



13 November 2019

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

To: President
The Stock Exchange of Thailand

With reference to the financial statement of Q2 2019/2020 period ended 30 September 2019 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht				
	Q2 2019/2020	Q2 2018/2019	Increase (Decrease)	
	Jul 19 - Sep 19	Jul 18 - Sep 18		
Revenue from sale of goods	2,762.5	2,682.3	80.2	3.0%
Cost of Good sold	1,918.6	1,934.2	-15.6	-0.8%
Selling and administrative expense	526.0	516.5	9.5	1.8%
Finance costs	3.7	4.1	-0.4	-9.4%
Share of profit from investment in associates	45.1	57.3	-12.2	-21.3%
Net Profit	326.3	262.1	64.2	24.5%

The operating result of the Company for Q2 2019/2020 (1 July 2019 to 30 September 2019), the Company earned net profit of 326.3 million Baht which was 64.2 million Baht increase or 24.5% increase from net profit of 262.1 million Baht in Q2 2018/2019 (1 July 2018 to 30 September 2018), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 2,762.5 million Baht was increased by 80.2 million Baht or 3.0% 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 2.2%
 - Aeroklas decreased 1.3%
 - Eastern Polypack increased 14.8%

Aeroflex's revenue from sale grow both domestic and international especially in USA and Japan that require premium products

Aeroklas's revenue from sale is similar to Q2 2018/19 where domestic revenue increase but international revenue decrease in comparison to the previous year.

Overall, Aeroflex and Aeroklas were impacted from foreign exchange rate.

Eastern Polypack's revenue from sale increase 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 1,918.6 million Baht was decrease by 15.6 million Baht from the previous fiscal year or 0.8%. The cost of gold sold contract while the revenue from sale increase due to ongoing benefit from raw material and increase in efficiency rate.
3. Selling and administrative expenses was increased by 9.5 million Baht or 1.8% from the supporting in marketing activity in all business unit.
4. Financial cost was decreased by 0.4 million Baht or 9.4%, from lowering in finance cost (Already include the impact from foreign exchange) and managing in source of fund.
5. Share of profit from investment in associates decrease by 12.2 million Baht or 21.3%, due to following reason
 - 5.1 The associated company experience higher production cost and competition 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