

TCC 4/2019

February 28, 2019

Subject: The Explanation for the Change in Operating Results for the Year Ended December 31, 2018 ("Year 2018") by More than 20% Compared to the Same Period of Previous Year

To: President 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 the Year Ended December 31, 2018 as follows:

TCC has 3 businesses; coal trading, ice cream, and wholesale agricultural market which has not started operation. TCC had net profit for 2018 of Baht 4.1 million or 0.3% of total revenues, compared to the previous year with net loss of Baht 60.4 million. The operating result of each business is as follows:

TCC had revenue from coal business for 2018 of Baht 1,318.3 million, increasing from previous year by Baht 42.3 million or 3.3%. This was largely due to its adapted marketing strategies. Although due to high competition in domestic coal market especially in pricing, the gross margin of coal business for 2018 increased from previous year (10.2% vs 8.8%). Selling expenses of coal business for 2018 was Baht 65.4 million, decreasing from previous year by Baht 8.7 million or 11.7%. When compared to revenue from sales, selling expenses for 2018 were 5.0% which were lower as compared to 5.6% for 2017.

TCC had revenue from ice-cream business for 2018 of Baht 9.4 million, decreasing from previous year by Baht 8.5 million or 47.5%. The gross margin of ice-cream business for 2018 was 39.4%, decreasing from previous year of 51.4%. Selling expenses of ice-cream business for 2018 was Baht 7.8 million, decreasing from previous year by Baht 7.5 million or 49.0%.

TCC had administrative expenses for 2018 of Baht 55.1 million, decreasing from previous year by Baht 44.7 million or 44.8% with a major factor being expenses associated with a setup of wholesale agricultural market in 2017 which did not incur in 2018.

TCC had tax expense for 2018 of Baht 11.3 million, increasing from previous year by Baht 9.4 million.

Please be informed accordingly,

Yours Faithfully,

(Mr. Kamphol Patana-anukul)
Chief Financial Officer