



บริษัท ไทยซูการ์ เทอร์มินัล จำกัด (มหาชน)

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED

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(Translation)

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Re: Management Discussion and Analysis Yearly Ending 31 December 2017

To: President

The Stock Exchange of Thailand

The Company would like to clarify the year ended 31 December 2017 earnings results, as follows The company clarifies the operating results for the year 2017

Unit : Thousand Baht	Consolidated Financial Statement		Increase (Decrease)		Financial Statement for the company		Increase (Decrease)	
	2017	2016	Amount	%	2017	2016	Amount	%
Revenues from Operation								
Revenue from sales	1,459,595	1,456,217	3,378	0.23	114,027	59,123	54,904	92.86
Revenue from rental and services	303,661	271,406	32,255	11.88	176,744	174,147	2,597	1.49
Total revenues from operation	1,763,256	1,727,623	35,633	2.06	290,771	233,270	57,501	24.65
Cost from operation								
Cost of sales	1,130,750	1,224,041	(93,291)	(7.62)	72,531	39,422	33,109	83.99
Cost of rental and services	170,528	163,756	6,772	4.14	80,663	71,470	9,193	12.86
Total cost from operation	1,301,278	1,387,797	(86,519)	(6.23)	153,194	110,892	42,302	38.15
Gross profit	461,978	339,826	122,152	35.95	137,577	122,378	15,199	12.42
Net Profit (Loss)	116,611	99,405	17,206	17.31	96,855	71,677	25,178	35.13
Net Profit (Loss) Ratio (%)	6.61	5.75			33.31	30.73		

*Net Profit (Loss) Ratio = Net Profit (Loss) for Joint-Ventured Company/Total Operating Income

Overall Operation for Consolidated Financial Statement

For the year 2017, the company and subsidiary generated revenue from sales increased by 3.378 MB or 0.23% comparing with 2016. The increased amount was caused by the increasing of real estate sale volume for 54.904 MB or 92.86% comparing with 2016 while the sale volume of wheat flour from TS Flour Mill Public Company Limited (subsidiary) decreased by 35.541 MB or 2.65%.

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For the year 2017, the company generated revenue from rental and services increased by 32.225 MB or 11.88% comparing with 2016. The increased amount was caused by the increasing of port service revenue from TS Transport and Logistic Limited (subsidiary) by 42.626 MB or 123.93% comparing with 2016 and the decreasing of rental service revenue from TS Warehouse Company Limited (subsidiary) by 16.075 MB or 44.82%.

Cost of sales for 2017 decreased by 93.291 MB or 7.62% comparing with 2016; TS Flour Mill Public Company Limited (subsidiary) caused by the reducing price of raw material for wheat flour made cost of sales for wheat flour reduced by 9.86% and the company cost of sales for economic building and town house increased by 83.99%, which will be conformed with the increasing revenue.

Cost of rental and service for 2017 comparing with 2016 increased by 6.772 MB or 4.14%, due to the increasing of port operation cost.

Administrative expense for 2017 comparing with 2016 increased by 71.516 MB or 49.73%, due to TS Transport and Logistics Company Limited (subsidiary) recorded devalued asset for the amount of 25.708 MB and the company adjusted the lower booking of compensation reserve for management retirement for 17.55 MB.

Corporate income tax for 2017 comparing with 2016 increased by 19.240 MB or 90.99%, due to the increasing of revenue.

Overall operation results for 2017, the company generated net profit 116.611 MB comparing with 99.405 MB from 2016 increased by 17.206 MB or 17.31%. The main results have been caused by the increasing revenue for port service from TS Transport and Logistics Company Limited (subsidiary) and the increasing net profit from TS Flour Mill Company Limited due to the reducing price of raw material and cost of sale.

As of December 31, 2017, the company has maintained assets for 5,014.052 MB, total liabilities for 1,936.474 MB and total equity 3,077.578 MB. D/E Ratio = 0.63, Interest-Bearing D/E Ratio = 0.39 and Debt Service Coverage Ratio (DSCR) = 0.43.

Overall operation for the company

For the year 2017, the company generated revenue 290.771 MB increased by 57.501 MB or 24.65% comparing with 2016, the increased amount arising from the increasing of real estate sale volume for 54.904 MB or 92.86% comparing with the previous year 2016, furthermore, the company generated revenue from rental and services 176.744 MB increased amount 2.597 MB or 1.49% comparing with 2016 arising from subsidiary who rented for the purpose of container service business, the rental revenue was increased by 16.584 MB or 56.35%.

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For the year 2017, the company generated other revenue for 18.537 MB increased by 7.924 MB or 74.67% comparing with 2016. Almost revenue was derived from selling of warrant TMILL-W1. 7.029 MB

For the year 2017, the company contained cost from operation for 153.193 MB increased by 42.301 MB or 38.15% comparing with 2016, which related to the increasing of revenue from operation.

For the year 2017, the company contained administrative expense for 65.852 MB increased by 11.420 MB or 20.98% comparing with 2016. Almost expense was derived from the adjustment of the lower booking on management retired compensation reserve.

Overall operation results for 2017, the company generated net profit 96.855 MB comparing with 71.677 MB of 2016, net profit was increased by 25.178 MB or 35.13%. The main results caused by the increasing of real estate sale volume and the increasing of dividend from subsidiary. For the year 2017, net profit after deduction dividend from subsidiary contained 37.565 MB comparing with net profit 33.711 MB of 2016 increased by 3.854 MB or 11.43%.

As of December 31, 2017, the company maintained total assets for 3,305.159 MB, total liabilities for 1,139.979 MB and total equity 2,165.180 MB. D/E Ratio = 0.53, Interest-Bearing D/E Ratio = 0.37 and Debt Service Coverage Ratio (DSCR) = 0.79.

Please be informed according.

Yours truly,

-Signature-

(Mr. Chanachai Chutimavoraphand)

Chief Executive Officer

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Company Secretary

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