



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

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างต่อเนื่องมืออาชีพ”

May 15, 2018

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 its financial statements for the first quarter ended March 31, 2018, the Company's financial statements showed net profit 26.83 million baht compared with Q1/2017, net profit decreased 15.01 million baht or 35.9% and net profit increased 10.05 million baht or 59.8% when compared to Q1/2016. The Company would like to clarify as follows.

Description	Q1/2018		Q1/2017		Q1/2018 compare with Q1/2017		Q1/2016		Q1/2018 compare with Q1/2016	
	Amount (Thousand Baht)	%	Amount (Thousand Baht)	%	More (Less) Amount (Thousand Baht)	%	Amount (Thousand Baht)	%	More (Less) Amount (Thousand Baht)	%
Average Capacity Utilization		71.98%		65.54%		6.44%		60.91%		11.07%
Revenue from sales	358,192	100.0%	333,518	100.0%	24,674	7.4%	318,278	100.0%	39,914	12.5%
Cost of sales	(288,913)	(80.7%)	(257,439)	(77.2%)	31,474	12.2%	(275,730)	(86.6%)	13,183	4.8%
Gross profit	69,279	19.3%	76,079	22.8%	(6,800)	(8.9%)	42,548	13.4%	26,731	62.8%
Other income	1,115	0.3%	10,336	3.1%	(9,221)	(89.2%)	9,054	2.8%	(7,939)	(87.7%)
Selling expenses	(8,106)	(2.3%)	(7,629)	(2.3%)	477	6.3%	(7,731)	(2.4%)	375	4.9%
Administrative expenses	(24,568)	(6.9%)	(22,783)	(6.8%)	1,785	7.8%	(17,175)	(5.4%)	7,393	43.0%
Finance cost	(4,125)	(1.2%)	(3,420)	(1.0%)	705	20.6%	(5,661)	(1.8%)	(1,536)	(27.1%)
Profit before income tax	33,595	9.4%	52,583	15.8%	(18,988)	(36.1%)	21,035	6.6%	12,560	59.7%
Income tax expenses	(6,761)	(1.9%)	(10,736)	(3.2%)	(3,975)	(37.0%)	(4,247)	(1.3%)	2,514	59.2%
Profit for the period	26,834	7.5%	41,847	12.5%	(15,013)	(35.9%)	16,788	5.3%	10,046	59.8%



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

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างต่อเนื่อง”

For the year 2018, the company has set a net profit target of 30%, compared with 2016, because the year 2017 is a year of over-performance. This is not to be used as a basis for setting goals. Therefore, in the clarification of the performance of the year 2018, it would like to clarify the comparison between 2018 and 2016.

The Company's sales revenue in Q1/2018 increased by 7.4% and 12.5% when compared to the same period of 2017 and 2016, respectively, in line with the increase in wheat flour sales by 7.1% and 17.6%, respectively. The average wheat price increased by only 0.2% compared to Q1/2017 and decreased by 6.5% when compared to Q1/2016. Wheat bran sales increased by 1.5% and 16.2% respectively. The average wheat bran price increased by 7.9% and 14.4% compared to Q1/2017 and Q1/2016.

Cost of goods sold in Q1/2018 was 80.7% of revenue, up from 77.2% in Q1/2017 and decreased from 86.6% in Q1/2016. This is due to the average price of raw materials used up from Q1/2017 and decreased from Q1/2016. As a result, gross margins narrowed by 3.5% in Q1/2018 compared to Q1/2017 and up 5.9% compared to Q1/2016.

The average capacity utilization rate for the first quarter of this year was 71.98%, up 6.44% and 11.07%, compared to the same period of 2017 and 2016. In 2018, the company plans to increase its capacity utilization by 10% From 65% in 2017 and 2016 to 75%

Other income in Q1/2018 decreased by Baht 9.22 million and Baht 7.94 million when compared to the same period of 2017 and 2016, respectively. The gain on foreign exchange was Baht 8.9 and Baht 8.8 million respectively. But in Q1/2018 foreign exchange loss of Baht 1.7 million is included in administrative expenses.

Administrative expenses in Q1/2018 increased by Baht 1.7 million when compared to Q1/2017. and increased by Baht 7.4 million when compared to Q1/2016 by Foreign exchange loss, Employee compensation And cost of public relations.

Please be informed accordingly.

Yours sincerely,

Waewta Natphan

(Ms. Waewta Natphan)

Deputy Finance & Accounting Director / Company Secretary