

August 10, 2018

Subject: The Explanation for the Change in Operating Results for the 3-Month Period Ended June 30, 2018 ("Q2'18") 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 Q2'18 as follows:

TCC has 3 businesses; coal trading, ice cream, and wholesale agricultural market which will start operation in the beginning of 2019. TCC had net profit for Q2'18 of Baht 8.1 million or 2.4% of total revenues, compared to the previous year with net loss of Baht 17.4 million. The operating result of each business is as follows:

TCC had revenue from sales of coal for Q2'18 amounting to Baht 326.9 million, increasing from previous year by Baht 135.0 million or 70.3% largely due to change in marketing strategy. However, the gross margin of coal business for Q2'18 decreased due to high competition in domestic market especially in pricing (10.4% vs 12.8%). Selling expenses of coal business amounting to Baht 16.6 million decreasing from previous year by Baht 0.4 million or 3.4%. When compared to revenue from sales, selling expenses for Q2'18 were 5.1% which were lower as compared to 8.7% for Q2'17.

TCC had revenue from sales of ice cream business under Emack and Bolio's brand of Baht 2.6 million, decreasing from previous year by Baht 2.1 million or 44.7%. The gross margin of ice cream business was 46.2%, decreasing from previous year of 52.8%. Selling expenses of ice cream business of Baht 2.1 million, decreasing from previous year by Baht 1.9 million or 47.5%.

Administrative expenses amounted to Baht 13.1 million, decreasing from previous year by Baht 11.5 million or 46.7% with a major factor being expenses associated with a setup of wholesale agricultural market in 2017 which did not incur in 2018.

Company had tax expense for Q2'18 of Baht 2.1 million.

Please be informed accordingly,

Yours Faithfully,

(Mr. Kamphol Patana-anukul)
Chief Financial Officer