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THIP-SET/010/2020

February 14, 2020

Subject : Filing of Financial Statements for the years ended December 31st,
2019 and 2018 and Management Discussion and Analysis

Attention : The President
The Stock Exchange of Thailand

Enclosures : 1. Financial Statements and the Auditor's
Report for the years ended December 31st, 2019 and 2018
2. Management Discussion and Analysis

The Board of Directors Meeting No. 1/2020 of Thantawan Industry Public Company Limited which was held on February 14, 2020 had approved the Financial Statements for the years ended December 31st, 2019 and 2018. The Management Discussion and Analysis for the years ended December 31st, 2019 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 the year 2019

A) Results of Operations

The net profit after tax for the year 2019 was THB 244.5 million which decreased by THB 13.9 million or 5.4% compared to the year 2018. Earnings per share was THB 3.06, less than last year by THB 0.17 mainly because of the below factors:

- Overall sales decreased by 0.9% compared to last year were followings:
 - Export revenue decreased from straw product totaling THB 91.0 million because of single-use plastics ban. The company shifted focus to non single-use plastics and our own “SUN” brand. More of SUN brand e.g. SUNMUM was penetrating to various countries. In addition, we developed new products to fulfill the changing needs and were expanding new customer base. All of these efforts reflected in growth in 2nd half revenue of bag and other products from 2018 totaling THB 62.4 million.
 - Domestic revenue increased from straw products despite of a nationwide revolt against plastic. The company heavily did research and development on green products and composable products in terms of cost and shelf life in order to support the changing market trend.

The company put more emphasize on promoting our own brands “SUN” namely SUNMUM, SUNBIO, Fresh&Fresh and other SUNPRODUCTS as well as continuously improves product design and functionality, for example Term Boon zipper bag. Another strategy in 2019 was more marketing activities through both digital channel (e.g. social media, Facebook) and conventional way (e.g. trade fair) in order to improve brand awareness and cover change in consumer behavior as well.

Overall, sales of green products and composable products, including bags and straws significantly increased 4 times from 2018 but took small proportion to total sales.

- The company's overall expenses decreased by 0.63% compared to the year 2018, mainly due to cost of sales which decreased by 1.8%. Raw material prices slightly declined and with our continuous orders from customer, the company can manage production more efficiently, resulting in lower cost of sales.



Mr. Detbordin Riensubdee
Director



Mrs. Pojanard Prinyapatpakorn
Director



Selling and administrative expenses increased by 7.6% compared to the year 2018, mainly due to the depreciation of fixed assets and sales related expenses.

- Gross profit margin for the year 2019 was 19.9% while 19.3% in year 2018. The increased came from lower cost as mention earlier.

B) Financial position

Assets

As of December 31, 2019, company's total assets were THB 2,206.7 million, increased from December 31, 2018 by THB 142.4 million or 6.5%. Significant changes in assets were followings;

1.) Total current assets were THB 1,302.0 million, increased by THB 110.4 million or 8.5% due to.

1.1 Cash and cash equivalents increased by THB 155.9 million or 46.5% compared to December 31, 2018. mainly come from last year we spend a lot on investment in fixed asset such as warehouse and machineries that we spend more than this year about THB 133.5 million, resulting in increased cash and cash equivalents.

1.2 Trade and others receivables increased by THB 33.7 million or 10.4% mainly from increase in sales during last quarter of the year.

2.) Non-current assets totaled THB 904.7 million, increased from December 31, 2018 amount of THB 32.0 million or 3.5%, resulting from investments in fixed assets (machinery and infrastructure) by THB 31.8 million or 3.9% of total current assets increased.

Liabilities and Shareholders' Equity

As of December 31, 2019, company's total liabilities were THB 398.4 million, increased from December 31, 2018 amount of THB 1.0 million or 0.3% mainly from trade and other payables which decreased by THB 23.0 million or 9.2%.

Shareholders' equity as of December 31, 2019 was THB 1,808.3 million, increased by THB 143.4 million or 7.9% compared to December 31, 2018 totally added up from the comprehensive income for the year 2019, less dividends paid.



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C) Key Financial Ratios

Description	Unit	Year 2019	Year 2018
Gross profit margin	%	19.87%	19.12%
Net profit margin	%	7.99%	8.37%
Return on shareholders' equity	%	14.08%	16.29%
Return on total assets	%	11.45%	12.84%
Liquidity ratio	Times	3.79	3.52
Cash cycle	Days	65	57
Debt to Equity ratio	Times	0.22	0.25
Book value per share	THB/share	22.60	19.43
Basic earnings per share	THB/share	3.06	3.23



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