

May 15, 2019

Subjects : Clarification of operating results for the Q1/2019

Attention : The Director and Manager of the Stock Exchange of Thailand

The Consolidated net profit of Eastern Printing Public Co., Ltd. (EPCO) for Q1/2019 is Baht 46.78 million in comparison with net profit of Baht 149.49 million for the same period previous year, a decrease of Baht 102.70 million or 68.70%. Such amount included the gain on exchange rate of Baht 19.12 million in the Q1/2019 compare to Baht 101.66 million in the Q1/2018, a decrease of Baht 82.54 million.

**Summary of the company's operating result and subsidiaries as follows:**

**Unit : Million Baht**

Operating results of the Company	Q1/2019	Q1/2018	Changes	%
<b>Revenues from sales and services</b>	<b>302.98</b>	<b>241.93</b>	<b>61.05</b>	<b>25.23</b>
Printing Business	171.75	120.77	50.98	42.21
Solar Energy Business	131.23	121.16	10.07	8.31
<b>Cost of sales and services</b>	<b>198.74</b>	<b>137.74</b>	<b>61.00</b>	<b>44.29</b>
Printing Business	147.84	88.57	59.27	66.92
Solar Energy Business	50.90	49.17	1.73	3.52
<b>Gross Profit</b>	<b>104.24</b>	<b>104.19</b>	<b>0.05</b>	<b>0.05</b>
<b>Other income</b>	<b>7.91</b>	<b>28.69</b>	<b>(20.78)</b>	<b>(72.43)</b>
<b>Distribution Costs and Administrative expenses</b>	<b>52.77</b>	<b>34.84</b>	<b>17.93</b>	<b>51.46</b>
Printing Business	15.84	12.03	3.81	31.67
Solar Energy Business	36.93	22.81	14.12	61.90
<b>Finance cost</b>	<b>69.92</b>	<b>56.14</b>	<b>13.78</b>	<b>24.55</b>
Printing Business	20.73	15.22	5.51	36.20
Solar Energy Business	49.19	40.92	8.27	20.21



Unit : Million Baht

Operating results of the Company	Q1/2019	Q1/2018	Changes	%
<b>Share of profit on investment in associated</b>	<b>73.73</b>	<b>160.10</b>	<b>(86.37)</b>	<b>(53.95)</b>
Results of Operations	37.76	76.31	(38.55)	(50.52)
Gain (loss) on exchange rates	35.97	83.79	(47.82)	(57.07)
<b>Income tax expenses</b>	<b>(3.60)</b>	<b>(5.31)</b>	<b>(1.71)</b>	<b>(32.20)</b>
<b>Net profit attributable to Owners of the Company</b>	<b>46.78</b>	<b>149.49</b>	<b>(102.71)</b>	<b>(68.71)</b>
Results of Operations	63.63	131.62	(68.00)	(51.66)
Gain (loss) on exchange rates	(16.85)	17.87	(34.71)	(194.30)

**The main reasons for the significant changes are as follows: -**

#### **Revenue from sales and services**

For the first quarter of 2019, it was Baht 302.98 million, increased by Baht 61.05 million or 25.23%. The main reason was from the increase of printing business income Baht 50.98 million or 42.21% compared to the same period of last year. The increase in revenue was from WPS (Thailand) Co., Ltd. ("WPS"), a subsidiary company, in which the parent company holds 84.50% of its shares. Revenue from electricity sales Baht 51.07 million increased by Baht 10.07 million or 8.31%.

#### **Cost of sales**

For the first quarter of 2019, it was Baht 198.74 million, increased by Baht 61.00 million or 44.29%. The main reason was from the cost of printing business increased by Baht 59.27 million or 66.92% which was caused by the cost of WPS in the amount of Baht 48.57 million or 95.10% of the revenue and the power plant cost increased by Baht 1.73 million from the contracting and installation of the power generation project for Solar Rooftop Project.

#### **Selling and administrative expenses**

For the first quarter of 2019, it was Baht 52.77 million increased by Baht 17.93 million or 51.46%. This is an increase of Baht 3.81 million from the printing business and Baht 14.12 million the power plant business, compared to the same period of last year. The main reason is that the solar business has adjusted the unrealized exchange rate loss of foreign currency in the amount of Baht 16.85 million.

### **Financial cost**

For the first quarter of 2019, it was Baht 69.92 million increased by Baht 13.78 million. The printing business increased by Baht 5.51 million or 36.20% compared to the same period last year. The company has issued B/E Baht 460 million, debentures Baht 814.50 million with interest expenses of Baht 13.55 million. From the power plant business, the company has issued debentures in the amount of Baht 2,362 million with interest expenses of Baht 27.01 million.

### **Share of profits from investments in associates companies**

Share of profits from investments in associated companies, the Co-Generation Combined Power Plants. In the first quarter of 2019, the company recognized profit from investment in the associated companies in the amount of Baht 73.73 million in comparison to profit of Baht 160.10 million in Q1/2018, decreased by Baht 86.38 million or 53.95%. The decrease was due to decrease in unrealized gain on exchange rate of Baht 35.97 million in the first quarter of 2019 and compared to of Baht 83.79 million in the first quarter of 2018, a decrease of Baht 47.82 million.

### **Projects that are under construction and expected to start commercial operations (COD) within the year 2019 as follows: -**

#### **(A). Kurihara Project 2**

Kurihara 2 project operated by Kurihara GK, a subsidiary company that the company holds 98.00% of shares, with the installation capacity of 17.25 MW., located at Kurihara area. Miyagi Prefecture, has received a letter confirming the purchase from Tokoku Electric for period of 20 years at FIT price of 36 yen per kilo-watt hour expected to be COD within November 2019.

#### **(B). Solar Power Plant Project in Vietnam**

Two Solar Power Plant Projects in Phuyen Province, Vietnam with total installation capacity of 110.03 MW. The period of electricity sales to Electricity of Vietnam ("EVN") for 20 years, at the power purchase rate (Feed in Tariff or FIT) of US\$ 0.0935 per unit. Currently it is under construction. The details are as follows:



Project	Contract Parties	Location of the projects	Installation Capacity (MW)	Commercial Operation Date
XT 1	Electricity of Vietnam ("EVN")	Fuyian Province	55.015	June 30, 2019
XT 2	Electricity of Vietnam ("EVN")	Fuyian Province	55.015	June 30, 2019

Please be informed accordingly,

Respectfully yours,

*-Weera Louwitawas-*

(Mr. Weera Louwitawas)

Chief Executive Officer