

February 28, 2020

Subjects : Report of Operating Performance for the Year 2019

Attention : President of the Stock Exchange of Thailand

The Consolidated net profit of Eastern Printing Public Co., Ltd. (EPCO) for the year ended December 31, 2019 is Baht 651.72 million in comparison with net profit of Baht 342.77 million for the year 2018, an increase of Baht 308.95 million or 90.13%.

Summary of the company's and subsidiaries' performance are as follows

Unit : Million Baht

Operating Performance of the Company and subsidiaries	For the Year ended December 31,			
	2019	2018 (Restated)	Changes	%
<b>Revenues :</b>				
Revenues from sales and services	1,530.27	987.27	543.00	55.00
Gain on purchase price lower than fair value	-	130.98	-130.98	N/A
Gain from disposal of investment	543.01	-	543.01	100.00
Other income	30.44	66.41	-35.97	-54.17
<b>Total revenues</b>	<b>2,103.73</b>	<b>1,184.66</b>	<b>919.06</b>	<b>77.58</b>
<b>Expenses :</b>				
Cost of sales and services	908.41	571.10	337.31	59.06
Administrative and selling expenses	254.03	177.51	76.52	43.11
<b>Total expenses</b>	<b>1,162.44</b>	<b>748.61</b>	<b>413.94</b>	<b>62.36</b>
<b>Share of profit (loss) on investment in associated company</b>	<b>390.39</b>	<b>240.45</b>	<b>149.94</b>	<b>62.36</b>
Financial cost	360.71	246.48	114.23	46.34
<b>Profit before income tax</b>	<b>970.96</b>	<b>430.02</b>	<b>540.94</b>	<b>125.79</b>
Income tax expenses	69.23	21.33	47.90	224.56
<b>Net profit attributed to Parent Company</b>	<b>651.72</b>	<b>342.77</b>	<b>308.95</b>	<b>90.13</b>



**The major causes of the significant changes are as follows: -**

- 1. Revenues from sales and services** in amount of Baht 1,530.27 million, an increase of Baht 543 million or 55.00%, which was an increase of revenue from printing business at Baht 150.16 million or 35.09% comparing with same period of last year. The increase of revenue came from Company subsidiary, World Printing and Packaging Co.Ltd .(“WPP” ; Former as WPS (Thailand) , “WPS”) , which Company holds 99.99% of shares and has revenue from printing business in amount of Baht 165.17 million.

The increase of revenue from power plant is Baht 392.84 million, or 70.23%. The increase of Baht 237.44 million came from power plants in Vietnam, Baht 127.59 million from power plants in Japan and Baht 27.80 million from power plants in Thailand.
- 2. Profit from sales of investment.** The subsidiary has sold two solar power plant projects in Phu Yen Province, Socialist Republic of Vietnam, namely XT1 and XT2, with a total capacity of 99.216 Megawatts in the quarter 4th/2019. Therefore, profits from sales of power plants are recognized in the amount of Baht 543.01 million.
- 3. Cost of sales and services** in amount Baht 908.41 million, an increase of Baht 337.31 million or 59.06%. The cost of printing increased Baht 170.42 million or 51.54% comparing with same period of last year. The increasing of Baht 155.07 million came from WPP. The cost of power plant increased Baht 166.89 million, Baht 105.61 million from power plants in Vietnam and Baht 71.27 million from power plants in Japan.
- 4. Selling and administrative expenses** in the amount of Baht 254.03 million, an increase of Baht 76.52 million or 43.11%. which is increase from expense of printing Baht 49.09 million or 94.33% comparing with same period of last year. The increase came from WPP in amount of Baht 43.37 million and Baht 11.59 million increase from adjustment of compensation rate for company’s and its subsidiaries’ employees who achieves 20 years service or more from 300 days to 400 days.

The selling and administrative expenses from the power plant increased by Baht 27.43 million due to the adjustment of foreign exchange loss of Baht 25.88 million.
- 5. Financial costs** in amount Baht 360.71 million, an increase of Baht 114.23 million or 46.34% comparing with same period of last year. The increase came from printing business at Baht 49.47 million or 76.83% due to issuance of bills of exchange Baht 270 million, debentures Baht 1,479.10 million and interest expenses Baht 72.47 million.



The increase from power plant is Baht 64.66 million or 35.53% due to issuance of debentures Baht 1,805.30 million and interest expense from bank loans of the Japan and Vietnam power plant projects in the amount of Baht 94.81 million.

**6. Share of profits from investments in associated companies.**

The profit sharing from Co-Generation Combined Power Plants for the Year 2019, the company recognized profit from investment in the associated companies in the amount of Baht 390.39 million comparing with Baht 240.45 million in the same period of last year, increased by Baht 149.94 million or 62.36% due to profit from operation and currency exchange as detailed below:-

**Unit : Million Baht**

<b>Share of profit on investment in associated companies</b>	<b>2019</b>	<b>2018</b>
Profit sharing	390.39	240.45
(Less) Currency exchange gains	(122.06)	(24.32)
<b>Net Profit</b>	<b>268.33</b>	<b>216.13</b>

Please be informed accordingly,

Respectfully yours,

*-Weera Louwitawas-*

(Mr. Weera Louwitawas)

Chief Executive Officer