TK.063/2557 August 7, 2014

Subject: Notification of the second quarter 2014 operation result decrease by 96.5%

Att: President,
The Stock Exchange of Thailand

Operation result for the second quarter 2014 for Thitikorn Plc. (TK) and subsidiaries: Net profit was 3.7 Mb., decreased 96.5% from 105.9 Mb. compared to the same period of the previous year. The main reasons are as follow:

1. Total revenue in the second quarter 2014 was 928.3 Mb., decreased 2.5% from 952.5 Mb. compared to the same period of the previous year due to economic slowdown which continuously reduce new loan origination as well as prolong political crisis which negatively impacted export and tourism sector had both direct and indirect affects to the Company business operation. Motorcycle sales in the second quarter 2014 was 445,208 units, decreased 18.8% from 548,423 units compared to the same period of the previous year. Monthly motorcycle sales had declined 14 months consecutively.

2. Total expenses in the second quarter 2014 were 924.6 Mb., increased 9.2% from 846.6 Mb. compared to same period of the previous year. SG&A was 497.0 Mb., decreased 5.7% from 527.1 Mb. compared to same period of the previous year. An increase in total expenses are as follow:

    2.1 Due to highly competitive market conditions, especially when some competitors still maintain a very aggressive marketing strategy over the past three years; together with economic slowdown in the last five quarters which lessen payment ability in several of our customer groups and increase company collection expenses. The Company has tighten its terms and conditions for loan approval and reduce the number of new hire-purchase contract approved due to declining motorcycle sales which reduce the Company commission and marketing expenses accordingly.

    2.2 Thai economy started slowdown toward the end of second quarter of last year and continued to do so for the last five quarters consecutively which negatively impacted export sectors and domestic economic activities as well as declineing prices of agriculture products. Several groups of customer ability to service their monthly installment had been in decline, the Company had temporary extend monthly installment payment to our good customers which face some difficultly temporary currently. The mentioned factors had a direct negative impacted to the Company's revenue and Bad debt and provisions for doubtful accounts. Bad debt and provisions for doubtful

accounts in the second quarter 2014 was 366.1 Mb., increased 36.4% from 268.4 Mb. compared to the same period of the previous year. Allowance for doubtful accounts in the second quarter 2014 was 630.8 Mb., increased 10.2% from 572.2 Mb. compared to the previous quarter.

The Company net hire-purchase receivables outstanding in the second quarter was 8,596.8 Mb., decreased 2.9% from 8,858.1 Mb. compared to the previous quarter. The Company total asset was 9,726.2 Mb., decreased 5.3% from 10,267.4 Mb., while total liabilities was 5,852.0 Mb., decreased 6.4% from 6,253.50 Mb. compared to the previous quarter.

Please be informed accordingly,

Yours faithfully,

Prathama Phornprapha
Managing Director