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THIP-SET/029/2019

May 14, 2019

Subject : Filing of Reviewed Financial Statements for the 1st
Quarter of 2019 and 2018 and Management
Discussion and Analysis

Attention : The President
The Stock Exchange of Thailand

Enclosures : 1. Reviewed Financial Statements and the Auditor's
Review Report for the 1st Quarter of 2019 and 2018
2. Management Discussion and Analysis

The Board of Directors Meeting No. 3/2019 of Thantawan Industry Public Company Limited which was held on May 14, 2019 had approved the Reviewed Financial Statements for three-month period ended March 31st, 2019. The Management Discussion and Analysis for the 1st Quarter of this year can be clarified as attached.

Please be informed accordingly.

Very truly yours,

(Mr. Teerachai Siritunyanont)(Mrs. Pojanard Prinyapatpakorn)

Authorized Director



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Management Discussion and Analysis for Q1 2019

A) Results of Operations

The net profit after tax of Q1 2019 was THB 43.3 million which decreased by THB 30.2 million or 41.13% compared to the same quarter 2018. Earnings per share was THB 0.54, less than Q1 2018 by THB 0.38 mainly because of the below factors:


- Overall sales revenue decreased 6.97% compared to the same quarter in 2018 because of the global anti-plastic that becomes a thread for the industry and pushes more pressure that slowdown company's sales and GP. Company continues to produce more variety of biodegradable products and new other innovative products to fulfill the customers' change at all times.
- Company had benefit of the strong baht to USD in Q1 2018 about THB 10.1 million while in Q1 2019 had FX gain only THB 3.5 million decreased by THB 6.6 million because of baht to USD went weakening.
- Overall operating expenses decreased only 2.9% compared to Q1 2018 because company spent more in sales and general administrative expenses about THB41.3 million from the depreciation of the additional property and equipment and one time claim of THB 12 million from key customer of which the case was share responsibility between client and the company and was already handled and still continue the business.

Revenue from Sales

Most of Finished products are made in accordance with customers' orders (Made to Order) which can be classified into 3 categories, 1.) Plastic bags e.g. Zipper bag, breast milk storage bag 2.) Drinking straws 3.) Other products e.g. Zipper profile, Body puff. Performance by each segment could be summarized as below:

Products	Q1/2019		Q1/2018		Q1/2019 vs Q1/2018	
	Revenue (Million baht)	%	Revenue (Million baht)	%	Increased (Decreased) (Million baht)	%
Plastic Bags	590.4	83%	633.7	83%	(43.3)	-7%
Drinking Straw	84.3	11%	85.5	11%	(1.2)	-1%
Other Products	40.1	6%	42.1	6%	(2.0)	-5%
Total Sales Revenue	714.8	100%	761.3	100%	(46.5)	-6%




Mr. Teerachai Sirtunyanont
Director


Mrs. Pojanard Prinyapatpakorn
Director

Gross profit margin for Q1 2019 was presented at 18.7% of sales revenue which closed to Q1 2018 at 19.6%. As mention that the global anti-plastic pushed more pressure to demand and pricing which made more difficult to maintain the same margin.

B) Financial position

Assets

As of March 31, 2019, Company's total assets were THB 2,058.8 million, decreased from December 31, 2018 by THB 5.5 million or 6.0%. Significant changes in assets were followings;

Total current assets were THB 1,133.9 million, decreased by THB 57.7 million or 4.8% due to

1.1 Inventories decreased by THB 90.7 million or 20.55% compared to December 31, 2018. .

1.2 Trade Receivables increased by THB 57.7 million or 19.9% mainly from the high sales volume came in the last month of the quarter.

Non-current assets totaled THB 924.9 million, increased from December 31, 2018 amount of THB 52.1 million or 6.0%, resulting from assets under construction of THB 50.7 million or 97% of the incremental.

Liabilities and Shareholders' Equity

As of March 31, 2019, company's total liabilities were THB 350.6 million, decreased by THB 48.8 million or 12.2% compared to December 31, 2018. The lower amounts came from

- Trade and other payables decreased by THB 33.7 million or 12.3% of Dec 2018
- Accrued expenses were paid in Q1 2019, in total of THB23.9 million or 42.5% of Dec 2018

Shareholders' equity as of March 31, 2019 was THB 1,481 million, increased by THB 43.3 million or 3% compared to December 31, 2018 totally added up from the net profit after tax of Q1 2019.

C) Key Financial Ratios

Description	Unit	Q1 2019	Q1 2018	In(De)
Gross profit margin	%	18.7%	19.6%	-0.9%
Net profit margin	%	5.99%	9.47%	-3.48%
Return on shareholders' equity	%	2.57%	4.76%	-2.20%
Return on total assets	%	2.10%	3.65%	-1.56%
Liquidity ratio	Times	3.68	3.21	0.47
Cash cycle	Days	62	60	2
Debt to Equity ratio	Times	0.21	0.30	-0.10
Book value per share	THB/share	21.35	19.76	1.60
Basic earnings per share	THB/share	0.54	0.92	-0.38




Mr. Teerachai Siritunyahont,
Director


Mrs. Pojanard Prinyapatpakorn
Director