



บริษัท ฐิติกร จำกัด (มหาชน)

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Subject : Report of operating results for Q2/2021, net profit increase 142.6% and total revenue decrease 19.7%

Attention : President

The Stock Exchange of Thailand

The operating performance for Q2/2021 of Thitikorn Public Company Limited and its subsidiaries reported a net profit of 118.4 Million Baht, an increase of 142.6% from 48.8 Million Baht compared to the same period last year, total revenue of 499.5 Million Baht, a decrease of 19.7% from 622.3 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 which directly affecting domestic consumption. In addition, household debt increased to record high of 90.5% of GDP at the end of Q1/2021 and expected to rise further. This effected from Thai GDP which contracted -6.1% in 2020. 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 and continued with the third and fourth outbreak at the end of the first quarter of 2021 continuing to the present, with more widespread than the first two rounds which directly impacted Thailand to maintain more stringent measures on visitors and Foreign tourists arriving which cannot travel freely both domestic and aboard. Although the measures have been gradually phased out, it is not currently possible to clearly assess the total impact of Covid-19 pandemic, resulting in TK conservative policy in underwriting new loans.

Domestic motorcycle sales for Q2/2021 were 437,826 units, increase 45.1% from 301,632 units from last year (since there was a lock down for the same period in 2020). Motorcycle sales for first 6 months were 874,041 units, increase 19.3% from 732,636 units from last year. Automobile sales for Q2/2021 (April-May) were 114,080 units, an increase of 61.8% from 70,527 units from last year. Automobile sales for first 5 months were 308,217 units, an increase of 13.9% from 270,591 units from last year. Directly affecting the business as follows:

1. Total Revenues for Q2/2021 were 499.5 Million Baht, a decrease of 19.7% from 622.3 Million Baht compared to the same period last year. As for the Hire-Purchase Income in Q2/2021, the amount of 345.1 Million Baht decreased by 33.0% from 514.9 Million Baht compared to the same period last year due to the ongoing economic downturn, mainly came from the severe situation of the pandemic in this quarter.

2. Other Incomes for Q2/2021 were 134.8 Million Baht, an increase of 29.5% from 104.1 Million Baht compared to the same period last year as a result of establishment of a special debt collection unit.

3. Total Expenses for Q2/2021 were 336.7 Million Baht, a decrease of 38.1% from 544.1 Million Baht compared to the same period last year. Total selling and administrative expenses for Q2/2021 were 246.7 Million Baht, a decrease of 24.4% from 326.2 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 Q2/2021 were 7.6 Million Baht, a decrease of 64.3% from 21.3 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 Q2/2021, after repayment of debentures in the amount of 600 Million Baht, the company had cash & deposits position of approximately 2,335 Million Baht, D/E ratio was 0.26X decreased from 0.37X in 2020 which is more than adequate for the acquisition of MFIL in Myanmar as approval by shareholder on April 23,2020 and ready to accelerate its business expansion when the situation improves.

At the end of Q2/2021, the company had a total of 3,947.6 Million Baht in Net Hire-Purchase Contract and Loan Receivables, a decrease of 14.0% from 4,591.3 Million Baht compared to the end of previous year due to the strict credit policy for more than 2 years. In the 2nd quarter of 2020, there were relief measures for customers who affected by Covid-19, however the company decided not to use the temporary right to classify customers according to the principles of the Federation of Accounting Professions of Thailand. The Company allowance for doubtful accounts was higher than other operators in the same business which using temporary relief measures since the second quarter of 2020; at the end of Q2/2021 allowance for doubtful accounts amounted to 490.7 Million Baht, account receivables overdue more than 3 months = 9.1% Coverage Ratio = 120.9% (The allowance for doubtful accounts at the end of 2020 amounted to 561.7 Million Baht, account receivables overdue more than 3 months = 9.2% Coverage Ratio = 118.3%). The company's Total Assets were 6,780.3 Million Baht, a decrease of 7.8% from 7,356.8 Million Baht compared to the end of previous year. Total Liabilities of 1,392.0 Million Baht, a 30.4% decrease from 2,000.5 Million Baht compared to the end of previous year.

Since the last year, there was a good control over Covid-19 pandemic domestically for the first wave, Thai government began to relax the pandemic control measures and began to gradually open up the country to increase economic activity. However, Thai government has imposed lockdown measures again during the last quarter which experienced new wave of COVID pandemic widespread domestically with new variant which is more transmissible. However, many countries succeeded in mass vaccination program which 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. If Thai government can accelerate vaccination program then it will 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