

Subject: Notification of the first quarter 2015 operation result increase by 49.9%
Att: President,
The Stock Exchange of Thailand

Operation result for the first quarter 2015 for Thitikorn Plc. (TK) and subsidiaries: Net profit was 107.2 Mb., increased 49.9% from 71.5 Mb. compared to the same period of the previous year. The main reasons are as follow:

1. Total revenue for the first quarter 2015 was 854.2 Mb., decreased 9.1% from 940.1 Mb. compared to the same period of the previous year due to economic slowdown which reduce new loan origination as well as continuously decline in export sector, tourist sector, hospitality sector and domestic consumption. The economic negative factors had both direct and indirect affects to the Company business operation. Motorcycle sales for the first quarter 2015 was 477,934 units, increased 10.7% from 431,792 units compared to the same period of the previous year. Automobile sales for the first quarter 2015 was 197,787 units, decreased 11.8% from 224,171 units compared to the same period of the previous year.
2. Total expenses for the first quarter 2015 were 747.3 Mb., decreased 14.0% from 868.5 Mb. compared to same period of the previous year. SG&A was 463.2 Mb., decreased 1.3% from 469.2 Mb. compared to same period of the previous year. An increase in total expenses are as follow:
 - 2.1 Due to highly competitive market conditions, especially when some competitors still maintain a very aggressive marketing strategy during the past three years; together with economic slowdown in the last eight quarters which caused Motorcycle monthly sales to declined 19 months consecutively from May 2013 to November 2014, since December 2014 to March 2015 Motorcycle monthly sales increased 4 months consecutively. However, Automobile monthly sales declined 23 months consecutively since May 2013 to March 2015. The Company has tighten its terms and conditions for loan approval and reduce the number of new hire-purchase contract approved which reduce the Company commission and marketing expenses accordingly.
 - 2.2 Thai economy started slowdown toward the end of second quarter of 2013 to the end of first quarter of 2015 due to declining in export sectors for 2 consecutive years and soft agriculture price. Several groups of customer ability to service their monthly installment had been in decline, the Company continued its policy to accelerated write-off for 8 quarters consecutively as well as increase its collection effort. Bad debt and provisions

for doubtful accounts for first quarter of 2015 was 223.1 Mb., decreased 33.0% from 333.0 Mb. compared to the same period of the previous year.

2.3 The first quarter of 2015, the Company continued to accelerate selling its older models of its repossessed motorcycles from last year. The net asset foreclosed at the end of first quarter 2015 was 173.8 Mb., decreased 8.6% from 190.2 Mb. compared to the end of last year.

The Company net hire-purchase receivables outstanding at the end of first quarter was 7,564.6 Mb., decreased 2.6% from 7,767.8 Mb. compared to the end of last year. The Company total asset was 8,566.6 Mb., decreased 2.3% from 8,767.2 Mb., while total liabilities was 4,457.7 Mb., decreased 6.4% from 4,764.6 Mb. compared to the end of last year.

The Company operation result continue to improved from the fourth quarter of 2014 due to its policy to continue tightened its terms and conditions for loan approval for 8 consecutive quarter.

Please be informed accordingly,

Yours faithfully,

Prathama Phornprapha
Managing Director