

Subject : Report of operating results for 2020, net profit decrease 23.6% and total revenue decrease 31.5%

Attention : President

The Stock Exchange of Thailand

The operating performance for 2020 of Thitikorn Public Company Limited and its subsidiaries reported a net profit of 367.6 Million Baht, a decrease of 23.6% from 481.1 Million Baht compared to the same period last year, total revenue of 2,548.2 Million Baht, a decrease of 31.5% from 3,719.1 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 over 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 record high of 86.6% of GDP in the 3rd quarter of 2020 and expected to rise further. This effect Thai GDP to contracted to -6.1% in 2020 due to negative growth in export for second consecutive year as well as sharp decline in tourism sector. The number of foreign tourists decline to 6.7 million (in Q1 2020), a decrease of 83.2% (from 39.7 million in 2019), which affected household consumption in the country decrease by 1% and private sector investment was -8.4%, with only public investment that could expand to a positive 5.7%. Thailand has had good control over the spread of Covid-19 compared to many countries until the last quarter of 2020, the government began to relax its measures from shut down the country in 2nd quarter and economic activity began to recover. However the second wave resumed before the end of 2020, which directly impacted Thailand to maintain more stringent measures on visitors and Foreign tourists arriving which cannot travel freely to 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 2020 were 1,517,682 units, decrease 11.7% from 1,719,373 units from last year. Automobile sales for 2020 were 792,110 units, a decrease of 21.4% from 1,007,552 units from last year. Directly affecting the business as follows:

1. Total Revenues for 2020 were 2,548.2 Million Baht, a decrease of 31.5% from 3,719.1 Million Baht compared to the same period last year. As for the hire-purchase income in 2020, the amount of 1,993.6 Million Baht decreased by 32.8% from 2,966.6 Million Baht compared to the same period last year due to the ongoing economic downturn.

2. Other Incomes for 2020 were 541.3 Million Baht, a decrease of 26.4% from 735.3 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 and for another reason which resulting in decreasing loan underwriting over this quarter.

3. Total Expenses for 2020 were 2,001.1 Million Baht, a decrease of 32.9% from 2,984.1 Million Baht compared to the same period last year. Total selling and administrative expenses for 2020 were 1,361.4 Million Baht, a decrease of 28.0% from 1,890.3 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 2020 were 73.3 Million Baht, a decrease of 41.5% from 125.3 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 year, after repayment of debentures in the amount of 1,800 Million Baht, the company had a cash position of approximately 2,213 Million Baht, D/E ratio was 0.37X 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 2021 and be ready to accelerate its business expansion when the situation improves.

At the end of 2020, the company had a total of 4,591.3 Million Baht in Net Hire-Purchase Contract and Loan Receivables, a decrease of 38.3% from 7,438.6 Million Baht compared to the end of previous year due to the strict credit policy for more than 2 years. In the 3rd quarter of 2020, there were relief measures for customers who affected by Covid-19, however 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 end of 2020 amounted to 561.7 Million Baht, Coverage Ratio = 118.3% (if the Company were to follow the principles of the Federation of Accounting Professions of Thailand, the allowance for doubtful accounts will be 503.5 Million Baht, Coverage Ratio = 126.7%). The company's Total Assets were 7,356.8 Million Baht, a decrease of 19.7% from 9,163.3 Million Baht compared to the end of previous year. Total Liabilities of 2,000.5 Million Baht, a 48.4% 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 neighboring 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 anticipated. Since the end of customer relief measures in Q2, most of the customers in Q3 & Q4 have

resumed to pay monthly installment to similar level to Q1, accounting for 90% in term of amount; therefore lower provisions in Q3 & Q4. 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. In addition, many countries succeeded in the invention of Vaccine Covid-19, which Vaccine has been produced and started in many countries. It is expected to help reduce the outbreak and deaths. This will result in people around the world to return their life to normal in the near future. It is expected to have a positive effect on the quality of the receivables in the company's 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 medium and long run.

Please be informed accordingly.

Best regards

(Ms. Prathama Phornprapha)

Director / Managing Director