

November 12, 2018

TK .060/2561

Subject To report Company operating results for the 3rd quarter of 2018.

To Managing Director

The Stock Exchange of Thailand

Thitikorn Public Company Limited ("TK") would like to report the Company and subsidiaries' financial performance for the 3rd quarter of 2018, Total Net Profit of 90.0 Million Baht, 32.3% decreased from 133.1 Million Baht in the previous year. Main reasons are as follows:

1. In 3rd quarter of 2018, total revenue was 960.0 Million Baht, 2.3% slightly increased from 938.2 Million Baht compared to same period of the previous year. The slight total revenue increase was due to a gradual slowdown in the overall economic condition of Thailand coupled with national household debts which still stood at a relatively high level of 77.5% of GDP during the 2nd quarter of this year after reaching the highest level of 80.8% of GDP in Q4/2015 (Source: Bank of Thailand). Farm income during Q3/2018 slightly increased by only 1.3%, even though the production quantity increased by 4.8% but the agricultural commodity price index dropped by 3.3% during the same interval (Source: Office of Agricultural Economics). As for the export sector, Thailand started to experience negative impact from the international trade war among the world's leading economies i.e. USA, Europe and China, which resulted in the decrease by 5.2% of export value in September 2018 compared to same period of the previous year (Source: Ministry of Commerce). In the tourism sector, the number of tourist arrivals in Thailand decelerate, increased by only 2% YoY during the 3rd quarter of 2018 whereas this figure increased more than 10% YoY during the first half of 2018 (Source: Ministry of Tourism and Sports). Such economic headwinds above-mentioned have created a slowdown in Thailand's motorcycle market. For the first 9 months of 2018, the motorcycle sales were reported to be 1,366,194 units or 1.76% decreased from 1,390,679 units for the same period in 2017. For our International market coverage, the Kingdom of Cambodia and the Laos People's Democratic Republic, the overall business performance has still expanded satisfactorily, reflected by an increase of Hire Purchase Receivables at the rate of 90.0% from the end of 2017 in both countries. Although our Consolidated Hire Purchase Receivables as of June 30, 2018 expanded at 3.5% from the end of 2017, the Company continued to achieve some growth in our

Consolidated Hire Purchase Receivables for its 11 consecutive quarters. As a result, our Hire Purchase Receivables as of September 30, 2018 has grown by 1.9% from the end of last year.

2. Total Expenses during Q3/2018 were 847.8 Million Baht, representing 10.2% increased from 769.4 Million Baht for the same period of 2017. Selling and Administrative Expenses were 539.8 Million Baht or 1.3% increased from 532.7 Million Baht in the previous year. Total Expenses were higher mainly due to the slowdown of economy and lower agricultural commodity prices especially rubber, palm oil etc. Such unfavorable factors have hampered some group of the company customers' ability to pay monthly installments. The Company has therefore tightened its policy on loan approval and origination, accelerated bad debts write-off on potential NPL customers and still maintained stringent policy on Allowance for Doubtful Accounts. As a result, bad debts and provision for doubtful accounts was 275.2 Million Baht, 32.5% increased from 207.7 Million Baht in the previous year.

At the end of 3rd quarter of 2018 compared to 2017, the Company total Hire Purchase Receivables stood at 9,113.2 Million Baht or 1.9% increased from 8,945.2 Million Baht. Total Assets were 10,241.0 Million Baht, representing 2.2% increased from 10,018.2 Million Baht and Total Liabilities were 5,414.8 million or 3.5% increased from 5,232.9 Million Baht.

The Company profitability in this quarter was the consequences of our strict policy on loan approval and origination, acceleration of bad debts write-off and higher collection expenses. We believe that, in a near term, our performance will benefit from improving income subsidy from the government policy on both low-income earners and farmers'. The upcoming national election that has been scheduled in the beginning of 2019 along with the government mega-projects investment and spending programs expected to boost Thai economy in the medium and long terms which would, in turn, create the great potential for the Company to expand business in many years to come.

Submitted for your information

Yours faithfully,

(Ms. Prathama Phornprapha)

Managing Director