

February 27, 2017

Subject: The Explanation for the Change in Operating Results for the Year Ended December 31, 2016 ("Year 2016") by More than 20% Compared to the Same Period of Previous Year (Revised)

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 2016 as follows:

TCC had net profit for Year 2016 of Baht 8.4 million or 0.79% of total revenues, decreasing from net profit for previous year of Baht 20.6 million due to the major factors including a decrease in sales of coal and loss operating result of NYC-Thai BD Co., Ltd, a company operating ice cream business under Emack and Bolio's brand which TCC acquired in May 2016.

TCC has 2 business include sale of coal and steel and sale of ice cream which operating result in Year 2016 of each business was as follows:

TCC had revenue from sale of coal and steel of Year 2016 of Baht 1,058.7 million decreasing from previous year by Baht 101.5 million or 8.8% largely due to fierce competition of coal business and. TCC, however, attempted to increase profit by adding new customers and new product, in conjunction with an increase in coal market price in the 4th quarter of 2016. Gross margin of coal and steel business for Year 2016 was 14.3%, increasing from previous year which showed 12.5%.

Selling expenses of coal and steel business amounting to Baht 84.2 million decreasing from previous year by Baht 5.2 million or 5.8%. When compared to revenue from sales, selling expenses for Year 2016 were 8.9% which were higher as compared to 7.7% for Year 2015. Administrative expenses of coal and steel business amounting to Baht 54.0 million increasing from previous year by Baht 13.7 million or 34.0%. Significant expense which increase from previous year are expenses which related to acquisition of ice cream business and feasibility study expenses for new project.

Company had tax expense for Year 2016 of Baht 6.3 million.

TCC had revenue from sales of ice cream business under Emack and Bolio's brand of Baht 13.6 million. The gross margin of ice cream business was 57.7%.

Selling expenses of ice cream business of Baht 11.6 million. Main selling expenses are shop rental and utilities and marketing expenses which are fixed cost expense.

Administrative expenses of ice cream business Baht 6.8 million and had tax expense for Year 2016 of Baht 0.3 million.

Please be informed accordingly,

Yours Faithfully,

(Mr. Kamphol Patana-anukul)
Chief Financial Officer