TK.012/2557 February 20, 2014

Subject: Notification of the annual 2013 operation result decrease 39.8%

Att: President,
The Stock Exchange of Thailand

Operation result for the annual 2013 for Thitikorn Plc. (TK) and subsidiaries: Net profit was 428.7 Mb. decreased by 283.4 Mb. or a 39.8% decrease compared to the previous year of 712.1 Mb. The main reasons are as follow:

1. Total revenue in the annual 2013 was 3,883.5 Mb increased by 221.1 Mb. or a 6.0% increase compared to the previous year of 3,662.4 Mb. from continuous expansion of account receivables. Hire-purchase income was 3,027.0 Mb. increased by 323.3 Mb. or a 12.0% increase compared to the previous year of 2,703.8 Mb. Other income was 856.5 Mb. decreased by 102.1 Mb. or 10.7% decrease compared to the previous year of 958.6 Mb. Due to lower income from bad debt recovery.

2. Total expenses in the annual 2013 were 3,476.4 Mb. increased by 538.0 Mb. or a 18.3% increase compared to the previous year of 2,938.4 Mb. SG&A was 2,018.4 Mb. increased by 330.1 Mb. or a 19.6% increase compared to the previous year of 1,688.2 Mb. An increase in total expenses are as follow:

   2.1 Continuous expansion of total net portfolio of the Company currently stood at 9,058.8 Mb. or a 4.8% increase compared to the previous year of 8,647.9 Mb. An increase in marketing and commission expenses due to highly competitive market conditions, especially when some competitors still maintain a very aggressive marketing strategy, together with the Company's conservative accounting policy to expense all marketing and commission expenses right the way while others operators amortize the expenses over the life of the contract. In 2013, the Company managed to open 7 new branches.

   2.2 Motorcycle manufacturers launched a record of over 20 new models in 2012 and continued to launch an additional 10 new models in 2013. The Company accelerated selling its older models repossessed motorcycles which has caused the decline in popularity and resale values.

2.3 Bad debt and provisions for doubtful accounts in the annual 2013 was 1,203.9 Mb. increased by 233.7 Mb. or a 24.1% increase compared to the previous year of 970.3 Mb. due to economic slowdown toward the end of second quarter and political unrest during the fourth quarter of 2013 which had a direct negative impact to the Company's total revenue and bad debt provisions to doubtful accounts caused the Company performance to soften in the second half of the year.

The Company continued its business expansion in 2013 even when Thai economic activities contracted significantly caused domestic motorcycle sales decline continuously.

Please be informed accordingly,

Yours faithfully,

Prathama Phornprapha
Managing Director