TK.050/2557 May 14, 2014

Subject: Notification of the first quarter 2014 operation result decrease by 64.8%

Att: President,
The Stock Exchange of Thailand

Operation result for the first quarter 2014 for Thitikorn Plc. (TK) and subsidiaries: Net profit was 71.5 Mb., decreased 64.8% from 203.4 Mb. compared to the same period of the previous year. The main reasons are as follow:

1. Total revenue in the first quarter 2014 was 736.4 Mb., decreased 0.7% from 741.9 Mb. compared to the same period of the previous year due to economic slowdown and political crisis which had both direct and indirect affects to the Company business operation. Motorcycle sales in the first quarter 2014 was 431,792 units, decreased 21.3% from 548,965 units compared to the same period of the previous year.

2. Total expenses in the first quarter 2014 were 868.5 Mb., increased 14.2% from 760.4 Mb. compared to same period of the previous year. SG&A was 469.2 Mb., increased 15.0 from 407.8 Mb. compared to same period of the previous year. An increase in total expenses are as follow:

   2.1 An increase in marketing and commission expenses due to highly competitive market conditions, especially when some competitors still maintain a very aggressive marketing strategy.

   2.2 Slowdown in domestic consumption and decrease in disposable income from domestic consumers lessen some of the Company's customer ability to service their monthly installment. The Company continued to maintain its accelerated write off policy of its bad debt as well as selling of its older models repossessed motorcycles.

   2.3 Thai economy started slowdown toward the end of second quarter of last year from slowdown in export sectors and overall economic activities lessen some of the Company's customer ability to service their monthly installment, which had a direct negative impacted to both the Company's revenue and Bad debt and provisions for doubtful accounts. Bad debt and provisions for doubtful accounts in the first quarter 2014 was 333.0 Mb., increased 15.9% from 287.4 Mb. compared to the same period of the previous year.

The Company net hire-purchase receivables outstanding in the first quarter was 8,858.1 Mb., decreased 2.3% from 9,058.8 Mb. compared to the previous quarter. (The Company total asset was 10,431.1 Mb., increased

1.6% from 10,267.40 Mb., while total liabilities was 6,345.7 Mb., increased 1.5% from 6,253.50 Mb. compared to the previous quarter.)

Please be informed accordingly,

Yours faithfully,

Prathama Phornprapha
Managing Director