

August 13, 2019

Subject: The Explanation for the Change in Operating Results for the 3-Month Period Ended June 30, 2019 ("Q2'19") 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 Q2'19 as follows:

TCC has 3 businesses; coal trading, ice cream, and wholesale agricultural market. TCC had net loss for Q2'19 of Baht 1.3 million or 0.6% of total revenues, compared to the previous year with net profit of Baht 8.1 million. The operating result of each business is as follows:

TCC had revenue from sales of coal for Q2'19 amounting to Baht 215.4 million, decreasing from previous year by Baht 111.5 million or 34.1% largely due to high competition in domestic market. However, the gross margin of coal business for Q2'19 increased as compared to previous year (12.2% vs 10.4%). Selling expenses of coal business amounting to Baht 13.3 million decreasing from previous year by Baht 3.6 million or 19.9%. When compared to revenue from sales, selling expenses for Q2'19 were 6.2% which were higher as compared to 5.1% for Q2'18.

TCC had revenue from sales of ice cream business under Emack and Bolio's brand of Baht 1.7 million, decreasing from previous year by Baht 0.9 million or 34.6%. The gross margin of ice cream business was 41.2%, decreasing from previous year of 46.2%. Selling expenses of ice cream business of Baht 1.3 million, decreasing from previous year by Baht 0.8 million or 38.1%.

Administrative expenses amounted to Baht 12.4 million, decreasing from previous year by Baht 0.7 million or 5.3%.

Company had tax expense for Q2'19 of Baht 1.5 million.

Please be informed accordingly,

Yours Faithfully,

(Mr. Kamphol Patana-anukul)  
Chief Financial Officer