

THIP-SET/038/2021

November 10, 2021

Subject : Filing of Reviewed Financial Statements for the 3rd
Quarter of 2021 and 2020 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 2021 and 2020
2. Management Discussion and Analysis

The Board of Directors' Meeting No. 7/2021 of Thantawan Industry Public Company Limited which was held on November 10, 2021 had approved the Reviewed Financial Statements for three-month and nine-month period ended September 30, 2021. The Management Discussion and Analysis for the 3rd Quarter of this year can be clarified as attached.

Please be informed accordingly.

Sincerely Yours,



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

Authorized Director



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FACTORY

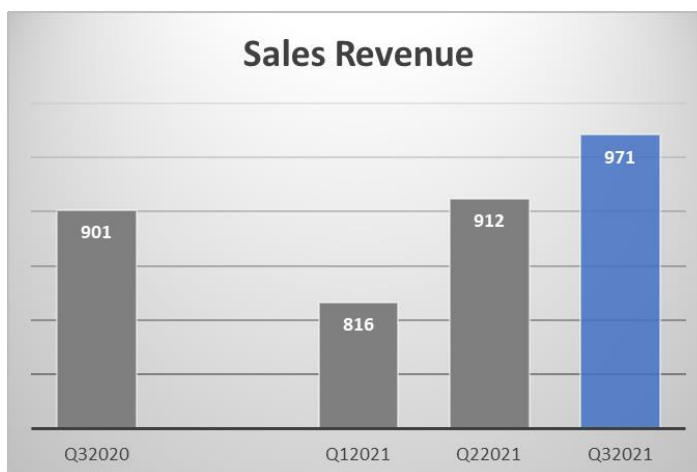
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Management Discussion and Analysis for Q3 2021

A) Results of Operations

- Overall product sales increased by 7.7% compared to Q3 2020. The reasons were summarized below.



Graph illustrated Quarter revenues from contracts with customers (unit: million baht)

- For the three-month period in Q3 2021, sales revenue continued to grow from both Q1 2021 and Q2 2021 by 18.9% and 6.4% respectively and increased from the same period of 2020 by 7.7%. For nine-month period, sales revenue of 2021 significantly improved from last year by 15.0%. The growth in this year was a result from increasing demand in the markets as well as with our production capacity expansion plan which has started its operation.
 - Sales by geography were driven by Europe and USA where the latter had sales growth around 76% in accordance with our sales strategies.
 - Domestic Sales strategy will focus more on own brand products and expanding to upcountry market.
 - For new products development of 2021, “SunZip Antivirus” and “Sunmum” smart bag were launched in Q2 2021 together with the mobile application called “Sunfamily” to help arranging breastmilk stock via QR code and providing tips for raising their children. In Q3 2021, “Sunbin”, recycle trash bag was launched to the market.
- The company's overall expenses increased by THB 85.0 million or 11.0% compared to Q3 2020, mainly due to

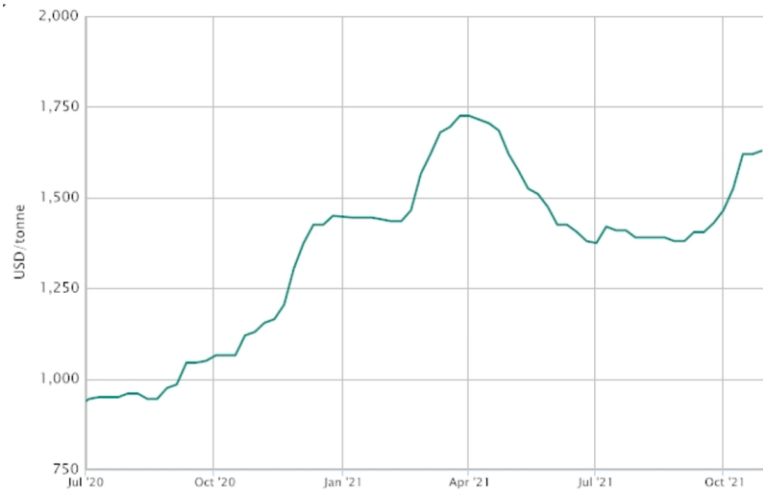




(Mr. Detbordin Riensubdee, Mrs. Pojanard Prinyapatpakorn)

Director

- Cost of sales increased by THB 96.9 million or 14.5%, along with growth of revenue but higher percentage than sales, resulting in the gross profit margin in Q3 2021 of 21.1% and decreased by 4.7% compared to Q3 2020. This was because COVID widely spread in the factory area during Q3 2021 and affected production capacity as well as additional cost from COVID preventive measures. Moreover, major raw materials' price increased comparing to Q3 2020.



Graph presents LDPE price from July 2020 until present

- Graph clearly showed that the market price of resin in Q3 2021 significantly rise from Q3 2020 almost 30%. Besides, October's price is up again and expect to impact in production cost in Q4 2021 until Q1 2022.
- However, the company has continuously improved production efficiency as a part of sustainable cost reduction. The results have been clearly seen since year 2020 and continued in 2021. As a result, the production cost did not increase in accordance with higher production volume.
- Selling expenses and administrative expenses decreased by THB 5.2 million and THB 6.7 million respectively because of THB 9.2 million one-time reserve for unused fixed asset in 2020.
- The net profit after tax of Q3 2021 was THB 104.8 million which slightly decreased by THB 11.1 million or 9.6% compared to Q3 2020. Earnings per share was THB 1.16, lower than Q3 2020 by THB 0.14 mainly because of the below factors:



Detbordin Riensubdee

Pojanard Prinyapatpakorn

(Mr.Detbordin Riensubdee, Mrs.Pojanard Prinyapatpakorn)

Director

B) Financial position

Assets

As of September 30, 2021, Company's total assets were THB 2,716.2 million, increased from December 31, 2020 by THB 204.7 million or 8.2%. Significant changes in assets were followings;

- 1.) Inventory increased by THB 218.8 million or 50%, consisting of finished goods increased by THB 104.1 million and raw material increased by THB 77.8 million. The main reasons were (1) inventory quantity increased in accordance with growth of sales order, (2) resin prices increased sharply, (3) global container shortage since the end of last year.
- 2.) Due to production capacity expansion plan in 2021, land and machinery increased by THB 88.4 million.
- 3.) Other non-current financial assets increased by THB 103.3 million since the company invested THB102.6 million cash on hand to mutual fund in order to receive higher return with acceptable risk.

Liabilities and Shareholders' Equity

As of September 30, 2021, company's total liabilities were THB 539.3 million, increased from December 31, 2020 by THB 41.9 million or 8.4% mainly due to trade and other payables increased by THB 66.7 million or 25.8% which mainly due to higher raw material order.

Shareholders' equity as of September 30, 2021 was THB 2,177.0 million, increased by THB 162.8 million or 8.1% compared to December 31, from the capital increased to support the stock dividend payment on May 24, 2021 by THB 10.0 million and another THB 152.8 million added up from the comprehensive income for Q3 2021




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Director

C) Key Financial Ratios

Description	Unit	Q3 2021	Q3 2020	Inc(Dec)
Gross profit margin	%	21.13%	25.82%	-4.69%
Net profit margin	%	10.69%	12.80%	-2.11%
Return on shareholders' equity	%	4.93%	6.03%	-1.09%
Return on total assets	%	3.96%	4.80%	-0.84%
Liquidity ratio	Times	3.86	3.56	0.29
Cash cycle	Days	78	58	20
Debt to Equity ratio	Times	0.24	0.26	-0.02
Book value per share	THB/share	24.19	20.88	3.30
Basic earnings per share	THB/share	1.16	1.29	-0.12

Cash cycle increased from longer inventory turnover which was the impact from container shortage.

However, quality of inventory remained good since customer placed orders consistently.



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

Director