

RISK MANAGEMENT

RECEIVABLE RISKS

TCMC continues to have a strict policy on terms of payment and receivables. However, TCMC has various customer bases in order to diversity the risks and exposure. In addition, TCMC has efficiently managed potential bad debts and as a result the outstanding balance has gradually reduced.

INTEREST RATE FLUCTUATION

On April, 2015, the company has entered into long-term loan agreement with a local commercial bank, totaling 600 million Baht to acquire Alstons Furniture Group Limited. The agreement term of such loan is seven years and the interest rate is equal to MLR - 1.75% per annum. The interest will be paid on a monthly basis with the first interest payment made on the last day of the month of the first withdrawal of the loan. The company is still able to repay the loan on time. The company has paid fully the bank loan of the previous long-term loan contract, and it has redeemed the collateral on the loan with the such bank.

EXCHANGE RATE FLUCTUATIONS

TCMC does not have foreign currency loan nor trade financial derivative products. Therefore, there is no risk from such transactions. TCMC has committed to forward purchase to reduce exchange rate risk from exporting carpets and importing raw materials, machineries and equipment, etc.

However, the continuous increasing of Baht Value has a major influence on the export sales revenues which is the potential goal of the company.