

TCC 1/2018

February 27, 2018

Subject: The Explanation for the Change in Operating Results for the Year Ended December 31, 2017 ("Year 2017") 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, 2017 by more than 20% compared to the same period of previous year due to the major factor being expenses associated with the establishment of the agricultural wholesale market business which is new business of TCC. It will be operated under Chai Market Company Limited, a new subsidiary incorporated in 2017. TCC has not operated such business in 2017. The business is expected to commence and generate revenue in quarter 4 of 2018.

TCC had revenue from coal business for 2017 of Baht 1,276.0 million, increasing from previous year by Baht 217.4 million or 20.5%. This was largely due to its adapted marketing strategies. However, due to high competition in domestic coal market especially in pricing, the gross margin of coal business for 2017 decreased from previous year (8.8% vs 13.7%). Selling expenses of coal business for 2017 was Baht 74.1 million, decreasing from previous year by Baht 10.1 million or 12.0%.

TCC had revenue from ice-cream business for 2017 of Baht 17.8 million, increasing from previous year (May 19 - December 31, 2016) by Baht 4.2 million or 30.9%. The gross margin of ice-cream business for 2017 was 51.4%, decreasing from previous year of 57.4%. Selling expenses of ice-cream business for 2017 was Baht 15.3 million, increasing from previous year by Baht 3.7 million or 31.9%.

TCC had administrative expenses for 2017 of Baht 99.8 million, increasing from previous year by Baht 39.0 million or 64.1% with significant increases being expenses associated with the study and establishment of agricultural wholesale market business which is new business of TCC as mentioned above.

TCC had other revenue for 2017 of Baht 9.5 million, decreasing from previous year by Baht 9.1 million. Company had tax expense for 2017 of Baht 1.9 million, decreasing from previous year by Baht 4.7 million.

Please be informed accordingly,

Yours Faithfully,

(Mr. Kamphol Patana-anukul)
Chief Financial Officer