November 14, 2024

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

To: Director and Manager
The Stock Exchange of Thailand

According to T S Flour Mill Public Company Limited ("the Company"), the financial statements for quarter 3/2024 Ended on September 30, 2024. The company's financial statement showed net profit of 9.38 million baht. Compared to the Quarter 3/2023, net profit increased by 8.09 million baht or 627.4%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	Q3/2024		Q3/2023		Q2/2024 compare with Q3/2023	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization		79.44%		75.44%		4.00%
Revenue from sales	457,455	100.0%	505,237	100.0%	(47,782)	(9.5%)
Cost of sales	(408,092)	(89.2%)	(464,990)	(92.0%)	(56,898)	(12.2%)
Gross Profit	49,363	10.8%	40,247	8.0%	9,116	22.7%
Gain from Exchange Rate	5,338	1.2%	(957)	(0.2%)	6,295	(657.8%)
Gain on Derivatives	(6,149)	(1.3%)	(1,612)	(0.3%)	(4,537)	281.5%
Other income	207	0.0%	662	0.1%	(455)	(68.7%)
Selling expenses	(9,651)	(2.1%)	(8,753)	(1.7%)	898	10.3%
Administrative expenses	(21,707)	(4.7%)	(23,016)	(4.6%)	(1,309)	(5.7%)
Finance cost	(4,618)	(1.0%)	(4,630)	(0.9%)	(12)	(0.3%)
Profit before income tax	12,783	2.8%	1,941	0.4%	10,842	558.6%
Income tax expenses	(3,400)	(0.7%)	(651)	(0.1%)	2,749	422.3%
Profit for the period	9,383	2.1%	1,290	0.3%	8,093	627.4%
Basic earnings per share	0.02	Baht	-	Baht	0.02	

The company's sales revenue in the 3rd quarter of 2024 decreased by 9.5% compared to the same period of the previous year. Income decreased from wheat flour sales by 7.2% and decreased from wheat bran sales by 2.3%. Wheat flour sales volume increased by 5.4%, but the average wheat flour sales price decreased by 13.1% and the average wheat bran sales price decreased by 14.1%.

Gross profit margin increased 2.8% compared to the previous year. This is a result of the average selling price of wheat flour decreasing in a smaller proportion than the cost of wheat used in this period.

And from the total operating results for 9 months ending September 30, 2024, the company's financial statements show a net operating profit of 12.23 million baht. Compared to the same period of 2023, there was a decrease in net profit of 44.61 million baht, accounting for 78.5% of the company. Please clarify as follows.

Unit : Thousand Baht

Description	9 months/2024		9 months/2023		9m/2024 compare with 9m/2023	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization		72.46%		67.20%		5.26%
Revenue from sales	1,301,552	100.0%	1,430,752	100.0%	(129,200)	(9.0%)
Cost of sales	(1,189,069)	(91.4%)	(1,255,343)	(87.7%)	(66,274)	(5.3%)
Gross Profit	112,483	8.6%	175,409	12.3%	(62,926)	(35.9%)
Gain from Exchange Rate	6,806	0.5%	(5,804)	(0.4%)	12,610	(217.3%)
Gain on Derivatives	230	0.0%	12,459	0.9%	(12,229)	(98.2%)
Other income	1,011	0.1%	1,526	0.1%	(515)	(33.7%)
Selling expenses	(26,507)	(2.0%)	(26,926)	(1.9%)	(419)	(1.6%)
Administrative expenses	(62,954)	(4.8%)	(72,142)	(5.0%)	(9,188)	(12.7%)
Finance cost	(13,015)	(1.0%)	(12,774)	(0.9%)	241	1.9%
Profit before income tax	18,054	1.4%	71,748	5.0%	(53,694)	(74.8%)
Income tax expenses	(5,827)	(0.4%)	(14,908)	(1.0%)	(9,081)	(60.9%)
Profit for the period	12,227	0.9%	56,840	4.0%	(44,613)	(78.5%)
Basic earnings per share	0.03	Baht	0.14	Baht	(0.11)	(78.6%)

The Company's sales revenue in the first 9 months of 2024 decreased by 9.0% compared to the same period of the previous year. Income decreased from wheat flour sales by 7.4% and from wheat bran sales by 1.6%. Wheat flour sales volume increased by 7.5%, but the average wheat flour sales price decreased by 15.5% and the average wheat bran sales price decreased by 17.1%.

Gross profit margin decreased by 3.6% compared to the previous year. This was a result of the average selling price of wheat flour decreasing by 15.5%, a proportion that decreased more than the cost of wheat used in this period. which averaged down only 12.6%

Current situation

The company expects that the situation regarding selling prices, costs, and profit margins will improve in the second half of the year. Due to planning to expand the market and increase sales of wheat flour In addition, high-priced wheat stocks were mostly depleted in the second quarter.

Sustainable Business Development Strategy Drive

The company has been operating in accordance with a sustainable business development strategy. In the year 2023, the Company has defined its sustainable vision as "We" will grow together with creating social and environmental value based on good corporate governance. This is achieved by integrating sustainable development approaches with business operations and pursuing policies and goals for ethical and sustainable development. The organization's mission is reviewed comprehensively to cover all stakeholders throughout the supply chain.

Furthermore, the company is committed to conducting its operations in a manner that fosters positive change for communities, the environment, and the economy, in alignment with Environmental, Social, and Governance (ESG) principles. This commitment ensures that operations proceed in the right direction and generate value for stakeholders at all levels. And adheres to international sustainability standards as outlined by the United Nations Global Compact and the United Nations Sustainable Development Goals (SDGs).

- TMILL is relentlessly dedicated to creating the highest quality products and services with cutting-edge innovation to enhance the quality of life for consumers.
- TMILL provides the most valuable returns to shareholders by adhering to ethical principles in conducting business and achieving profitable and sustainable growth.
- TMILL is the preferred and trusted partner, delivering services beyond expectations.
- TMILL plays a crucial role in creating positive impacts on communities and society.
- TMILL respects human rights and embraces diversity.
- TMILL received a 5-star, or "Excellent," CG Score for 2024 from the Thai Institute of Directors Association (THAI IOD).
- TMILL has consistently supported shareholder participation and communication, achieving a perfect score of 100 points in the 2024 AGM Checklist for the seventh consecutive year.
- TMILL conducts business with honesty, transparency, and fairness, firmly opposing all forms of corruption. The company aligns with the principles of good corporate governance and has successfully renewed its membership in the Thai Private Sector Collective Action Coalition Against Corruption (CAC) for the third consecutive term.
- TMILL cultivates an environment of ongoing learning, encouraging 100% employee participation in the ESG DNA project. This ensures that employees understand and apply ESG principles to enhance work across all departments now and in the future.
- TMILL is dedicated to sustainable business development that meets recognized standards in Thailand and internationally. This commitment is exemplified by achieving a Bronze rating in the EcoVadis assessment.
- TMILL actively contributes to reducing environmental impacts through continuous organizational activities.

Please be informed accordingly.

Yours sincerely,

Waewta Kullachotthada

Chief Financial Officer & Company Secretary