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THIP-SET/042/2019

November 14, 2019

Subject : Filing of Reviewed Financial Statements for the 3rd
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 3rd Quarter of 2019 and 2018
2. Management Discussion and Analysis

The Board of Directors Meeting No. 6/2019 of Thantawan Industry Public Company Limited which was held on November 14, 2019 had approved the Reviewed Financial Statements for three-month and nine-month period ended September 30, 2019. The Management Discussion and Analysis for the 3rd Quarter of this year can be clarified as attached.

Please be informed accordingly.

Very truly yours,



(Mr.Detbordin Riensubdee)(Mrs.Pojanard Prinyapatpakorn)

Authorized Director

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Management Discussion and Analysis for Q3 2019

A) Results of Operations

The net profit after tax of Q3 2019 was THB 78.6 million which increased by THB 14.7 million or 23.0% compared to the same quarter in 2018. Earnings per share was THB 0.98, more than Q3 2018 by THB 0.18 mainly because of the below factors:

- Overall sales increased by 1.23% compared to the same period in 2018, which increased from both domestic and export sales. Export sales increased from additional order for holiday season during the rest of the year as well as market expansion especially in US region of which its growth 31% compared to the same period in 2018. For domestic market, we had design and functionality of Zipper bag, for example Term Boon zipper bag. Moreover, the Company put more emphasize on promoting our own brands namely SUNMUM, SUNBIO, Fresh&Fresh and other SUNPRODUCTS. The marketing activities covered both social media for online shoppers and trade fairs for conventional shopping.

Moreover, the company keeps developing green products and composable products in terms of cost and shelf life in order to support the changing market trend which their sales grew from Q2 2019 by 20%. Growth in sales of this product group partially to replace plastic straw especially in domestic market. But also increase by demand of composable bag in Europe.

- The company's overall expenses decreased slightly by 0.63% compared to the same period in 2018, mainly due to cost of sales which decreased by 0.83%. Raw material prices slightly declined and with our continuous orders from customer, the company can manage the machinery more efficiently, resulting in lower cost of sales.

Selling and administrative expenses increased by 0.8% compared to the same period in 2018, mainly due to the depreciation of fixed assets.

- Gross profit margin in Q3 2019 was 21.3% while 19.4% in Q3 2018. The increased came from lower cost as mention earlier.




Mr. Detbordin Riensubdee
Director


Mrs. Pojanard Prinyapatpakorn
Director

B) Financial position

Assets

As of September 30, 2019, Company's total assets were THB 2,200.3 million, increased from December 31, 2018 by THB 136.0 million or 6.6%. Significant changes in assets were followings;

1.) Total current assets were THB 1,279.5 million, increased by THB 87.9 million or 7.4% due to.

1.1 Inventories increased by THB 90.7 million or 20.6% compared to December 31, 2018. mainly from raw materials and finished goods.

1.2 Trade accounts receivables increased by THB 41.8 million or 14.4% mainly from increase in high sales volume at the end of the quarter. Together with the increasing proportion of US customers, their credit terms were longer than other regions according to geography.

2.) Non-current assets totaled THB 920.8 million, increased from December 31, 2018 amount of THB 48.1 million or 5.5%, resulting from investments in fixed assets (machinery and infrastructure) by THB 45.1 million. or 93.9% of total current assets increased.

Liabilities and Shareholders' Equity

As of September 30, 2019, company's total liabilities were THB 474.1 million, increased from December 31, 2018 amount of THB 74.7 million or 18.7%. Significant changes in liabilities and shareholders' equity were followings;

- Trade and other payables increased by THB 70.7 million or 25.8% due to the purchase of raw materials from trade account payables are not yet due.
- Long-term employee benefits increased from the provision of new labor laws in the amount of THB 11.0 million or 26.2%

Shareholders' equity as of September 30, 2019 was THB 1,499.4 million, increased by THB 61.3 million or 4.3% compared to December 31, 2018 totally added up from the comprehensive income for the nine months of 2019, less dividends paid.


Mr. Detbordin Riensubdee
Director


Mrs. Pojanard Prinyapatpakorn
Director



C) Key Financial Ratios

Description	Unit	Q3 2019	Q3 2018
Gross profit margin	%	21.3%	19.4%
Net profit margin	%	10.07%	8.29%
Return on shareholders' equity	%	4.66%	4.03%
Return on total assets	%	3.64%	3.22%
Liquidity ratio	Times	3.07	3.52
Cash cycle	Days	55	63
Debt to Equity ratio	Times	0.27	0.25
Book value per share	THB/share	21.58	19.43
Basic earnings per share	THB/share	0.98	0.80




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 Director


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 Director