

TCC 11/2017

May12, 2017

Subject: The Explanation for the Change in Operating Results for the 3-Month Period Ended March 31, 2017 ("Q1'17") 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 Q1'17 as follows:

TCC had net loss for Q1'17 of Baht 15.9 million or 6.5% of total revenues, compared to the previous year net profit of Baht 4.8 million, due to the major factors including loss operating result of NYC-Thai BD Co., Ltd, a company operating ice cream business under Emack and Bolio's brand and unrealized loss from investment-trading securities.

TCC has 2 business include sale of coal and steel and sale of ice cream which operating result in Q1'17 of each business was as follows:

TCC had revenue from sale of coal and steel of Q1'17 of Baht 238.6 million increasing from previous year by Baht 34.9 million or 17.1% largely due to an increase in coal market compared to previous year. However, the gross margin of coal and steel business for Q1'17 decreased due to high competition in domestic market especially in pricing (12.1% vs 17.4%).

Selling expenses of coal and steel business amounting to Baht 19.6 million decreasing from previous year by Baht 1.5 million or 7.1%. When compared to revenue from sales, selling expenses for Q1'17 were 8.2% which were lower as compared to 10.3% for Q1'16. Administrative expenses of holding company and coal and steel business amounting to Baht 21.4 million increasing from previous year by Baht 9.8 million or 84.5%. Significant expense which increase from feasibility study expenses for new project and unrealized loss from investment-trading securities.

Company had tax expense for Q1'17 of Baht 0.2 million.

TCC had revenue from sales of ice cream business under Emack and Bolio's brand of Baht 5.1 million. The gross margin of ice cream business was 56.9%.

Selling expenses of ice cream business of Baht 5.1 million. Main selling expenses are shop rental and utilities and marketing expenses which are fixed cost expense.

Administrative expenses of ice cream business Baht 2.5 million.

Please be informed accordingly,

Yours Faithfully,

(Mr. Kamphol Patana-anukul)
Chief Financial Officer