

Subject : Report of operating results for Q3 / 2020, net profit decrease 19.6% and total revenue decrease 33.3%

Attention : President

The Stock Exchange of Thailand

The operating performance for Q3/2020 of Thitikorn Public Company Limited and its subsidiaries reported a net profit of 108.5 Million Baht, a decrease of 19.6% from 135.0 Million Baht compared to the same period last year, total revenue of 624.9 Million Baht, a decrease of 33.3% from 937.4 Million Baht. The operating performance for the first 9 months of 2020 of Thitikorn Public Company Limited and its subsidiaries reported a net profit of 251.3 Million Baht, a 28.9% decrease from 353.7 Million Baht compared to the same period last year and total revenue of 1,988.1 Million Baht decreased 30.9% from 2,879.6 Million Baht compared to the same period last year.

Global Covid-19 pandemic had negatively affecting broader economic activities causing the domestic economy to slow down continuously from the year 2019 which grew only 2.4%. The negative affected caused the contraction of export sector due to Trade War between United States and China, the appreciation of THB in the past 3 years, decline in major agricultural products prices such as rubber, palm oil, tapioca, sugarcane which directly affecting domestic consumption. In addition, household debt increased to 83.8% of GDP in the second quarter of 2020 and expected to rise further. This is in line with the latest forecast from Bank of Thailand that the economy may contracted to a negative 7.5% this year as a result of a decline in foreign tourists which revised forecast to 7 millions, down from previous forecast of 15 millions in 2020 and 39.7 millions in 2019 Private consumption is projected to be negative 3.1% from the previous forecast of negative 1.5%, while private investment is negative 10.2% from the previous forecast of negative 4.3%, with only public investment that is expected to expand positively at 8.6%, higher than the previous forecast. As a result of good control over the spread of Covid-19 in Thailand compared to many countries which still experience widespread pandemic, in particular, some countries already in its 2nd Wave outbreak, which directly impacted Thailand to maintain more stringent measures on visitors and Foreign tourists arriving which can not travel freely to and in Thailand. Although the measures have been gradually phased out, it is not currently possible to clearly assess the total impact of Covid-19 pandemic, resulting to TK conservative policy in underwriting new loans.

Domestic motorcycle sales for the first 9 months of 2020 were 1,146,980 units, decrease 13.6% from 1,327,653 units from last year. Automobile sales for the first 9 months of 2020 were 534,729 units, a decrease of 29.8% from 761,847 units from last year. Directly affecting the business as follows:

1. Total Revenues for Q3/2020 were 624.9 Million Baht, a decrease of 33.3% from 937.4 Million Baht compared to the same period last year. As for the hire-purchase income in Q3/2020, the amount of 466.4 Million Baht

decreased by 35.5% from 723.2 Million Baht compared to the same period last year due to the ongoing economic downturn.

2. Other Incomes for Q3/2020 were 155.5 Million Baht, a decrease of 26.0% from 210.1 Million Baht compared to the same period last year. As a result of customer relief measures during Covid-19, the Company has waived various penalties and collection fees during that time resulting in no outstanding balance carried over this quarter.

3. Total Expenses for Q3/2020 were 474.9 Million Baht, a decrease of 35.6% from 737.2 Million Baht compared to the same period last year. Total selling and administrative expenses for Q3/2020 were 312.2 Million Baht, a decrease of 29.6% from 443.8 Million Baht compared to the same period last year due to:

3.1 Cost control management and reduction of its administrative expenses in various departments, such as reducing paperwork and redundancy.

3.2 The increasing usage of Digital Technology.

4. Cost of fund for Q3/2020 were 15.6 Million Baht, a decrease of 49.5% from 30.9 Million Baht compared to the same period last year due to reduction in using credit facilities and an effective managing cost of fund. As of the end of this 3rd quarter, after repayment of debentures in the amount of 800 Million Baht, the company had a cash position of approximately 1,520 Million Baht, D/E ratio was 0.39X decreased from 0.73X in 2019 which is more than adequate for shares payment in the acquisition of MFIL in Myanmar as approval by shareholder on April 23,2020 which expected to close by the end of 2020 and be ready to accelerate its business expansion when the situation improves.

At the end of Q3/2020, the company had a total of 5,201.2 Million Baht in Net Hire-Purchase Contract and Loan Receivables, a decrease of 30.1% from 7,438.6 Million Baht compared to the end of previous year due to the strict credit policy for 8 consecutive quarters. In the 3rd quarter of 2020, there are relief measures for customers who affected by Covid-19, but the company decided not to use the right to classify customers according to the principles of the Federation of Accounting Professions of Thailand. The allowance for doubtful accounts at the 3rd quarter of 2020 amounted to 647.9 Million Baht, Coverage Ratio = 120.9% (if the Company were to follow the principles of the Federation of Accounting Professions of Thailand, the allowance for doubtful accounts will be 562.2 Million Baht, Coverage Ratio = 124.0%). The company's Total Assets were 7,336.0 Million Baht, a decrease of 19.9% from 9,163.3 Million Baht compared to the end of previous year. Total Liabilities of 2,054.7 Million Baht, a 47.0% decrease from 3,878.5 Million Baht compared to the end of previous year.

The Company approved relief measures for the customer who affected by the Covid-19 pandemic at the end of Q1 and continued to Q2. The company has assisted customer in Thailand as well as our neighbouring countries subsidiaries with a total of 210,200 customers, divided into 4 main measures: 1) payment holiday (principal and interest) 2) reducing the amount of installment payments to the specified minimum level 3) give an additional discount for the customer who wishes to close the account before maturity date and 4) free Covid-19 coverage for customers who could manage to pay their installments in full amount. By granting customers the right to have payment holiday or partial payments based on their original payment history. Most of the customers still chose to pay in full installment with free Covid-19 coverage at 74.6% in term of accounts which able TK to collect the installments accounted for an average

proportion of 87.4% in term of amount during the second quarter, which is higher than that of the Company had previously predicted. Since the end of customer relief measures in Q2, most of the customers in Q3 have resumed to pay monthly installment to similar level to Q1, accounting for 92.2% in term of amount; therefore lower provisions in Q3. from good control over Covid-19 pandemic domestically. Thai government began to relax the pandemic control measures and began to gradually open up the country, to increase economic activity. It is expected to have a positive effect on the quality of the receivables in the portfolio. The company has prepared in the event that the Covid-19 pandemic should continue to prolong with strict measures on credit underwriting and continuously controlling the quality of customers which is expected to benefit the company performance in the long run.

Please be informed accordingly.

Best regards

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Managing Director