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THIP-SET/006/2021

February 15, 2021

Subject : Filing of Financial Statements for the years ended December 31, 2020 and 2019 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 31, 2020 and 2019
2. Management Discussion and Analysis

The Board of Directors Meeting No. 2/2021 of Thantawan Industry Public Company Limited which was held on Monday, February 15, 2021 had approved the Financial Statements for the years ended December 31, 2020 and 2019. The Management Discussion and Analysis for the years ended December 31, 2020 can be clarified as attached.

Please be informed accordingly.

Very truly yours,

(Mr.Detbordin Riensubdee)(Ms.Narissai Mahathitirat)

Authorized Director



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Management Discussion and Analysis for the year 2020

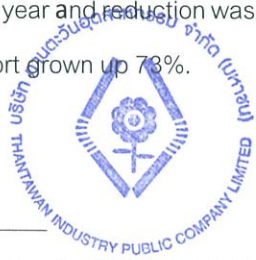
A) Results of Operations

The net profit after tax of Year 2020 was THB 347.8 million which increased by THB 103.3 million or 42.2% compared to Year 2019. Earnings per share was THB 4.35 higher than Year 2019 by THB 3.06 mainly because of the revenue increased by THB 170.8 or 5.6% and reduction of COGS. Detail will be described below:

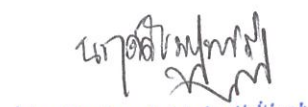
- Overall product sales increased by 5.6% compared to Year 2019 summarized as below.

Sales Revenue	Bags		Drinking Straw		Other Products		Total Sales Revenue	
	2020	2019	2020	2019	2020	2019	2020	2019
International sales	2,554.8	2,317.3	85.6	143.0	129.5	120.3	2,769.9	2,580.6
Domestic sales	246.2	248.3	123.0	139.6	57.6	57.4	426.8	445.3
Total sales	2,801.0	2,565.6	208.6	282.6	187.1	177.7	3,196.7	3,025.9
Inc.(Dec)								
International sales		10.2%		-40.1%		7.6%		7.3%
Domestic sales		-0.8%		-11.9%		0.3%		-4.2%
Total sales Inc.(Dec)		9.2%		-26.2%		5.3%		5.6%

- In the midst of the pandemic of Coronavirus 2019 or Covid-19 affected the demand in the first half year of 2020 to be lower than usual but in the second half many countries adapt as circumstances change. Resulting in demand for reusable bags grown up from household use during lockdown and for hygiene purpose resulting in the revenue of reusable bags growth by 9.2% in Year 2020 and the overall of revenue increased by 5.6%
- Own brand is still the core strategy of the company. The company categorizes 3 main brand groups for variety consumer purpose. "SUN Mum&Baby" the product for mother and baby such as breast milk storage bags, "SUN Kitchen" the product for the kitchen such as zipper bag, life extending fresh&fresh product bag, garbage bag and "SUN Eco" 100% compostable product¹ for consumers who care for the environment. The flagship product of the company is still SUNMUM. Even though, COVID-19 pandemic limited various marketing activities, overall own brand income still maintains sales at the same level as last year and reduction was mainly from department stores' sales, while sales from online channel and export grown up 73%.




Mr. Detbordin Riensubdee
Director


Ms. Narissai Mahathitirat
Director

¹ Compostable product can be degraded itself in the right temperature and humidity.

- The company's overall expenses increased by 1.1% compared to Year 2019, mainly due to
 - Selling and distribution expenses increased by THB 10.0 million or 10.6% compare to Year 2019 mainly increased from promotion and marketing expenses.
 - Administrative expenses slightly increased by THB 1.2 million or 0.5% because the company tried to reduce operating expenses. However, the company had a one-time expense of THB 9.2 million regarding to reserve for unutilized fixed assets, as part of our factory expansion plan in 2021 onward. Consequently, total administrative expenses were slightly increased.
 - Cost of sales increased by 0.8% in line with the revenue increases but lower percentage than sales. As a result, gross profit margin in 2020 was 23.5% increased by 3.7% compare to 2019. 2 main reasons were 1) the price of key raw materials declined, while the selling price was gradually raise up, and 2) from continuous orders after COVID-19 led to efficient production and less production waste. Currently, the average price of key raw material has increased from Q3/2020 by 16% and will be impact to gross profit next quarter from not be able to adjust the selling price in time.

B) Financial position

Assets

As of December 31, 2020, Company's total assets were THB 2,511.5 million, increased from December 31, 2019 by THB 304.8 million or 13.8%. Significant changes in assets were followings;

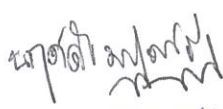
- 1.) Total current assets were THB 1,559.7 million, increased by THB 257.7 million or 19.8% mainly due to cash and cash equivalent increased by THB 361.6 million or 108.0% compared to December 31, 2019.
- 2.) Total non-current assets were THB 951.8 million, increased by THB 47.1 million or 5.2%. The main reason from right-of use-assets which increased from the impacted of adoption in TFRS16 in the amount of THB 62.6 million.

Liabilities and Shareholders' Equity

As of December 31, 2020, company's total liabilities were THB 497.4 million, increased from December 31, 2019 amount of THB 99.0 million or 24.9% mainly due to 1.) liabilities under lease agreement which increased from the impact from the adoption in TFRS16 by THB 46.1 million 2.) Accrued income tax increased by THB 10.5 million from the net profit increased 3.) Provision for long-term employee benefits increased by THB 7.4 million from assumption change and 4.) increased from other accrued expenses in line with the expenses increased.




 Mr. Deibordin Riensubdee
 Director


 Ms. Narissai Mahathitirat
 Director

Shareholders' equity as of December 31, 2020 was THB 2,014.1 million, increased by THB 205.8 million or 11.4% compared to December 31, 2019 totally added up from the comprehensive income for the year 2020.

C) Key Financial Ratios

Description	Unit	Year20	Year19
Gross profit margin	%	23.52%	19.87%
Net profit margin	%	10.83%	7.99%
Return on shareholders' equity	%	18.20%	14.08%
Return on total assets	%	14.74%	11.45%
Liquidity ratio	Times	3.87	3.79
Cash cycle	Days	67	64
Debt to Equity ratio	Times	0.25	0.22
Book value per share	THB/share	25.18	22.60
Basic earnings per share	THB/share	4.35	3.06



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