

February 27, 2020

Subject: The Explanation for the Change in Operating Results for the Year Ended December 31, 2019 ("Year 2019") 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 the Year Ended December 31, 2019 as follows:

TCC had net loss for Year 2019 of Baht 15.7 million or 2.2% of total revenues, compared to the previous year with net profit of Baht 4.1 million. The operating result can be further analyzed as follows:

TCC had revenue from sales of coal for 2019 amounting to Baht 700.9 million, decreasing from previous year by Baht 617.4 million or 46.8% largely due to high competition in domestic coal market. The gross margin of coal business for 2019 increased as compared to previous year (14.1% vs 10.2%). Selling expenses of coal business amounting to Baht 53.2 million decreasing from previous year by Baht 12.2 million or 18.7%. When compared to revenue from sales, selling expenses for 2019 were 7.6% which were higher as compared to 5.0% for 2018.

TCC had revenue from sales of ice cream business under Emack and Bolio's brand for the period ended 13 September 2019 (the day TCC disposed its shares of NYC-Thai BD Company Limited, a subsidiary that operated ice cream business) of Baht 4.4 million, decreasing from previous year by Baht 5.0 million or 53.2%. The gross margin of ice cream business was 40.9%, increasing from previous year of 39.4%. Selling expenses of ice cream business of Baht 3.7 million, decreasing from previous year by Baht 4.1 million or 52.6%.

Administrative expenses amounted to Baht 55.3 million, increasing from previous year by Baht 0.2 million or 0.4%.

Company had tax expense for 2019 of Baht 4.3 million.

Please be informed accordingly,

Yours Faithfully,

(Mr. Kamphol Patana-anukul)
Chief Financial Officer