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THIP-SET/030/2020

May 13, 2020

Subject : Filing of Reviewed Financial Statements for the 1<sup>st</sup>  
Quarter of 2020 and 2019 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 1<sup>st</sup> Quarter of 2020 and 2019  
2. Management Discussion and Analysis

The Board of Directors Meeting No. 4/2020 of Thantawan Industry Public Company Limited which was held on May 13, 2020 had approved the Reviewed Financial Statements for three-month period ended March 31<sup>st</sup>, 2020. The Management Discussion and Analysis for the 1<sup>st</sup> Quarter of this year can be clarified as attached.

Please be informed accordingly.

Very truly yours,

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

Authorized Director



OFFICE

32<sup>nd</sup> Fl., Sun Towers 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](http://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](http://www.thantawan.com)



## Management Discussion and Analysis for Q1/2020

### A) Results of Operations

The net profit after tax of Q1/2020 was THB 71.2 million which increased by THB 27.9 million or 64.6% compared to Q1/2019. Earnings per share was THB 0.89, higher than Q1/2019 by THB 0.35 mainly because of the below factors:

- Overall product sales increased by 4.8% compared to Q1/2019 summarized as below.

Products	Q1/2020		Q1/2019		Q1/2020 vs Q1/2019	
	Revenue (Million baht)	%	Revenue (Million baht)	%	Increased (Decreased) (Million baht)	%
Plastic Bags	654.6	87.4%	590.4	82.6%	64.2	10.9%
Drinking Straw	48.7	6.5%	84.3	11.8%	(35.6)	-42.2%
Other Products	46.0	6.1%	40.1	5.6%	5.9	14.7%
Total Product sales	749.3	100.0%	714.8	100.0%	34.5	4.8%

- Amidst anti single-use plastic, the company aim to develop reusable products and focus on the market that less sensitive to plastic which still has high demand, resulting 4.8% sales growth in Q1/2020 from both domestic and export up to 4.8% and mainly from zipper bags. However, the straw products continue to decline from Q1/2019 due to anti-plastic trend.
- The company aims to promote our own brand under the brand name "SUN" such as SUNMUM, SUNBIO, Fresh & Fresh, SUNPRODUCTS etc. The company not only improves product design and functionality but also develop product range in order to be comprehensive household products Our SUN products are promoted through various channels i.e. social media (e.g. facebook), web site "sunmumshopping.com" and conventional trade fair. These marketing activities intend to improve brand awareness and capture demand from consumer behavior change. As a result, SUN brand revenue continuous increase from Q1/2019 by 11.7%
- The company continued research and development on green products and composable products in terms of cost and shelf life in order to support the changing market trend. Overall, sales of green products and composable products, including bags and straws have a growth rate of 16.7% from Q1/2019 but took small proportion to total sales due to very high selling price comparing to normal plastic products.





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Director

- The spread of the pandemic virus Corona (COVID19) causes many countries in Europe and Asia to announce temporary lockdown. Our existing customers in these countries reduce some orders which will gradually impact in the second quarter which the company closely monitors and assesses the situation.

- The company's overall expenses decreased by 0.49% compared to Q1/2019, mainly due to
  - Administrative expenses decreased by 3.4% due to one-time expense in Q1/2019
  - Cost of sales decreased by 0.4%. due to the company can manage the machinery more efficiently, resulting in lower cost of sales.
  - Selling and distribution expenses increased by 7.4% compare to Q1/2019 mainly increased from marketing expenses.
- Gross profit margin in Q1/2020 was 22.75% increased 4.08% compare to Q1/2019 from lower cost as mention earlier.

## B) Financial position

### Assets

As of March 31, 2020, Company's total assets were THB 2,376.7 million, increased from December 31, 2019 by THB 170.0 million or 7.7%. Significant changes in assets were followings;

- 1.) Total current assets were THB 1,415.4 million, increased by THB 113.4 million or 8.7% mainly due to cash and cash equivalents increased by THB 294.0 million or 87.8% from cash received from short-term investment due in the period amounting to THB 156.8 million. Due to uncertainty of COVID19 situation, the company intends to maintain cash liquidity and carefully selected investment instruments.
- 2.) Total non-current assets were THB 961.3 million, increased by THB 56.6 million or 6.3%. The main reason from Right-of use-assets which increase from the impact of the first adopt of TFRS16 on January 1, 2020, in the amount of THB 62.4 million

### Liabilities and Shareholders' Equity

As of March 31, 2020, company's total liabilities were THB 497.2 million, increased from December 31, 2019 amount of THB 98.8 million or 24.8% mainly due to liabilities under lease agreement which



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increased from the impact of the first adopt of TFRS16 on January 1, 2020, in the amount of THB 65.1 million and increased from trade and other payables which increased by THB 46.3 million.

Shareholders' equity as of March 31, 2020 was THB 1,879.5 million, increased by THB 71.2 million or 3.9% compared to December 31, 2019 totally added up from the comprehensive income for Q1/2020

#### C) Key Financial Ratios

Description	Unit	Q1/20	Q1/19
Gross profit margin	%	22.75%	18.67%
Net profit margin	%	9.46%	5.99%
Return on shareholders' equity	%	3.86%	2.57%
Return on total assets	%	3.11%	2.10%
Liquidity ratio	Times	3.56	3.68
Cash cycle	Days	59	68
Debt to Equity ratio	Times	0.26	0.21
Book value per share	THB/share	23.49	21.35
Basic earnings per share	THB/share	0.89	0.54



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