

TK.075/2558

November 12, 2015

Subject: Notification of the Third quarter 2015 operation result increase by 52.5%
(or increase 250.6% before a non-recurring expense item, Loss on Impairment of goodwill)

Att: President,
The Stock Exchange of Thailand

Operation result for the Third quarter 2015 for Thitikorn Plc. (TK) and subsidiaries: Net profit was 64.4 Mb., increased 52.5% from 42.2 Mb. compared to the same period of the previous year. However, for the Third quarter 2015 there was a non-recurring expense item, Loss on Impairment of goodwill from a subsidiary company was 83.6 Mb., excluding a non-recurring expense item Net profit for the Third quarter 2015 was 148.0 Mb., increased 250.7% from 42.2 Mb., compared to the same period of the previous year. The main reasons are as follow:

1. Total revenue for the Third quarter 2015 was 858.0 Mb., decreased 7.0% from 925.5 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 nine months 2015 was 1,293,465 units, decreased 2.3% from 1,324,131 units compared to the same period of the previous year. Automobile sales for the first nine months 2015 was 553,832 units, decreased 14.6% from 648,410 units compared to the same period of the previous year.
2. Total expenses for the Third quarter 2015 were 793.7 Mb. (including a non-recurring expense item, Loss on Impairment of goodwill from a subsidiary company of 83.6 Mb.), decreased 9.8% from 880.3 Mb. compared to same period of the previous year. However, for the Third quarter 2015 if a non-recurring expense item, Loss on Impairment of goodwill from a subsidiary company were excluded, then Total expenses for the Third quarter were 710.1 Mb., decrease 19.3% from 880.3 Mb. compared to same period previous year. SG&A was 455.0 Mb., decreased 10.8% from 510.3 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, from December 2014 to March 2015 monthly Motorcycle sales increased 4 months consecutively then decreased in April and May before increased again in June then decreased again in July and September. However, Automobile monthly sales declined 29 months consecutively since May 2013 to September 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. The Company hire-purchase receivable quality continued to improve.

2.2 Thai economy started slowdown toward the end of second quarter of 2013 to the end of third 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 for 10 consecutive quarters. Bad debt and provisions for doubtful accounts for third quarter of 2015 was 203.3 Mb., decreased 30.3% from 291.6 Mb. compared to the same period of the previous year.

The Company net hire-purchase receivables outstanding at the end of third quarter was 7,300.8 Mb., decreased 6.0% from 7,767.8 Mb. compared to the end of last year. The Company total asset was 8,253.6 Mb., decreased 5.9% from 8,767.2 Mb., while total liabilities was 4,061.0 Mb., decreased 14.8% 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 10 consecutive quarters.

Please be informed accordingly,

Yours faithfully,

Prathama Phornprapha
Managing Director