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Subject: Management Discussion and Analysis for Report of Performance Results of Q2/2025

Attention: President
The Stock Exchange of Thailand

Thitikorn Public Company Limited and its subsidiaries (**Company**) announced the operating performance for Q2/2025 as follows.

In Q2/2025, the net profit was 38.5 million baht, which increased by 482.4% from 6.6 million baht compared to the same period last year. The total revenue was 221.3 million baht, which decreased by 36.8% from 350.3 million baht compared to the same period last year.

The Thai economy in Q1/2025 expanded by 3.1%, higher than the Bank of Thailand's (**BoT**) full-year forecast of 1.3% to 2.0%. This is due to the acceleration of exports resulting from the United States' policy of increasing import taxes and the expansion of public investment, while private consumption and investment decelerated. In the second half of 2025, there are still rising risks from political uncertainty and government restrictions, including the border dispute between Thailand and Cambodia and the imposition of reciprocal tariffs from the US, which are expected to affect Thailand's economic growth in 2025. Thai exports in the first half of 2025 totaled 166,851.0 million USD, expanding by 15.0%. This was partly due to temporary factors to avoid the impact of US tariff hikes, which took effect on August 1, 2025. Thai exports are expected to slow down in the second half of the year. Regarding foreign tourists visiting Thailand in the first half of 2025, there were 16.7 million tourists, a decrease of 4.7% compared to the same period last year. Revenue was 771,555 billion baht, a decrease of 2.3%, due to a rapid decline in Chinese tourists, remaining only 30-40% of pre-COVID-19 levels. As for global policy interest rates in Q2/2025, the US Federal Reserve (FED) maintained its policy interest rate at 4.25-4.50%, the same rate as at the end of 2024 and the fifth consecutive time of maintenance. The European Central Bank (EU) has cut its benchmark interest rate twice, down to 2.00%, the eighth cut in 12 months. The BoT cut its policy interest rate once, down to 1.75% in this quarter.

Thai motorcycle market sales in Q2/2025 were 917,685 units, which increased by 1.5% from 904,143 units compared to the same period last year, while Automobile market sales in Q2/2025 were 302,694 units, which decreased by 1.7% from 308,027 units compared to the same period last year.

The conclusion of the operating results for Q2/2025 is as follows:

1. Total revenue in Q2/2025 was 221.3 million baht, or a 36.8% decrease from 350.3 million baht in the same period last year. The hire-purchase income for Q2/2025 was 111.6 million baht, or a 41.8% decrease from 191.8 million baht compared to the same period last year due to the announcement interest rate cap at 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 BoT announces official regulations for the supervision of the hire-purchase business, which is expected to be effective in late 2025.

Other income in Q2/2025 was 81.5 million baht, or a 26.8% decrease from 111.4 million baht compared to the same period last year, most of which comes from bad debt recovery.

2. Total expense in Q2/2025 was 169.9 million baht, a 48.9% decrease from 332.4 million baht compared to the same period last year.

Total administrative expenses in Q2/2025 were 133.8 million baht, a 31.8% decrease from 196.3 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 Q2/2025 was 3.1 million baht, a 64.1% decrease from 8.5 million baht compared to the same period last year, due to decreased borrowing in its foreign operations. The Company has cash and deposits of 2,883.8 million baht, and the D/E ratio in Q2/2025 was 0.05 times, decreasing from the end of 2024 at 0.08 times.

At the end of Q2/2025, TK net hire-purchase and loan receivable amount was 1,676.6 million baht, a 15.9 % decrease from 1,994.9 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 Q2/2025, the provision was 120.1 million baht; loans overdue for more than 3 months were 6.3%, and the coverage ratio was 105.4%. 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%

As of Q2/2025, the Company had total assets of 5,667.8 million baht, a 3.6% decrease from 5,877.9 million baht compared to the end of 2024, and total liabilities of 288.1 million baht, a 36.0% decrease from 449.8 million baht compared to the end of 2024.

The Key Events in Q2/2025 as follows:

1. The Royal Decree stipulating that the hire-purchase and leasing businesses for automobiles and motorcycles are subject to the Financial Institutions Business Act B.E. 2008 (B.E. 2025) has been published in the Royal Gazette and will come into effect from December 2, 2025 onwards. The BoT will serve as the primary regulatory agency and is currently drafting the relevant regulations for supervising hire-purchase and leasing businesses. These businesses are scheduled to report to the BoT by September 2025, with reporting periods lasting six months.
2. The conflict and closure of the Thai-Cambodian border checkpoints, including permanent checkpoints and checkpoints for border trade and tourism, have severely impacted border trade. In 2024, Thai-Cambodian border trade reached a value of 174,530 billion baht. The border closure has directly impacted the export of key Thai products such as beverages, snacks, beauty products, and raw materials for the textile industry. Meanwhile, imports from Cambodia, such as automotive parts, ready-to-wear garments, and agricultural products, include Cambodian workers for both short-term and long-term employment in Thailand as well. The Department of Foreign Trade estimates that this situation will prevent the 2025 border trade from growing at 10% as targeted.

Factors Affecting the Company's Future Operations or Growth

1. The Office of the Consumer Protection Board (OCPB) formerly set a ceiling interest rate for motorcycle hire-purchase at 23% per annum. After the Royal Decree on the Regulation of Hire-Purchase and Leasing Businesses for automobiles and motorcycles is effective, the BoT will play a key role in setting these interest rates, along with enforcing market conduct and responsible lending measures. These will be key factors in determining the future direction of the growth of the motorcycle hire-purchase industry.
2. Long-term growth in the hire-purchase business depends on the overall economic recovery, the government stimulus measures, the resolution of conflicts between Thailand and its neighboring countries, and the resolution of high household debt, all of which are key factors in driving business growth.
3. The Company is ready and has sufficient capital to expand investments both domestically and internationally immediately when opportunities and investment situations arise.

Recently, the Thai economy has faced numerous challenges: a slowdown in domestic consumption, production, and exports, which are impacted by the global economic slowdown, political uncertainty, remaining high household debt, and the BoT's oversight of the hire-purchase and leasing business. These factors have affected the business direction of the private sector, particularly small and medium-sized enterprises (SMEs).

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. In terms of product development, TK has expanded its financial portfolio with new products with the potential to generate higher income and profit, such as machinery hire-purchase loans, secured loans, and personal loans with vehicle registration as collateral or title loans and nano-finance loans. This represents a significant increase in business opportunities both in the short and long term. Moreover, the company continues to prioritize maintaining good relationships with its business partners and allies to strengthen its financial services network. Once the BoT's motorcycle leasing business supervision rules become clear and encourage fair competition coupled with returns commensurate with risk, 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