



บริษัท ไทยซูการ์ เทอร์มินัล จำกัด (มหาชน)

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED

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(Translation)

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Subject: Clarification on the operating results for the three-month period ended March 31, 2020
with change more than 20 percent from the same period last year.

To: President
The Stock Exchange of Thailand

Thai Sugar Terminal Public Company Limited (the Company) clarified the operating results for the first quarter of 2020 ended March 31, 2020, as follows:

| Unit : Thousand Baht | Consolidated financial statements | | | |
|--|-----------------------------------|---------|---------------------|---------|
| | The first quarter period | | Increase (Decrease) | |
| | 2020 | 2019 | Amount | % |
| Revenues from operation | | | | |
| Revenue from sales | 486,172 | 510,953 | (24,781) | (4.85) |
| Revenue from rental and services | 92,839 | 113,543 | (20,704) | (18.23) |
| Total revenues from operation | 579,011 | 624,496 | (45,485) | (7.28) |
| Cost from operation | | | | |
| Cost of sales | 401,564 | 454,379 | (52,815) | (11.62) |
| Cost of rental and services | 63,358 | 64,826 | (1,468) | (2.26) |
| Total cost from operation | 464,922 | 519,205 | (54,283) | (10.46) |
| Gross profit | 114,089 | 105,291 | 8,798 | 8.36 |
| Profit for shareholders of the Company | 42,532 | 24,268 | 18,264 | 75.26 |
| Net Profit Margin Ratio (%) | 7.35 | 3.89 | | |

*Net Profit Margin Ratio = Net Profit (Loss) for Total Overall Operating Income

Overall Operation for Consolidated financial statement

The company and its subsidiaries have revenue from sales in the first quarter of the year 2020 of 486.172 million baht, compared to the year 2019 in the same period decreased by 24.781 million baht or decreased by 4.85%

Revenue from sales which has changed compared to the first quarter of the same period is due to T S Flour Mill Public Company Limited (a subsidiary company). Sales revenue from wheat flour decreased by 9.618 million baht or decreased 2.53%, T S Oil Industry Company Limited (a subsidiary company) has sales revenue from palm oil



increased by 14.821 million baht or increase 16.40%, T S Transport and Logistics Company Limited (a subsidiary company) has ceased production of plastic sacks, causing the company to lose revenue from sales of sacks for 18.285 million baht or a decrease of 99.84%, and the company has decreased sales of commercial buildings and townhouses of 11.70 million baht or 54.83% reduction.

The company and its subsidiaries have rental and service income in the first quarter of 2020 for 92.839 million baht, compared to the year 2019 in the same period decreased by 20.704 million baht or 18.23% decrease.

The change in revenue from service is caused by the company, service and unloading incomes decreased by 8.92 million baht or 34.35%. T S Warehousing Company Limited (a subsidiary) decreased storage fees by 17.106 million baht or decreased 71.54%. T S Transport and Logistics Company Limited (a subsidiary) had revenue from port service decreased by 4.064 million baht or decreased 8.28% and T S Oil Industry Company Limited (a subsidiary) had revenue from contract manufacturing the increase of 9.556 billion baht or increase 71.65%.

The cost of goods sold in the first quarter of 2020 was 401.564 million baht compared to the same period in 2019, decreased 52.815 million baht, or 11.62%, which is related to the increase in revenue.

The cost of rental and services in the first quarter of 2020 is 63.358 million baht, compared to 2019 in the same period decreased by 1.468 million baht or increased by 2.26%.

Summary of operating results for the first quarter of 2020

The company has a net profit of 42.531 million baht, compared to the year 2019. In the same period, the company has a net profit of 24.267 million baht. The company's net profit increased by 18.264 million baht or an increase of 75.26 percent.

The key factors are as follows:

1. T S Oil Industry Company Limited (a subsidiary) in the first quarter of 2020, has managed the cost of raw materials and controlled the various costs for more efficiency. Including the company having a production contract to increase production capacity. Therefore, the company has a profit in the palm oil business, which in the first quarter of 2019, the company suffered a loss because it was the first period that the company transferred from the tenant.

2. T S Flour Mill Public Company Limited (a subsidiary) in the first quarter of 2020, although sales revenue from wheat flour decreased comparing to the first quarter of the year 2019, it was due to the cost of raw materials dropped which, when compared to the sales volume of products that increased from the previous year. Including the company benefiting from the appreciation of the baht. Therefore, the company has increased profit from the wheat flour business from the previous year.



3. For the service revenue of the company because of the products that come in to use the service of the company. The main product is sugar, which in this year there is reduced sugar cane production since a natural drought. As a result, the amount of sugar produced in the country decreased from the previous year. Therefore the company has the number of goods used to deposit goods compared to the first quarter during the same period decreased by 318,214.59 metric tons or 49.52%, and the volume of exports is still small. However, the company tried to find ways to increase revenue, including finding more customers for other types of products to use the service.

As at March 31, 2020, The company has the total assets 4,985.11 million baht, total debts 1,686.40 million baht, and in the part of the shareholders 3,742.67 million baht. D/E Ratio of shareholders was equal to 0.33, Interest-Bearing D/E Ratio = 0.18

The impact of first-time adoption of new accounting standards

The Group has adopted TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from January 1, 2020, under the modified retrospective approach which the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognized in the statement of financial position as at January 1, 2020.

However, the impact of the new accounting standards for the first time, as a result, the unappropriated retained earnings as of January 1, 2020, shown in the consolidated financial statements decreased by 0.047 million baht.

Pleased be informed according

Respectfully yours,

(Mr. Chanachai Chutimavoraphand)

Chief Executive Officer and President

Thai Sugar Terminal Public Company Limited

Company Secretary

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