

Subject: Notification of the Fiscal year 2015 operation result increase by 106.1%
or increase 148.3% before a non-recurring expense item (Loss on Impairment of goodwill)

Att: President,
The Stock Exchange of Thailand

Operation result for the Fiscal year 2015 for Thitikorn Plc. (TK) and subsidiaries: Net profit was 408.3 Mb., increased 106.1% from 198.1 Mb. compared to the previous year. However, for the Fiscal year 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 Fiscal year 2015 was 491.9 Mb., increased 148.3% from 198.1 Mb., compared to the previous year. The main reasons are as follow:

1. Total revenue for the Fiscal year 2015 was 3,394.1 Mb., decreased 7.7% from 3,679.1 Mb. compared to 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 2015 was 1,671,237 units, decreased 1.7% from 1,699,218 units compared to the previous year. Automobile sales for 2015 was 799,592 units, decreased 9.4% from 881,832 units compared to the previous year.
2. Total expenses for the Fiscal year 2015 were 2,986.5 Mb. (including a non-recurring expense item, Loss on Impairment of goodwill from a subsidiary company of 83.6 Mb.), decreased 14.3% from 3,481.4 Mb. compared to the previous year. However, for the Fiscal year 2015 if a non-recurring expense item, Loss on Impairment of goodwill from a subsidiary company were excluded, then Total expenses for the Fiscal year were 2,902.9 Mb., decrease 16.7% from 3,481.4 Mb. compared to the previous year. SG&A was 1,800.8 Mb., decreased 7.0% from 1,936.6 Mb. compared to 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 and in 2015 Motorcycle monthly sales were 6 months higher compared to the previous year. However, Automobile monthly sales declined 30 months consecutively since May 2013 to October 2015 before monthly sales surpass last year in November and December due to new excise tax hike for vehicles will be introduce in 2016. 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 11 consecutive quarters. Bad debt and provisions for doubtful accounts for Fiscal year 2015 was 891.8 Mb., decreased 30.3% from 1,279.9 Mb. compared to the previous year.

The Company net hire-purchase receivables outstanding at the end of 2015 was 7,252.3 Mb., decreased 6.7% from 7,767.8 Mb. compared to the end of last year. The Company total asset was 8,283.7 Mb., decreased 5.5% from 8,767.2 Mb., while total liabilities was 3,962.4 Mb., decreased 16.8% 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 11 consecutive quarters.

Please be informed accordingly,

Yours faithfully,

Prathama Phornprapha
Managing Director