



บริษัท ธนพิริยะ จำกัด(มหาชน)

สำนักงานใหญ่ : 329 หมู่ 8 ตำบลบ้านดู่ อำเภอเมืองเชียงราย จังหวัดเชียงราย 57100

THANAPIRIYA PUBLIC COMPANY LIMITED

Head Office : 329 Moo 8 Ban Du, Muang Chiang Rai, Chiang Rai 57100 Thailand

21 February 2019

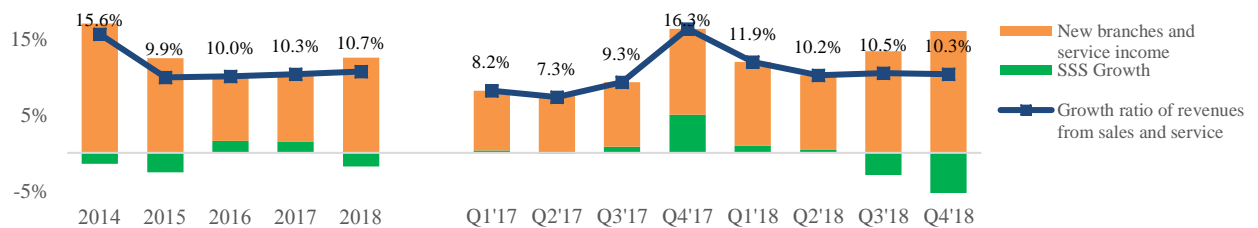
Subject Management Discussion and Analysis for the year ended 31 December 2018
 Attention Directors and Managers,
 Stock Exchange of Thailand

Thanapiriya Public Company Limited would like to clarify the organizational performance for the year ended 31 December 2018 as the following details;

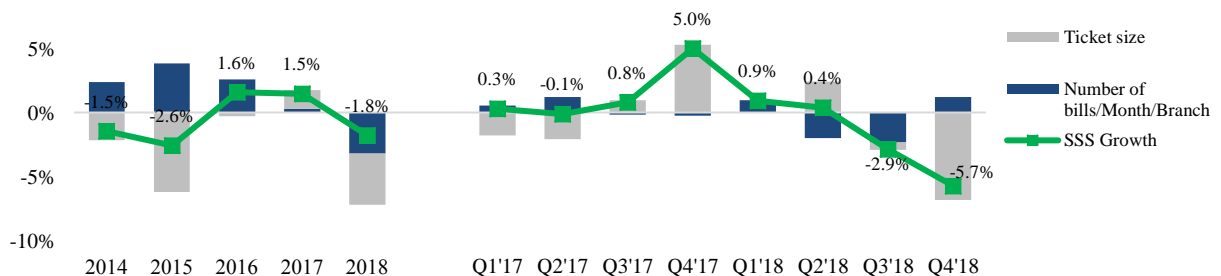
Operating performance overview for the year ended 31 December 2018

Unit: Million Baht	For the year ended 31 December		Change	
	2018	2017	Amount	%
Revenues from sales and services	1,769.17	1,597.71	171.47	10.73
Cost of sales and service	1,524.32	1,384.94	139.38	10.06
Gross profits	244.85	212.77	32.09	15.08
- Gross profit margin	13.84%	13.32%		
Other revenues	10.58	9.36	1.22	13.01
Sales and administrative expenses	178.69	150.26	28.43	18.92
Financial cost and income tax expense	11.60	10.57	1.03	9.70
Net profit	65.14	61.29	3.85	6.28
- Net profit margin	3.66%	3.81%		

Overview of revenue growth from sales and service



Revenue growth from existing branches (SSS Growth)





บริษัท ธนพิริยะ จำกัด(มหาชน)

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THANAPIRIYA PUBLIC COMPANY LIMITED

Head Office : 329 Moo 8 Ban Du, Muang Chiang Rai, Chiang Rai 57100 Thailand

Revenue from sales and service

Total revenue from sales and service for the year ended 2018 was Baht 1,769.17 million, increased by Baht 171.47 million or 10.73% compared to the previous year, the majority of the growing revenue was obtained from branch expansion.

Cost of sales and service

Total cost of sales and service for the year ended 2018 was Baht 1,524.32 million, increased by Baht 139.38 million or 10.06% compared to the previous year. The proportion of sales and service cost and sales and service revenue was 86.16% which decreased by 0.52% from the previous year which was identified as 86.68%.

Gross profit

For the year ended 31 December 2018, the company recorded gross profit of Baht 244.85 million, increasing from the same period of previous year by Baht 32.09 million or 15.08% which the gross profit margin ratio was 13.84%. The increase was due to the continuous branch expansion indicating higher gross profit margin than the wholesale revenue from the head office. Also, the Company received budget supports from the distributor because of continuous sales growth.

Sales and administrative expenses

For the year ended 31 December 2018, the amount of sales and administrative expenses of the Company was Baht 178.69 million, increasing from the same period last year by Baht 28.43 million or 18.92%. The increase of expenses was identified as further selling expenses from expanded branches including employment expense from additional employees, depreciation and facility expenses. Also, increase of administrative expense was caused by additional operating expenses of head quarter to support branch operations, including additional employment in storing and shipping progress as well as depreciation of new distribution center.

Net profit

For the year ended 31 December 2018, the company recorded net profit in amount of Baht 65.14 million, increasing from the same period of previous year by Baht 3.85 million or 6.28% which net profit margin ratio was 3.66%.



บริษัท ธนพิริยะ จำกัด(มหาชน)

สำนักงานใหญ่ : 329 หมู่ 8 ตำบลบ้านคู อำเภอมืองเชียงราย จังหวัดเชียงราย 57100

THANAPIRIYA PUBLIC COMPANY LIMITED

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Financial position

Unit: Million Baht	As at 31 December 2018	As at 31 December 2017	Change	
			Amount	%
Total assets	839.16	820.35	18.80	2.29
Total liabilities	190.67	213.00	(22.32)	(10.48)
Total shareholders' equity	648.49	607.35	41.14	6.77

Assets

On 31 December 2018, the total assets of the Company were Baht 839.16 million, increased by Baht 18.80 million from the previous year or 2.29%. The major change in assets as property plant and equipment increased by Baht 20.99 million, the increase in assets mainly resulted from the expansion of the branch.

Liabilities

On 31 December 2018, the total liabilities of the Company were Baht 190.67 million, decreased by Baht 22.32 million from the previous year or 10.48%. The decreasing of liabilities was a result of decreasing in short-term loan from financial institutions amount Baht 38.00 million and change from increase in trade and other payables of Baht 13.85 million.

Shareholders' equity

On 31 December 2018, the total Shareholders' equity of the Company were Baht 648.49 million, increased by Baht 41.14 million from the previous year or 6.77%. The major change of shareholders' equity was due to growth in net profit for the year 2018 amount of Baht 65.14 million and decrease from cash dividend payment amount of Baht 24.00 million.

Submitted for your acknowledgement.

Best Regards,

(Mr.Thawatchai Phuttiyriya)
Managing Director