บริษัท ฐิติกร จำกัด (มหาชน)
Thitikorn Public Company Limited

TK. 031/ 2565

August 9, 2022

Subject : Report of operating results for Q2/2022, net profit decreased 0.7% and total revenue decreased 1.5%

Attention : President

The Stock Exchange of Thailand

The operating performance for Q2/2022 of Thitikorn Public Company Limited and its subsidiaries reported a net profit of 117.5 Million Baht, a decreased of 0.7% from 118.4 Million Baht compared to the same period last year, total revenue of 492.2 Million Baht, a decreased of 1.5% from 499.5 Million Baht compared to the same period last year.

In 2022, Thai economy is forecasted to expand 2.7% - 3.5%, which is higher than the previous year. This is in line with the increasing of domestic motorcycle hire purchase receivables of the Company since the fourth quarter of 2021 to second quarter of 2022. Moreover, Thai exports also improve and are projected to grow by 8% from previous year. With an export value of 4.9 trillion baht during the first haft of 2022, a growth of 23.1%. Tourism industry is expected to recover this year, the Tourism Authority of Thailand predicts that in 2022 there will be 5-15 million foreign tourists visiting Thailand along with 160 million trips from local Thai traveler/tourists, resulting in tourism revenue of 1.2 trillion baht. It is expected that these positive factors will benefit Thai economy and business expansion as well as the quality of hire purchase receivables of TK Group. In 2021, GDP grew only 1.6%. All countries have been experiencing the COVID-19 pandemic for the last two years, and at the beginning of this year Russian-Ukrainian went to war caused higher energy and commodity prices, as a result, the cost of living in Thailand continues to increase. Thai inflation rose 7.66% in June 2022, the highest level in 13 years. However, it is not currently possible to clearly assess the total impact of Covid-19 pandemic, Inflation and supply shortages and disruption from global supply chain as well as raising interest rates by central banks around the world, with other risk factors which may arises, TK will continue its conservative policy in underwriting new loans.

Domestic motorcycle sales in Q2/2022 were 460,977 units or 5.3% increased from 437,826 units from last year. Domestic motorcycle sales in H1/2022 were 910,716 units or 4.2% increased from 874,041 units from last year, after the sales declined for 3 consecutive years but began to expanded last year. Automobile sales in Q2/2022 were 196,114 units or 9.5% increased from 179,054 units from last year. Automobile sales in H1/2022 were 427,303 units or 14.5% increased from 373,191 units from last year after the sales declined for 3 consecutive years. Directly affected the Company operation as followed:

1. Total Revenues for Q2/2022 were 492.2 Million Baht, a decreased of 1.5% from 499.5 Million Baht compared to the same period last year. As for the Hire-Purchase Income in Q2/2022, amount of 364.3 Million Baht

increased by 5.6% from 345.1 Million Baht compared to the same period last year due to accelerating portfolio expansion last year.

Other Incomes for Q2/2022 were 122.3 Million Baht, a decrease of 9.3% from 134.8 Million Baht compared to the same period last year as a result of declining of bad debt recovery due to reduction of bad debt write-off from the increase of account receivable quality and the revenue from the collection fee decreased from Debt Collection Act which became effective on 9 August 2021.

2. Total Expenses for Q2/2022 were 348.6 Million Baht, an increased of 3.5% from 336.7 Million Baht compared to the same period last year. Total selling and administrative expenses for Q2/2022 were 268.7 Million Baht, an increased of 8.9% from 246.7 Million Baht compared to the same period last year due to:

2.1 The company has a policy to increase account receivable resulting in higher marketing expenses such as promotional fees, marketing support fees. In addition, the Company has a policy to book the full marketing cost immediately instead of amortize the expense.

2.2 The increasing usage of Digital Technology in all department.

3. Cost of fund for Q2/2022 were 8.6 Million Baht, an increased of 13.8% from 7.6 Million Baht compared to the same period last year due to the increasing usage of credit line in neighboring countries operation more than domestic operation, affected by the volatility of the Baht, Riel and Kip currencies. As of the end of Q2/2022, after repayment of debentures 670 Million Baht in last year, the Company had cash & deposits position of approximately 2,105 Million Baht, D/E ratio was 0.23X as the end of 2021.

At the end of Q2/2022, the Company had a total of 4,405.7 Million Baht in Net Hire-Purchase Contract and Loan Receivables, an increase of 11.6% from 3,949.4 Million Baht compared to the end of previous year due to the policy of accelerating the expansion of its account receivable. In addition, domestic hire purchase receivables began to expand for the third consecutive quarter. Since the 2nd quarter of 2020 TK had adopted more conservative allowance for doubtful account and, 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 were using temporary relief measures since the second quarter of 2020; at the end of Q2/2022 allowance for doubtful accounts amounted to 322.2 Million Baht, account receivables overdue more than 3 months was 5.8% and Coverage Ratio was 118.0% (The allowance for doubtful accounts at the end of 2021 amounted of 371.6 Million Baht, account receivables overdue more than 3 months was 7.1% and Coverage Ratio was 120.5%). The Company's Total Assets were 6,967.6 Million Baht, a decrease of 0.2% from 6,979.0 Million Baht compared to the end of previous year. Total Liabilities of 1,288.5 Million Baht, a 2.5% decrease from 1,322.0 Million Baht compared to the end of previous year.

As for the coming quarters the group of Companies is ready to accelerate its business expansion immediately once the economy condition is more favorable by using the Company's cash which is sufficient to expand for at least another 12 months 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