

August 11, 2022

Subject: The Explanation for the Change in Operating Results for the 3-Month Period Ended June 30, 2022 ("Q2'22") 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 Q2'22 as follows:

Net profit for Q2'22 amounted to Baht 61.5 million or 10.1% of total revenues, compared to the previous year with net profit of Baht 2.5 million.

The operating result can be detailed as follows:

Revenue from sales of coal for Q2'22 amounted to Baht 611.6 million, increasing from previous year by Baht 416.8 million or 214.0% largely due to the marketing strategies and increase in coal price. The increase was attributed by new customers by 29.6% and existing customers by 184.3%. Cost of sales for Q2'22 amounted to Baht 493.6 million, increasing from previous year by Baht 334.6 million according to an increase in revenue from sales of coal. Gross margin of coal business for Q2'22 amounted to Baht 118.0 million, increasing by Baht 82.5 million from previous year. Gross margin percentage increased as compared to previous year (19.3% vs 18.2%). An increase in gross margin was consistent with an increase in revenue from sales of coal which was in line with the market Coal Index. In addition, the Company has continuously managed its cost of sales by cost control, efficient negotiations with trading partners, and short-term coal reserve following the forecast of market Coal Index and reserve of coal supplies in line with rising coal demand from customers.

Selling expenses of coal business amounted to Baht 21.0 million, increasing from previous year by Baht 3.5 million or 20.0% which was in line with an increase in revenue from sales of coal. When compared to revenue from sales, selling expenses for Q2'22 was 3.4% which was lower as compared to 9.0% for Q2'21.

Administrative expenses amounted to Baht 16.3 million, increasing from previous year by Baht 4.6 million or 39.3%.

Company had tax expenses for Q2'22 of Baht 16.9 million.

Please be informed accordingly,

Yours Faithfully,

(Mr.Kamphol Patana-anukul)  
Chief Financial Officer