

August 13, 2019

Subjects : Clarification of operating results for the Q2/2019

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

The Consolidated net profit of Eastern Printing Public Co., Ltd. (EPCO) for Q2/2019 is Baht 125.01 million in comparison with net profit of Baht 8.62 million for the same period previous year, an increase of Baht 116.39 million or 1,350.23% and for the six-month ended of June 30, 2019 is Baht 171.79 million in comparison with net profit of Baht 158.10 million for the same period previous year, an increase of Baht 13.69 million or 8.66%.

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

Unit : Million Baht

| The Operating results of | For the Q2/2018 ended June 30, | | | | For six-month Ended June 30, | | | |
|--|-----------------------------------|---------------|---------------|-----------------|---------------------------------|---------------|---------------|--------------|
| | 2019 | 2018 | Changes | % | 2019 | 2018 | Changes | % |
| Revenues : | | | | | | | | |
| Revenues from sales and services | 412.28 | 249.29 | 162.99 | 65.38 | 715.26 | 491.21 | 224.05 | 45.61 |
| Other income | 15.47 | 24.86 | (9.39) | (37.77) | 23.38 | 53.54 | (30.16) | (56.33) |
| Total revenues | 427.74 | 274.14 | 153.60 | 56.03 | 738.63 | 544.75 | 193.88 | 35.59 |
| Expenses : | | | | | | | | |
| Cost of sales and services | 219.88 | 134.56 | 85.32 | 63.41 | 418.63 | 272.30 | 146.33 | 53.74 |
| Administrative and selling expenses | 76.44 | 43.14 | 33.30 | 77.19 | 129.21 | 77.98 | 51.23 | 65.70 |
| Total expenses | 296.32 | 177.70 | 118.62 | 66.75 | 547.83 | 350.28 | 197.55 | 56.40 |
| Share of profit on investment in associated company | 122.74 | (27.61) | 150.35 | 544.55 | 196.47 | 132.50 | 63.97 | 48.28 |
| Finance cost | 81.94 | 58.36 | 23.58 | 40.40 | 151.86 | 114.50 | 37.36 | 32.63 |
| Profit before income tax | 172.23 | 10.47 | 161.76 | 1,544.99 | 235.41 | 212.47 | 22.94 | 10.80 |
| Income tax expenses | (1.55) | 2.44 | (3.99) | (163.52) | (4.67) | 7.75 | (12.42) | (160.26) |
| Net profit attributable to Owners of the Company | 125.01 | 8.62 | 116.39 | 1,350.23 | 171.79 | 158.10 | 13.69 | 8.66 |

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

Revenue from sales and services

For the six-month of 2019, it was Baht 715.26 million, increased by Baht 224.05 million or 45.61% from the increasing of printing business in come Baht 100.23 million or 43.37% 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 it's shares amount Baht 95.08 million. Revenue from electricity sales increased by Baht 123.82 million or 47.61% from Vietnam Project Baht 29.58 million and Japan Project Baht 83.51 million.

For the second quarter of 2019, it was Baht 412.28 million, increased by Baht 162.9 million or 65.38%. The main reason was from the increase of printing business income Baht 65.13 million or 59.02% compared to the same period of last year. The increase in revenue was from WPS Baht 45.26 million. Revenue from electricity sales increased by Baht 97.86 million or 70.43% form Vietnam Project by Baht 29.58 million and Japan Project by Baht 55.03 million.

Cost of sales

For the six-month of 2019, it was Baht 418.63 million, increased by Baht 146.33 million or 53.74%. The main reason was from the cost of printing business increased by Baht 105.78 million or 53.73% compared to the same period of last year which was caused by the cost of WPS in the amount Baht 91.23 million. The power plane cost increase by Baht 41.03 million from the Vietnam Project by Baht 9.78 million and Japan Project by Baht 26.27 million.

For the second quarter of 2019, it was Baht 219.88 million, increased by Baht 85.32 million or 63.41%. The main reason was from the cost of printing business increased by Baht 61.13 million compared to the same period of last year which was caused by the cost of WPS in the amount of Baht 43.07 million and the power plant cost increased by Baht 24.18 million from the Vietnam Project by Baht 9.78 million and Japan Project by Baht 12.21 million.

Selling and administrative expenses

For the six-month of 2019, it was Baht 129.21 million, increased by Baht 51.23 million or 65.70% from the printing business increased by Baht 15.90 million compared to the same period of last year which was caused by WPS in the amount Baht 12.63 million and increased from the record past service cost of employee benefit obligations under severance pay for employees serving 20 years or more from 300 to 400 days, according to the new labor protection law amount Baht 11.59 million. And the selling and administrative expenses from power plant business increased by Baht 35.32 million that adjusted unrealized exchange rate loss of foreign currency in the amount Baht 38.42 million.

For the second quarter of 2019, it was Baht 76.44 million increased by Baht 33.30 million or 77.19%. This is an increase of Baht 11.94 million from the printing business which was caused by WPS in the amount Baht 9.52 million including the record past service cost of employee benefit obligations under severance pay for employees serving 20 years or more from 300 to 400 days, according to the new labor protection law. From the power plant business in the amount Baht 21.35 million. The main reason is that the solar business has adjusted the unrealized exchange rate loss of foreign currency in the amount of Baht 21.35 million.

Financial cost

For the six-month of 2019, it was Baht 151.86 million, increased by Baht 37.36 million or 32.63% compared to the same period of last year. The company has issued B/E Baht 360 million, debentures Baht 987.40 million with interest expenses of Baht 49.79 million. From the power plant business which has issued debentures in the amount of Baht 2,362 million and the interest expenses from Japan project and Vietnam project amount Baht 11.28 million.

For the second quarter of 2019, it was Baht 81.94 million increased by Baht 23.58 million or 40.40%. The printing business increased by Baht 14.49 million from issued B/E and debentures. From the power plant business, the company has issued debentures in the amount of Baht 2,362 million with interest expenses of Baht 9.09 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 six-month ended June 30, 2019, the company recognized profit from investment in the associated companies in

the amount of Baht 196.47 million in comparison to profit of Baht 132.50 million in the same period of last year, increased by Baht 63.97 million or 48.28%.

In the second quarter of 2019, the company recognized profit from investment in the associated companies in the amount of Baht 122.74 million in comparison to loss of Baht 27.61 million in Q2/2018, increased by Baht 150.35 million or 544.55%. The increase or decrease was due to the unrealized gain or loss on exchange rate are as follows: -

Unit : Million Baht

| Share of profits from investments in associates companies | 2019 | 2018 |
|---|---------------|---------------|
| <u>For Q2 ended June 30,</u> | | |
| Profit sharing | 123.19 | (27.61) |
| (Less) Foreign exchange Loss (non-incurred) | (55.82) | (101.71) |
| Net Profit – Q2/19 | 67.37 | 74.11 |
| <u>For six-month ended June 30,</u> | | |
| Profit sharing | 196.92 | 132.50 |
| (Less) Foreign exchange Loss (non-incurred) | (91.79) | (17.93) |
| Net Profit – six-month 2019 | 105.13 | 150.42 |

Please be informed accordingly,

Respectfully yours,

-Weera Louwitawas-

(Mr. Weera Louwitawas)

Chief Executive Officer