

12 February 2024

Subject: Explanation of operating result in the financial statement ended 31 December 2023

To: Directors and Managers of the Stock Exchange of Thailand

With reference to the financial statement of Q3 2023/2024 period ended 31 December 2023 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht				
	Q3 Year 2023/24	Q3 Year 2022/23	Increase (Decrease)	
	Oct 23 - Dec 23	Oct 22 - Dec 22		
Revenue from sale of goods	3,373.6	3,005.9	367.6	12.2%
Cost of Good sold	2,252.9	1,968.7	284.2	14.4%
Gain (Loss) on Exchange	-67.7	-114.0	46.3	40.6%
Selling and administrative expense	794.9	718.1	76.8	10.7%
Finance costs	37.9	19.9	18.0	90.4%
Share of profit from investment in associat	101.2	59.9	41.2	68.8%
Net Profit	304.9	212.8	92.1	43.3%

The operating result of the Company for Q3 2023/2024 (1 October 2023 to 31 December 2023), the Company earned net profit of 304.9 million Baht which was 92.1 million Baht increase or 43.3 % increase from Q3 2022/2023 (1 October 2022 to 31 December 2022), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 3,373.6 million Baht was increased by 367.6 million Baht or 12.2% 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 13.3%
 - Aeroklas increased 14.4%
 - Eastern Polypack increased 6.0%

Aeroflex Group

- Aeroflex revenue from sale has increased compared to the same period of the previous year despite the impact of fluctuation in currency. The sales in the United States continue to grow steadily due to the demand for premium-grade products and new product models for the Ultra Low Temperature Insulation and Air Ducting System industry, which have been well-received by customers. Sales in the domestic market have also improved due to private sector investments. However, sales in the ASEAN region have declined compared to the same period of the previous year, primarily because of delayed private sector investments.

Aeroklas Group

Aeroklas revenue from sale has increased compared to the previous year with Thailand operation revenue close to the same period last year.

While businesses in Australia are experiencing increased sales from the same period last year due to improving market conditions, Aeroklas Asia Pacific Group Pty. Ltd. in Australia has acquired the retail business operations of TJM from its distributors, totalling five outlets, on November 1, 2023.

During the quarter, Aeroklas has been impacted by the volatility of foreign currency exchange rates, which adjusted rapidly.

Aeroklas continues to focus on manufacturing lightweight automotive parts and accessories, which are in demand in the automotive industry due to their energy-saving properties. This strategy also promotes sales activities for the business in Australia consistently.

EPP

The revenue from sale of EPP increased from the same period last year due to improvements in production processes and sales strategies. By targeting the market for cost-effective drinking cup packaging, the proportion has increased, compensating for the decline in orders for plastic food container packaging. Additionally, benefits have been derived from various year-end events and celebrations."

2. The cost of goods sold was 2,252.9 million Baht, an increase of 284.2 million Baht from the same period last year, representing a 14.4 percent increase especially in insulation business. The company has sourced raw materials from various production sources to maintain an average cost, considering the reasonable prices of raw materials.
3. Loss on Exchange is at 67.7 million Baht in comparison to previous year which had the Loss on exchange at 114.0 million Baht. There is a realized loss of 5.1 million baht and an unrealized loss of 62.6 million baht. In this quarter, the movement of the Thai baht has appreciated compared to the US dollar and the Australian dollar, which is not favourable for the company.
4. Selling and administrative expenses were increased by 76.8 million Baht or 10.7%. The company's expenses increased from Selling and administrative expenses in Australia by 58.4 million baht. This increase is due to higher employee expenses partially from 5 additional retail stores acquired, as well as consultancy fees for Cyber Security enhancement. Meanwhile, transportation costs for the Thai insulation business decreased by 11.4 million baht.
5. Financial cost was increased by 18.0 million Baht. This is a result of increased interest rates, the utilization of foreign currency-denominated loans.

6. The share of profit from investment in associate amounted to 101.2 million Baht. This represents an increase of 41.2 million Baht, attributed to the growth of the insulation business and the automotive business, both domestically and internationally.
7. The company has set aside a provision for expected credit losses value 45.5 million Baht in this quarter. The majority of this increase is attributed to joint ventures in South Africa, where there has been a delay in expanding new projects.

For your information.

Respectfully Yours,

Mr. Vatcharakris Nopakun

Deputy Chief Executive Officer of Financial and Accounting

Eastern Polymer Group Public Company Limited