

28 May 2018

Subject: Explanation of operating result in the financial statement for the year ended 31 March 2018

To: President
The Stock Exchange of Thailand

With reference to the financial statement for the year 2017/2018 ended 31 March 2018 submitted by Eastern Polymer Group Public Company Limited (the "Company"), please be informed that:

Million Baht

	FY 2017/2018 Apr 17-Mar 18	FY 2016/2017 Apr 16-Mar 17	Increase (Decrease)	
Revenue from sales of goods	9,607.12	9,279.78	327.33	3.53%
Revenue from service	7.18	5.20	1.98	38.09%
Total revenue	9,614.30	9,284.98	329.32	3.55%
Cost of goods sold	6,892.49	6,307.86	584.64	9.27%
Cost of service	5.07	3.78	1.30	34.37%
Total cost	6,897.57	6,311.63	585.93	9.28%
Selling and administrative expenses	1,876.73	1,736.81	139.92	8.06%
Finance costs	-11.97	55.21	-67.18	-121.69%
Net profit	993.21	1,382.70	-389.49	-28.17%

The operating result of the Company for the year 2017/2018 ended 31 March 2018 (1 April 2017 to 31 March 2018), the Company earned net profit of 993.21 million Baht decreased in net profit of 389.49 million Baht or 28.17% in year 2016/2017 (1 April 2016 to 31 March 2017), all due to the significant changes as follows:

- Total revenue from sale of goods in the number of 9,607.12 million Baht was increased by 327.33 million Baht or 3.53% of the previous fiscal year. The sale growth rates compared to the year of the previous fiscal year are from our 3 business categories as follows:
 - Aeroflex group increased 7.31%
 - Aeroklas group increased 6.84%
 - Eastern Polypack decreased 6.16%

Revenue from sale of Aeroflex and Aeroklas increase 7.31% and 6.84% respectively, despite the fluctuation from the exchange rate as both subsidiaries has revenue proportion from international at more than 70%. On the other hand, Eastern Polypack revenue from sale

decrease 6.16% due to slower than expected recovery in Domestic consumption in addition to increase in domestic competition.

2. Total cost of goods sold amounting to 6,892.49 million Baht was increased by 584.64 million Baht from the year of the previous fiscal year or 9.27%. The cost increased more than the increasing of sales as a result of upwardly adjust in raw material price and soften economic of scale of the Eastern Polypack.
3. Selling and administrative expenses is increased by 139.92 million Baht or 8.06% mainly cause by increase in expense from Aeroklas' international operation such as expenses from setting Corporate shops / consolidation in the Flexiglass' expense (the new acquisition in that recently acquire in the beginning of 2018) / Research and development cost in new product in all business for both domestic and international market and lastly the expense also increase from the marketing activity in international market especially in Asean.
4. Financial cost was decreased by 67.18 million Baht or 121.69%, according to the lower debt balance and exchange gain/loss on loans.

For your information.

Respectfully Yours,

Mr. Pawat Vitoorapakorn

Chief Executive Officer

Eastern Polymer Group Public Company Limited