



บริษัท ฐิติกร จำกัด (มหาชน)

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Subject: Management Discussion and Analysis for Report of Performance Results of Q1/2025

Attention: President

The Stock Exchange of Thailand

Thitikorn Public Company Limited and its subsidiaries ("Company") announced the operating performance for Q1/2025 as follows.

In Q1/2025, the net profit was 52.5 million baht, which increased by 268.1% from a loss of 31.2 million baht compared to the same period last year. The total revenue was 267.9 million baht, which decreased by 22.2% from 344.5 million baht compared to the same period last year.

In 2025, the Thai economy is expected to expand at a slower pace and face increased risks from the global trade war policy. The Bank of Thailand (BoT) has revised down economic growth forecast for 2025 from 2.5%, which is the same as 2024, to 1.3% - 2.0% and in April, Moody's Investors Service has downgraded Thailand's credit rating outlook from Stable to Negative, the first downgrade in 17 years, due to economic uncertainty that is likely to slow down and risks from US tariffs that are expected to have a significant impact on Thai exports. As for Thai exports in the first 3 months of 2025, the value of Thai exports was 81,532.3 million US dollars, expanding by 15.2%, the 8th consecutive month of expansion as a result of temporary factors to avoid the impact of US tariff hikes. However, Thai exports are expected to slow down significantly in the second quarter and contract in the second half of the year due to the use of trade protectionist policies. Thai products are at risk of being charged because they have a large tariff difference and trade surplus with the US, such as hard disk drives, computers, semiconductors, wheels, solar cells, and air conditioners, which are the TOP-6 products with trade surpluses with the US. Foreign tourists visiting Thailand in Q1/2025 reached 9.5 million, an increase of 1.9% from the same quarter last year, generating 462,747 million baht in revenue, while there were 50.1 million Thai tourists, an increase of 3.5%, generating 269,870 million baht in revenue. In terms of global policy interest rates, in the first quarter of 2025, the US Federal Reserve (FED) maintained its policy interest rate at 4.25-4.50%, the same rate as at the end of 2024, which is the first time the interest rate was maintained after three consecutive cuts. The European

Central Bank has cut its benchmark interest rate twice to 2.50%, the sixth cut in nine months. As of April 2025, BoT has cut its policy interest rate twice, from 2.25% at the end of 2024 to 1.75%.

Motorcycle market sales in Q1/2025 were 461,632 units, which increased by 1.5% from 454,796 units compared to the same period last year, while Automobile market sales in Q1/2025 were 153,203 units, which decreased by 6.4% from 163,756 units compared to the same period last year.

The conclusion of the operating results for Q1/2025 is as follows:

1. Total revenue in Q1/2025 was 267.9 million baht, or a 22.2% decrease from 344.5 million baht in the same period last year. The hire-purchase income for Q1/2025 was 123.3 million baht, or a 44.7% decreased from 222.9 million baht compared to the same period last year due to the announcement interest rate cap to 23% from the contract committee of the Office of the Consumer Protection Board (OCPB) regarding the provision of hire-purchase businesses for automobiles and motorcycles to be contract-controlled businesses B.E. 2022, which was effective on January 10, 2023. In addition, TK tightened its loan approval policy in Thailand to reduce risk until the Bank of Thailand announces official regulations for the supervision of the hire-purchase business, which is expected to be effective in 2025.

Other income in Q1/2025 was 118.3 million baht, or a 22.2% increase from 96.9 million baht compared to the same period last year, most of which comes from bad debt recovery.

2. Total expense in Q1/2025 was 200.8 million baht, a 46.7% decrease from 376.9 million baht compared to the same period last year.

Total administrative expenses in Q1/2025 were 171.4 million baht, a 15.3% decrease from 202.4 million baht compared to the same period last year, as the Company consolidated branches, some fixed expenses have been reduced, and TK implemented digital technology in each department and prevented redundant processes to improve work efficiency.

3. Financial cost in Q1/2025 was 4.0 million baht, a 58.3% decrease from 9.7 million baht compared to the same period last year, due to decreased borrowing in its foreign operations. The Company has cash and deposits of 3,122.5 million baht, and the D/E ratio in Q1/2025 was 0.06 times, decreasing from the end of 2024 at 0.08 times.

At the end of Q1/2025, TK net hire-purchase and loan receivable amount was 1,870.1 million baht, a 6.2% decrease from 1994.5 million baht compared to the end of 2024, due to a strict credit lending policy since the third quarter of 2022. Moreover, the Company made allowance for the impairment of accounts receivable to have sufficient reserves. For Q1/2025, the provision was 132.99 million baht; loans overdue for more than 3 months were 6.2%, and the coverage ratio was 107.7%. In comparison, at the end of 2024, the

provision was 174.6 million baht, loans overdue for more than 3 months were 7.0%, and the coverage ratio was 115.1%.

The Key Events in Q1/2025 as follows:

1. The subsidiary company in Lao PDR, Sabaidee Leasing Company Limited, has received approval from Bank of the Lao PDR to close two branches in Xiangkhoang and Udomxai. The branches' closure was the result of economic and exchange rate fluctuations that prevented the operations of both branches from achieving their targets. The Company has a strategy to focus on growth in potential branches and close branches that cannot generate profits, which will reduce the burden and help allocate resources more efficiently.

Factors Affecting the Company's Future Operations or Growth

1. Royal Decree on the Regulation of Certain Financial Businesses Under the Financial Institution Business Act B.E. 2551 B.E... to supervise the automobile and motorcycle hire-purchase and leasing business is in the process of proposing for legal enforcement, which is expected to be in November 2025. TK has prepared various matters to be ready to operate in accordance with the rules and measures set by BoT.
2. The announcement of the Contract Committee of the Office of the Consumer Protection Board on the establishment of the automobile and motorcycle hire-purchase business as a contract-controlled business, effective from January 10, 2023, sets the ceiling of the motorcycle hire-purchase interest rate at 23% per annum, which does not cover the higher costs and risks of the vulnerable motorcycle hire-purchase debtors. However, the Contract Committee may adjust it to be in line with the country's economic conditions every 3 years. TK will closely monitor the progress.
3. The recovery of the hire-purchase business depends on economic growth; new economic stimulus measures from the government and high household debt solutions are crucial factors for the expansion of the hire-purchase business in the long term.
4. TK is ready and has sufficient capital to expand investment both domestically and internationally immediately when there are opportunities and investment situations that are conducive.

Since COVID-19 outbreak started and the ceiling on interest rates set by government agencies and the household debt problem that remains high at about 90% of GDP, TK has adjusted its business operations and strategies to be in line with the changes in the industry. TK has had a higher loan rejection rate due to the strictness of lending since the third quarter of 2022 to reduce credit costs while controlling operating costs and improving work processes for greater efficiency. TK has a growth strategy by developing new financial

products that can generate higher income and profit such as machinery hire-purchase loans, secured loans, and motorcycle rental service (TK ME), personal loans with vehicle registration as collateral or title loans and nano-finance loans. With these additional services, The Company's business will increase opportunities to generate income in both the short and long term. Moreover, TK maintains good relationships with business partners, including motorcycle and automobile dealers. As soon as the BoT's motorcycle leasing business supervision rules becomes clear and encourage fair competition with expectable risk return reward, TK is ready to expand its business in the motorcycle hire-purchase immediately.

Please be informed accordingly.

Best regards,

(Ms. Prathama Phornprapha)
Director / Managing Director