



THIP-SET/043/2020

August 10, 2020

Subject: Filling of the Reviewed Financial Statements for the 2nd Quarter of 2020 and 2019,
Management Discussion and Analysis and the interim dividend payment

Attention: Director and Manager
The Stock Exchange of Thailand

Enclosures: 1. Reviewed Financial Statements and the Auditor's review report for the 2nd Quarter of 2020 and 2019
2. Management Discussion and Analysis

Thantawan Industry Public Company Limited ("the Company") held the Board of Director's meeting No.6/2020 on August 10, 2020 and had a resolution as follows;

1. Approved the Reviewed Financial Statements for three-month and six-month period ended of June 30, 2020. Management Discussion and Analysis for the 2nd Quarter of 2020 can be clarified as attached.
2. Approved an interim dividend payment for the operating results from January 1, 2020 to June 30, 2020 to Shareholders at the rate of 0.50 Baht per share, totaling 40,000,000 Baht. The interim dividends are paid from taxable profits at the rate of 20 percent. The Record Date for determining the names of eligible dividends is Monday August 24, 2020 and the interim dividend payment is Wednesday September 9, 2020.

Please be inform accordingly

Sincerely Yours,

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

Authorized Directors



OFFICE

32nd Fl., Suntowers Bldg.A, 123 Vibhavadi-Rangsit Rd., Chomphon, Chatuchak, Bangkok 10900 Thailand.
Tel. + 66 2273 8333 Fax. + 66 2273 8282 , 273 8484 Website : www.thantawan.com

FACTORY

143-144 Moo 8, Soi Kangval 2, Phetkasem Rd., Omyai, Sampran, Nakornpathom 73160 Thailand.
Tel. + 66 2431 3051 , 811 4700 Fax. + 66 2420 3180 Website : www.thantawan.com



Handwritten signature/initials in blue ink.

Management Discussion and Analysis for Q2 2020

A) Results of Operations

The net profit after tax of Q2 2020 was THB 58.7 million which increased by THB 19.3 million or 48.9% compared to Q2 2019. Earnings per share was THB 0.79, higher than Q2 2019 by THB 0.24 mainly because of overall expenses decreased 5.7%. Detail will be described below:

The spread of the pandemic Corona virus (COVID19) affected customer orders in April and May 2020 when many countries began to lockdown and impact our customer's distribution channel. Later, ease on restriction made order return to normal at the end of Q2 2020 that impacted to the overall of revenue of Q2 2020 was slightly decreased by 1.9%. Despite order being close to normal, the company keeps monitoring and assessing the situation closely due to uncertainty of virus spread out.

- Overall product sales increased by 1.9% compared to Q2 2019 summarized as below.

Sales Revenue	Drinking Straw		Plastic Bags		Other Products		Total Sales Revenue	
	Q2/20	Q2/19	Q2/20	Q2/19	Q2/20	Q2/19	Q2/20	Q2/19
Export sales	22.8	36.4	537.3	530.6	29.8	27.7	589.9	594.7
Domestic sales	26.3	38.5	65.5	63.2	14.3	13.4	106.1	115.1
Total sales	49.1	74.9	602.8	593.8	44.1	41.1	696.0	709.8
Inc.(Dec)								
Export sales		-37.4%		1.3%		7.6%		-0.8%
Domestic sales		-31.7%		3.6%		6.7%		-7.8%
Total sales Inc.(Dec)		-34.4%		1.5%		7.3%		-1.9%

- Demand for plastic bags product did not drop during the coronavirus outbreak because it's household use during lockdown and for hygiene purpose. The company focused on less sensitive customers making the revenue of plastic bags slightly growth by 1.5% in Q2 2020 and the overall of revenue decreased slightly by 1.9% mainly caused by drinking straw.
- The company aims to promote our own brand under the brand name "SUN" such as SUNMUM, SUNBIO, Fresh & Fresh, etc. New product that just launched in Q2, 2020 is "Sun Eco Straw", the reusable and carried on straw to cope with single used plastic. However, with the pressure from the COVID 19, many planned marketing activities were postponed, which slowdown SUN brand revenue growth to 5.5% from Q2 2019.




Mr. Detbordin Riensubdee
Director


Mrs. Pojanard Prinyapatpakorn
Director

- The company's overall expenses decreased 5.7% compared to Q2 2019, mainly due to
 - Administrative expenses decreased by 14.8% mainly due to in Q2 2019 the company adjusted one-time expense about the provision for long-term employee benefits according to the new labor law.
 - Cost of sales decreased 5.2% mainly due to the decline in resin price. In addition, the company managed the machinery more efficiently, resulting in lower cost of sales.
 - Selling and distribution expenses increased 6.8% compare to Q2 2019 mainly increased from marketing expenses.
- Gross profit margin in Q2 2020 was 20.8% increased 2.6% compare to Q2 2019 from lower cost as mention earlier.

B) Financial position

Assets

As of June 30, 2020, Company's total assets were THB 2,357.5 million, increased from December 31, 2019 by THB 150.8 million or 6.8%. Significant changes in assets were followings;

- 1.) Total current assets were THB 1,385.8 million, increased by THB 83.8 million or 6.4% mainly due to finished goods increased by THB 49.0 million or 46.2% compared to December 31, 2019 to support Q3's order and increased in trade account receivables not yet due by THB 9.3 million and other receivables by THB 14.1 million. Trade account receivables increased in line with sales in June 2020 and quality of trade receivables has slightly improved and has not impact from the pandemic.
- 2.) Total non-current assets were THB 971.7 million, increased by THB 67.0 million or 7.4%. The main reason from right-of use-assets which increased from the impacted of adoption in TFRS16 in the amount of THB 55.3 million and the rest increased from investing in fixed assets.

Liabilities and Shareholders' Equity

As of June 30, 2020, company's total liabilities were THB 519.3 million, increased from December 31, 2019 amount of THB 120.9 million or 30.3% mainly due to liabilities under lease agreement which increased from the impact from the adoption in TFRS16 in the amount of THB 54.7 million and increased from trade and other payables by THB 86.3 million in line with purchase of raw material to support increasing order.

Shareholders' equity as of June 30, 2020 was THB 1,838.3 million, increased by THB 30.0 million or 1.7% compared to December 31, 2019 totally added up from the comprehensive income for Q2 2020.




Mr. Detbordin Riensubdee
Director


Mrs. Pojanard Prinyapatpakorn
Director

C) Key Financial Ratios

Description	Unit	Q2/20	Q2/19
Gross profit margin	%	20.82%	18.16%
Net profit margin	%	8.35%	5.50%
Return on shareholders' equity	%	3.16%	2.35%
Return on total assets	%	2.48%	1.89%
Liquidity ratio	Times	3.28	2.89
Cash cycle	Days	63	62
Debt to Equity ratio	Times	0.28	0.28
Book value per share	THB/share	22.98	21.35
Basic earnings per share	THB/share	0.73	0.49



Detbordin Riensubdee

Mr.Detbordin Riensubdee
Director

Pojanard Prinyapatpakorn

Mrs. Pojanard Prinyapatpakorn
Director