



บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

August 15, 2017

Subject: Clarification on the cause of changes in operating results over 20 percent.

To: Director and Manager
The Stock Exchange of Thailand

According to TS Flour Mill Public Company Limited ("The Company") has submitted the financial statements for the second quarter of 2017 ending June 30, 2017. The Company's financial statements show the results of operations for the three months ended June 30, 2017, the net profit was 24.27 million baht when compared to the same period of the previous year. The net profit grew by 9.32 million baht or 62.3%, which is a change of more than 20%.

The Company's sales revenue for the second quarter of 2017 increased by 22.58 million baht or 7.0% from the same period of last year. The year 2017 was the result of a 9.8% increase in the sales volume of flour, but the average selling price of flour declined by 6.0%. Wheat bran sales volume increased by 14.5%, but the average selling price decreased by 17.3%.

Cost of sales in the second quarter of 2017 accounted for 80.1% of revenue, down from the same period of 2016, which accounted for 84.6% of revenue because the average price of the raw materials used decreased. And the use of higher capacity utilization rate 8.45% of total capacity compared to the same period of 2016, resulting in lower unit cost per unit. Therefore, the rate Gross margin in the second quarter of 2017 increased to 19.9% from 15.4% in the same period of 2016.

Administrative expenses in the second quarter of 2017 increased by 8.87 million baht or 46.4% from the same period of the previous year. By the main expense was a loss of exchange rate 7.04 million baht.



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For the six-month period ended June 30, 2017, the net profit was 66.11 million baht, when compared to the same period of last year. The net profit growth was 34.38 million baht or 108.3%.

The Company's sales in the first half of 2017 increased by 37.82 million baht or 5.9% from the same period of last year. The year 2017 was the result of a 12.8% increase in the sales volume of flour, but the average selling price of flour declined by 6.3% and wheat bran sales volume increased by 14.4%, but the average selling price decreased by 6.6%.

Cost of sales in the first half of 2017 accounted for 78.7% of revenue decreased from the same period of 2016, which accounted for 85.6% of revenue because the average price of raw materials used decreased. And the use of capacity at 6.52% of total capacity compared to the same period of 2016, resulting in lower unit cost per unit. As a result, the gross margin in 2017 increased to 21.3% from 14.4% in the same period of 2016.

Other income in the first half of 2017 decreased by 4.14 million baht or 50.3% from the same period of the last year due to a forex loss of 6.01 million baht and a reversal of doubtful accounts 1.50 million baht.

Administrative expenses in the first half of 2017 increased by 8.43 million baht or 23.9% from the same period last year. The higher core expenses came from employee welfare expenses.

Please be informed accordingly.

Yours sincerely,

Waewta Natphan

(Ms. Waewta Natphan)

Asst. Finance & Accounting Director

Company Secretary