

29 May 2024

Subject: Explanation of operating result in the financial statement ended 31 March 2024

To: Directors and Managers of the Stock Exchange of Thailand

With reference to the financial statement of FY 2023/2024 period ended 31 March 2024 which is Audited by the company's Auditor and review by the Audited Committee submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht				
	FY 2023/24	FY Year 2022/23	Increase (Decrease)	
	Apr 23 - Mar 24	Apr 22 - Mar 23		
Revenue from sale of goods	13,169.7	12,083.6	1,086.1	9.0%
Cost of Good sold	8,976.7	8,114.2	862.5	10.6%
Gain (Loss) on Exchange	52.3	-101.1	153.4	151.8%
Selling and administrative expense	3,102.5	2,872.0	230.5	8.0%
Finance costs	194.5	101.5	93.0	91.6%
Expected credit loss on a forward looking basis	192.3	5.5	186.8	3406.2%
Share of profit from investment in associates	463.4	242.8	220.5	90.8%
Net Profit	1,210.7	1,081.6	129.1	11.9%

The operating result of the Company for FY 2023/2024 (1 April 2023 to 31 March 2024), the Company earned net profit of 1,210.7 million Baht which was 129.1 million Baht increase or 11.9 % increase from FY 2022/2023 (1 April 2022 to 31 March 2023), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 13,169.7 million Baht was increased by 1,086.1 million Baht or 9.0% 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 6.5%
 - Aeroklas increased 13.1%
 - Eastern Polypack increased 2.9%

Aeroflex Group

Aeroflex's revenue from sales has increased compared to the same period of the previous year, driven by continuous growth in sales in the United States due to the high demand for High Quality Insulation products. Additionally, the market has expanded into the Ultra-Low Temperature Insulation and Air Ducting system industries, which have been well received by customers. Domestic sales have increased in line with private

sector investment. However, the fluctuation of exchange rates has impacted Aeroflex due to its significant proportion of international sales, which accounts for 73 percent.

Aeroklas Group

Aeroklas revenue from sale has increased compared to the previous year. Export sales of canopies have increased. Additionally, Aeroklas has received new product orders from a Japanese automotive company, with the delivery of new products starting from Q4 2023/24.

Aeroklas focuses on producing lightweight automotive parts and accessories, which are in high demand in the automotive industry because they contribute to energy savings. Additionally, the introduction of new vehicle models to the market has led to an increase in orders for Aeroklas. However, the fluctuation of exchange rates has impacted Aeroklas due to its significant proportion of international sales, which accounts for 76 percent.

Meanwhile, sales in Australia have increased compared to the same period last year due to improved market conditions and the recognition of revenue from Aeroklas Asia Pacific Group Pty. Ltd. Australia's acquisition of five TJM retail stores from a distributor on November 1, 2023.

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.

2. The cost of goods sold was 8,976.7 million Baht, an increase of 862.5 million Baht from the same period last year, representing a 10.6 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. Profit on Exchange is at 52.3 million Baht in comparison to previous year which had the Loss on exchange at 101.1 million Baht. There is a realized loss of 0.2 million baht and an unrealized gain of 52.5 million baht. In the fourth quarter, the movement of the Thai baht has depreciated compared to the US dollar and the Australian dollar, which is favourable for the company.
4. Selling and administrative expenses were increased by 230.5 million Baht or 8.0%. The company's expenses increased from selling and administrative expenses in Australia by 200.8 million baht. This increase is due to higher employee expenses, amortization costs of the Brand and customer database of 4-Way Suspension Pty Ltd, and consultancy fees for upgrading Cyber Security. Meanwhile, transportation costs for the thermal insulation business decreased by 68.1 million baht.
5. Financial cost was increased by 93.0 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 463.4 million Baht. This represents an increase of 220.5 million Baht. This improvement comes from the better performance of the thermal insulation and automotive businesses in Thailand, India, and China.
7. The company has set aside an expected credit loss provision of 292.6 million baht. This is mainly due to trade receivables from Aeroklas Co., Ltd., which supplies raw materials to a joint venture in South Africa. This joint venture received significantly higher orders than previously anticipated from a major automotive company, leading to liquidity issues. To ensure continuous operations, the company decided to extend the debt collection period for the South African joint venture. This process includes a system of checking and monitoring to aid management decisions. However, the company has taken systematic steps to resolve the issue. Currently, the company and other shareholders have sent consultants and experts to closely monitor and address the problems while enhancing production efficiency.

For your information.

Respectfully Yours,

Mr. Vatcharakris Nopakun

Deputy Chief Executive Officer of Financial and Accounting

Eastern Polymer Group Public Company Limited