

Subject: Notification of the Second quarter 2015 operation result increase by 1,630.1%
Att: President,
The Stock Exchange of Thailand

Operation result for the second quarter 2015 for Thitikorn Plc. (TK) and subsidiaries: Net profit was 107.9 Mb., increased 1,630.1% from 6.2 Mb. compared to the same period of the previous year. The main reasons are as follow:

1. Total revenue for the Second quarter 2015 was 853.4 Mb., decreased 8.1% from 928.3 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, drought, and decline in agriculture prices which led to lower domestic consumption. The economic negative factors had both direct and indirect affects to the Company business operation. Motorcycle sales for the first half 2015 was 904,278 units, increased 3.1% from 877,000 units compared to the same period of the previous year. Automobile sales for the first half 2015 was 639,109 units, decreased 16.3% from 440,911 units compared to the same period of the previous year.
2. Total expenses for the second quarter 2015 were 745.6 Mb., decreased 19.1% from 922.1 Mb. compared to same period of the previous year. SG&A was 441.2 Mb., decreased 10.7% from 493.9 Mb. compared to same period of the previous year. A decrease in total expenses are as follow:
 - 2.1 Due to highly competitive market conditions together with economic slowdown 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 then decreased in April and May before increased again in June. However, Automobile monthly sales declined 26 months consecutively since May 2013 to June 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 second quarter of 2015 due to declining in export sectors which entering its third- year together with soft agriculture prices. Several groups of customer ability to service their monthly installment had been in decline, the Company continued its policy to accelerated write-off as well as increase its collection effort. Bad debt and provisions

for doubtful accounts for second quarter of 2015 was 251.0 Mb., decreased 31.5% from 366.1 Mb. compared to the same period of the previous year.

The Company net hire-purchase receivables outstanding at the end of second quarter was 7,404.4 Mb., decreased 4.7% from 7,767.8 Mb. compared to the end of last year. The Company total asset was 8,439.2 Mb., decreased 3.7% from 8,767.2 Mb., while total liabilities was 4,312.2 Mb., decreased 9.5% from 4,764.6 Mb. compared to the end of last year.

The Company operation result continue to improved since the fourth quarter of 2014 due to its policy to continue tightened its terms and conditions for loan approval for 9 consecutive quarters.

Please be informed accordingly,

Yours faithfully,

Prathama Phornprapha
Managing Director