

8 August 2019

Subject: Explanation of operating result in the financial statement ended 30 June 2019

To: President

The Stock exchange of Thailand

With reference to the financial statement of Q1 2019/2020 period ended 30 June 2019 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

(Million Baht)

	Q1 2019/20	Q1 2018/20	Increase (Decrease)	
	Apr 19 - Jun 19	Apr 18 - Jun 18		
Revenue from sale of goods	2,672.4	2,623.2	49.1	1.9%
Cost of Good sold	1,915.5	1,866.6	48.9	2.6%
Selling and administrative expense	535.7	518.1	17.6	3.4%
Finance costs	-1.8	24.3	-26.1	-107.4%
Share of profit from investments in associates	33.6	59.2	-25.6	-43.2%
Net Profit	215.0	304.8	-89.7	-29.4%

The operating result of the Company for Q1 2019/2020 (1 April 2019 to 30 June 2019), the Company earned net profit of 215.0 million Baht which was 89.7 million Baht decreased or 29.4% decrease from net profit of 304.8 million Baht in Q1 2018/2019 (1 April 2018 to 30 June 2018), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 2,672.4 million Baht was increased by 49.1 million Baht or 1.9% 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 3.8%
 - Aeroklas increased 0.5%
 - Eastern Polypack increased 2.6 %

Aeroflex's revenue from sale increased from US and Japan market that require premium product

Aeroklas's revenue from sales was similar to Q1 2018/19

Both Aeroflex and Aeroklas experienced the fluctuation in currency during the quarter

Eastern Polypack's revenue from sale increased from the marketing of both food and beverage plastic packaging in addition to the expansion in industrial made to order sector.

2. Total cost of goods sold amounting to 1,915.5 million Baht was increased by 48.9 million Baht from the previous fiscal year or 2.6%. The cost of goods sold increase slightly higher than the increase in revenue from sale. The direction of raw material is improving
3. Selling and administrative expenses was increased by 17.6 million Baht or 3.4 % from the supporting in marketing activity in all business unit. In addition, The Company also incurs the improvement cost in automotive business oversea.
4. Financial cost was decreased by 26.1 million Baht or 107.4%, impacted by the exchange gain/loss on loans in foreign currency.
5. Share of profit from investments in associates and joint venture decrease by 25.6 million Baht or 43.2%, due to following reason
 - 5.1 The associated company experience higher cost of raw material since Q3 2018/19.
 - 5.2 Inclusion of the new Joint Venture in South Africa which just started the operation during Company's Q4 2018/19

For your information.

Respectfully Yours,

Mr. Pawat Vitoorapakorn

Chief Executive Officer

Eastern Polymer Group Public Company Limited