



11 August 2020

Subject: Explanation of operating result in the financial statement ended 30 June 2020

To: Directors and Managers of the Stock Exchange of Thailand

With reference to the financial statement of Q1 2020/2021 period ended 30 June 2020 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht				
	Q1 2020/21	Q1 2019/20	Increase (Decrease)	
	Apr - Jun 20	Apr - Jun 19		
Revenue from sale of goods	1,952.1	2,672.4	-720.3	-27.0%
Cost of Good sold	1,388.3	1,915.5	-527.2	-27.5%
Selling and administrative expense	437.5	535.7	-98.2	-18.3%
Finance costs	14.5	-1.8	16.3	-905.6%
Share of profit from investment in associates	-20.7	33.6	-54.3	-161.6%
Net Profit	74.6	215.0	-140.4	-65.3%

The operating result of the Company for Q1 2020/2021 (1 April 2020 to 30 June 2020), the Company earned net profit of 74.6 million Baht which was 140.4 million Baht decrease or 65.3% decrease from net profit of 215.0 million Baht in Q1 2019/2020 (1 April 2019 to 30 June 2019), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 1,952.1 million Baht was decreased by 720.3 million Baht or 27.0% from the previous fiscal year. The sale growth rates compared to the previous fiscal year are from our 3 business categories as follows:
  - Aeroflex decreased 16.5%
  - Aeroklas decreased 41.6%
  - Eastern Polypack decreased 9.4%

The widespread of covid-19 globally has impact global economic severely. The economy halted due to locked down in order to prevent the spread in various countries. The Business operation of EPG has been impacted as follow:

Although Aeroflex is categorized as the essential product, the demand of Aeroflex Insulation both domestic and international during Q1 2020/21 decreased substantially in accordance to the construction industry and global economic activity. Furthermore, the company also experienced the slowdown due to international logistic process during the lockdown.

Aeroklas OEM business was negatively impacted from the temporary shutdown of automakers' production line during the end of March until May 2020. For international revenue, Aeroklas experienced weak automotive product demand and delay of delivery of automotive parts and accessories. For Business in Australia, the overall demand of automotive parts and accessories was still weak. The overall situation improved in June 2020.

Eastern Polypack's revenue from sale was lower from previous year. The plastic and packaging business experienced negative impact from lower consumption; however the sale of food packaging segment increased to help offset the negative impact.

2. Total cost of goods sold amounting to 1,388.3 million Baht was decreased by 527.2 million Baht from the previous fiscal year or 27.5% due to benefit from raw material.
3. Selling and administrative expenses was decreased by 98.2 million Baht or 18.3%, the company emphasize management of the Selling and Administrative expenses.
4. The company has complied and adopted the change according to TFRS 9 and TFRS16 which re-classified and re-evaluated assets and liabilities. The company booked Expected credit loss on a forward looking basis and Other loss value 17.9 million Baht.
5. Financial cost was increased by 16.3 million Baht or 905.6%, from the change due to TFRS 16 and foreign exchange.
6. Share of profit from investment in associates decrease by 54.3 million Baht or 161.6%, due to lower contribution from the investment in associates that serve automotive industries and impacted from Covid-19.

For your information.

Respectfully Yours,

***Mr.Pawat Vitoorapakorn***

Chief Executive Officer

Eastern Polymer Group Public Company Limited