

November 13, 2018

Subject: The Explanation for the Change in Operating Results for the 3-Month Period Ended September 30, 2018 ("Q3'18") by More than 20% Compared to the Same Period of Previous Year

To: Directors and Managers
The Stock Exchange of Thailand

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED and its subsidiaries ("TCC") would like to report our consolidated operating results for Q3'18 as follows:

TCC has 3 businesses; coal trading, ice cream, and wholesale agricultural market which will start operation in 2019. TCC had net loss for Q3'18 of Baht 2.4 million or 0.8% of total revenues, compared to the previous year with net profit of Baht 0.2 million. The operating result of each business is as follows:

TCC had revenue from sales of coal for Q3'18 amounting to Baht 297.7 million, decreasing from previous year by Baht 149.1 million or 33.4% largely due to high competition in domestic market. However, the gross margin of coal business for Q3'18 increased as compared to previous year (10.0% vs 5.9%). Selling expenses of coal business amounting to Baht 16.4 million decreasing from previous year by Baht 1.3 million or 7.3%. When compared to revenue from sales, selling expenses for Q3'18 were 5.5% which were higher as compared to 4.0% for Q3'17.

TCC had revenue from sales of ice cream business under Emack and Bolio's brand of Baht 2.3 million, decreasing from previous year by Baht 2.2 million or 48.9%. The gross margin of ice cream business was 34.8%, decreasing from previous year of 47.9%. Selling expenses of ice cream business of Baht 1.8 million, decreasing from previous year by Baht 1.6 million or 47.1%.

Administrative expenses amounted to Baht 14.2 million, decreasing from previous year by Baht 0.5 million or 3.4%.

Company had tax expense for Q3'18 of Baht 1.1 million.

Please be informed accordingly,

Yours Faithfully,

(Mr.Kamphol Patana-anukul)
Chief Financial Officer