million Baht which was 381.1 million Baht increase or 31.2% increase from FY 2020/2021 (1 April 2020 to 31 March 2021) all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 11,739.6 million Baht was increased by 2,170.4 million Baht or 22.7 % from the previous fiscal year. The sale growth rates compared to the previous fiscal year are from our 3 business categories as follows:
 - Aeroflex increased 18.8%
 - Aeroklas increased 30.5%
 - Eastern Polypack increased 12.7%

Aeroflex Group

Aeroflex revenue from sale increased in comparison to the previous year. Domestically, revenue from sale gradually recovers from the relaxation of the pandemic control measurement. Internationally, the revenue from sale in US increased in comparison to previous year due to rapid economic recovery and government stimulus program. Further, the sale in Asia also improved over the year.

Aeroklas Group

Aeroklas Revenue from sale increased from the same period last year due to the improved order of domestic and overseas Automakers as demand of Personal car, especially in Light Commercial Vehicle increase to replace the use of public transportation. On the other hand, the across continent logistic process is still Aeroklas's concern during the year.

As for the Australian operation, the sale of automotive parts and accessories increase in comparison to previous year; however the revenue from sale slowdown in Q2 2021/22 due to lockdown in various locations in order to control the spread of covid-19. In addition, the shortage of the Semi-conductor delays new car delivery in Australia.

EPP

The revenue from sale of EPP increased from the same period last year, especially in the food packaging segment that is in high demand in response to trend of consumption in the "new normal" that increase demand of delivery service and take away. Although the relaxation of the pandemic control measurement benefit the demand of food packaging.

2. Total cost of goods sold amounting to 8,015.7 million Baht was increased by 1,429.7 million Baht from the same period last year or 21.7% which is lower than the increase in revenue despite the impact from petrochemical price increase during the year. The company engages the situation by accumulated larger than normal petrochemical stock prior to selling price adjustment. The company did source the raw material from various locations which provide appropriate price basket to the company.
3. Gain on Exchange is at 67.3 million Baht improved by 45.9 million Baht when compare to previous year as Thai Baht depreciated when compare to US dollars and other currencies.
4. Selling and administrative expenses was increased by 412.3 million Baht or 21.4%. The incremental expense incurred during the year is due to
 - Expense related to Covid-19 measurement such as Vaccine for employee and budget to support communities
 - Expense related to high freight cost.
 - Expense related to Business expansion in Australia
5. Financial cost was increased by 19.6 million Baht or 32.0%, due to lower foreign exchange gain from loan and debt in US currency in comparison to the previous year.

6. Share of profit from investment in associates increase by 133.7 million Baht from the recovery of Global Automotive Business and progress from previous investment.

For your information.

Respectfully Yours,

Mr. Vatcharakris Nopakun

Deputy Chief Executive Officer of Financial and Accounting

Eastern Polymer Group Public Company Limited