

THIP-SET/004/2022

February 14, 2022

Subject : Filing of Financial Statements for the years ended December 31, 2021 and 2020 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, 2021 and 2020  
2. Management Discussion and Analysis

The Board of Directors Meeting No. 2/2022 of Thantawan Industry Public Company Limited which was held on Monday, February 14, 2022 had approved the Financial Statements for the years ended December 31, 2021 and 2020. The Management Discussion and Analysis for the years ended December 31, 2021 can be clarified as attached.

Please be informed accordingly.

Very truly yours,



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

Authorized Director



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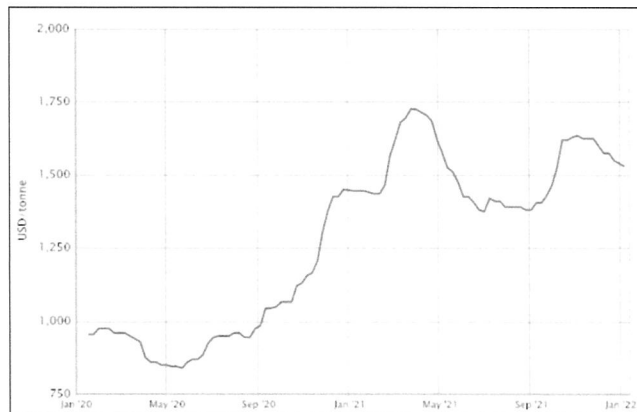


## Management Discussion and Analysis for the year 2021

### RESULTS OF OPERATIONS

The 2021 net profit after tax was THB 382.8 million which increased by THB 35 million or 10.0% compared to 2020. Earnings per share was THB 4.25 higher than last year by THB 0.44 mainly. Key highlight of 2021 are described below:

- Overall sales increased by 17.6% YoY. Sales growth derived from
  - 1.) New production capacity for slider bag up and run since Q3, 2021
  - 2.) Successful market expansion to acquire new customers in Europe and upcountry market in Thailand.
  - 3.) New product lines and upselling e.g. Sunbin recycle, Sunzip Antivirus, slider zipper bag and stretch film.
- Other income increased significantly due to favorable FX gain of THB 15 million and unrealized gain on investment of THB 10 million (from mark to market investment). The company has tried our best to carefully hedge FX exposure and thoroughly select investment instruments.
- In Q4, 2021, the company determined to maximize return on available cash by investing THB 500 million idle cash in both short-term and long-term investment resulting in unrealized gain of THB 10 million baht as mentioned in major increase in other income.
- The company's overall expenses increased by THB 56.9 million or 14.0% YoY, mainly due to
  - Cost of sales increased by THB 519.3 million or 21.24%, varied by sales and resin price.



Graph presents LDPE price 2020- 2022

- Graph clearly showed that average resin price in 2020 was extremely low reflecting in high margin in 2020. While 2021, price returned to normal level making margin in slightly drop in margin in



  
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2021. However, the company had actively and closely monitor resin cost vs selling price to maintain profit level.

- 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.
  - The company managed selling expenses quite effective resulting in decreased of THB 2.8 million. Administrative expenses increased by THB 5.2 million because the company investing in people and R&D for future expansion
- COVID-19 in 2021 has been spreading widely in Thailand and especially in Q2 when Nakornprathom, our factory's location, was announced to be red zone for COVID-19 Delta species. The company implemented various pre cautious measures as well as set up field hospital so as to secure our staffs and ensure our production continue operating and on time delivery to customers.

## FINANCIAL POSITION

### Assets

As of December 31, 2021, Company's total assets were THB 2,957 million, increased from previous year by THB 445.4 million or 17.7%. Significant changes in assets were followings;

- 1.) The company tried to maximize return on asset by investing idle cash approximately THB 500 million to both short-term and long-term investment, making reduction in cash and increase in investment.
- 2.) Inventory increased by THB 295.6 million or 67.5%, mainly finished goods and raw material increased. 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 made longer inventory turnover.
- 3.) Due to production capacity expansion plan in 2021, property plant and equipment net increased by THB 82.5 million.

  
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## Liabilities and Shareholders' Equity

As of December 31, 2021, company's total liabilities were THB 643.5 million, increased previous year by THB 146.1 million or 29.4% mainly due to trade and other payables increased by THB 124.7 million or 48.4% which mainly due to higher raw material price and increasing production order.

Shareholders' equity as of December 31, 2021 was THB 2,313.5 million, increased by THB 299.4 million or 14.8% YoY, mainly from the capital increased from stock dividend on May 24, 2021 by THB 10.0 million and another THB 289.4 million added up from the comprehensive income for 2021.

## KEY FINANCIAL RATIOS

Description	Unit	Year 2021	Year 2020
Gross profit margin	%	21.18%	23.52%
Net profit margin	%	10.08%	10.83%
Return on shareholders' equity	%	17.05%	17.71%
Return on total assets	%	13.50%	14.13%
Liquidity ratio	Times	2.93	3.87
Cash cycle	Days	81	69
Debt to Equity ratio	Times	0.28	0.25
Book value per share	THB/share	25.71	21.82
Basic earnings per share	THB/share	4.25	3.86

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. For cash collection turnover and supplier payment turnover have remained normal.

  
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