

Stock Code:
TCMC



ANNUAL REPORT 2021

Form 56-1 One Report*

TCM Corporation Public Company Limited





TCM CORPORATION

GLOBAL PRESENCE • AESTHETIC EXCELLENCE • BUSINESS INTEGRITY

TCM Corporation PLC has expanded into a true global conglomerate becoming industry leaders in Flooring, Living and Automotive business sectors while continuing to grow and explore new opportunities. TCM Corporation PLC upholds professional business integrity that builds confidence in our shareholders, business partners, customers, and other stakeholders around the world. We focus on delivering inspirational and high quality products that lead the industry in aesthetic excellence.

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**COMFORTABLE
SOFAS COMBINE
A SOFT
APPROACH
WITH RICH
DETAILING
CLASSIC
SHAPES**



WE BUILD

SUCCESS

We aim to create value for shareholders through sustainable development from an economic, social, and environmental perspective. Currently, we are taking steps to reduce the impact on the environment through production processes that take the environment and local community impact into account, products made from recycled materials, and the Net Zero target we set this year.

MESSAGE FROM CHAIRMAN

Dear Shareholders,

2021 is the second year of the Covid-19 pandemic. Our business continues to experience the impacts despite the adaptations and returns we achieved last year. This year, we have been greatly impacted by a multitude of factors. The purchasing power of certain businesses, particularly the flooring business, has yet to recover from the pandemic causing disruptions to our production and export systems. The increase in raw material prices, labor shortages, and the global shipping crisis combine to disrupt our supply chain like never before.

These events demonstrate that our decision to diversify and invest in different industries was the right choice. This year, the company received most of its income from our furniture business in the UK, as the market bounced back rapidly in the midst of the pandemic. If we had continued to invest solely in carpets and flooring, the decline of the service and tourism industries would likely have a larger impact on the company.

Despite the situation being less than ideal, the company still strives to continue improving our business strategy and operations to become more agile and adaptive. The leadership team under CEO Miss. Piyaporn Phanachet, prioritizes developing our people, building collaboration both within and outside the organization, and using new techniques to fully understand the needs of customers. This has led to an improvement in both our business processes and the quality of our service, continuing the work we have done since 2017. Our company has consequently become more strong, flexible, and competitive as the market recovers.

From now on, we aim to create value for shareholders through sustainable development from an economic, social, and environmental perspective. Currently, we are taking steps to reduce the impact on the environment through production processes that take the environment and local community impact into account, products made from recycled materials, and the Net Zero target we set this year. Furthermore, we put an emphasis on human development so that we can internally grow our talent, increase morale, and improve employees' wellbeing. Thus our little happy community can grow into one big happy society.

Finally, I would like to thank all the shareholders and affiliated individuals including the board, business partners, and customers who put their trust in the company all along. I must also express my appreciation to all the leadership and employees in the group who have put their effort and energy to put out their best work. I sincerely hope that we will continue to receive this kind of support in the years to come.



Pimol Srivikorn
Chairman of the Board

GROUND ED IN A GREAT BRITISH HERITAGE




TCM LIVING[®]

MESSAGES FROM THE CHIEF EXECUTIVE OFFICER

The challenges have also presented us with many opportunities

Dear Shareholders,

2021 has provided us with both challenges and opportunities. We can consider it a test of our agility and responsiveness to constantly shifting circumstances, even if the overall business outcome was reduced. Our main customer segments, hospitality, and tourism have yet to recover from the impacts of the COVID-19 pandemic and we have experienced many disruptions to the production process such as increased raw materials prices, labor shortage, and the global shipping crisis.

At the same time, the challenges have also presented us with many opportunities. We have ventured into the hand-tufted carpet market which has grown alongside the residential market. We have also expanded in other markets such as airports, convention centers, in addition to the cruise ship and private jet market that we had tasted last year. We have also had the opportunity to improve our production processes to become more efficient, fast, cost competitive, and environmentally friendly. We must thank every party, both seen and unseen, who allow us to succeed in our projects.

Furthermore, through our hardships, our employees have become more open to change and new ideas. Everyone has joined together to face this crisis at an unprecedented level and our work has become more open and creative.



By opening up to unfamiliar approaches, we are able to reach new customers looking for new changes, particularly the younger generation. We are able to build an organization with forward-thinking leaders, reach a wider customer base, and become more agile and resilient from greater collaboration within the company. We see this as a chance to alter the company culture to allow our most capable employees to grow to their full potential without distinction of gender, race, religion, and disabilities. In 2022, we are altering many aspects of the company, most notably through changing the CEO of TCM Living and TCM Flooring to align with the company mission and vision.

In the past year, we have organized events to tackle various social and environmental issues both in Thailand and abroad. We have become a signatory of the Women's Empowerment Principles (WEPs) and we continue to pursue the targets set by the United Nation's sustainable development goals. We strive to become part of the solution to make our world a better place to live for future generations.

After this great storm that we have braved, we have become stronger, better, and more adaptive. We have been able to make a real difference in society and the environment. I hope that everyone involved will continue to support us as you have done all along.


Miss Piyapom Phanachet
Chief Executive Officer

Part 1 Business Operation and Performance

1. Structure and Operations of the Corporate Group

Vision, Mission, and Corporate Culture

Vision

“To be the leader in the international market, ready to prosper with sustainable corporate development.”

Mission

1. To maximize profit through efficient management that considers the impacts on all stakeholders.
2. To operate businesses that are committed to good governance through transparency, accountability and integrity at all levels.
3. To constantly innovate cutting-edge designs and technology.
4. To provide all employees with equal opportunity for individual growth and development.
5. To instil a shared vision among employees, stakeholders, customers, and partners that will drive our businesses towards long-term success.

Corporate Culture

TCM Corporation Plc. aims to establish the core values of the brand’s culture among its employees based on a united vision and common goals. These shared values will help harmonize the diversity of the people within the organization as it is universally applicable to any field of business and culture within TCM Corporation.

T Trustworthiness

Established in 1967, the company has been in operation for over five decades and is listed on the SET.

C Competence

The Company believes in its ability to meet global demands in its diverse business operations.

M Modernity

Progress is sustained by continuously adapting products and services to changes in the technology-driven interconnected world and maintaining a competitive edge in the expanding global economy.

C Creativity

TCM Corporation PLC. is always open to new opportunities, creative ideas, and innovative designs.

Business Goal and Strategy

TCM Corporation is a holding company that invests internationally in businesses related to personal and commercial living spaces. In addition to financial support, the company aims to support the growth of each acquired business to its full potential and sustainably increase competitive capability through creating synergies and offering strategic direction.

The Company’s policy for investment criteria is; TCMC intends to invest in businesses with clear competitive advantages, with one or many of characteristics as below:

1. A business that is related to existing business and enable to supports and promotes the entire growth of the business group.

The business shall enable TCMC Group to have access to innovation, production, and distribution resources, as well as providing the Company with the ability to meet customer demand more effectively. These elements will be key mechanisms to drive growth and competitiveness as well as clearer and more sustainable strategies. Moreover, the business to be invested in should be a living business where the strength of TCMC can be applied in coordination between different businesses that will potentially grow together.

2. A business that has a good growth rate in line with changes in the market.

As the world has entered the age of leaping technology, lifestyles are changing rapidly. Consumer demand changes when consumer behavior changes, and so some businesses have been closed down while some have been prospering for that reason. The changes involve distribution channels, customer approaches, and product demands. Businesses also benefit from the changes in different ways. The business to be invested by the Company must be heading toward the direction that will benefit from such changes the most and/or able to introduce the existing products of TCMC Group to new customers or expand to new business life cycles.

3. Good Personnel

Human resources are the most important element to building a strong organization. The business to be invested in shall employ personnel with potential and good attitude, especially the organization leader to be recruited, who must possess vision and experience that make him/her understand the customers and business environment very well. In addition, the organization leader must have an open and creative attitude that listens to people, always keeps improving, welcomes new ideas, dares to make things happen, dares to fall and get up quickly, apart from other qualities of a good leader that will attract potential candidates to join and grow together with the organization.

4. Good Organizational Culture

The organization shall be open to new knowledge, a stage where people can grow, show their talents, share their ideas and creativities, as well as improving personnel of all fields to reach their maximum potential by trying, making things happen, sharing experiences, and awakening their personal talents. Good organizational culture will be a key to helping the organization adapt to changes successfully.

5. Has Business Ethics

The entire business, from management to operations, must be committed to achieving every business goal under the scope of codes of ethics. All activities must be performed with due regard to social responsibility and the impact on all stakeholders to ensure that the organisation can increase profit while maintaining good corporate governance.

6. Help to Reduce Environmental Impact

In addition to growth in profits, the Company is committed to promoting environmental conservation in order to achieve sustainable growth and maintain good relationships with surrounding communities. The business should take into account the production efficiency, reduction in resource consumption, and modern innovations that help reduce wastewater pollution, waste generation, and other types of pollution. In addition, it is essential to support good initiatives that allow the Company to grow alongside the community and greater society.

Company Profile

Company Name	TCM Corporation Public Company Limited ("TCMC")
Location	2044/24 New Petchburi Road, Bangkapi, Huaykwang, Bangkok 10310 Tel. +66 (0)2-318-3960 to 1 Fax. +66 (0)2-318-3962
Type of Business	Distributor and installation of carpets and floor coverings to Domestic and International market /Invest in related businesses
Company registration number	0107537001021 (Bor Mor Jor 349)
Registered Capital	THB 1,119,343,830.00
Paid-up Share Capital	THB 839,521,237.50
Per Value per Share	THB 1.10
Home page	www.tcm-corporation.com

Others Reference

Share Register	Thailand Securities Depository Co., Ltd. 14 th Floor, The Stock Exchange of Thailand Building, 93 Ratchadapisek Road, DinDang, Bangkok 10400 Tel: +66 (0) 2 009 9999
Auditor	Miss. Sulalit Ardsawang, Certified Public Accountant Registration No. 7517 Dharmniti Auditing Co., Ltd., 178 Dharmniti Building, 6-7 th Floor, Soi Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok, 10800 Thailand Tel: +66 (0) 2 596 0500
Accounting Period	January 1 st to December 31 st
Legal Councilor:	Bunchong and Vidhya Law Office Limited Wall Street Tower Bldg., 9 th Fl., 33/35, 33/39-40 Surawongse Rd., Suriyawongse, Bangrak, Bangkok 10500 Tel: +66 (0) 2 233 1666 CMT Counsellor Company Limited 75 Soi Puengmee11, Sukhumvit Rd., Bangchak, Prakanong Bangkok 10260 Tel: +66 (0) 81 836 7236 Baker & Mckenzie Co., Ltd. 990 Abdulrahim Place, 5 th , 10 th , 21 st – 25 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel: +66 (0)2-636-2000
Financial Advisory:	None

History and Background

TCM Corporation Public Company Limited was formerly named "Thailand Carpet Manufacturing Public Company Limited" was established on 21st February 1967 by founded shareholders, Mr. Chalermphan Srivikorn, Hong Kong Carpet Manufacturers Company Limited, and Philippine Carpet Manufacturing Company Limited, with an initial registered capital of THB 5 million, to manufacture and sell carpets both domestically and overseas. Thailand's first carpet manufactory located at KM 27 of Vipavadee Rangsit Road, close to Don Muang Airport, covering an area of 29 rai, was completed and ready for manufacturing of carpets under 'Tai Ping' brand on 10 March 1968.

In 1972, The Company began exporting its carpets under the trademark of "Royal Thai".

On 30 June 1978, the Company was approved as a listed company in the Stock Exchange of Thailand and could offer shares for sale to the public.

In 1984, the Company expanded its factory and installed a new machine for production of Axminster woven pattern carpets and also received a promotion certificate from the Board of Investment of Thailand. Since then, the Company has gradually increased its production capacity.

In 1994, the Company was converted into a public limited company and expanded its investment to cover other business fields, such as real estate and textiles and carpets for automotive industry.

In 1997, the Company restructured to recover from the impact caused by floating exchange rate declaration. Thus, the Company terminated investments in businesses that are not the Company's main business.

In 2008, the board meeting passed a resolution to joint-invest in United Carpet Manufacturing Co., Ltd., a company with similar nature focusing on exporting the hand-tufted carpet, holding 51% of shares. The Company and its subsidiaries have made an agreement on not to compete in price dealing with the same clients.

In 2011, the Company registered the founding of Royal Thai International Company Limited with a shareholding ratio of 100 percent for flexibility of business operations to represent the Company in order to distribute carpets and flooring materials in the country. The Company provided services in the area of management, inventory procurement and business operation facilities.

In 2014, the Company purchased shares in T.C.H. Suminoe Co., Ltd. by buying shares from former shareholders (who were directors or shared directors with the Company) at 49.90 percent of all shares invested in the Company for the purpose of investing in a business with competitive capacity because T.C.H. Suminoe Co., Ltd. is a major manufacturer and distributor of textiles and carpets for the automobile industry with a well-known reputation in the industry.

In 2015, TCMC's subsidiary in England, including TCMC Furniture Limited, invested in Alstons Furniture Group, a registered company in England that operates in the furniture manufacturing and distribution business. This was an investment in a similar or supporting business for the Company's main business at 76.00 percent of all shares. The remaining shares (24.00 percent) were held by Alstons Furniture Group's former executives.

In 2016, the Company invested in the DM Midlands Group through Manor (2016) Holdings Limited, a TCMC subsidiary registered in England and Wales at 75.00 percent of all shares. The remaining 25.00 percent of shares were held by the original executives and shareholders. DMM Group operates in the business of manufacturing and distributing sofas to customers in the United Kingdom and other countries with three main brands consisting of Ashley Manor, AMX Design and Alexander & James.

When the acquisition of DMM Group's business is combined with the acquisition of Alstons Group in the previous year, the Company became the number-one sofa manufacturer and distributor in England.

In 2017, the Company invested in Commercial Carpet Business, formerly part of Tai Ping Carpets International Limited (Tai Ping), a company listed the Hong Kong Stock Exchange. Invested businesses consisted of manufacturing sections, including Carpet International (Thailand) Public Company Limited and distribution sections consisting of sale offices located in the United States, England, Hong Kong, Macao, Singapore and India.

Tai Ping continues to operate only in the business of hand-woven carpets and carpets woven with special machinery for residences and Tai Ping will not manufacture or distribute carpets for commercial activities the Company purchased as per contract terms.

Therefore, the Company discontinued the use of the "Tai Ping" brand in Thailand and uses the "**Royal Thai**" brand in the country and overseas for distribution of hand-woven carpets and machine-woven Axminster carpets. This acquisition gave the Company status as one of the world's top commercial manufacturers and distributor of Axminster carpets.

On 2 October 2017, the Company changed the Company's name from "Thailand Carpet Manufacturing Public Company Limited" to "**TCM Corporation Public Company Limited**" while retaining our abbreviated name, "**TCMC**", in the stock exchange of Thailand in order to be consistent with the Company's growth and investment expansion to other businesses than carpet manufacturing. The company divided the business into 3 business group such as TCM Flooring, TCM Living and TCM Automotive

In 2019, the company has merged all three affiliated carpet manufacturing facilities into a single factory in Pathum Thani, covering approximately 100 Rais. In addition, all personnel and machinery have been transferred to the single factory to enhance production efficiency, reduce operating costs, and facilitate business administration. At the same time, the company announced to sell the factories in Don Mueang District.

In December 2019, the Royal Thai HK (2017) Ltd., an owned subsidiary of the company, has established a joint venture named Royal Thai Carpets (Foshan) Co., Ltd. with Powerful Link Limited in China. The company has contributed 51.00% and Powerful Company Link has contributed 49.00% to the joint venture in order to operate hand-woven carpets under the Royal Thai brand for subsidiary companies.

In 2020, the furniture business group (TCM Living) restructured the shareholding of subsidiaries in England. All subsidiaries were consolidated into one Company, TCM Living Limited, where the Company remains an indirect major shareholder by holding 75.45% of the shares.

On 18 May 2020, the company had changed the company's address to 2044/24 New-Petchburi Road, Bangkok, Huaykwang, Bangkok 10310. For the convenience of managing all business groups.

In 2021, United Carpet Manufacturing Co., Ltd. had registered the company dissolution on 1 July 2021 with the Ministry of Commerce, and registered for completeness of liquidation on 9 August 2021.

Nature of Business, Product and Services

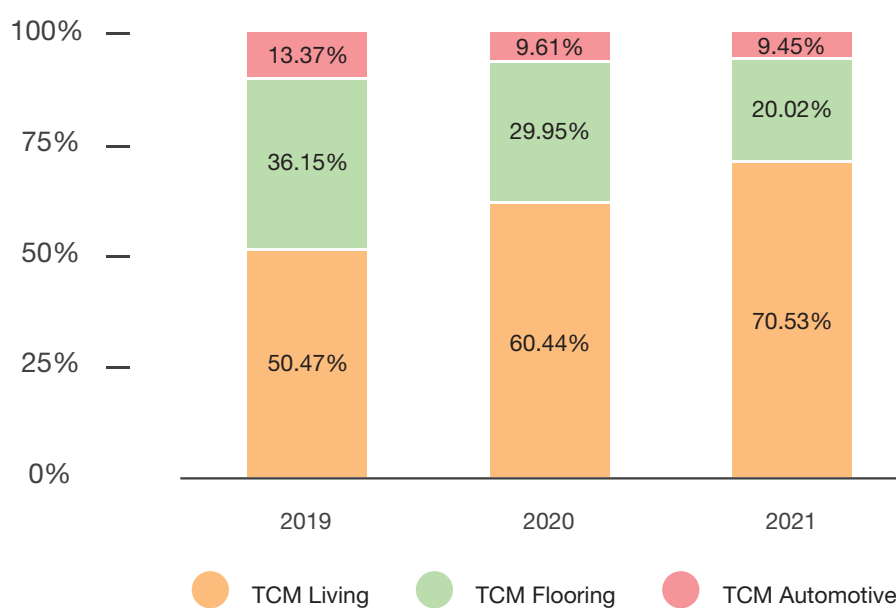
The Company is a holding-operating company, operates 3 business groups as follows:

- TCM LIVING
- TCM FLOORING
- TCM AUTOMOTIVE

Ratio of Income from Business Operations

Proportion of income from sales and services of the Company can be divided into the following:

Proportion of Sales by Business



	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
TCM Living	4,424.10	50.47	4,105.04	60.44	5,462.46	70.53
TCM Flooring	3,168.60	36.15	2,034.41	29.95	1,550.22	20.02
TCM Automotive	1,172.31	13.37	652.96	9.61	731.75	9.45
Total	8,765.01	100.00	6,792.40	100.00	7,744.42	100.00

TCM LIVING

TCM Living includes sofa and furniture manufacturing and distribution businesses based in the UK under the Alstons, Ashley Manor, AMX Designs, Alexanders & James brand. The products are as follows:

Alstons

- Upholstered fabric sofas and recliners manufactured in the United Kingdom.
- Upholstered fabric sofa beds manufactured in the United Kingdom.

Ashley Manor

- Upholstered fabric sofas manufactured in the United Kingdom with a focus on Iconic and modern designs.

AMX Designs

- Upholstered leather sofas and recliners manufactured overseas.

Alexanders & James

- Upholstered fabric and leather sofas manufactured overseas.

The Company focuses on designing collections and samples for customers to display in their retail stores and keep as inventory. Products are not manufactured in advanced.

Distribution Channels

Customer groups can be divided into the two following groups:

- o Furniture stores, such as large furniture retail stores that offers many brands in the same store. The products are sold under either the Company's brand or the customer's brand.
- o Independent stores, such as ordinary retail stores. The Company can sell products under its own brand.

Market and Competition

As most of its customers are located in the UK, TCM Living exists in a very competitive market with lots of competition from business groups and small manufacturers. Nonetheless, **TCM Living holds the largest market share of the UK furniture industry since its acquisition of Alstons and DM Midlands**. To maintain its hold on market share, the Company has developed new product designs, increased production efficiency, and altered designs to be modern yet distinctive. We will continue to produce beautiful, worthwhile, high-quality products. As a result of the COVID-19 pandemic situation from 2020 to 2021, when lockdown measures eased, the demand for furniture was extremely high. Despite a larger market, there were fewer competitors, including the rise of housing market trend in the UK, resulting in a high quantity of orders until the end of the year. But due to the international shipping crisis which is a long-standing problem, causing shortages of products and rising of raw materials prices, including labor shortages and inflation, which affects all furniture manufacturers and distributors in the UK.

However, the Company is prepared for either positive or negative situation by relocated some manufacturing facilities back to the UK and nearby European countries and expanding online sales channels in line with current market trends, and developing product designs to suit the needs of each market and reach diverse target groups around the world.

Significant Changes in the Previous Year and Future Projects

The market environment has changed due to the COVID-19 situation. The Company must adapt its operations to the new normal, including the internal management, marketing, distribution channel, and especially the personnel that must be ready to adapt themselves to the changes with flexibility and teamwork. Thus, the board has agreed to appoint Mr. Jonathan Fearn as Chief Executive Officer of TCM Living Group replacing Mr.

Mark Smith who has been promoted to Vice President and a non-executive director of the Company since the 4th quarter of 2021 with the effective date of January 1st, 2022.

In the 2nd quarter of 2021, the group acquired the Arlo & Jacob retail business with its 5 sales offices in England. The business has gained good sales revenue from the beautiful designs, quality materials and assembly, good service, and increasing demand in the market. But it was unable to reach the profit target due to the COVID-19 situation and high operating costs. Hence, the board passed a resolution to sell the business to maintain the liquidity of the main business. The accounting impact will be shown in the Company’s financial statement for the 1st quarter of 2022.

Moreover, the Company has also improved operational systems, provided more production facilities in nearby areas to reduce the logistics cost and time, upgraded the machines in the existing factories, set a plan to implement the ERP system for the entire business group within 2022, provided a policy on environmental and human rights protection, enhanced staff welfare and motivation to encourage the staff to grow together with the Company, set a plan to increase the production efficiency and capacity that will reduce environmental effects at the same time, and prepared to enter the stock market when the Company is ready and the market situation is steady.

TCM FLOORING

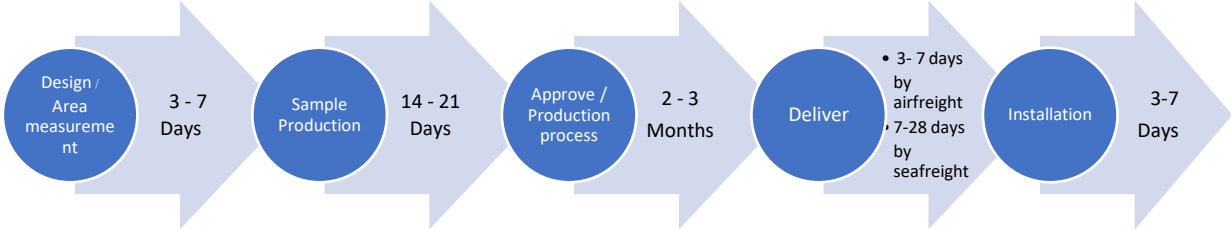
The business includes manufacturing and distribution of carpets and floor coverings under **Royal Thai** and **Carpets Inter** Brand globally. The products under each brand are as follow:

Royal Thai Brand

- Hand tufted carpets
- Axminster woven pattern carpets
- Pass tufted carpets
- Machine tufted / Broadloom carpets
- Laminated flooring, Engineer flooring, LVT, SPC
- Carpets backing material and others

Production and distribution: Producing high quality carpets by customized design (Made to Order) without warehousing inventory or stockpiling. It takes 2-6 months from design to complete the production.

Example of carpets production period



Carpets Inter Brand

- Carpet tiles
- Needle punch carpets

Production and distribution: Customers can either buy products from the stock or order a customized design carpet tile, which takes 2-6 months from design to production.

Distribution Channels

Customers can be grouped as follow:

- Commercial Sector
 - Products are Axminster carpets.
 - Customers are hotels, casinos, theaters and convention centers
 - Distribution is through business-owner customers, interior designers or project contractors by our worldwide branch offices.
- Corporate Sector
 - Products are carpet tiles and machine tufted carpets.
 - Main customers are office buildings and individual office spaces.
 - Distribution is through sales representatives, interior designers and office owners.
- Residential Sector
 - Products are high-quality hand tufted carpets and pass tufted carpets.
 - Customers are home owners and palaces
 - Distribution channels is through interior designers, and our extensive global sales representatives.

Market and Competition

In general, sales of carpets and floor coverings is 30% domestic, and 70% overseas, mainly to the hospitality industry. The majority of customers are five-star hotels, such as Marriott, Hilton, InterContinental, Hyatt, and so forth, which continued to be developed or renovated in many areas around the world. Normally, luxury hotels need to fresh up or renovate the interior decoration every 5-7 years to maintain their luxury standard. In addition, our customers include casinos, convention centers, and theatres. The Royal Thai brand is one of the world market leaders in the hospitality industry with a market share of 30%, which is the same level with another British carpet manufacturing competitor. The key strength of the Royal Thai brand is customer services. The Company serves the customers from design to installation, which is reflected by collaboration with world famous designers to create the special collections with premium product quality and warranty.

In addition to the hospitality market, the Company also has customers in the residential market and aviation carpet market. The Company also sells high-quality luxury handmade carpet products to high-end retailers under the customers' brands. These include leading carpet brands, clothing brands, or top designer brands.

As the COVID - 19 pandemic has disrupted the tourism industry, the hotel business experienced a decrease in revenue. Resulting in a decrease in orders during the past year. Nonetheless, the Company strongly believes that when the pandemic is over, international travel and tourism will return back to normal, and the number of orders will return to normal as well. Brand-name products and high-end carpets in the residential market, however, were less impacted by the pandemic. Therefore, in the next 1 - 2 years, the Company will focus on promoting marketing in these target markets while also exploring new markets to prepare for short- and long-term pandemic impacts.

In terms of the Carpets Inter brand and corporate sector products, the Company aims to expand into the environmentally sustainable carpet market. This niche market, with few competitors, is growing due to the movement towards environmental conservation. There are numerous conservation initiatives in leading organizations at both domestic and international levels, which are aware of the long-lasting consequences of environmental degradation and biodiversity loss. The Company sees an emerging market for our EcoSoft© products in eco-friendly "Green Building" projects. In order to expand the market to other regions, the Company

has appointed representatives in various areas such as India, New Zealand, and South America in addition to the major agents in Australia. These sales offices around the world can be used as our base of distribution with further investment in machinery to enhance the competitiveness.

Customers in the office building sector were also affected by the pandemic. Although the impact was not as severe as the hospitality industry, many orders were disrupted for a period of time due to lock-down measures in various areas, especially in Australia, where a major distributor of the Company is located.

Nevertheless, new office building construction and mixed-use building projects continued to grow. While there may be some changes due to new work patterns, carpets are still necessary due to their sound absorbing properties. The carpet sales in this industry are expected to recover after the end of COVID-19 pandemic.

In the domestic and Asia-Pacific hotel and resort markets, carpets are still required in common space, such as lobbies, corridors, and banquet halls because they absorb sound well and enhance hotel image. On the other hand, hotel room floors tend to be made from other forms of material that are durable and easy to clean, especially during the pandemic. Instead of machine- or hand-woven carpets, the Company has, offered other types of flooring materials, including solid wood floorings, laminate floorings, luxury vinyl tiles, flat weave carpets and stone polymer composite (SPC) in order to meet regional customer demands.

Significant Changes in the Previous Year and Future Projects

The COVID-19 situation has been continuing to affect the Company from 2020 through 2021. While the market situation has not been recovered, the Company has been improving its Lean Organization Management to enhance the production efficiency and capacity that will reduce environmental effects at the same time by installing rooftop solar cells to produce clean energy and reduce the energy consumption and cost at the same time, using water-saving dyeing machines to reduce the amount of natural water used in the production process, reusing production wastes as fuel and cement constituents, and accepting used rugs from customers to be disposed of properly. In addition, the Company also develops its personnel, improves their welfare, motivates them, and provides career growth to them, along with other cost-saving activities to maintain the percentage of the gross margin at the same level despite the decline in revenue of 23.8%. The Company truly hopes to see the result of the changes made in 2021 after the hotel and tourism industry recovers.

As the Chief Executive Officer of TCM Flooring Group retired in 2021, the board approved the appointment of Mr. Shyam Bhattar, the new Chief Executive Officer of TCM Flooring Group replacing Mr. Mark Johnson who was transferred to be a contract consultant of the Company with the effective date on January 1st, 2022.

For future plans, apart from the hi-end carpet market in which the Company will increase its presence, the Company also develops products that offer workable solutions and enhance the well-being of the customers in the current situation such as antiviral and antibacterial carpets; easy-to-clean, easy-to-maintain, and easy-to-disinfect flooring products; and other products that are not limited to flooring materials to expand the market to new customers and provide facility solutions for both home and office for the customers to enjoy an easier and more satisfying life while helping to protect the environment. The Company aims to be a living solutions provider in the future.

TCM AUTOMOTIVE

TCM Automotive includes businesses involved in the manufacturing and distribution of textiles and carpets as upholstery materials for seats and decorations in automobiles and buses. TCM Automotive produces the following:

- Non-woven fabric for upholstering the structure, roof and floor of cars. And for non-automotive products, such as needle punch carpets, Geo texture for construction work and felt for shoe soles
- Woven fabric for upholstering seats.
- Knit fabric for upholstering seats and side walls.
- Polyurethane/PVC synthetic leather for upholstering seats and interior decoration.

Products are made to order only.

Distribution Channels

Customer groups can be divided into the two following groups:

- o The Original Equipment Manufacturer (OEM) consisting of the following:
 - Domestic and international automobile manufacturers and automobile seat manufacturers.
 - Domestic and international automobile interior decoration part manufacturers.
- o Replacement Equipment Manufacturer (REM) consisting of the following:
 - Domestic and international bus seat manufacturers.
 - Interior automobile decoration parts manufacturers in the replacement market.
- o Other markets

Market and Competition

In 2021 the domestic automobile market improved from the previous year with 1.6 million cars produced compared to 1.4 million cars produced in the previous year. The Federation of Thai Industries estimates that 1.8 million cars will be produced in 2022 or 6.78% higher than 2021, 55.55% will be produced for export, and 44.45% for domestic sales. The sales of the group are likely to be in line with Thailand's automobile industry trend.

The factors that have been influencing the automobile industries from 2021 until 2022 are as below.

Positive Factors

- The easing of the lockdown measures and foreign tourist travel ban lifting.
- Business promotions of the government such as the farmer's income guarantee and Khon La Khrueng projects.
- The constant growth of agricultural and industrial exports.

Negative Factors

- The outbreak of the new COVID-19 variants affects the consumption, production capacity of the automobile and parts factories, and shrinks investments.
- The shortage of semiconductors or electronic chips increases the prices of the chips and other relevant materials.
- The appreciation of the Thai baht makes the export amount turn out to be lower than expected.
- The Russia-Ukraine conflict affects the energy and transportation sectors.

From 2022 onward, the automobile industry is heading toward the direction of a technological transfer that will transform the system to the next level that is far more advanced than the automobiles of the past, such as electrified automobiles with an autopilot system driven by an automated technology that will come together with the Connected and Autonomous Vehicle: CAV technology. Automobile parts manufacturers who can adapt to the technology to enter the modern automobile industry supply chain will be able to maintain the customer base while the manufacturers who cannot adapt to the modern world will have to adjust their production process and products to increase their income in other markets instead.

The car interior cover business remains highly competitive. Although the Company holds the largest market share when including car carpet sales from both T.C.H. Suminoe Co., Ltd. and Carpets International Public Co., Ltd., the Company still has to develop new products, patterns, and designs to respond to the ever-changing market demands. In response to the industry trend towards electric car production, the Company is prepared to develop products to meet the needs of electric car users, invested in new machines and used various technologies to differentiate our products from competitors' and help to control costs.

Significant Changes in the Previous Year and Future Projects

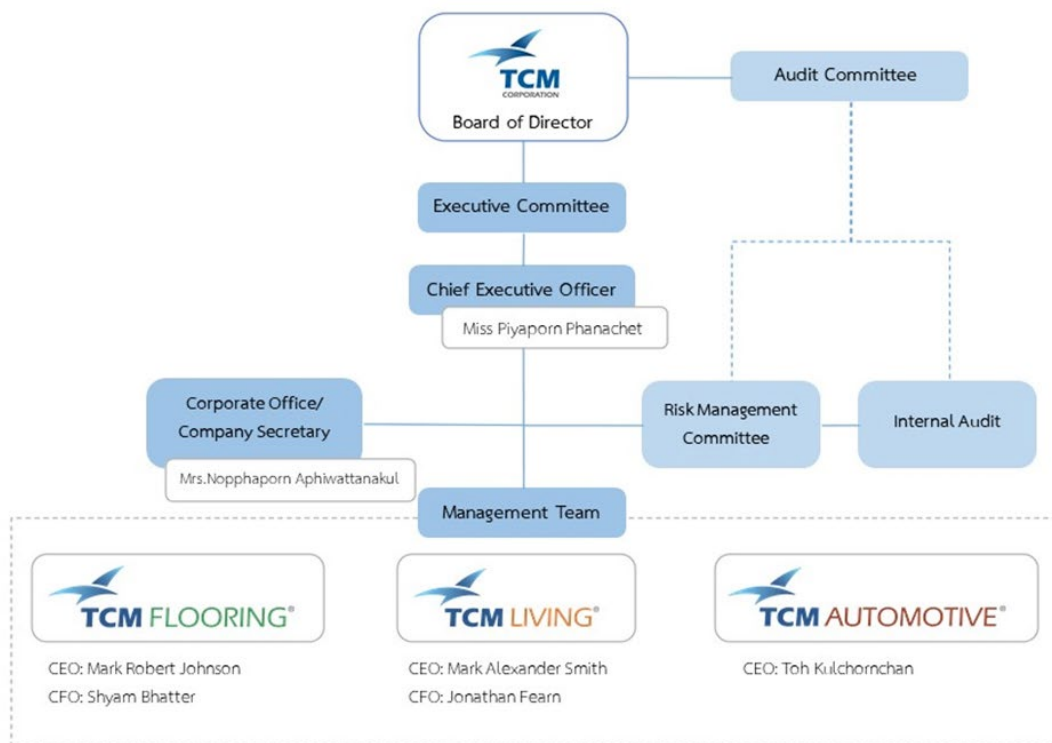
In 2021 the Company invested in buying new machines and improvements of the existing production lines to support the demand for new products and increase the product variety especially non-woven products used as carpets and soft coverings in cars. The direction of the industry has increased the demand for better soundproof materials whether for the floor or headliner of cars. This product group has very high competition in the market and the pricing. Therefore, the Company must improve the product features and analyze the pricing to maintain its competitiveness in the market.

Apart from the customer group of auto parts manufacturers, the Company has also developed Geotextile as a new product to enter a new market in the construction, agriculture, and civil engineer industries which have been ongoing since last year. We have gained a group of certain customers and we will fully enter the market in 2022.

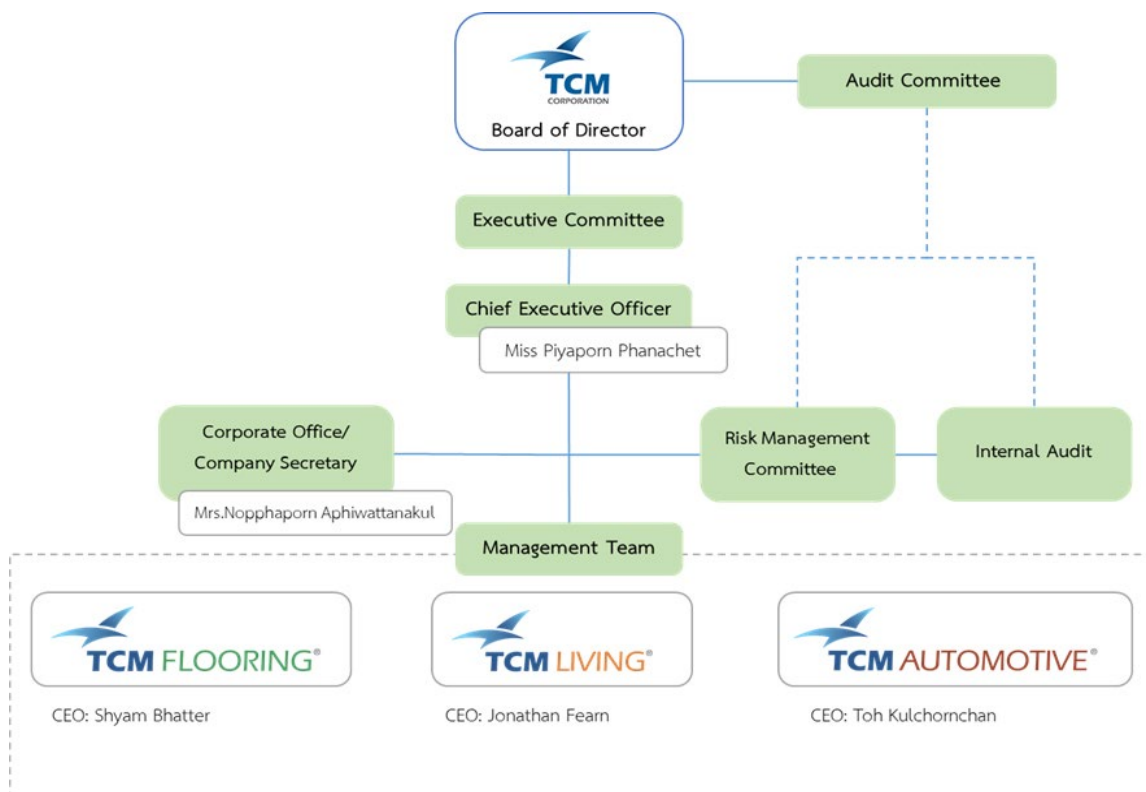
Regarding the project to improve the effectiveness of the factories, increase production, and reduce the environmental impact, last year we studied the possibility of solar rooftop installations, which was planned to implement in 2022.

Company's structure

TCM Corporation Public Company Limited's structure as of 31 December 2021 was as below:

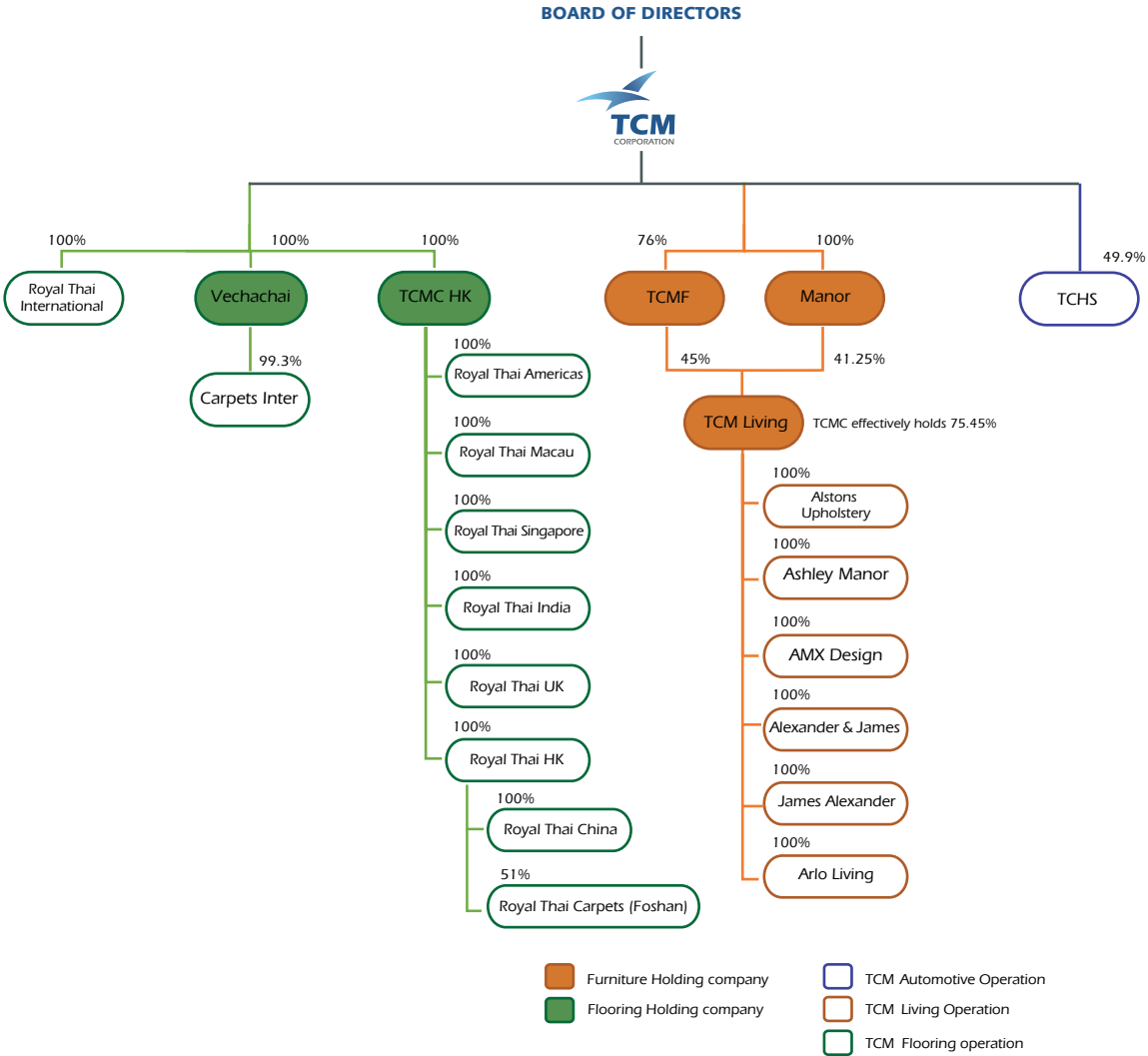


TCM Corporation Public Company Limited's structure as of 1 January 2022 was as below:



Company's Shareholding Structure

TCM Corporation Public Company Limited's shareholding structure as of 31 December 2021 was as below:



The Company is currently a holding-operating company which distributes carpets and floor coverings globally and invests in other businesses. The three businesses of the Company consist of subsidiaries as follows:

Juristic person's shares of which the company holds more than 10%

Company	Type of Business	Location	Percentage Equity Stake	Registered Share Capital	Number of Shares held by the Company
TCM Flooring					
Royal Thai International Co., Ltd. ("RTI")	Distributor of carpets and floor coverings	2044/24 New Phetchaburi Rd., Bangkok, Huaikwang Bangkok 10310	100%	THB 1 million	9,997
United Carpet Manufacturing Ltd. ("UCM") – Company dissolution in August 2021	Manufacturer and distributor of carpets	1/4 Moo.3 Ladsawai, Lumlukka, Pathumthani 12150	51%	THB 20 million	102,000
Vechachai Company Limited ("VC")	Investment in other companies	2054 New Phetchaburi Rd., Bangkok, Huaikwang Bangkok 10310	100%	THB 1 million	100,000
Carpets International Thailand Plc. ("CIT") – Invest through VC	Manufacturer and distributor of carpets and floor coverings	2054 New Phetchaburi Rd., Bangkok, Huaikwang Bangkok 10310	99.305%	THB 100 million	10,000,000
RT UK (2017) Limited (RTUK) - Invest through TCMC HK	Distributor of carpets and floor coverings	Suite E, 2nd Floor, The Octagon, Middleborough, Colchester, Essex, England CO1 1TG	100%	GBP 4.2 million	4,200,000
TCMC HK (2017) Ltd. (TCMC HK)	Investment in other companies	Unit 1602-03, 16/F., Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong.	100%	HKD 387.32 million	387,315,980
Royal Thai HK (2017) Ltd. (RTHK) - Invest through TCMC HK	Distributor of carpets and floor coverings	Unit 1602-03, 16/F., Port 33, 33 Tseuk Luk Street, San Po Kong, Kowloon, Hong Kong.	100%	HKD 1,000	1,000
Royal Thai Macau (2017) Limited (RTMA) - Invest through TCMC HK	Distributor of carpets and floor coverings	Alameda Dr. Carlos d'Assumpcao, n 180, Edificio Tong Nam Ah Central Comercio, 6 andar V, Em Macau	100%	MOP 25,000	25,000
Royal Thai Singapore (2017) Pte. Ltd. (RTSG) - Invest through TCMC HK	Distributor of carpets and floor coverings	18 Howard Road, 08-07 Novelty BizCentre, Singapore 369585.	100%	SGD 8.28 million	8,275,000
RT Carpets India 2017 Private Limited (RTIN) - Invest through TCMC HK	Distributor of carpets and floor coverings	Unit #405A, 4th Floor, Block A, Iris Tech Park, Section 48, Sohna Road, Gurgaon - 122018, India	100%	INR 10 million	1,000,000

Company	Type of Business	Location	Percentage Equity Stake	Registered Share Capital	Number of Shares held by the Company
Royal Thai Americas (2017) Inc. (RTUS) - Invest through TCMC HK	Distributor of carpets and floor coverings	715 Curtis Parkway, SE, Calhoun, GA 30701	100%	USD 50,000	50,000
Royal Thai China Trading Limited (RT China) - Invest through RTHK	Distributor of carpets and floor coverings	21st Floor, front desk, Ocean Terminal Center Tower, Cooperative Area Linhai Road 59, Shenzhen Qianhai Shenzhen, China.	100%	RMB 30,000	1
Royal Thai Carpets (Foshan) Co., Ltd. (JV China) - Invest through RTHK	Manufacturer and distributor of carpets	1/F No.2 Building Z-5-B Jiujiang Clothing and Home Textile City, Jiuquao Road, Shi Jiang Village, Jiujiang Town, Nanhai District, Foshan City, Guangdong, China.	51%	USD 1.68 million	1
TCM Automotive					
T.C.H. SUMINOE Co., Ltd. ("TCHS")	Manufacturer and distributor of textiles and carpets for use as seat covers and interior for cars and buses.	157 Moo 16, Bangpa-in Industrial Estate, Bangkrasarn, Bangpa-in, Phranakhonsi-Ayutthaya 13160	49.9%	THB 250 million	12,475,000
TCM Living					
Manor (2016) Holdings Limited (Manor)	Investment in other companies	Suite E, 2nd Floor, The Octagon, Middleborough, Colchester, Essex, England CO1 1TG	100%	GBP 6.25 million	62,500,000
TCMC Furniture Limited (TCMF)	Investment in other companies	Albro Works, Gosbecks Road, Colchester, Essex, CO2 9JU	76%	GBP 1 million	1,000,000
TCM Living Limited (TCML) (Invested through Manor and TCMF)	Manufacturer and distributor of Furniture	Unit 1 Woodside Industrial Estate, Pedmore Road, Dudley, West Midlands, DY2 0RL	75.45%	GBP 1.82 million	18,181,818
Alstons (Upholstery) Limited (Invested through TCML)	Manufacturer and distributor of Furniture	Albro Works, Gosbecks Road, Colchester, Essex, CO2 9JU	100%	GBP 5,133.20	5,133,200
Ashley Manor Upholstery Limited (Invested through TCML)	Manufacturer and distributor of Furniture	Unit 1 Woodside Industrial Estate, Pedmore Road, Dudley, West Midlands, DY2 0RL	100%	GBP 80,000	80,000

Company	Type of Business	Location	Percentage Equity Stake	Registered Share Capital	Number of Shares held by the Company
AMX Design Limited (Invested through TCML and TCMF)	Importer and distributor of Furniture	Unit 1 Woodside Industrial Estate, Pedmore Road, Dudley, West Midlands, DY2 0RL	100%	GBP 6.00	6
Alexander and James Limited (Invested through TCML)	Importer and distributor of Furniture	Unit 1 Woodside Industrial Estate, Pedmore Road, Dudley, West Midlands, DY2 0RL	100%	GBP 1.00	1
Arlo Living Limited (Invested through TCML)	Distributor of Furniture	Unit 1 Woodside Industrial Estate, Pedmore Road, Dudley, West Midlands, DY2 0RL	100%	GBP 1.00	1
James Alexander Co., Ltd. (Invested through TCML)	Retailer, Exporter and distributor of Furniture	999/99 Moo 20, Soi Boonmeesub, Bangplee – Tumru Rd., Bangplee Yai, Bangplee, Samutprakarn 10540	100%	THB 4 million	40,000

Information of Securities and Shareholders

Major Shareholders

Name list of 10 major shareholders when closing the book of shareholder's registration at the date of general shareholders' meeting on 28 April 2021 is as follows:

No.	Name of major shareholders	Number of shares being held	Shareholding ratio
1	Srivikorn Family		
	Mr. Pimol Srivikorn	104,562,400.00	13.70%
	Mr. Vikorn Srivikorn	50,000,000.00	6.55%
	Mr. Chaiyut Srivikorn	46,496,514.00	6.09%
	Khun Ying Sasima Srivikorn	31,183,903.00	4.09%
	Mrs. April Srivikorn	1,100,000.00	0.14%
	Total of Srivikorn Family	233,342,817.00	30.57%
2	Mrs. Taya Teepsuwan	50,242,939.00	6.58%
3	UBS AG LONDON BRANCH	24,182,500.00	3.17%
4	Mr. Kiattinan Denpaisan	19,640,369.00	2.57%
5	Chiawsakul Family		
	Miss Piraya Chiawsakul	12,667,200.00	1.66%
	Mr. Suchart Chiawsakul	5,482,500.00	0.72%
	Total of Chiawsakul Family	18,149,700.00	2.38%
6	Cholsaipan Family		
	Mrs. Nipa Cholsaipan	13,117,400.00	1.72%
	Mr. Nam Cholsaipan	3,043,900.00	0.40%
	Miss Nonthip Cholsaipan	553,850.00	0.07%
	Mr. Arthapon Cholsaipan	471,000.00	0.06%
	Mr. Akarin Cholsaipan	471,000.00	0.06%
	Miss Namthip Cholsaipan	413,850.00	0.05%
Total of Cholsaipan Family	18,071,000.00	2.37%	
7	Thai NVDR Co., Ltd.	12,348,313.00	1.62%
8	Miss Thunnathaporn Kraipisitkul	10,908,800.00	1.43%
9	Jittavoravanich Family		
	Mr. Nipun Jittavoravanich	10,000,000.00	1.31%
	Miss Pattranit Jittavoravanich	30,000.00	0.00%
	Total of Jittavoravanich Family	10,030,000.00	1.31%
10	Limatibul Family		
	Mrs. Parada Limatibul	5,592,000.00	0.73%
	Miss Daranee Limatibul	3,625,900.00	0.48%
	Mr. Suraparp Limatibul	190,000.00	0.02%
	Mr. Boonchu Limatibul	187,500.00	0.02%
	Total of Limatibul Family	9,595,400.00	1.26%

Company's Securities

As of 31 December 2021, the Company has registered capital amounting to Baht 1,119,343,830 which can be divided into 1,017,585,300 ordinary shares at par value of Baht 1.10 per share, and has paid-up capital amounting to Baht 839,521,237.50 with record of capital increase/decrease in the past 3 years as follows:

Month/Year of Registration of Paid-up Capital	Registered Capital (Million Baht)	Paid-up Capital		Offer for sale to....for
		Increased (Decreased) Capital (Million Baht)	After increase or decrease (Million Baht)	
11 December 2019	1,119.34	0.01	839.52	From exercising the right of TCMC-2 Warrants for 12,150 shares at a par value of THB 1.10.

Issuance of other Securities

- None -

Policy on dividend payment

The Company will maintain policy on dividend payment for shareholders being entitled to receive dividend according to shareholding proportion, at the amount not exceeding 60% of net profit after deducting income tax and legal reserve when the Company gains profit, does not encounter accumulated loss, and has good financial liquidity.

Past Dividend Payouts (Last 3 Years)

2019

Due to company incurred loss from its operating results in respect of 2019, therefore the company omits to pay dividends to shareholders.

2020

In 2020, the COVID-19 pandemic had an adverse effect on the business in all aspects. Nevertheless, it is unable to clearly predict the situation in 2021. Therefore, the Company has implemented a policy to reserve cash for use in the business and decided to omit dividend payment to the shareholders of the Company.

2021

In 2021, the COVID-19 pandemic still had an adverse effect on the business, the operational performance has not recovered. Therefore, the Company has implemented a policy to reserve cash for use in the business and decided to omit dividend payment to the shareholders of the Company.

2. Risk Management

Report from Risk Management Committee

Dear Shareholder,

The Board of Directors is aware of the importance of risk management to keep the business running. Pursuant to the meeting of the Board of Directors No. 2/2018 on 31 May 2018, the Board of Directors resolved to appoint the Risk Management Committee, consisting of 5 chief executive officers and high-level executives.

The Risk Management Committee's scope of responsibilities shall be in accordance with the Risk Management Committee Charter to ensure that the Company has an adequate risk management framework for the entire enterprise with tools to effectively support the implementation and risk management for goal achievement. In the year 2021, the Risk Management Committee held two risk management meetings in order to consider important issues which can be summarized as follows:

- (1) Review the Charter of the Risk Management Committee to ensure that the rules are consistent with the organisational environment. It shall be appropriate and supportive of effective and efficient risk management.
- (2) Review risk factors and impact assessment of the Company with the report of the subsidiaries' risk management committee to cover and be consistent with the current situation. Furthermore, the provision of suggestions and guidelines for the practical risk management approach is required in order to reduce the damage to an acceptable level.
- (3) Followed up and reviewed the operations in accordance with the risk management plan of the company and subsidiaries under the risk management policy and framework
- (4) Reported the risk management results of the Risk Management Committee of the company and its subsidiaries to the Board of Directors on a regular basis.
- (5) Prepare self-assessment forms for the Risk Management Committee and individuals to complete at least once a year in order to identify the problems that may cause the operation failure to achieve the objectives in the past year. All employees are expected to clearly know their roles, duties and responsibilities. In addition, self-assessment can effectively help monitor and evaluate the performance in accordance with the goals approved by the Board of Directors.

Based on the above performance, Risk Management Committee is certain that the Company's risk management is continuous and efficient in accordance with good corporate governance principles and rules and has sufficient and appropriate internal control system which is suitable for its business and that the Company strictly complies with the applicable law and regulations for strengthening its operations and preparedness in advance for its sustainable risk management and existence in the industry.

For and on behalf of Risk Management Committee

|||||

(Miss Piyaporn Phanachet)

Chairman of Risk Management Committee

Risk Factors

The Company recognizes the importance of risk management for smooth business operations. Therefore, it strictly complies with the applicable law, rules and regulations through the Company's Risk Management Committee.

Risk Management Committee supervises and determines the policies and strategies of the Company's risk management plan in accordance with the Company's policies. It ensures that the risks of the Company and its subsidiaries are assessed, monitored and controlled at acceptable level. In 2021, the following possible risks are assessed and managed.

1. Raw Material Risk

The Company may experience disruptions to the production process and increases in cost as the Company has little bargaining power to demand lower prices or quick delivery if the Company rely on single supplier. At present, the Company has multiple suppliers for all essential raw materials. Purchase orders are made to all suppliers to gauge the market and redistribute pricing power. In order to fix the raw material costs, the Company notifies the supplier of the amount to be purchased and negotiates the contract at least 6 months to 1 year in advance, but delivery times remain flexible depending on order volume. And if the raw material prices are increased by supplier, the Company will be able to inform the prices adjustment to customers in advance.

2. Substitute Product Risk

Nowadays, customers have many types of flooring and car seats upholstered materials with a variety of properties to choose from. Which type of flooring the customers use often depends on their particular needs and the functionality of the material. For this reason, the Company implemented policies to minimize the risk of substitutes in the TCM Flooring and TCM Automotive businesses, which are: (1) studying market demands and types of substitutes to decide on the best products to sell, (2) seeking appropriate suppliers, (3) determining distribution plans, (4) providing training for sales representatives, and (5) monitoring the change in substitutes over time for necessary product adjustments.

3. Labor Shortage Risk

Another risk is labour shortage, as skilled labours are needed to produce our products. It takes time to train any replacements; thus, the Company attempts to retain this important group by considering benefits and offering more compensations. Nevertheless, the Company has implemented risk management procedure to keep risks at an acceptable level. Labour capacity surveys will be implemented at least once a year. Employee selection will not emphasize the merit system but instead, focus on mentoring system. This will ensure that a mentor takes responsibility for the employee's learning and career development. The Company also plans to invest in machinery that can increase production capacity without reliance on increasing skilled labourers.

4. Legal Risk

The Company realizes the risks arising out of any change in policies, rules and regulations regarding the Company's business operations. Therefore, the legal risk is maintained at acceptable level by monitoring the change in laws and government regulations, holding meetings to report changes to the law on a quarterly basis and communicating the change to all employees.

5. Environment Risk

The Company evaluates environmental impacts caused by its operations on a yearly basis covering energy usage, water usage, waste discharges, and greenhouse gas emission. The evaluation results from the three businesses comply with the law's requirement (the detail is available in the One Report under the "Sustainability Management in Environmental Dimension" topic). For other risks that may occur from changes in the environment, the Company's credibility, and the carbon tax that may be applied in the future, the Company

has prepared a risk control plan that aims toward the Net Zero goal. Currently, the Company is in the process of hiring a consultant and a roadmap preparation.

6. Natural Disasters Risk

The Company insurance on all of its major assets in case of natural disaster. In addition, the Company realizes the importance of development of Business Continuity Plan (BCP) in response to natural disaster which may affect the normal course of business of the Company. The units which require business continuity including Manufacturing, Financial, IT, and Building Management Division have been assigned to prepare emergency plans for immediate implementation and to prevent a risk of production, the company has already established factories in various areas as a back-up facility for any event affecting the core production process.

7. Subsidiary Investment Risk

As the Company plans to expand its business in by investing in subsidiaries, investment risk may arise if the relevant subsidiaries fail to make profits as expected. The Company has managed to ensure that each subsidiary will achieve the determined goals by assigning the Company's directors to the board of each subsidiary, receiving regular operating results reports, and establishing a risk management team in each subsidiary which reports to the Company's Risk Management Committee.

8. Finance Risk Management

The Company and its subsidiaries manage the financial risk from normal business operations by implementing general corporate internal management and control systems. The Company also avoids transactions related to financial derivatives for commercial or profit speculation purposes.

8.1 Investment Loan Risk

The Company invests in many subsidiaries with different loan limits. To ensure that the loans will be repaid in due time, the Company manages its subsidiaries to regularly and continuously repay loans in the form of dividends.

8.2 Interest Rate Risk

The Company and its subsidiaries have interest rate risk from deposits at financial institutions, overdrafts, short-term and long-term loans. Most of financial assets and liabilities have the interests that adjusts with the market rate or fixed rate similar to the current market rate. Nevertheless, the Company believes that the fluctuations of the interest rates in the market will not significantly affect the corporate operating results and cash flow. The Company and its subsidiaries do not use any other financial derivatives to prevent the risks.

8.3 Exchange Rate Risk

The Company invests in the foreign subsidiaries, which requires investment loans in Thai Baht, but the Company receives payment from the subsidiary located in England in pound sterling. Therefore, changes to the exchange rate may affect operating results in Thai Baht. For this reason, the Company has negotiated with the bank to change the loan limits from Thai Baht to pound sterling. When the subsidiary directly repays the loan in pound sterling, exchange rate risk can be minimized.

In addition, the Company and its subsidiaries receive most of its export sales revenue in US dollar, which is also subject to exchange rate frustration risk. Therefore, the Company has made forward contracts for foreign currency exchange, as appropriate, in order to lessen the risk arising from exchange rate frustration due to export and import of raw materials, machines and equipment to and from other countries. The Company also attempts to generate revenue from a variety of currencies to reduce the impact of fluctuations in a single currency. Furthermore, the company closely follows the global exchange rates and carefully considers the most effective financial tools for each situation.

8.4 Liquidity Risk

The Company and its subsidiaries have controlled liquidity risk by maintaining sufficient level of cash and cash equivalents to support their operations. Short-term loan limits have also been sought from various financial institutions in case of necessary requirements and to reduce risks of cash flow frustration.

9. Risk of infectious diseases

The COVID-19 pandemic has caused several new risks to emerge. First of all, if an employee is infected by COVID-19, the Company has to cease operations for sanitisation and other employees must be quarantined for symptom monitoring. This will interrupt production and delay delivery. The Company has reduced the risk by implementing social distancing measures and disinfecting all areas in accordance with the standards of the Ministry of Public Health. Furthermore, workspaces have also been separated by departments to limit the scope of an outbreak. The Company also risks failure to deliver products if the factory or customer is in an area of strict lockdown.

3. Driving business towards the sustainable development goals

The Company gives precedence to achieve sustainable growth for our business operations with corporate social responsibilities. Basing our entrepreneurial philosophy on concerns and care for all stakeholders, economy, society and the environment using our virtue, ethics and code of conduct, the Company is looking forward to operating under corporate social responsibilities and is determined to benefit the society as a whole and enable company's growth.

Sustainable Development Report

Scope of the Report

This report shows the performance results of the Company's business sustainability effort that covers only the **TCM Flooring business**. The report covers the period from January 1st to December 31st, 2021.

For the TCM Living business, the sustainability development is still in the planning stage, and will begin within 2022.

Confirmation of Information Accuracy

The main contents and information in this report have been reviewed and verified by the senior management to ensure it is accurate according to the materiality topics of sustainability and responds to all groups of stakeholders.

For more Information

Please feel free to contact; -

TCM Corporation Public Company Limited

2044/24 New Petchburi Road, Bangkok, Huay Kwang Bangkok 10310

Tel: +66 (0) 2318 3960

Email: info@tcm-corporation.com

1. Sustainability Policy and Goals

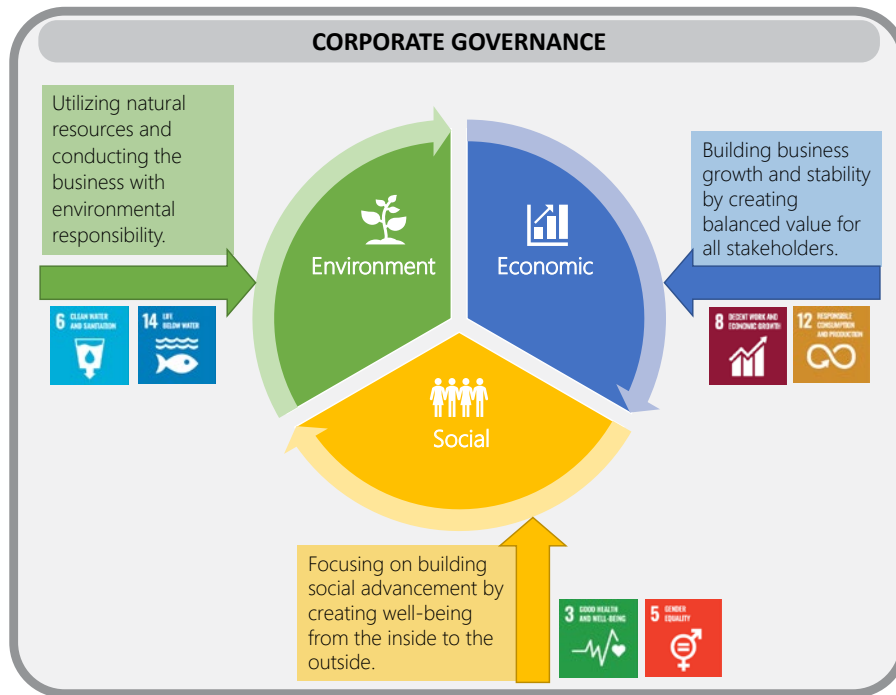
The Company has created a sustainability policy and goals by taking into account all stakeholders as follows:

1. Operate business with fairness, ethics, and commitment to work against all forms of corruption together with being responsible to business partners, communities, society, and all stakeholders.
2. Respect human rights with no discrimination or other unreasonable treatment regardless of gender, race, religion and promote a peaceful and inclusive society within the organisation and the surrounding communities.
3. Promote the use of innovation and technology to enhance productivity and reduce environmental impact.
4. Promote cost-effective management of natural resources and contribute to environmental conservation for global sustainability.

Sustainability Strategies

The Company has set a sustainability development scope that is based on the international practice of Sustainability Development Goals: SDGs, by analyzing the impacts and building value to bring balance to the three aspects that are the economy, society, and environment under the good governance principle with an integration that enables correlations throughout the business chain from the resources, productions, warehouse management, transportation, distributions to consumers, and aftersales products responsibility, with a scope that covers the economy, society, and environmental aspects in conjunction with ethics and good governance as below.

TCMC Sustainability Framework



2. Value Chain Management

Value chains management is a key strategy that will enable the business to thrive sustainably. The Company recognizes the importance of all processes in the business chain to ensure that the products are of quality, improves the quality of life and the environment, conducts the business fairly, and is responsible for all stakeholders.

- Supply Chain: Focus on using resources efficiently to reduce costs and improve productivity.
- Value Chain: Focus on improving products and services value to meet customer demand.

Main Activities



Support Activities

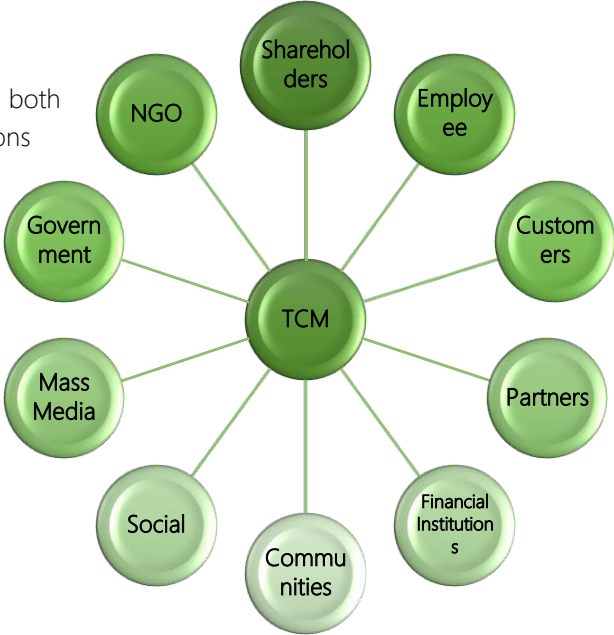


¹ The analysis includes only TCM Flooring business, which is in the scope of the report

3. Management of the Impacts to Stakeholders in the Value Chain

Stakeholder analysis in the business chain

The Company recognizes the importance of all stakeholders both internal and external by communicating and listening to opinions through channels, and processing the expectations of the stakeholders.



Operation with Stakeholders

Stakeholders	Communication Channel	Expectations	Operations	
Internal Stakeholders				
1	Shareholders	<ul style="list-style-type: none"> • General meeting of shareholders • Annual report • Investor relations on the website • Stock market news report • Factory visit 	<ul style="list-style-type: none"> • High returns • Non-discrimination • Accurate and timely information • Corporate sustainability 	<ul style="list-style-type: none"> - Operate business with transparency and fairness - Communicate with shareholders regularly to inform operating approach, strategy, and performance
2	Employees	<ul style="list-style-type: none"> • Morning talk with employee • Internal communications such as announcement, email, intranet and social medias • Satisfaction survey • Whistleblowing Channel 	<ul style="list-style-type: none"> • Appropriate salary and welfare benefits • Health, Safety and Well-being • Non-discrimination • Opportunities for career advancement • People development and Skills training 	<ul style="list-style-type: none"> • Create an appropriate and fair pay and welfare system. • Build relationship and loyalty • Create a comfortable work environment. • Determine career path of each position • Perform efficient human resource management and encourage employees to develop their potential in various aspects.
External Stakeholders				
3	Customers	<ul style="list-style-type: none"> • Satisfaction survey • Website / e-mail and Social Media • Customer Relations / Call Center • Whistleblowing Channel 	<ul style="list-style-type: none"> • Quality products and services in reasonable price • Accessibility to products and services easily and conveniently. • Clear communication of products information 	<ul style="list-style-type: none"> • Create innovations in new products • Certified for international standards for products and processes • Develop distribution channels for products

			<ul style="list-style-type: none"> • Friendly and professional services • Receiving and resolving complaints 	<ul style="list-style-type: none"> • Integrate communication channels with customers thoroughly and comprehensively • Manage complaints from customers promptly and effectively
4	Partners	<ul style="list-style-type: none"> - Partners meeting - Website / E-mail / Telephone - Business partner visit 	<ul style="list-style-type: none"> • Operate business with transparency and fairness • Build long-term relationship with partners for mutual sustainable growth 	<ul style="list-style-type: none"> • Operate business under code of conducts • Cooperate against corruption • Cooperate in the development of raw materials and products
5	Financial Institutions	<ul style="list-style-type: none"> - Bank branches and their managers - Meetings 	<ul style="list-style-type: none"> • Financial benefits in compliance with the agreement • Reliable business alliance 	<ul style="list-style-type: none"> • Build trust in financial institutions by strictly complying with their conditions and agreements.
6	Surrounding Communities	<ul style="list-style-type: none"> • Community projects • Meetings/ Factory visit • CSR activities 	<ul style="list-style-type: none"> • Employment and income generation • Good environment and pollution prevention for communities • Support for community activities 	<ul style="list-style-type: none"> • Employ from local people. • Support activities of people in community • Monitor and measure quality of environment surrounding the factory • Providing opportunities for community to participate in company activities
7	Social	<ul style="list-style-type: none"> - Website / social media - Whistleblowing Channel 	<ul style="list-style-type: none"> • Helping and caring for society • Transparent business operations 	<ul style="list-style-type: none"> • Continue CSR activities sustainably • Comply with Good Corporate Governance principles.
8	Mass Media	<ul style="list-style-type: none"> - Press conference, Social media / website - Direct contact to Agency via phone 	<ul style="list-style-type: none"> • Prompt and accurate information • Favourable treatment from the Company and employees 	<ul style="list-style-type: none"> • Build a strong relationship with the press and give true and accurate information.
9	Government authority	<ul style="list-style-type: none"> - Report/ Letter - Meeting/ Activities 	<ul style="list-style-type: none"> • The Company complies with the law. • Responsibility to social and environment 	<ul style="list-style-type: none"> • Strictly abide by the law and related business rules and regulations for transparent operation • CSR cooperation
10	NGO	<ul style="list-style-type: none"> • Website /social media 	<ul style="list-style-type: none"> • Responsibility to social and environment • Funding for NGO activities 	<ul style="list-style-type: none"> • CSR cooperation

Sustainability factors evaluation (Materiality analysis)

The Company is committed to building business value with social responsibility and meeting the expectation of the stakeholders properly and measurably. Therefore, the Company implements sustainability factors evaluation as below.

1. Factor Identification

The Company takes into consideration the business strategy direction, sustainability management risks and opportunities, social responsibility effort of the organization, information from the stakeholders both external and internal collected through activities and projects, and the scope of each factor to cover all groups that influence the factors.

2. Priority Setting

The Company categorizes the selected factors into groups, evaluates and sets the order of priority of the factors that are significant to the business by considering the two dimensions that are the possibility and impacts on the business of the Company, and importance and expectations of the stakeholders.

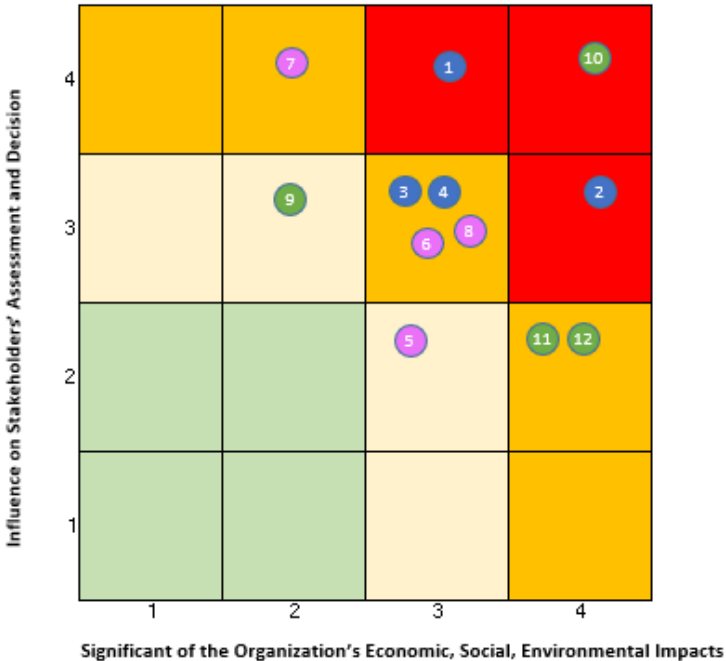
3. Review

The sustainability development committee has reviewed the evaluation results that are significant to the business to ensure that the priority setting reflects important factors of the Company and the stakeholders equally.

4. Continuously review and improve

The Company is committed to continuing sustainable business through an organizational annual sustainability review by receiving material opinions and suggestions from all stakeholders to improve the contents of the sustainability report for next year through channels both internal and external.






Materiality Metrix






Aspects in each dimension of ESG		
Economy/Governance	Social	Environment
1. Product quality and recall guidelines	5. Human Rights	9. Product Responsibility
2. Innovation	6. Customer Responsibility	10. Energy
3. Business structure and governance policy	7. Fair labor treatment	11. Water Management
4. Risk Management	8. Social & Community Responsibility	12. Waste Management

From the evaluation result of the 3 sustainability aspects and 12 topics, the performance result according to the strategy of the organization and SDGs is concluded as below.



Targets in line with SDGs	Projects	Performance Result
Economy/Governance		
<p>The Company aims to conduct the business fairly and ethically, go against all forms of corruption, with the responsibility to partners, communities, society, and all stakeholders.</p>  	<ol style="list-style-type: none"> 1. Produce quality products that enhance the quality of life of the users. 2. Be responsible for the products and services. 3. Follow good governance, morality, and business ethics. 	<ol style="list-style-type: none"> 1. The Company has developed EcoSquare and EcoSoft carpets that are partially made of recycled materials on the backside while the products themselves are 100% recyclable. 2. The Company has launched a new carpet product named øFlowSoft® for hospitals, nursing homes, and schools. Apart from recycled materials, the product also contains a special polymer layer that helps resist humidity, and is an antibacterial and antiviral yarn. The product is specially designed to be safe for wheelchairs, walking canes, and walking aids. 3. øFlowSoft products and carpet tiles of Carpet Inter are certified by Declare under the requirements of Living Building Challenge. 4. The Company has shown its intention by joining the "Thai Private Sector, Collective Action Against Corruption" (CAC) project in 2014 and has continued to be part of it for 7 years.
Society		
<p>The Company has a policy that promotes human rights, fair labor treatment regardless of gender, race, religion, and promotes peace and harmony between the organization and surrounding communities.</p>   	<ol style="list-style-type: none"> 1. Follow the human rights principle. 2. Social and community responsibility. 	<ol style="list-style-type: none"> 1. The Company implements the ILO principle in the new human rights policy issued in 2021 to show the intention of the board in supporting fair employment and human rights protection. 2. The Company signed the declaration of "Women Empowerment Support" in 2021 that is prepared and published by UN Women and UN Global Compact. 3. The Company accepts used and worn-out carpets to dispose of them properly by using them as substitute raw materials in cement kilns to be used as co-materials in the cement kiln production process. 75 tons of carpets were sent to the degradation process in 2021. 4. The Company continuously conducts activities with the surrounding communities. In 2021, the Company joined Bang Khu Wat District in a waste sorting activity as a community effort, local culture promotions, etc. 5. The Company continuously supports carpets for temples and schools to build good relationships and help the community. More than 75 schools and temples have received the carpets from this program.
Environment		
<p>Promote the use of innovation in the organization to increase</p>	<ol style="list-style-type: none"> 1. Energy and greenhouse gas management. 2. Water management. 	<ol style="list-style-type: none"> 1. The Company has invested in a new environmentally friendly and energy-saving dyeing technology. With the new technology, 40% of water

<p>production and reduce environmental effects.</p> <p>Promote utilization of natural resources and take part in environmental protection for global sustainability</p>   	<p>3. Garbage and waste management.</p>	<p>usage and 25% of energy usage have been saved when compared to the old dyeing method.</p> <p>2. The Company has 0% factory wastewater discharge to the public by wastewater recycling that has been implemented for 7 years (since 2015).</p> <p>3. The Company has had 0% landfill waste disposal for 12 years (since 2010).</p> <p>4. The Company invested in 1,000 kilowatt solar rooftop installations which will be able to generate electricity for the system in the 2nd quarter of 2022 with a capacity of 1,400,000 kilowatt-hours per year.</p> <p>5. The Company is committed to producing EcoSoft® products from recycled water bottles with a target of 1 billion water bottles recycled in 2025. From 2005 until now, 850 million bottles have been recycled.</p>
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Sustainability Management in Economic Dimension

1. Products and Innovations Commitment & Goal

TCM Flooring has always adhered to the sustainability innovation concept in developing our products and services. We are aware that customer demand varies from area to area depending on the geography, climate, and lifestyle. That is why we always see the importance of developing products according to the trend and purpose of use. And we also focus on the custom-made demand of customers.

Management Guideline

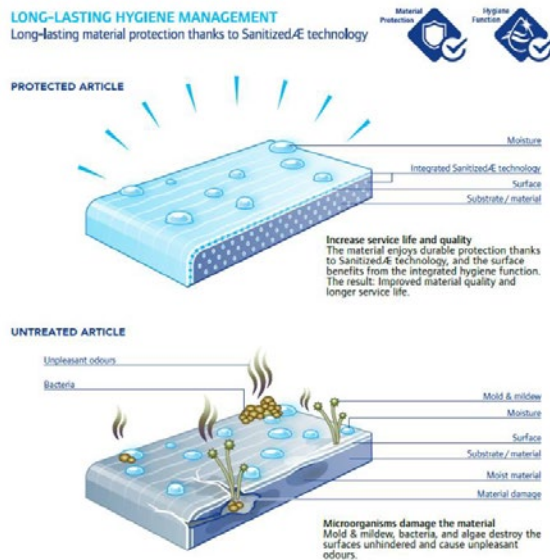
The Company is committed to continuing to research and develop materials and products. The effort is shown through the establishment of the Research and Development unit that consists of experts who have long experience in the carpet business, a laboratory for research and development with international-standard carpet test equipment, and a prototype development team that can create a sample based on a customer request quickly.

Performance Result in 2021

1. *Product Research and Development*

The Company prioritizes product quality and customer demand. Therefore, all of our products are created to serve the purpose of the customers according to each situation and ever-changing time. In 2021 the Company also researched and analyzed products that truly meet customer demand in many aspects as below.

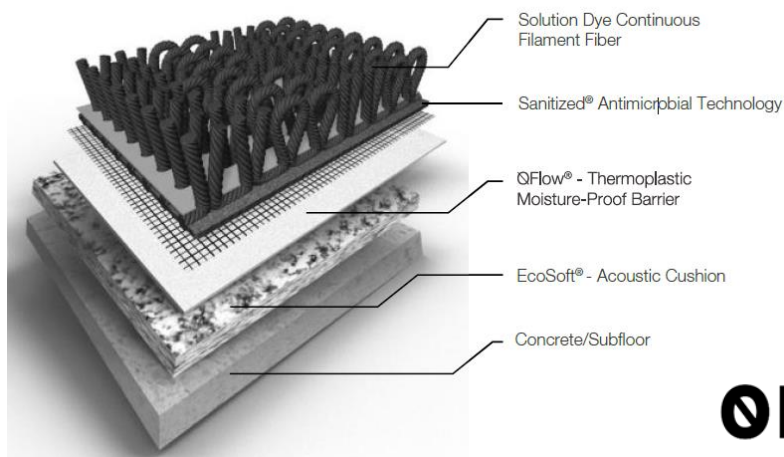
- 1.1 As the world is facing the COVID-19 pandemic that affects many aspects globally, we are aware that carpets are among the products with hygiene and bacterial concerns. Therefore, the Company recognizes the importance of investing in hygienic and safe products that are used in everyday life. And so Antiviral Carpet technology has been developed to cover all of our manufactured floor covering products.



1.2 We also recognize the importance of healthcare facilities or nursing homes as people have become more concerned about health. Therefore, the Company has developed ØFlowSoft products with Moisture Barrier performance.

- Prevent moisture or liquid from penetrating the lower flooring underneath. An antiviral agent is also added to protect against viruses, bacteria, and mold.
- Easy to clean, wash, and dry, without moisture accumulation
- Soundproof, absorb footstep shocks and has good friction for wheelchairs.

ØFlowSoft products are truly ideal for hospitals, nursing homes, and all healthcare facilities.



ØFlowSoft®

2. Development for standardization

Apart from developing product quality, the Company also intends to demonstrate its transparency by selecting materials, chemicals, and product components that meet international standards and are safe for consumers. The Company also disposes of its wastes without harming the environment and has been certified by Declare under the requirements of the Living Building Challenge. The effort assures our customers that they have chosen the best products that meet the requirements of the Green Building Standard, Core Green Building, Living Building Challenge, and WELL Certifications.



2. Customer Relationship Management Commitment & Goal

Good customer relations are part of the Company's commitment and marketing strategy, as the Company foresees that they will help increase brand value and business growth in the long run. The Company's main focus is to satisfy customers by products development pre-sale services, post-sale services, and marketing activities that build customer experiences and turn them to The Company's loyal customers that will be carried on to other customers by word of mouth.

Management Guideline

The Company recognizes the importance of building customer trust, meeting customer expectations in terms of product and service quality, maintaining good and close customer relations, and developing knowledge of the sales teams and dealers to be able to provide proper advice to customers, as well as opening new communication channels to listen to opinions, suggestions, and complaints to keep improving and developing products and services.

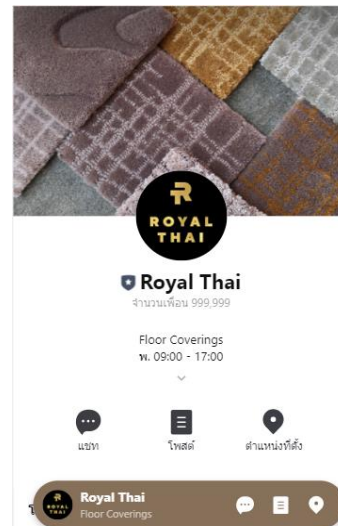
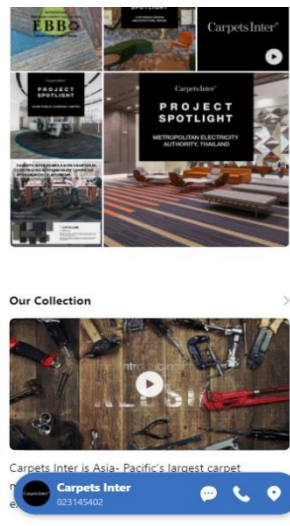
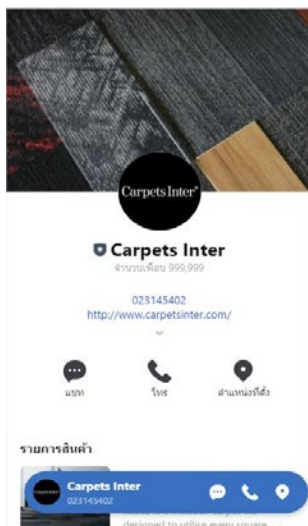
Performance Result in 2021

1. Meeting Customer Demands

Language is an obstacle when communicating with customers who use Chinese as their first language. Publications and news fail to reach the target audience sometimes such as in China, Macao, Taiwan, Singapore, and Hong Kong. Therefore, the Company has included the Chinese language on the website to reach more customer targets.

2. New Customer Communication Channels

Selecting suitable communication channels is necessary for the business. The Company understands the target audience and changing communication behavior of customers. Therefore, the Company has created a Line official group to be an additional channel for answering questions, handling inquiries, presenting product information, services, and good promotions



3. Product Knowledge Development

Good customer experience comes from quality staff, their training, and their skills. Therefore, the Company is committed to developing the skills of its dealers worldwide through online conference training.

4. Customer Behavioral and Decision Analysis

The Company is committed to continuing to develop and improve its products and services. Therefore, the Company has surveyed customer behavior, factors influencing buying decisions, and unmet demands, etc. The Company has used the data to analyze market trends, set up and review marketing strategies to cope with the digital age and the COVID-19 situation.

3. Product & Service Responsibility

Commitment & Goal

The Company is committed to producing, delivering, and providing quality services that meet or exceed customer expectations at a fair price and publishing correct product and service information without any false or misleading information. Moreover, the Company has also set up a team, system, or work process to listen to suggestions, opinions, or complaints regarding its products or other services. The feedback gathered by the Company will be used to improve the products and correct the issues in a timely manner.

Management Guideline

The Company recognizes the importance of maintaining customer trust in products and services quality by providing a team to receive complaints and coordinate with different teams when an issue is identified by a customer. The team can also provide advice and information on products apart from other arrangements that reflect the Company's care and responsibility.

Performance Result in 2021

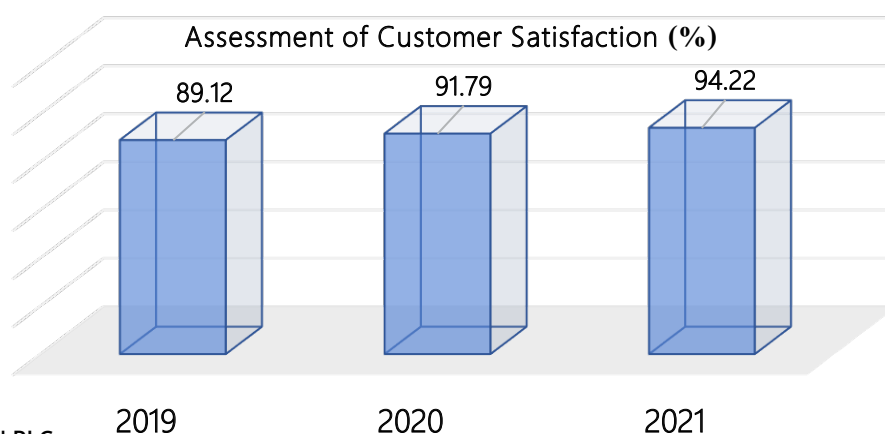
Product & Service Responsibility Management

1. Product & Service Complaint Handling

The Company pays very close attention to aftersales service satisfaction, and therefore we take good care of complaints to ensure that customers are most satisfied with the products and services. The Company has defined clear elements and directions for complaint handling to be able to consider the facts and find a solution or preventive measures before reporting back to the customer and carrying out corrective actions. Customers may complain or inquire about the products and services by contacting their sales representatives or the direct line Call Center at (66) 2-2318-7833, Monday–Friday, 08.00–17.00, or email info@carpetsinter.com, or LINE @carpetsinter and @royalthai.

2. Annual Customer Satisfaction Survey

An aftersales customer satisfaction survey is an important key to the business to ensure that customers receive good products and services and are highly satisfied. The annual customer satisfaction survey report shows that customers are very satisfied with the Company. And we will never stop improving our products or services.



3. Product & Service Labels

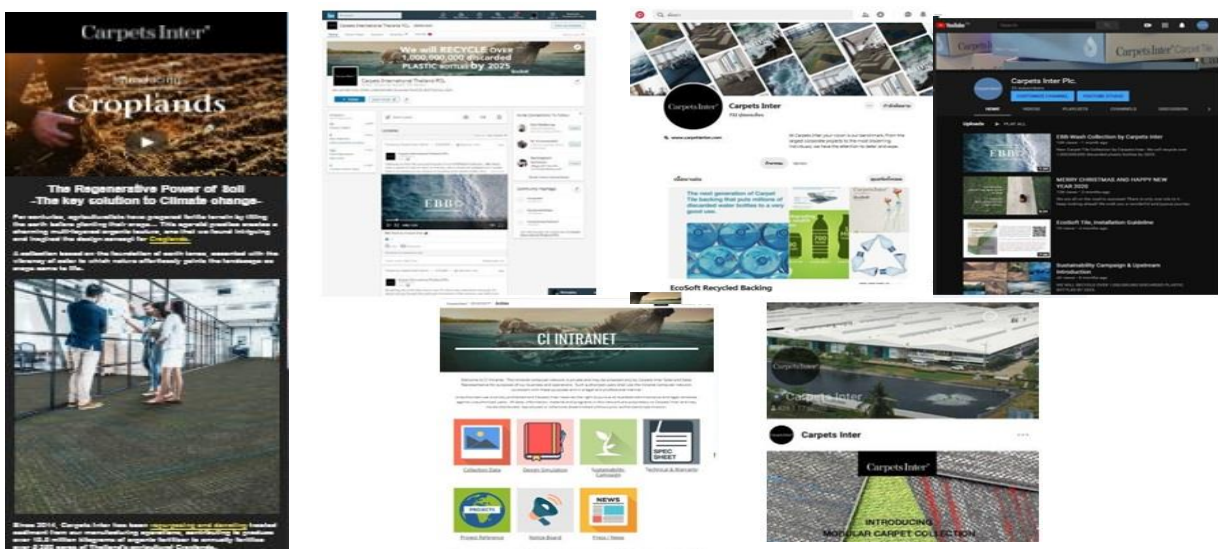
The Company displays product or package labels according to international standards and the requirements of the Office of the Consumer Protection Board to provide consumers with the correct information and also displays the symbols of the certifications, safety standards, and environmental protection for customers to make the decision to buy the products. Moreover, useful information for customers is also displayed such as user instructions and product care instructions.



4. Marketing Communication and Customer Privacy

The Company recognizes the importance of stakeholder responsibility by providing customer protection guidelines through channels such as the customer relations website and Facebook as below.

- Provide correct, sufficient, and up-to-date product and service information to customers without false claims that may lead to a misunderstanding.
- Communicate with customers politely, effectively, and reliably; provide a reachable channel for customers to complain about product quality or safety conveniently; and give fast responses.
- Protect customer privacy, and do not use customer information for personal or unauthorized purposes.
- Provide effective instructions on how to use products and services of the Company for the best interest of the customers.
- The Company is open for customers to cancel notifications at their convenience, because the Company is aware of the privacy of the customers and that most subscribed content may not be suitable for some members or some customers.



Sustainability Management in Social Dimension

1. Gender Equality and Non-Discrimination

On June 10th, 2021, TCM Corporation Public Company Limited signed a declaration to support the Women Empowerment Principles published by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact.

The Company is committed to taking part in supporting gender equality and non-discrimination in workplaces, markets, and communities. Therefore, the Company has provided a human rights policy that accepts differences in workplaces and communities, and offers equal career opportunities regardless of physical difference, mentality, race, nationality, place of origin, ethnicity, religion, gender, language, age, skin tone, education level, social status, political or other opinions, culture, tradition, or other differences.



2. Human Resources Management

“Encourage employees to develop their full potential for sustainable business goals”

Commitment and Goal

Employees are the key mechanisms that drive the Company's business to achieve its goals, as well as creating competitive advantages and sustainable growth. Therefore, the Company aims to continuously develop the potential of employees to possess knowledge competency, skill competency, and attributes competency to ensure that all employees are aware of the success and sustainable development and be able to adapt together with the organization in order to cope with the competition in the business and the rapid changes of today's business and technology. The Company uses good governance to care for its employees by treating them fairly and respecting their human rights without discrimination, along with creating a good society for employees to work happily, be motivated to use their full potential for success, and be ready to grow together with the organization.

Management Approach

The Company adheres to human resource management guidelines in accordance with the principles of good corporate governance by realizing the importance of employees with a determination to develop the organization's personnel to possess knowledge and capability, and increase the organization's competitiveness along with happiness and good working environment creation. The Company encourages all employees to have career advancement opportunities. There is a performance evaluation system to attract good people with the potential to work together with the Company and retain good quality employees. This opens to new learning opportunities and being able to develop, learn, and improve in accordance with the organization's vision, mission, and strategies, starting from manpower planning and recruiting, employee training and development, as well as employee retention.

A photograph of a man in a workshop, smiling and placing his arm around the shoulder of another person. The man is wearing a black t-shirt with orange patterns and brown leather apron. The background shows a workshop with various tools and equipment.

**ALL THINGS
ARE POSSIBLE
BECAUSE
ANYTHING CAN
BE LEARNED.**

HUMAN RESOURCE MANAGEMENT

People are essential to the success of any business. The performance of employees can be a liability or asset to a company. HR play a pivotal role in how successful our company is. Good Human Resource Management (HRM) is essential for businesses of all sizes.

HUMAN RESOURCE MANAGEMENT

Human Resource isn't a thing we do; it's the thing that runs our business.

Employees are the key mechanisms that drive the Company's business to achieve its goals, as well as creating competitive advantages and sustainable growth.

The Company aims to continuously develop the potential of employees to possess knowledge competency, skill competency, and attributes competency to ensure that all employees are aware of the success and sustainable development.



CREATIVITY

Think about a task and problem in a new or different way, to use the imagination to generate new ideas



SKILL DEVELOPMENT

Encourage employees to develop their full potential for sustainable business goals



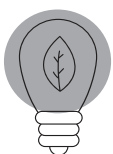
KNOWLEDGE MANGEMENT

Established the Learning Center as a hub for information, news, and internal training



TECHNOLOGY

Utilize the software and associated hardware for automating the human resources function in organizations



Developing employees' knowledge and skills to enable them to work effectively leads to creating better performance. As a result, it is important and necessary to adapt to changes, such as various technologies that can be applied or adapted to work. The Company, therefore, recognizes the importance of reskilling and upskilling to encourage continuous skills development.



1.1 Respect the Human Rights

Commitment and Goal

The Company adheres to human rights principles as a common practice in business operations, covering all stakeholder groups by announcing the “Human Rights Policy.” The Company realizes the importance and respect for human rights, which is the fundamental virtue of working and coexistence in society and the community without discrimination on race, nationality, religion, culture, and it promotes sustainable common development. The Company also supports and complies with the Universal Declaration of Human Rights (UDHR) and the International Labor Organization Declaration on Fundamental Principles and Rights at Work (ILO) in accordance with the Thai Labor Standard (TLS 8001), which has been applied in business operations since 2006 and has been certified by the Ministry of Labor and Social Welfare for 15 consecutive years.

Management Approach

Corporate ethics used as guidelines for operations are as follows:

- (1) The Company realizes and puts importance on human value, so it is determined that all executives and employees shall respect human rights and human dignity of employees and stakeholders, which is international standard and basis of business operation.
- (2) The Company shall promote and respect human rights by ensuring that the business and employees shall not involve in violation of human rights such as prevention of forced labor and child labor as well as compliance with labor law.
- (3) The Company shall respect and comply with international standard of employment by treating all stakeholders on fair basis and respect their dignities. They shall be treated equally without discrimination or violation of basic rights in terms of gender, age, race, region, status, physical condition, or political preference.
- (4) The Company shall monitor and ensure that its subsidiaries and stakeholders shall strictly comply with international principles of human rights. The Company shall protect stakeholders from damage incurred as a result of violation of rights due to the Company’s business operation as required by the law.
- (5) The Company shall arrange the pleasant workplace and emphasize occupational health and safety of employees.
- (6) The Company shall give opportunities to employees to take part in management and voice their opinions about business operation or management process through the available team such as benefits management team.

- (7) The Company shall protect employees who inform human rights violation cases or unfair treatment to employees by protecting them from punishment or defamation or other actions.

This also includes personal rights and liberties that must be protected from infringement by the disclosure or transfer of personal information such as biographies, health records, or other personal information to unrelated persons, which may cause damage to the owner unless acting in good faith, or in accordance with the law, or for the benefit of the public. If employees are not treated fairly, or their rights are violated, the Company gives the opportunity for the employees to make complaints through various channels.

Performance in 2021

1. Arranged for the election of the Welfare Committee in May 2021 and set a quarterly meeting agenda to listen to suggestions and take consideration for improvements
2. Fair labor practices: The Company uses good governance to take care of its employees and encourages employees to participate in driving and improving work processes to develop the organization creatively. The Company treats workers and business partners equally, fairly, and complies with the law, ethics, and company policies with fundamental principles and rights as required by law and/or the stipulated rules of the Company or more by adhering to practices in compliance with the Labor Protection Act and Labor Relations Act. This includes protection in working conditions, employee health, and safety, whether it is employment without discrimination in any way, and upholds equality. Individuals' political opinions, age, gender, or disability are not considered factors for making considerations and judgments in employment. The remuneration to employees is in the form of a fair salary. The Company also supports employees to have opportunities to grow in the organization on an equal basis based on knowledge, capabilities, suitability, and fairness without discrimination. The Thai Labor Standard (TLS 8001) has been applied in business operations since 2006 and has been certified by the Ministry of Labor and Social Welfare for 15 consecutive years.
3. The year 2021, the company had a total of 1,022 employees, 443 male and 588 female



Operating Results	2019	2020	2021
Number of employees (person)	1,773	1,174	1,022
Proportion of female employees to total employees (%)	57	59	58
Proportion of male employees to total employees (%)	43	41	42
Number of employees at operating level (person)	1,329	814	703

Number of employees at supervisory level / professional (person)	396	311	274
Number of employees at managerial level (person)	48	49	45
Number of employees at managerial level, separated by gender (persons)			
Female employees	22 (46%)	24 (49%)	18 (40%)
Male employees	26 (54%)	25 (51%)	27 (60%)

1.2 Manpower Planning and Employment

Commitment and Goal

The Company adheres to the principles of ethics and good governance in recruiting and hiring employees to work with the Company by selecting people for various positions through considering the appropriate qualification of the positions along with the educational qualifications, experience, knowledge, and capabilities. Such selections do not discriminate against gender, age, race, religion, or physical disability.

Management Approach

The Company is affected by a decrease in order volume as a result of the spread of the COVID-19 virus, causing the Company to adjust in many aspects, including restructuring the organization and reviewing manpower planning, in order to make the organization compact, flexible, and able to change quickly. This also includes improving unnecessary workflows and/or consolidating workflows, as well as using technology to increase work efficiency. Adding various types of employment in some areas, such as outsourcing, provides flexibility and effective manpower management with capacity plans, as well as considering the transfer of manpower to fill in the division that have needs. This is an opportunity to rotate jobs, learn new jobs, and add new skills (reskill – upskill) for the employees.

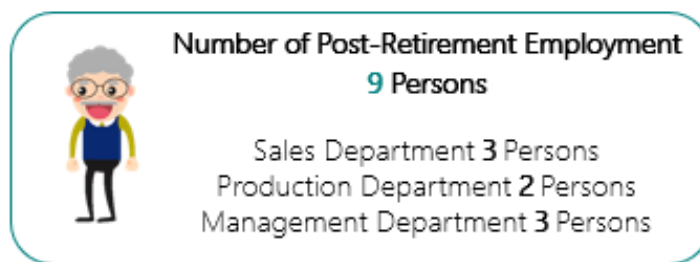
However, the recruitment of new employees is still being done sparingly through the website, Facebook, email, and the refer-a-friend project. The selection process is based on social distancing, such as online interviews.

Performance in 2021

Operating Results	2019	2022	2021
New hire (person)	159	41	44
Employee transfer / Job change within the organization (person)	17	37	29
Outsourcing (person)	13	7	28

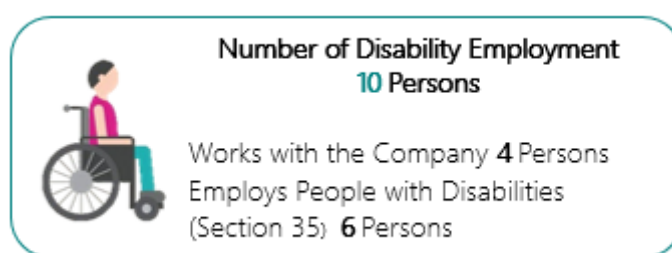
1. *Employment of the Elderly*

The Company has a retirement employment policy for healthy employees who are ready to work between the ages of 60 to 65 years old in positions of expertise with high skills, including consultants and instructors.



2. Employment of People with Disabilities

The Company recognizes and employs disabled people in accordance with the Empowerment of Persons with Disabilities Act in order for them to have a job and earn money, allowing them to rely on themselves indefinitely.



**1.3 Employee Training and Development
 Commitment and Goal**

Employees are the most valuable resource for the Company because they are the driving force and the important factor in the work’s success. Therefore, the promotion of knowledge and capabilities in accordance with the goals and strategies of the organization will result in continuous development and accommodate various changing situations that may occur. In this regard, the Company has set guidelines for employee development following and supporting the goals and strategies of the organization.

Management Approach

The Company has established guidelines for employee training and development, surveying and analyzing the needs of employees in each group by striving to continually develop the potential and capabilities of employees so that they can work effectively and achieve the set goals. The Company values employee development, and therefore employees at all levels will be systematically developed based on their competencies, including core competency, managerial competency, and functional competency, especially functional competency, which is the competency related to the work of employees such as the knowledge in products and the process for sales selling process, or the work instruction, etc.

Apart from this, it also focuses on the role of supervisors in developing and promoting knowledge of process improvement through projects such as Project Improvement, QCC (Quality Control Cycle), activities, and Kaizen activity. The Company also supports the development of personnel through the exchange of knowledge between the departments (Cross Functional Team) and passes on knowledge to employees in order to achieve sustainability in personnel development.

Performance in 2021

The company has focused on Training and Development as follows:

1. Training year Plan

Every year the company has set a training course, was divided into 3 main courses as follows: 1. training courses in compliance with mandatory training laws 2. productivity enhancement training programs, and 3. knowledge development courses based on job positions, health, and well-being.

1.1 Legal Compliance Training Courses

The accounting law requires each corporate entity to offer training courses for employees, including human resource management, occupational safety and health, and audit techniques. The training courses is extremely beneficial to the assigned employees who must completely understand and comply with the safety rules and regulations while working. The mandatory training courses are 1. The training course for the Committee of Occupational Safety, Health and Work Environment of the Workplace, 2. Crane and hoist operator training course, 3. Emergency response and fire evacuation training, 4. Forklift safety and maintenance training course, 5. Gas Leakage Control Plan, 6. Fire Fighting Plan of Fuel oil Station and Boiler abnormal, 7. Chemical Spill Control Drill Plan, 8. Training course of occupational health and safety officers for head and executive level etc.

1.2 Productivity Improvement Training Courses

Productivity improvement is essential for all operations both involved and uninvolved in the production process. In order to achieve productivity, the Company has cultivated knowledge about the promotion of productivity, especially accurate concepts and applicable approaches to develop employees' knowledge and skills for productivity improvement as follows: Lean Manufacturing & Lean Tools, Productivity Facilitator, QCC in Practice, Kaizen / Suggestion, Energy Audit etc.

1.3 Training Courses for the Development of Knowledge, Health, and Well-Being

The Company encourages employees and executives to attend training and activities to apply the management principles, knowledge, and practices to organisational development such as Electrical Connection Standard, How to use CAMS Screen by order/element, Personal Data Protection Act., Integrating human rights into risk management, Strategic Transformation, Design Thinking, Continuous Professional Development (CPD Program), Selling technique using MyShop and Line OA, How to promote products, increase Click rates and boost sales effectively etc.

For the learning channels, the Company provides both internal and external training with external agencies such as the Department of Skill Development or the business partner companies. It develops various learning channels to stimulate employees' interest in learning, as well as facilitating employees to have the opportunity to develop knowledge and skills at all times.

The Company realises the importance of knowledge development and empowerment of employees in the organisation to offer them with higher professional skills and work efficiency. The training is divided into internal training, external training, on-site guidance and training, and self-learning with an average of 19.07 hours of training, including the following topics:

In 2021, there were 24 training courses with 50 batches. Including External training 19 training courses with 21 batches. This covers employees at the operational level, supervisors and executives, averaging 11.99 hours per person, divided into operational level 11.07 hours per person, supervisor level 11.91 hours per person, and executive level 25.90 hours per person and training courses expenses amounting to Baht 1,097,715

Operating Result	2019	2020	2021
Number of Training Hours			
Average training hours for all employees (per person)	12.03	19.07	11.99
Average training hours for operational level (per person)	11.33	19.44	11.07
Average training hours for superior level (per person)	13.76	17.72	11.91
Average training hours for managerial level (per person)	20.14	20.49	25.90
Type of Training			
Internal Training (Courses)	30	19	24
External Training (Courses)	34	12	19



2. Employee Potential Development Program

2.1 Leadership Development Program

The Company focuses on developing executive skills to drive the organization toward its goals in order to achieve success, especially the difficulties in managing the organization in the epidemic situation of COVID-19 and coping with changes. There are practical and strategic meetings under TCM Flooring, bringing wisdom from executives to create and develop strategies.



2.2 Continuous Development Program

The salesperson development course for knowledge and in-depth technical understanding of raw materials, products, and other related topics will be useful for sales jobs in providing advice and being a consultant for the customers with the greatest efficiency. The course is divided into two groups: the Hospitality group and

the Carpet Tiles group. Even during the epidemic of the COVID-19 virus, it does not impede employee knowledge development. As a result, the training model has been altered to be effective online.



Course	Instructor
Machine Tuft Product SPC Product	Supachai
Administer Product	Supachai
Installation	Supachai
Hand Tuft & Pass Tuft Products	Supachai
Design Planning & Estimation of the installation	Supachai
Carpet Tile Product Sustainability	Supachai
Marketing : Sale Tools	Supachai
Installation	Supachai
Design Planning & Estimation	Supachai

2.3 Upskill / Reskill

Developing employees' knowledge and skills to enable them to work effectively leads to creating better performance. As a result, it is important and necessary to adapt to changes, such as various technologies that can be applied or adapted to work. The Company, therefore, recognizes the importance of reskilling and upskilling to encourage continuous skills development.

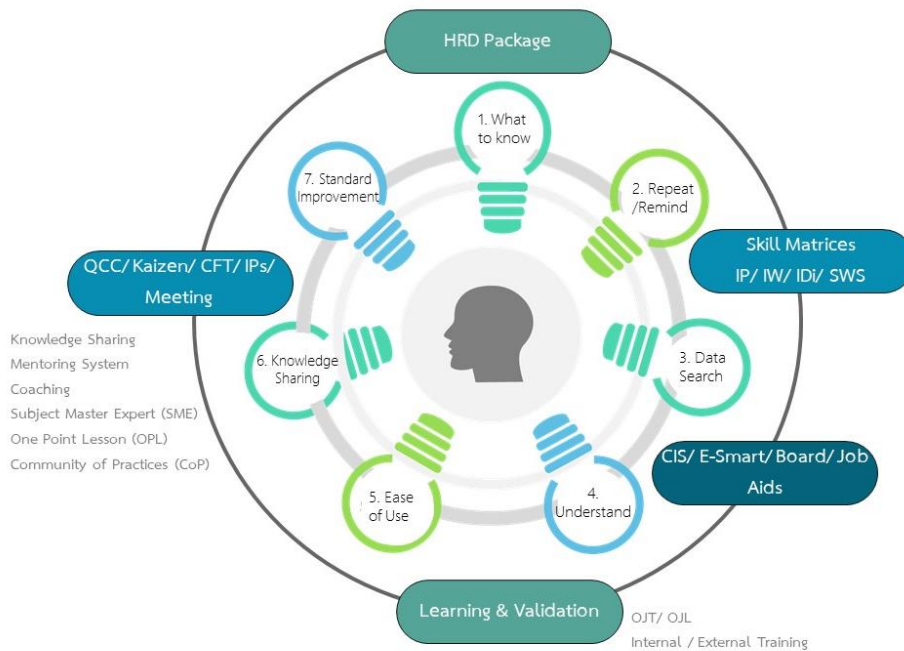


3. Organizational Knowledge Management

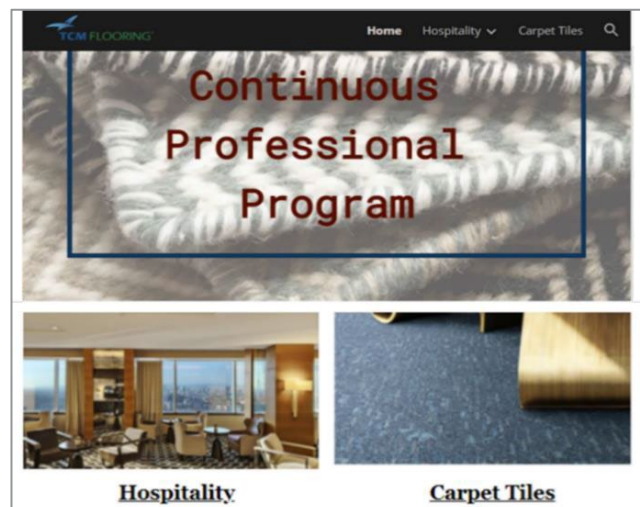
The human resource development policy is committed to employee development and promotes it as a learning organization. Therefore, it established the Learning Center as a hub for information, news, and internal training with training and development plans for employees to maximize their potential.

In addition, in order to create knowledge transfer and create an atmosphere of learning within the organization, knowledge management tools have been introduced to help increase efficiency and develop the skills of employees to be more competent, such as mentoring system, job rotation, cross functional, and community of practices.

Learning Cycle



Apart from this, there is also the development of an e-learning platform that is effective, ready and facilitates employees to learn anywhere, anytime, to match the current situation.



1.4 Employee Retention Commitment and Goal

"Personnel" are considered the most important resource. The success of a business must rely on people to drive the results to occur continuously and consistently. The Company must ensure that the employees have occupational safety, organizational commitment, and ready to adapt to the changing situations.

Management Approach and Performance

The Company has guidelines and strategies for retaining competent employees to work with the organization as follows:

1. Management of compensation, welfare, and other benefits

The Company determines employees' compensation fairly according to their job conditions, qualifications, professions, knowledge, capabilities, and performance as the important factors. Employees will

receive monetary compensation and other compensation, such as salary, and other income, such as overtime pay, diligence allowance, bonuses, contribution to the provident fund, as well as other benefits and welfare. This is consistent with the KPI (Key Performance Indicator), which is used as a compensation tool to create incentives for employees to perform well in order to meet the set goals.

The Company offers production incentives for production employees. It is money paid to motivate employees to work, encourage employees to commit to working continuously, and retain personnel who are capable of working with the organization.

2. Employee Performance Evaluation

The Company has a performance management system which is a systematic process to drive employees to achieve the set goals.

- The planning to determine performance indicators, goals, and criteria used for the assessment must be clear and consistent with the strategic direction of the organization. The key performance indicator (KPI) is used as a tool to set goals for employees. There is a mutual agreement between supervisors and employees.
- Tracking, coaching and feedback.
- Performance evaluation is measured by the work’s success in comparison with the set goals.
- Linking the results obtained from the evaluation to use in determining the compensation in order to incentivize employees with good performance, such as salary increases and annual bonuses.
- Connecting to employee development plans in order to develop employees to their full potential.



3. Promoting career advancement

When each employee’s potential is properly, precisely, and continuously developed, employees will be able to demonstrate their ability to perform effectively and achieve the set goals. The benefits that the employees will develop include:

- Employees will be aware of their current level of knowledge and capabilities, as well as their strengths and areas that need to be developed in order to bring this knowledge to the next level of development.
- Employees can use their knowledge to develop and extend their knowledge, skills, and capabilities in order to be prepared for the tasks assigned and meet the expectations of the division.
- Employees receive career advancement as there is development to prepare for future growth together with the organization.
- Employees are positioned as successors when the former employees resign from the job or retirement.

Due to the COVID-19 pandemic, there was the development and promotion of career advancement for the group of initial management level and supervisor level, totaling 8 people, in 2021.



4. Employee Engagement Operations

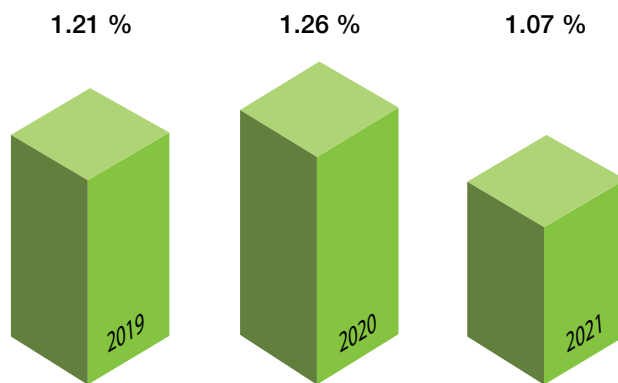
The Company emphasizes carrying out activities that strive to build bonds between employees and the organization in order to make the employees happy at the workplace by covering the balance between life and work. Employees are key people in delivering impressive products and services to customers and are part of helping the Company to achieve sustainable success.

The Company therefore has activities or operations to support employees to bond with the Company as follows:

- Organize various activities that foster employee bonding, such as New Year’s Eve party, festivals, for instance, Valentine’s Day, and watering ceremony for executives on Songkran Day.
- Public relations news through appropriate corporate communication channels such as intranet and cafeteria boards so that employees are thoroughly informed.

In 2021, the turnover rate was 1.07%, a 15% decrease from the previous year (the 2020 turnover rate was 1.26%).

Turnover rate



5. Concentrating on health and hygiene, remaining safe from the COVID-19 virus

With the continuous spread of the COVID-19 virus, the Company focuses on employee health and hygiene to keep them safe from the COVID-19 pandemic with the following measures:

- Establish a working group for the COVID-19 action center to monitor, surveillance, and implement various measures for the safety of employees and to prevent infection within the Company.
- Educate and disseminate information about preventive care, the number of infected people, and various preventive measures of the Company to employees through various channels of the organization.
- Operate the employees to assess their own risks, including family members. If employees are found to be at risk, preventive measures will be implemented; for example, employees are required to self-isolate if they present symptoms or visit a doctor to be tested for infection.
- Provide temperature measurements before entering work, arrange alcohol gel in different areas, establish social distancing measures such as when sitting and eating in the cafeteria, as well as providing cleaning, spraying, and disinfection in various areas, including handing out personal cutlery, alcohol gel, and masks to employees.
- Provide work from home and flexible working hours to maintain social distance and reduce the risk of exposure to the COVID-19 virus of 170 people, representing 63% of office workers.



3. Community Relationship Management and Social Responsibility

Commitment and Goal

The Company recognizes the role of participation in supervising and building relationships with the community and society for a happy and sustainable coexistence by focusing on improving the quality of life and building strength and happiness for the society and community to grow together.

Management Approach

Focus on creating value and creating balance in business operations together with strengthening community capacity with a good quality of life by establishing various projects to create jobs and generate income for the people in the community.

Performance in 2021

1. Job Creation and Generating Income for the Community Project

"Community Product Support" Since 2013 The company supports local products by providing "Selling OTOP products of Pathum Thani and nearby provinces" every month as a career promotion, supporting local wisdom and increasing ways to generate income for families and communities. However, due to the Covid-19 pandemic in 2021, the project opened for community to join only in March.



2. Environmental Care Project

The Company emphasizes cultivating a conscience on environmental conservation together with raising awareness of the importance of building a green society by promoting knowledge to employees, business partners, and the public about waste separation at source, waste disposal, and reuse. This also includes reducing the use of resources that affect the environment, such as campaigning on reducing the use of plastic bags, saving electricity, etc. The activities carried out are as follows:

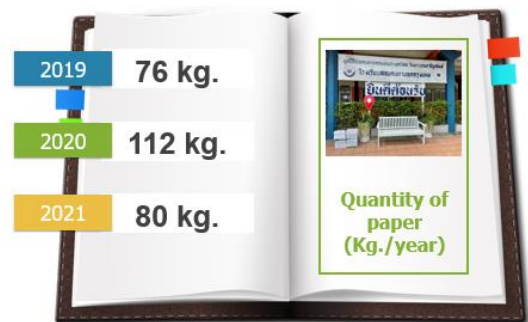
2.1. Community-based waste management project with Bang Khu Wat Municipality

Promote knowledge on recycling waste segregation in the categories of UHT milk cartons, aluminum, and clean, stretchable plastics for social benefits with the community, schools, enterprises, and the general public. Create awareness of UHT milk cartons, stretch plastic, and aluminum separation and bring them into the recycling process with the proper knowledge and understanding to reduce waste and increase the recycling rate. Starting from April to December 2021, established a long-term cooperative relationship between organizations, communities, and municipalities in environmental and natural resources conservation.



2.2 The Third Page Paper for the Blind Activity

It is a campaign that encourages staff to collect used paper that were printed on both sides with good condition and give them to the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen. These papers can be recycled to make the third page paper and teaching media (Braille) amount 80 kilograms for the visually impaired. This activity has been ongoing for more than thirteen years.



2.3 "Garbage Bank" Project

The campaign aims to promote waste classification in schools and companies by classifying waste used in everyday life and selling it to raise funds for expenses for lunches for students at Ban Khlong Chao Muang School. In addition, the project has also continually raised awareness of environmental protection since 2008.

2.4 Support and donate unused computer

Support and donate unused computers to the Association of Persons with Physical Disability International to reduce the amount of electronic waste, recycle, and convert them into donations for organizing activities for the disabled.



3. Thai Cultural Activities

Promote and support the conservation of Thai cultural traditions that have been passed down from generation to generation, including beliefs, thoughts, actions, values, attitudes, morals, customs, cultures and rituals that have existed since the past era and continue to exist to modern times.

3.1 Candle Festival

From the Covid situation, the Company reduced risks by sending the representatives of employees to offer Buddhist Lent candles at Wat Num Wone, Pathum Thani Province, on August 8, 2021.



3.2 Offering the Royal Kathin Robe and providing scholarships

The Company joined the charity in offering the Royal Kathin Robe to the Ministry of Industry by giving scholarships to Wat Soi Thong School students.

4. Occupational Health, Safety and Environment management

The Company attaches great importance to managing safety, occupational health, and working environment by focusing on occupational health, safety, and working environment, and preventing accidents, injuries, and occupational diseases. It aims to create safety awareness through the cooperation of everyone in the organization under the Occupational Health and Safety Management System (ISO:45001) standard for continuous and sustainable safety.

Commitment and Goal

Occupational safety is the most important thing at work. The Company, therefore, attaches great importance to it by setting goals for occupational safety, which are no fatal accidents from work and no accidents resulting in up to 3 days off work within 365 days.

Management Approach

The Company attaches great importance to managing a safe and proper working environment by providing a risk assessment covering all working processes, establishing the correct working procedures, training to comply with the law, assessing the working environment according to risk factors in accordance with law, employee healthcare with health checks when changing jobs, general health check, and health check according to risk factors. This also includes the establishment of the Occupational Safety, Health, and Environment Committee to represent all employees in the safety dimension of the Company thoroughly. The safety of the work area is checked daily to ensure the highest operational safety.

In addition, the Company has prepared eight emergency plans which cover emergency situations that may occur within the Company, namely fire and explosion response procedures, chemical spill response procedures, LPG gas leak response procedures, natural disasters response procedures, terrorist/bomb threats

response procedures, riot response procedures, flood response procedures, and epidemic response procedures in order to prepare to deal with any possible emergency in the most timely and efficient manner.

Performance in 2021

The Company gives importance to the safety management for occupational accident prevention by using the Injury Frequency Rate (IFR), Injury Severity Rate (ISR) and Population Fatality Rate (PFR) to compare the trends of occupational accidents that occur within the Company. This will lead to the solution to minimise the risk of occupational accidents

The Company has never had any employees who have died from operations. The Company analyzes the causes of accidents, including establishing preventive measures and continually improving work to be safe, as well as providing training for employees regularly.

In 2021, the Company did not experience any serious incidents causing business interruption.

Accident in the past three years

Accident Statistics (Unit: People)	Total	Injured		Accident Statistics (Unit: People)
		No Lost Time Injury (NLTI)	Lost Time Injury (LTI)	
2019	23	14	5	4
2020	21	10	8	3
2021	14	6	4	4

Statistics of Injury frequency rate in the past three years

Statistics of Injury (Index: people/1,000,000 working hours)	Injury Frequency Rate (IFR)	Injury Severity Rate (ISR)	Property Damage Frequency Rate (PFR)
2019	4.7	31.1	1
2020	6.4	31.8	1.1
2021	4.7	40.6	1.9

In addition, the Company has carried out activities to promote occupational safety, health, and working environment, as well as continually preparing for emergency response within the organization as follows:

1. Safety Promotion Activities

The Company has carried out safety promotion activities (Safety Awareness) to raise safety awareness through various participation activities as follows:

- "Kiken Yoshi Training (KYT) and Morning Talk" Activities - >> These activities aim to remind and create self-awareness of danger, including campaigns to promote and tell stories about work safety.

- "Kaizen" Activity ->> This activity aims to promote the development of creative potential of employees. They could share and exchange creative thoughts and ideas for productivity improvement, including cost reduction, environmental conservation, and work safety.

- "Safety Inspection" Activity ->> The Committee of Occupational Safety, Health and Work Environment of the Workplace has performed safety inspection in all areas at least once a month in order to find chances for improvement in safety conditions in the organization.

- "Near Miss Incident Reporting and Observation" Activities ->> The activities allow employees to give important information about the risk of work hazard by self-reporting and observation, which could reduce the risk of occupational accidents in the future.

- "Annual Medical Check-Up" Activity ->> Annual medical check-up has been performed once a year in compliance with the law. Furthermore, the Company provides additional health screening services by age ranges to supervise and monitor the employee health.



2. Safety Knowledge Training

The Company is committed to the development of work safety knowledge in order to raise awareness of work safety, leading to a reduction in occupational accidents. Safety training for new employees ->> All new employees must attend safety training and assessment before starting to work.

3. Emergency response training

The Company has set up an emergency prevention and response plan, including pre-incident, incident, and post-incident phases. Therefore, emergency response training and exercise has been performed annually to review and improve operating procedures that lead to the safety of life and property of employees and other involved parties as follows:

- Chemical Spill Control Drill Plan



- Fire Fighting Plan of Fuel oil Station and Boiler abnormal)



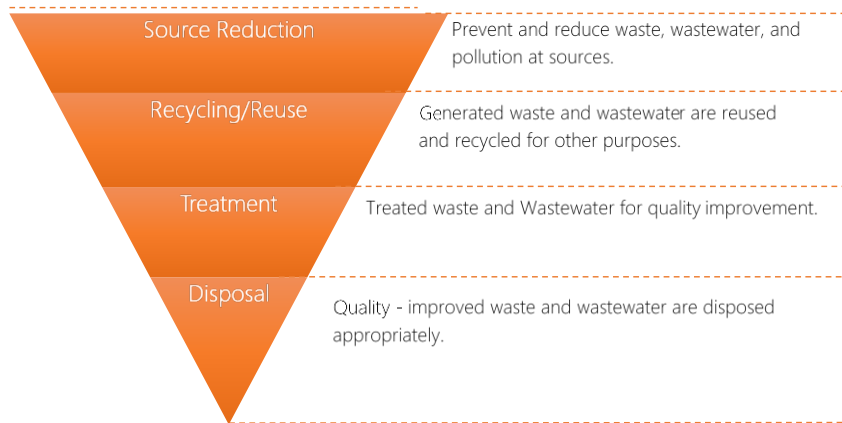
- Gas Leakage Control Plan



Sustainability Management in Environmental Dimension

The Company recognizes that protecting natural resources and the environment is the key to sustainability. Therefore, the Company is determined to operate the business according to the economic principle and continuously create innovations to apply in energy, water, and waste management to reduce the impact on natural resources and the environment.

The Company is committed to developing sustainability throughout the value chain by applying new technology to improve efficiency and apply the principles of clean technology to reduce the use of natural resources and the impact on the environment.



1. Water Resources Management

Commitment and Goal

Water is considered an important resource that is vital to all human beings and other living creatures. The company is aware of the significance of water resources and therefore imposes the regulations for sustainable water resources management to maximize the effectiveness of water resources utilization. Meanwhile, the company monitors and mitigates the negative effects that may deteriorate water resources by not discharging environmental pollution from corporate operations to natural water resources, and minimize the usage of water from natural resources.

Management Approach

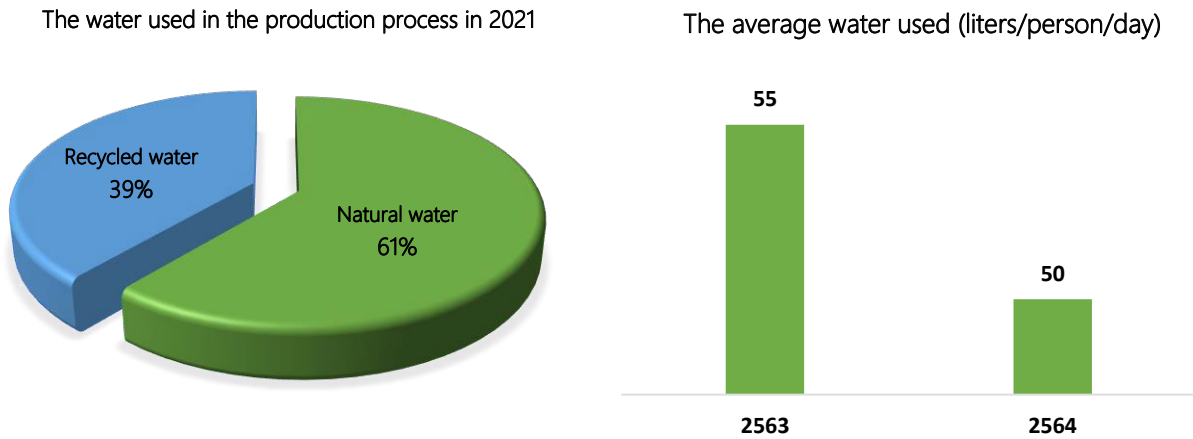
The Company manages water usage systematically throughout the organization. It has set a policy on water resource management by placing importance on building a complete water management system throughout the value chain from the sustainability assessment of water use to assess the water risk level and set a guideline for water management. There is also an evaluation of the use of water throughout the product lifecycle to improve the efficiency of water resource usage to the maximum. Furthermore, the Company has worked with stakeholders to protect and conserve water resources by operating the following actions:

- Reduce water risks by implementing integrated water management.
- Reduce water consumption by increasing the efficiency of water use in production processes and products.
- Treat wastewater to ensure that it meets the required quality standards, keep track of quantity and quality, report the incident, investigate the cause, make the corrections, and do not discharge the wastewater outside the Company.
- Reuse the treated wastewater within the organization.
- Develop personnel capabilities and raise awareness among employees at all levels about the utilization of water for maximum value.

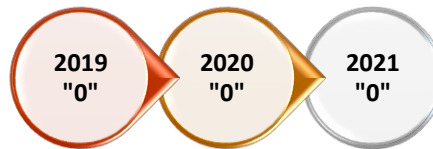
Performance in 2021

The Company's total raw water consumption is 162,711 cubic meters. The most water usage is in the production process, amounting to 134,204 cubic meters, or 82%, followed by water for consumption and other uses. 61% of the water used in the production process comes from natural sources and 39% from recycled water.

The average water consumption for consumer activities in 2020 was 55 liters/person/day, and in 2021 it was found that the average water use was 50 liters/person/day, which is reduced average water consumption by 10%.



The Company has a wastewater management system which led to the results of the wastewater quality analysis in 2021 meeting the legal criteria. The amount of wastewater generated in 2021 is equal to 129,660 cubic meters. Most of the wastewater is generated from the production process in the amount of 105,525 cubic meters, accounting for 81%, followed by 15,930 cubic meters of wastewater from consumption, accounting for 12%, and wastewater from other activities. The Company generates wastewater from all processes and improves its quality in order to reuse it in the production process, reuse in sanitation systems and utilities, and reuse to manage green spaces within the factory. The management mentioned above has continuously resulted in no wastewater discharge from the Company since 2015.



2. Waste Management and Pollution

Commitment and Goal

The problem of waste management and pollution have become more and more intense due to the economic growth, rapid technological changes, and industrial competition. The company is aware of the importance of the problem. Therefore, it has established a concrete and sustainable waste management approach in accordance with the policy of the Ministry of Industry that promotes the development of eco-industry by promoting the recycling of waste and reducing the amount of waste that must be disposed. This will lead to sustainable development, allowing industrial sectors and communities to be able to live happily together.

Management Approach

The company has set the guidelines for waste management within the factory according to the 3Rs (Reduce, Reuse, Recycle) principle, which is to manage waste by giving priority to minimizing the generation of waste and reducing the use of resources first. It is required to focus on the efficient use of raw materials or production resources. When waste has been generated, it is essential to try to find ways to reuse or recycle them as much as possible by considering the potential utilization of each type of waste and relevant laws in order to

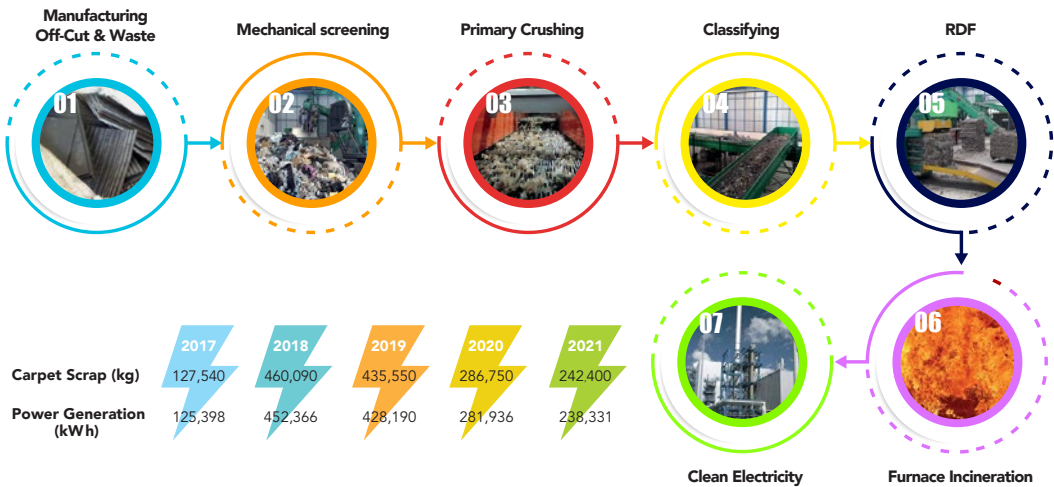
have the least amount of waste that must be treated or disposed. Waste disposal will be the last resort to deal with waste management.

Performance in 2021

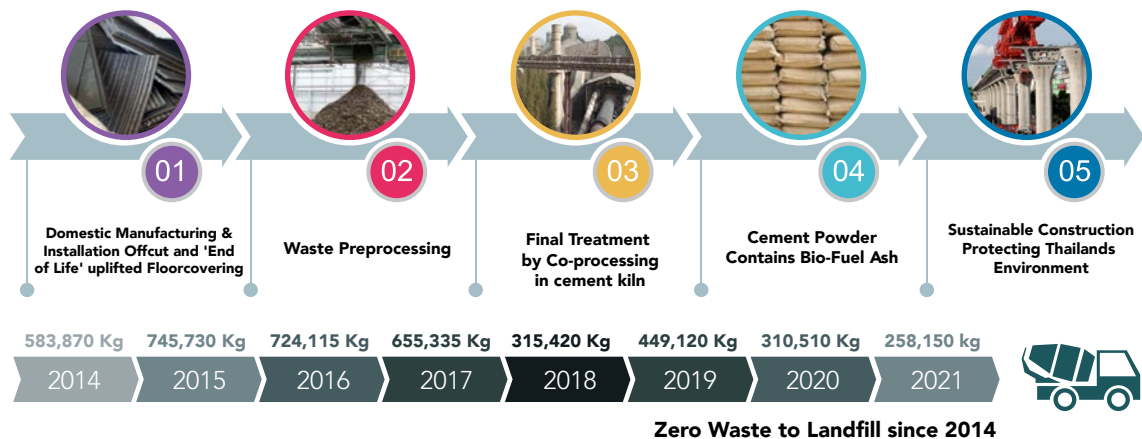
The company has implemented waste management plan, covering from resources utilization to waste disposal in order to achieve the highest efficiency as follows:

- 1) Process development and improvement both in production and support to reduce the use of resources and minimize waste generation. In 2021, the Company has a total of 478,094 kilograms of garbage and waste. When compared to the total amount of garbage and waste in 2020, equal to 650,081 kilograms, it was found that the amount of garbage and waste has decreased by 26.46%.
- 2) Reuse/recycle both materials and packaging by reusing more than 20,500 paper tubes, bales, pallets, and cartons in the process and being able to reuse 4,800 kilograms of wasted yarn and fiber.
- 3) In terms of managing each type of waste based on its utilization potential to ensure that the smallest amount possible of waste is disposed of, the Company has been able to dispose of waste through zero-landfill since 2010, with measures of managing waste at source, reuse and using waste as an alternative fuel in order to reduce the amount of waste to a minimum.
- 4) Regarding the environmental quality measurements in the office and around the business establishments at least once a year, in 2021, it was found that the air quality standards, odors, noise, and lighting were within the normal range as required by law. There was no case of a chemical spill from business operations.

The use of waste as a renewable fuel (Refuse Derived Fuel (RDF)) in the production of electricity (Tons per year)



The use of waste as a raw material in cement kilns as a co-material in the production of Cement Kiln (Tons per year)



The use of bio-sludge from a wastewater treatment system as a component of biological compost, (Tons per year)



3. Climate Management Commitment and Goal

Global warming and climate change are becoming more serious, resulting in global cooperation in reducing greenhouse gas emissions and the use of innovations to absorb greenhouse gas emissions, as well as stakeholder expectations for the management on the topic of climate change. There are also risk factors related to the legislation on climate change in Thailand and competition in the low-carbon product market. The Company is committed to reducing greenhouse gas emissions in order to control the average global temperature by rigorously and continually monitoring and implementing measures in accordance with international guidelines.

Management Approach

The Company is a part of the society that focuses on the prevention and correction of pollution arising from the activities of the organization that directly and indirectly affect the production of greenhouse gas

emissions into the atmosphere. Therefore, guidelines for operations to reduce greenhouse gas emissions have been established as follows:

- Review and set greenhouse gas emission reduction targets in line with global cooperation and in accordance with the control of the rise in global average temperature.
- Establish measures to continuously increase energy efficiency, increase the proportion of fuel derived from clean energy sources rather than fossil fuels, as well as improving or modifying processes and equipment to achieve higher energy efficiency.
- Set guidelines for research and technology development to reduce greenhouse gas emissions.
- Develop products, services, and solutions that reduce greenhouse gas emissions throughout the value chain.
- Organize activities to create awareness of energy conservation and climate change response for employees.

** The Company is currently in the process of studying and collecting greenhouse gas emissions data in order to evaluate and prepare for the project. It will establish goals and operational plans for the near future. **

4. Energy Management

Commitment and Goal

Because of the limitations of domestic energy sources and reliance on imported fossil fuel sources for use as the primary source of energy to produce electricity, energy costs fluctuate and tend to rise year after year. The Company realizes and strives to control the use of electricity for maximum efficiency in order to use natural resources efficiently, minimize the impact on the environment as much as possible, and also able to reduce the Company's energy costs. The goal in 2021 was to reduce energy consumption by 1% compared to 2020 for the manufacturing segment and reduce electricity consumption by 1% for the head office, which the Company defines as an indicator of the organization's energy performance.

Management Approach

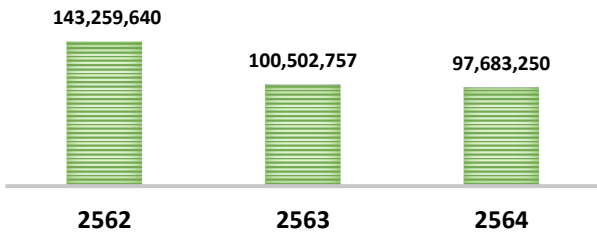
The company has carried out energy conservation projects that everyone has participated continuously every year. The objective is to enable energy conservation teams and all staff to participate in energy conservation through regular education and training, such as the energy conservation program for new employees, simple energy awareness and energy laws program, energy conservation program for compressed air system, power factor improvement course, the course to improve the efficiency of fuels in carpet cabinets, and the course on measuring, analyzing, and improving energy efficiency in primary equipment for energy conservation. The provision of education and training paves the way for various departments to apply the training concepts for the implementation of sub-projects related to energy in each department, which can increase the productivity.

Performance in 2021

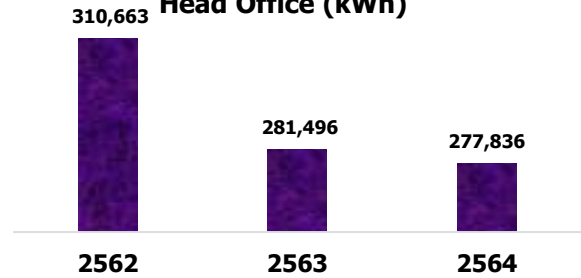
The Company uses energy for its manufacturing plants, which is energy from electricity and energy from the fuel. In 2021, the Company's total energy consumption was 97,683,250 megajoules (MJ). Compared to the total energy consumption in 2020, which was 100,502,757 megajoules, the total energy consumption was reduced by 2.8%. But considering the total energy consumption per product unit determined by the Company as a measure of the organization's energy performance in 2021, it was 6.2% higher than the energy target goal due to the lower productivity factors, and the Company had to adjust the plan to reduce the production time to be in line with the COVID-19 pandemic situation.

The Company uses secondary energy in the head office, which is indirect energy from the Metropolitan Electricity Authority. In 2021, the Company's electricity consumption was 277,836 kWh. Compared to the year 2020 of 281,496 kWh, a 1.3% reduction in energy consumption was found.

Energy Consumption - Factory (MJ)



Electricity Consumption - Head Office (kWh)



For energy conservation implemented in 2021, there are two main projects to improve energy efficiency, which consist of the following projects:

1. High-efficiency dyeing machine installation project

This increases energy efficiency and reduces environmental impact by modifying dyeing technology with high-efficiency dyeing machines. It will increase production capacity, use fewer resources, and reduce the energy consumption per unit of production by more than 25%, which is a reduction in energy consumption of 769,583 megajoules per year.

2. Installing a solar power generation system on the roof project

This is to increase the ability to use renewable energy by installing an electric power generation system from solar cell panels on the roof (Solar Rooftop) with a capacity of 1,000 kilowatts. The system will activate and start supplying electricity to the system in the second quarter of 2022, which can generate approximately 1,400,000 kilowatt-hours of electricity per year.



Pride Awards

1. Industry Standard Certifications

The company has received industry standard certifications from internationally renowned system auditors. It is therefore a guarantee that the corporate production process has carried out with a good management system with six standards certified as follows:

- **ISO 9002 : 1994** : Quality Management System in Plant and Head office in 1997 - 2004
- **ISO 9001 : 2000** : Quality Management System in Plant and Head office in 2004 - 2008
- **ISO 9001 : 2008** : Quality Management System in Plant and Head office in 2008 - 2016
- **ISO 9001 : 2015** : Quality Management System in Plant and Head office in 2016 - Now
- **OHSAS 18001 : 1999** : Occupational Health and Safety Management System in Plant and Head office in 2007 - 2008
- **OHSAS 18001 : 2007** : Occupational Health and Safety Management System in Plant and Head office in 2008 - 2019
- **ISO 45001 : 2018** : Occupational Health and Safety Management System in Plant and Head office, Certified by British Standard Institution (BSI) in 2020 – Now
- **ISO 14001 : 1996** : Environmental Management System in Plant and Head office in 2004 - 2006
- **ISO 14001 : 2004** : Environmental Management System in Plant and Head office in 2006 - 2007
- **ISO 14001 : 2015** : Environmental Management System in Plant and Head office, Certified by British Standard Institution (BSI) in 2017 – Now
- **ISO 50001 : 2018** : Energy Management System in Plant and Head office, Certified by British Standard Institution (BSI) in 2019 – Now
- **TLS 8001 : 2003** : Thai Labour Management System in Plant in 2006 - 2012
- **TLS 8001 : 2010** : Thai Labour Management System in Plant in 2012 - Now, in between proceed to adjust to TLS 8001: 2020 in 2021
- **AEO (Authorize Economic Operator) Importer/Exporter** : in 2014 – Now

2. Other Industry Standard Certifications and Awards

- In 2006, the company received a certificate of honor for **“Adjusting the Factory Landscape to be Liveable and Environmentally Friendly”** in honor of His Majesty the King on the occasion of the 60th anniversary celebration from the Ministry of Industry.
- In 2006, the company received a plaque of standard award for the management of AIDS and tuberculosis in the workplace at **“Gold”** level from the Department of Labor Protection and Welfare, Social Security Office, Department of Disease Control, and Thailand Business Coalition on AIDS.
- In 2007, the company received a certificate of **“Health Promotion for Workers Project at the Provincial Level”** Year 2006 from the Social Security Office, Pathum Thani Province.
- From 2008 to 2017, the company received the awards and plaques of the **“Corporate Social Responsibility Standard (CSR)”** from the Department of Industrial Works, Ministry of Industry.
- In 2009, the company received the award **“CCCF Level A”** in the field of safety activities from the auto carpet company “Hayashi Telemphu”.
- In 2009, the company received the award and plaque of **“Social Security Standards”** of the year 2009 from the Social Security Office, Pathum Thani Province.
- In 2009, the company received a plaque for the standards of AIDS and TB management at the **“Platinum”** level from the Department of Labor Protection and Welfare, Social Security Office, Department of Disease Control, and Thailand Business Coalition on AIDS.

- In 2009, the company received a trophy of **“Cooperation and Mutual Success in the Implementation of the Factory Opens the Fence ... to Coordinate Community Project”** from the Department of Industrial Promotion and Thai Environment Institute.
- In 2009, the company received a trophy of **“Outstanding Company in Safety, Occupational Health, and Working Environment at the Provincial Level”** from Pathum Thani Provincial Labor Office.
- In 2011, the company was honored to join the project to develop the model of occupational health services in order to strengthen risk management and occupational health services for the year 2011.
- In 2011, the company received a certificate of honor for a good role model for labor management which was responsible for society and employees after flooding situations from the Ministry of Labor.
- In 2011, the company was certified as a **“Green industry” Level 3** (Green System Level 3) from the Department of Industrial Works.
- In 2012, the company was honored as an industrial company that operated in accordance with **“Environmental Governance Principles”** from the Ministry of Industry.
- In 2014, the company received a plaque of **“Good Cooperation in the Conservation and Restoration of Rivers”** from the Ministry of Industry.
- In 2014, the company received a trophy for maintaining **“Thai Labor Standard System and Corporate Social Responsibility of Thai Business for Five Consecutive Year”** from the Department of Labor Protection and Welfare, Ministry of Labor.
- In 2014, the company received a plaque of **“Knowledge Management Project on Increasing Productivity in an Organization for Sustainable Growth”** from the Thailand Productivity Institute.
- In 2015, the company was awarded a certificate for the participation in the study of the efficient utilization of groundwater in the industrial sector for groundwater development and conservation: a case study of the dyeing and pulp and paper industry that has achieved its goals, from the Department of Groundwater Resources and the Federation of Thai Industries.
- In 2016, the company received a plaque and honor for the role model company for efficient water resources management in accordance with the rules of the Modeling Project and the expansion of the network for effective groundwater resources management in the industrial sector by social hands from the Department of Groundwater Resources and the Federation of Thai Industries.
- In 2016, the company was certified as a **“Green industry” Level 4** (Green System Level 4) from the Department of Industrial Works to confirm that it is a factory with systematic environmental management, including regular monitoring, evaluation, and development review.
- In 2017, the company received the certificate of honor for **“Disease-Free Workplace, Safe, and Happy Mind”** at the “Excellent” level of the fiscal year 2017 from the Department of Disease Control, Ministry of Public Health.
- In 2017, the company received a trophy for maintaining **“Thai Labor Standard System and Corporate Social Responsibility of Thai Business for Ten Consecutive Year”** from the Department of Labor Protection and Welfare, Ministry of Labor.
- In 2018, the company received the **“Asia Pacific Entrepreneurship Award 2018”** in the category of Corporate Excellence in Manufacturing as an organization that continuously creates business growth with excellence in management and business leadership under the consideration of good corporate governance and responsibility to the environment and society from the Ministry of Commerce.
- In 2021, the company received a trophy for maintaining **“Thai Labor Standard System and Corporate Social Responsibility of Thai Business for Fifteen Consecutive Year”** from the Department of Labor Protection and Welfare, Ministry of Labor.
- From 2006 to present, the company has been honored for **“Food Sanitation Standards”** at the **“Very Good”** level from the Department of Health, Pathum Thani Provincial Public Health Office.

- From 2013 to present, the company has received the standard honor certificate of **“Prevention and Resolution to Drug-Related Problems”** in the workplace from Pathum Thani Province.

4. Management Discussion and Analysis

Management Discussion and Analysis

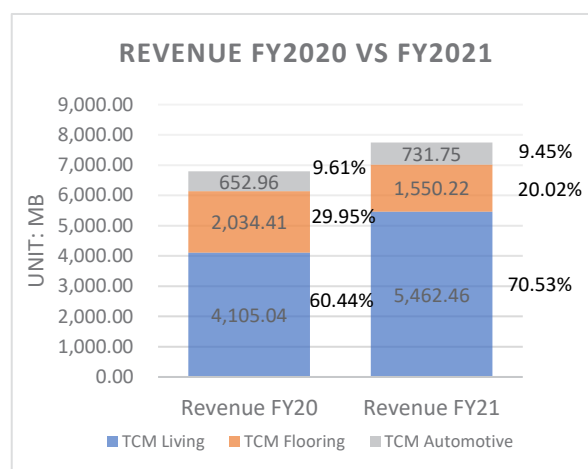
Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the “Corporate Group”) announced revenue from sales and services of THB 7,744.42 million for the year 2021, increased from THB 6,792.40 million or by 14.02 percent compared to the previous year. EBITDA was THB 248.85 million, decreased from the previous year by 46.78 percent. Net loss was THB 120.11 million decreased from THB 0.11 million net loss in the previous year. Net loss attributable to owners of the parent was THB 152.85 million.

FY2021 Performance

The Covid-19 pandemic still had a significant impact on the Company’s businesses in year 2021. The business groups were affected by the global shipping crisis, shortage and rising of raw material prices, which hold the businesses back from the recovery.

Revenue contribution from TCM Living was 70.53 percent increased from 60.44 percent in the previous year. Revenue contribution from TCM Flooring was 20.02 percent decreased from 29.95 percent in the previous year. Whereas, revenue contribution from TCM Automotive was 9.45 percent slightly decreased from 9.61 percent in the previous year.



Highlight from each business

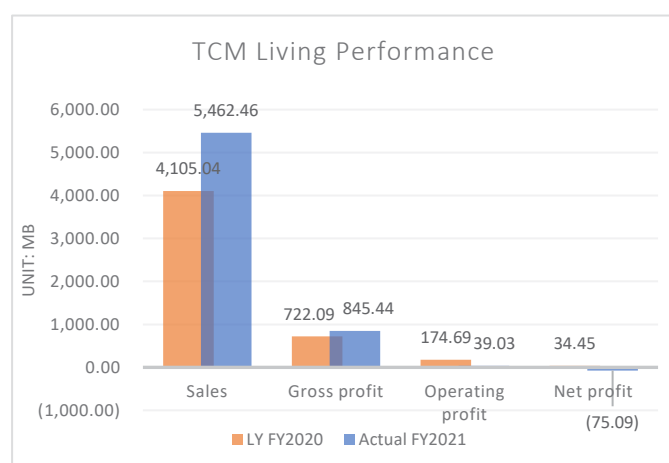
Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> - Continuously expanding, Impact from costs rising, Profits are not satisfactory - Revenue increased by 33.07% from the continuous increase of demand, as a result of lifestyle changes due to the COVID-19 pandemic, and the rise of home own trend in the UK. Nevertheless, the costs control of the business group was not quite satisfactory, due to the continuing international supply chain crisis, increase in raw material prices, inflation and labor shortage. - Selling and administrative expenses were increased after incorporating the operating expenses of Arlo & Jacob, a retail business that the Company acquired in Q2/2021. Added up by the disruption from the Covid-19, the overall selling and administrative expenses was higher when compared to the previous year. - After taking out the inter-company expenses, financial costs, taxes, and exchange rates related, the Group reported a net loss of THB 75.09 million.
TCM Flooring	<ul style="list-style-type: none"> - Efficient cost control, But the market has not been recovered - Revenue decreased by 23.80% from 2020 as tourism industry was significantly interrupted by the COVID-19. There were order backlogs in the pipeline which were carried forward from 2020 and scheduled to deliver in 2021. On the other hand, new orders received in 2021 were minimal and inadequate to support sales growth for the year. - Cost of goods sold ratio was recorded nearly the same rate as the previous year. Although, the reduction of manpower to align with existing production capacity and efficiency improvements in the past year helped to improve the cost ratio, but the surge of raw material prices and transportation costs caused the cost ratio to be increased and ended up to the same rate as the previous year. - Selling and administrative expenses were decreased compared to the previous year, as a result of strictly expenses control to reserve cash flow. After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 118.71 million.
TCM Automotive	<ul style="list-style-type: none"> - Business recovered, Revenue and profit increased apparently - Revenue increased by 12.07% from the previous year, mainly due to the continuing recovery in automobile industry since end of last year. However, the COVID-19 still has impact to the business. There were overseas car manufacturers temporary cease their operations in Q2-Q3/2021, adding up by the global semiconductor shortage, which the operator estimated that the situation may be prolonged until the end of 2023. - Cost ratio improved to 78.25% from 80.85% of the previous year, from the higher volume of sales orders. - Total selling and administrative expenses increased aligned with the higher sales volume. Therefore, the Group reported net profit of THB 73.69 million, higher than that reported in the same period of the previous year by 71.35%

Performance by Group of Business

TCM Living

Unit: MB

Details	Actual FY2021	Last Year FY2020	Diff % YoY	% of sales FY2021	% of sales FY2020
Revenue from Sales and Services	5,462.46	4,105.04	33.07%	100.00%	100.00%
Cost of Sales and Services	(4,617.02)	(3,382.94)		-84.52%	-82.41%
Gross Profit	845.73	722.09	17.12%	15.48%	17.59%
Other incomes	0.20	1.72	-88.17%	0.00%	0.04%
Selling expenses	(413.14)	(315.75)	-30.79%	-7.56%	-7.69%
Administrative expenses	(439.60)	(281.61)	-56.13%	-8.05%	-6.86%
Profit (Loss) from Exchange Rate	0.00	0.00	0.00%	0.00%	0.00%
Operating Income (EBIT)	(7.01)	126.45	-105.30%	-0.12%	3.08%
EBITDA	40.83	221.12	-81.36%	0.75%	5.39%
Fair Value Adjustments to Derivatives (Forex)	37.47	(35.08)	203.76%	0.67%	-0.85%
Financial Costs	(46.96)	(43.92)	-6.94%	-0.86%	-1.07%
Tax Income (Expenses)	(24.94)	2.14	-1047.29%	-0.50%	0.05%
Corporate Expenses (Shared)	(33.56)	(15.14)	-121.60%	-0.61%	-0.37%
Net Profit (Loss) for the Period	(75.09)	34.45	-306.43%	-1.43%	0.84%



TCM Living

After the release of the UK lockdown measure, furniture and home furnishings were the highest sales growth business in the year 2021. However, the shortage of raw materials supply and international shipping crisis, that has been a long-standing problem, including the impact of COVID-19 to some overseas suppliers, causing the delays in shipments. All furniture operators in the UK were facing the same problem during the year 2021. As a result, the Group recorded the lower gross margin compared to the previous year.

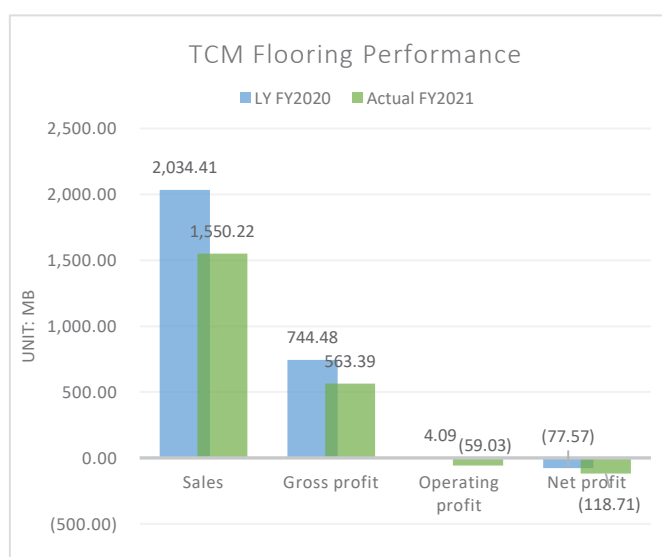
Total selling and administrative expenses were THB 852.74 million, increased from those in 2020, which was under the UK lockdown, and the Group had benefit from government furlough. For 2021, the Group had suffered from unfavorable factors including the additional operating expenses of Arlo & Jacob; our newly acquired business in Q2/2021 which operating under 5 retail stores throughout the UK. Shipping costs also increased year on year, and continue to rise accompanied by an increase in the cost of road transportation. The widely publicized haulage crisis has caused fuel price increases.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 75.09 million, decreased by 317.98 percent from the net profit of THB 34.45 million in the same period of the previous year. The EBITDA was THB 40.83 million, decreased by 81.53 percent compared to the year 2020.

TCM Flooring

Unit: MB

Details	Actual FY2021	Last Year FY2020	Diff % YoY	% of sales FY2021	% of sales FY2020
Revenue from Sales and Services	1,550.22	2,034.41	-23.80%	100.00%	100.00%
Cost of Sales and Services	(986.83)	(1,289.93)		-63.66%	-63.41%
Gross Profit	563.39	744.48	-24.32%	36.34%	36.59%
Other incomes	28.51	68.40	-58.32%	1.84%	3.36%
Selling expenses	(255.54)	(309.12)	17.33%	-16.48%	-15.19%
Administrative expenses	(416.37)	(504.34)	17.44%	-26.86%	-24.79%
Profit (Loss) from Exchange Rate	20.98	4.68	348.50%	1.35%	0.23%
Operating Income (EBIT)	(59.03)	4.09	-1542.38%	-3.81%	0.20%
EBITDA	62.30	129.51	-51.90%	4.02%	6.37%
Fair Value Adjustments to Derivatives (Forex)	(12.00)	6.12	-296.11%	-0.77%	0.30%
Financial Costs	(87.51)	(109.14)	19.82%	-5.65%	-5.36%
Tax Income (Expenses)	46.15	43.76	5.47%	2.98%	2.15%
Corporate Expenses (Shared)	(6.32)	(22.39)	71.77%	-0.41%	-1.10%
Net Profit (Loss) for the Period	(118.71)	(77.57)	-53.05%	-7.66%	-3.81%



TCM Flooring

Although some of the Hospitality business, which was the Group's core customer, has been recovered in 2021, but most of them were still affected by the COVID-19, causing the need to reserve their cashflow to maintain the liquidity of their businesses. Therefore, the revenue from sales and services of the Group decreased compared to the previous year. In 2020 the Group had pending orders and backlog orders carried forward from 2019, but in 2021, there were less orders volume. The revenue of the Group was from less affected market or from the long-term budget planned project, such as, residential sector, corporate sector, international convention centres and international airports etc. While the Group did not operate in full

capacity, the Group implemented lean organisation, and improved both efficiency of machineries and people, including expanded the target market to other sectors which is considered less affected. All the outcome shall be seen in 2022.

From costs control exercise and become a lean organization effectively. The gross margin stood at 36.34 percent close to those of previous year, given that the revenue decreased by 23.8 percent. If there were no factor of higher costs of transportation and raw materials, the Group could be able to make 3 percent more of gross profit margin compared to the previous year.

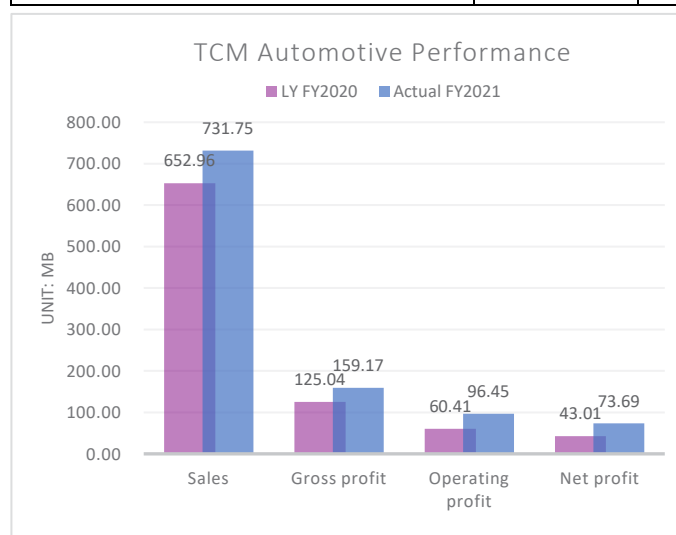
Total Selling and Administrative Expenses was THB 671.91 million, decreased from those in 2020 which was recorded at THB 813.46 million, resulted from the restructuring of the company and the reduction of manpower to align with existing production capacity, including strictly expenses control to reserve cash flow

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 118.71 million, decreased from the net loss of THB 77.57 million in 2020. The EBITDA was THB 62.30 million, decreased by 51.90 percent compared to the year 2020

TCM Automotive

Unit: MB

Details	Actual FY2021	Last Year FY2020	Diff % YoY	% of sales FY2021	% of sales FY2020
Revenue from Sales and Services	731.75	652.96	12.07%	100.00%	100.00%
Cost of Sales and Services	(572.58)	(527.92)		-78.25%	-80.85%
Gross Profit	159.17	125.04	27.29%	21.75%	19.15%
Other incomes	21.61	3.91	452.61%	2.95%	0.60%
Selling expenses	(32.14)	(22.75)	-41.31%	-4.39%	-3.48%
Administrative expenses	(53.56)	(46.01)	-16.43%	-7.32%	-7.05%
Profit (Loss) from Exchange Rate	1.39	0.22	528.36%	0.19%	0.03%
Operating Income (EBIT)	96.45	60.41	59.65%	13.18%	9.25%
EBITDA	145.71	116.97	24.57%	19.91%	17.91%
Financial Costs	(0.72)	(0.61)	-18.64%	-0.10%	-0.09%
Tax Income (Expenses)	(19.15)	(12.08)	-58.563%	-2.62%	-1.85%
Corporate Expenses (Shared)	(2.90)	(4.73)	38.73%	-0.40%	-0.72%
Net Profit (Loss) for the Period	73.69	43.01	71.35%	10.07%	6.59%



TCM Automotive

Car production in Thailand was in uptrend compared to the year 2020. The Group reported Revenue from Sales and Services higher than as at the end of the previous year by 12.07 percent. Gross profit margin reported at 21.75 percent. However, due to the impact from the COVID-19 situation, which led to the shortage of semiconductors in the Q2-Q3/2021, causing a huge effect on the global automotive industry. In addition, the problems from the South-East Asia automotive manufacturers, which some were temporarily shut down and suspend production due to the COVID-19 infection in their areas. All mentioned above caused the reduction in export revenue of the

Group.

Selling and Administrative expenses moved upward due to market expansion to non-automotive market and new product development by the Group to cover a changing in customer's demand.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 73.69 million or 10.07 percent of the revenue from sales and services. The EBITDA was THB 145.71 million, or 19.91 percent of the revenue from sales and services.

Consolidated Performance

Unit: THB million

Consolidated Statement	FY2021	FY2020	Diff
			% YoY
Revenue			
Revenue from Sales and Services	7,744.42	6,792.40	14.02%
Other Incomes	50.32	74.03	100.00%
Gain from exchange rate	22.37	4.90	-69.79%
Gain from fair value adjustments to derivatives	25.47	0.00	420.02%
Total revenue	7,842.58	6,871.33	14.13%
Expenses			
Cost of sales and services	(6,176.43)	(5,200.79)	-18.76%
Selling expenses	(700.83)	(647.62)	-8.22%
Administrative & Corporate expenses	(952.30)	(874.22)	-8.93%
Loss from exchange rate	0.00	0.00	0.00%
Loss from fair value adjustments to derivatives	0.00	(28.96)	-100.00%
Total expenses	(7,829.56)	(6,751.60)	-16.97%
Net profit before TAX	13.02	119.73	-92.67%
Financial costs	(135.19)	(153.67)	12.02%
Tax expenses	2.06	33.82	-93.91%
Profit (loss) for the quarter	(120.11)	(0.11)	-108,869.73%
Profit (loss) for TCMC	(152.85)	(41.03)	-272.55%
EBITDA	248.85	467.60	-46.78%
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125	
Basic earnings per share (Baht)	(0.20)	(0.05)	

Other Incomes

In 2021, the Corporate Group had other incomes of THB 50.32 million from interests, rental fees, subsidy from government, sale of assets, and scrap selling etc. compared to THB 74.03 million in the previous year. The Group also benefit from fair value adjustments to derivatives gain of THB 25.47 million, recorded by TCM Living.

Financial Costs

The Corporate Group had financial cost of THB 135.19 million, decreased from THB 153.67 million in the previous year, resulted from loan repayment to the bank.

Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 31 December, 2021	As of 31 December, 2020	Change	
			Million Baht	%
Total Assets	8,509.94	7,970.57	539.38	6.77%
Total Liabilities	5,822.56	5,239.74	582.83	11.12%
Shareholders' Equity	2,687.38	2,730.83	(43.45)	-1.59%
D/E Ratio	2.17:1	1.92:1		

The Corporate Group's total assets as of 31 December 2021 were higher than the total assets as of 31 December 2020 by THB 539.38 million or 6.77 percent. Total liabilities as of 31 December 2021 were higher than the total liabilities as of 31 December 2020 by THB 582.83 million or 11.12 percent. Shareholders' equity as of 31 December 2021 was lower than that as of 31 December 2020 by THB 43.45 million or 1.59 percent. As a result, D/E ratio at the end of the period was at 2.17:1 higher than 1.92:1 as of the year end 2020.

Key Financial Ratios

Key Financial Ratios	FY 2021	FY 2020
Current ratio (times)	1.25	1.57
Quick ratio (times)	0.89	1.14
Account Receivable Turnover (times)	5.63	4.95
Account Payable Turnover (times)	4.46	3.97
Inventory turnover (times)	7.12	6.15
D/E ratio (times)	2.17	1.96
Return on equity (%)	(6.57)	(1.74)
Return on assets (%)	(1.41)	(0.00)
Assets turnover (times)	0.91	0.85

The Group recorded a current ratio at 1.25x and quick ratio at 0.89x as at 31 December 2021, decreased from 1.57x and 1.14x in FY2020 respectively. However, the Group's liquidity and cash cycle still remain healthy as account receivable turnover stood at 5.63, improved from 4.95 in prior year. During the pandemic disruption, the extension of credit term to customers was taken into consideration thoroughly.

Similarly, the Group's ability to meet payments to suppliers still remained strong as can be seen from the account payable turnover of 4.46x as at 31 December 2021 compared to those of 3.97x in previous year. Finished products in stock were lower with the effort to decrease inventory stock. Inventory turnover improved from 6.15 in FY2020 to 7.12 in FY 2021.

Debt to equity ratio was at 2.17x in FY 2021, increased from 1.96x in FY2020 while the Group remained under loan repayment grace period as granted from the bank. Return on equity, return on assets, and asset turnover were reportedly unfavourable as well as the Group's financial result as adversely caused by COVID-19 disruption.

Factors that may have a significant impact on operating results

1. The Company still has to keep an eye on the situation of the COVID-19 pandemic, which, if resolved, will allow all countries to open for travelling freely. The flooring business will benefit from the release of the measures and will recover faster.
2. The conflict between Russia and Ukraine may have an impact on the price of oil and transportation around the world, which will cause raw materials prices to rise once more.
3. The exchange rate volatility from economic stimulus policies of various countries.
4. The global focus on the environment and good corporate governance has caused the Company to pay more attention to internal management and the design of new production processes or new products to reduce the impact on the environment, while supporting well-being of the society. The Company has to uplift all the operations to be better than what it has been doing. The Company may need to invest in new technologies to meet the market and all stakeholders' demands.

FINANCIAL POSITION AT YEARS ENDED

	(Unit: Thousand Baht)		
	2021	2020	2019
Total Revenues	7,842,582	6,866,432	8,790,174
Sales	7,744,420	6,792,401	8,765,009
Gross Profit	1,567,986	1,591,607	2,613,498
Net Profit (Loss)	(120,113)	(110)	87,728
Net Profit (Loss) (The Parent)	(152,848)	(41,028)	(16,709)
Total Assets	8,509,941	7,970,565	8,337,208
Total Liabilities	5,822,564	5,239,737	5,484,277
Equity	2,687,377	2,730,828	2,852,931
Equity (The Parent)	2,327,699	2,359,399	2,482,088
Weighted Average number of Ordinary shares	763,201,125	763,201,125	763,189,641
FINANCIAL RATIOS			
Earning per shares (Baht)	(0.20)	(0.05)	(0.02)
Book Value per Share (Baht)	3.05	3.09	3.25
<u>Liquidity Ratios</u>			
Current Ratio	(times) 1.25	1.57	1.33
Quick Ratio	(times) 0.89	1.14	0.90
Account receivable turnover	(times) 5.63	4.95	6.12
Average collection period	(days) 64.83	73.74	59.64
Inventory turnover	(times) 7.12	6.15	6.33
Days sales of inventory	(days) 51.29	59.35	57.66
Account payable turnover	(times) 4.46	3.97	4.49
Payment days	(days) 81.81	91.94	81.29
<u>Profitability Ratios</u>			
Gross profit margin	(%) 20.25	23.43	29.82
Net profit margin	(%) (1.55)	(0.00)	1.00
Return on equity	(%) (6.57)	(1.74)	(0.67)
<u>Efficiency Ratios</u>			
Return on assets	(%) (1.41)	(0.00)	1.05
Assets turnover	(times) 0.91	0.85	1.05
<u>Financial Policy Ratio</u>			
Debt to equity ratio	(times) 2.17	1.92	1.92

5. General Information / Other Information

Other Information

Other Information from the annual registration statement of the company (One Report 56-1 Form), Investors can learn more about the company at company's website, www.tcm-corporation.com

Legal Disputes

As on December 31, 2021, the Company has no legal disputes which may have a negative effect on the Company's assets for over 5% of the shareholders' equity. In addition, there are no other legal disputes that may materially affect the Company's business operations.

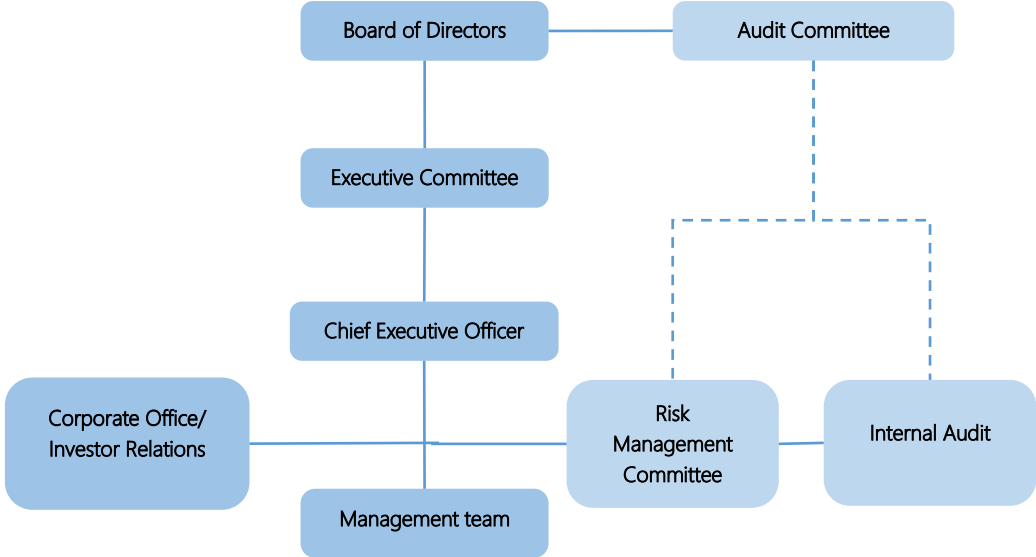
6. Corporate Governance Policy

The Board of Directors has determined to perform corporate efficient operations with competitive potential and high profits. Furthermore, the company prioritizes accountability, prudence, integrity, transparency, and business ethics to treat shareholders and stakeholders with fairness and equality. In addition, the company emphasizes corporate social and environmental responsibility along with respect for human beings, political neutrality, and anti-corruption for sustainable values. Therefore, the company has imposed corporate governance policies to act as a guideline for directors, executives, and employees at all levels. Corporate governance is a responsibility of directors, executives, and employees at all levels to perform their duties with accountability, prudence, integrity, transparency, and business ethics for efficient business management with competitive potential and high profits. The company shall treat all shareholders and stakeholders with fairness and equality and prevent the use of internal information for personal interests. In addition, business information shall be transparently exposed. The company shall provide respect for human beings, political neutrality, and anti-corruption for sustainable values.

The Company has communicated and published this guideline on the corporate website in order for directors, executive, and employees at all levels to comply with the principles of good corporate governance. Furthermore, the guideline has been published to all stakeholders to acknowledge operational practices of the company. The details are in the company's website; www.tcm-corporation.com under the heading of **"Corporate Governance"**

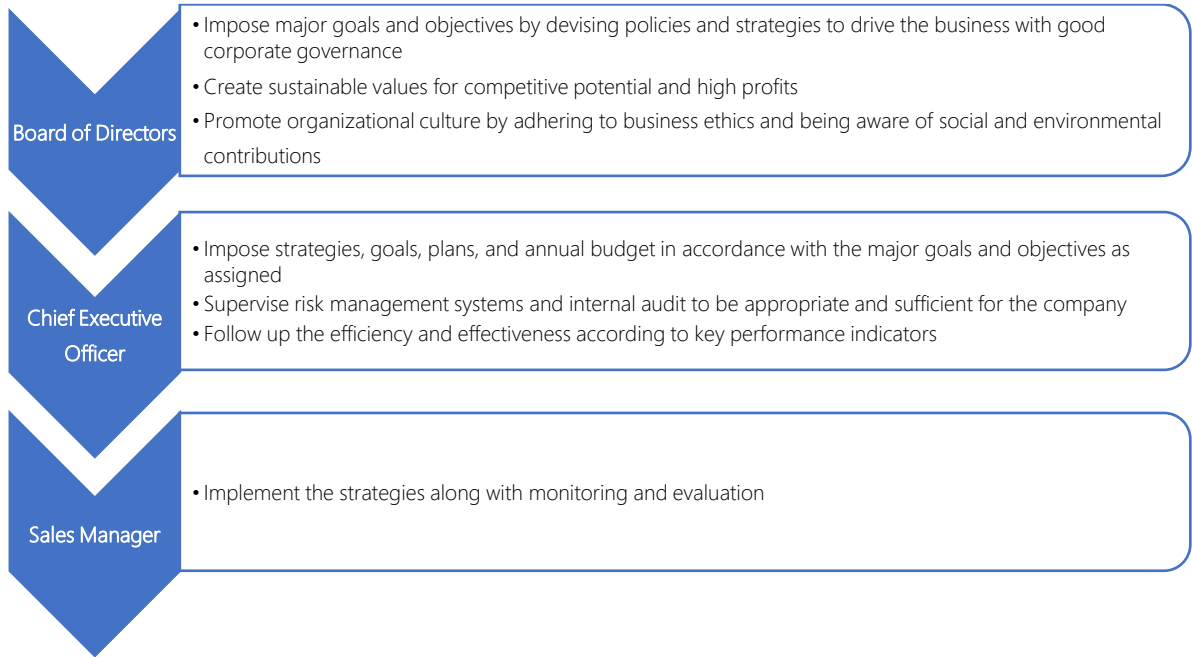
7. Corporate Governance Structure and Information about Board of Director, Sub – Committee, Management team, Employee and other.

Corporate Governance Structure



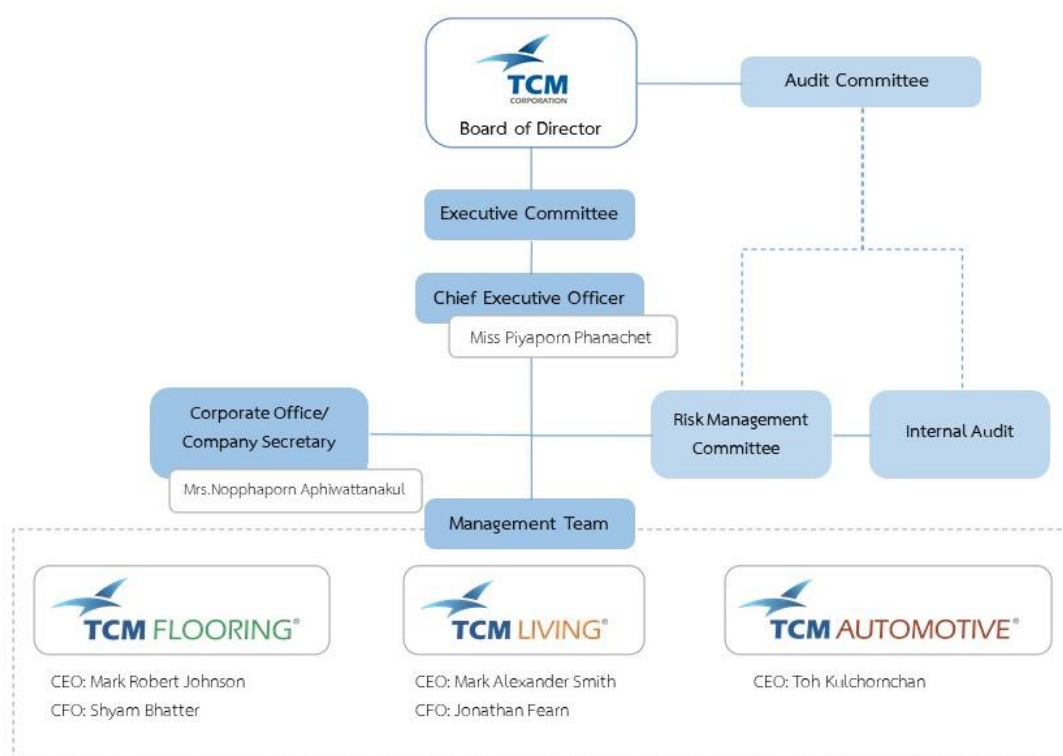
The Board of Directors is responsible for corporate governance at the policy level and the determination of organizational direction by imposing the goals and objectives of the company together with corporate vision, missions, and organizational culture. The review of the guideline shall be conducted at least once a year for directors, executives, and employees at all levels to effectively revise and implement plans to achieve the goals and objectives for sustainable business drive.

The Roles of Leaders in Corporate Governance and Sustainable Business Drive



Organization Structure

As of 31 December 2021



Board of Directors

The Board of Directors has power to carry out operation pursuant to the laws, the Company's objectives and articles of association. The Company's articles of association prescribe that the Board shall consist of at least five but not exceeding twelve directors and not less than half of directors shall have a place of domicile located in the Kingdom. To elect a director, each shareholder shall have one vote per share being held by him, and each shareholder may use all votes to elect one or several directors, provided that the votes may not be divided more or less for any particular director. Persons having highest votes will be elected as directors according to the number of directors to be elected for the time being. During each annual meeting, one third of directors serving in the position the longest will vacate the office, and directors vacating office may be re-elected.

The Company has a total of ten directors as listed below:

- | | |
|-------------------------------------|--|
| 1. Mr. Pimol Srivikorn | Chairman of the Board |
| 2. Mr. Soravis Krairiksh | Chairman of Audit Committee and Independent Director |
| 3. Mr. Suvitcha Nativivat | Member of Audit Committee and Independent Director |
| 4. Mrs. Duangjai Lorlertwit | Member of Audit Committee and Independent Director |
| 5. Mr. Uthayan Uthayanaka | Independent Director (Resignation on 13 July 2021) |
| 6. Mr. Isareit Chirathivat | Independent Director |
| 7. Mr. Sumate Suwanvongkij | Director |
| 8. Miss Piyaporn Phanachet | Chief Executive Officer |
| 9. M.L. Walliwan Varavarn | Executive Director |
| 10. Mrs. Nopphaporn Aphiwatthanakul | Group Finance Director |

The Board of Directors shall have knowledge, competence, and expertise that are suitable for the business as follows:

3. Mr. Suvitcha Nativivat Member of Audit Committee

The No.1 and No.2 members of Audit Committee have adequate knowledge and experience to review the credibility of financial statements.

Risk Management Committee

In 2021, the Company's Risk Management Committee consists of four members as follows:

1. Miss Piyaporn Phanachet Chairman of Risk Management Committee
2. Mrs. Noppaporn Aphiwatthanakul Member of Risk Management Committee
3. Mr. Viritphol Ngampailin Member of Risk Management Committee
4. Mr. Arthorn Wongsunthorn Member of Risk Management Committee
5. Miss Sikarin Sangchaypiengpen Member and Secretary of Risk Management Committee

Management Committee

At 31 December 2021, the Company has Management Committee as follows:

1. Mr. Pimol Srivikorn Chairman of Executive Board
2. Miss Piyaporn Phanachet Chief Executive Director
3. M.L. Walliwan Varavarn Executive Director
4. Mrs. Noppaporn Aphiwatthanakul Group Finance Director
5. Mr. Mark Johnson Co-CEO, TCM Flooring
6. Mr. Shyam Bhatte CFO, TCM Flooring
7. Mr. Mark Alexander Smith Chief Executive Officer, TCM Living
8. Mr. Jonathan Fearn CFO, TCM Living
9. Mr. Tor Kulchornchan Managing Director, T.C.H. Suminoe Co., Ltd

Company's Secretary

The Board of Directors has appointed Mrs. Noppaporn Aphiwatthanakul, Group Finance Director, as the Company's secretary on 1 June 2010 by determining scope of duties and responsibilities as follows:

1. To provide basic recommendation to directors with regard to legal provisions, rules and regulations, and report any significant change to legal provisions to the directors;
2. To convene shareholders' meeting and Board of Directors' meeting in accordance with applicable laws, regulations and practices;
3. To record minutes of shareholders' meeting and Board of Directors' meeting, maintain minutes of meeting that have been approved by the Board of Directors and concerned parties, and monitor the compliance with shareholders' meeting and Board of Directors' meeting resolution;
4. To ensure that data and information report in the area of responsibility will be disclosed to regulatory agencies and in accordance with government agencies' regulations and requirements;
5. To contact and communicate with general shareholders to ensure that they will acknowledge shareholders' rights and the Company's information; and
6. To monitor the Board of Directors' activities and perform other conducts as prescribed by laws or as assigned by the Board of Directors.

Internal Audit Head

The Company has appointed Mr. Viritphol Ngampailin as the Internal Audit Supervisor, to perform internal audit and oversee the internal control system to be adequate, concise and consistent. The Audit Committee has considered that the Internal Audit Supervisor meets all qualifications for the position, including educational qualifications, work experience, and training certifications.

In this regard, the consideration of the appointment, removal, or substitution of the Internal Audit Supervisor must be approved by the Audit Committee. The qualifications of the Internal Audit Supervisor are shown in Attachment 3.

Investor Relations

The Company has appointed Miss Sikarin Sangchaypiengpen, Corporate Office Manager, to responsible for Investor Relations unit to communicate with shareholders and other stakeholders, such as investors, analysts and mass medias in an appropriate, equal and timely manner. All disclosed information must comply with the disclosure policy and investor relations ethics strictly.

Investors can contact Investor Relations by

Address: Investor Relations
TCM Corporation Public Company Limited
2044/24 New-Petchburi Road, Bangkokpi Sub-district, Huaykwang District, Bangkok 10310
E-mail: ir@tcm-corporation.com
Tel: 02-318-3960 #412

Remuneration of Directors

The shareholders' ordinary meeting of 2021 has approved the determination of director's remuneration to ensure that it will be in accord with remuneration rate of similar industrial sector.

- The Chairman of the Board of Directors received meeting allowance amounting to THB 25,000 per person per meeting
- Directors not receiving salary received meeting allowance amounting to THB 20,000 per person per meeting.

In 2021, the Company convened Board of Directors' meetings 6 times and paid meeting allowance and bonus as follows:

Name of Directors	Position	Number of meetings being attended	Meeting Allowance
1. Mr. Pimol Srivikorn	Chairman of the Board of Directors	6/6	150,000
2. Miss Piyaporn Phanachet	Chief Executive Officer	6/6	-
3. Mr. Soravis Krairiksh	Chairman of Audit Committee and Independent Director	6/6	120,000
4. Mr. Suvitcha Nativivat	Member of Audit Committee and Independent Director	6/6	120,000
5. Mrs. Duangjai Lorlertwit	Member of Audit Committee and Independent Director	6/6	120,000
6. Mr. Uthayan Uthayanaka	Independent Director	3/3*	60,000
7. Mr. Isareit Chirathivat	Independent Director	5/6	100,000
8. Mr. Sumate Suwanvongkij	Director	6/6	120,000
9. M.L. Walliwan Varavarn	Executive Director	5/6	-
10. Mrs. Noppaporn Aphiwatthanakul	Group Finance Director	6/6	-

* Mr. Uthayan Uthayanaka, resignation on 13 July 2021.

Remuneration of Audit Committee (Subcommittees)

Since members of Audit Committee are independent and external entities with great duties and responsibilities to monitor and audit financial reports and review to the ensure that the Company complies with

applicable laws and criteria, the shareholders' ordinary meeting of year 2021 therefore resolved to approve the payment of Audit Committee's remuneration according to the following rate.

- Chairman of Audit Committee receives remuneration of THB 15,000 per month.
- Member of Audit Committee receives remuneration of THB 10,000 per month.

In 2021, meeting of Audit Committee has been convened 4 times and remuneration has been paid as follows:

Name of members of Audit Committee	Position	Number of meetings being attended	Remuneration
1. Mr. Soravis Krairiksh	Chairman of Audit Committee	4/4	180,000
2. Mr. Suvittha Nativivat	Member of Audit Committee	3/4	120,000
3. Mrs. Duangjai Lorlerwit	Member of Audit Committee	4/4	120,000

This shall be effective from the date of approval from the shareholders' meeting onwards until the shareholders' meeting resolves to change otherwise.

Self-evaluation of the Board of Directors and Sub-committees in group and individually

1. Self-evaluation of the Board of Directors in group

It is made for assessment of performance of the Board of Directors in group with emphasis on reflection of operation efficiency under good corporate governance principles. The evaluation form shall cover the following issues:

- (1) Structure and qualifications of the Board of Directors
- (2) Roles, duties and responsibilities of the Board of Directors
- (3) Board of Directors' meeting
- (4) Relationship with the management
- (5) Self-improvement of directors and executives

The results of the Board of Directors' evaluation in 2021 in which 9 members were assessed accounted for 93.83 percent.

2. Self-evaluation of individual members of the Board of Directors

It is made for assessment of performance of each member of the Board of Directors with emphasis on reflection of individual operation efficiency. The evaluation form shall cover the following issues:

- (1) Structure and qualifications of the Board of Directors
- (2) Board of Directors' meeting
- (3) Roles, duties and responsibilities of the Board of Directors

The results of the individual Board of Directors' evaluation in 2021 in which 9 members were assessed accounted for 94.19 percent.

3. Self-evaluation of the Audit committee in group

It is made for assessment of performance of the Audit committee in group with emphasis on reflection of operation efficiency under good corporate governance principles. The evaluation form shall cover the following issues:

- (1) Structure and qualifications of the Audit committee
- (2) Knowledge and abilities of the Audit committee
- (3) Independence of the Audit committee
- (4) Roles, duties and responsibilities of the Audit committee
- (5) Audit committee's meeting

The results of the Audit Committee evaluation in 2021 in which 3 members were assessed accounted for 93.99 percent.

4. Self-evaluation of individual members of the Audit Committee

It is made for assessment of performance of each member of the Audit Committee to see whether it is in accordance with the good practices for efficiency improvement. The evaluation form shall cover the following issues:

- (1) Structure and qualifications of the Audit committee
- (2) Audit committee's meeting
- (3) Roles, duties and responsibilities of the Audit committee

The results of the individual Audit Committee evaluation in 2021 in which 3 members were assessed accounted for 91.67 percent.

5. Self-evaluation of the Risk management committee in group

It is made for assessment of performance of the Risk management committee in group with emphasis on reflection of operation efficiency under good corporate governance principles. The evaluation form shall cover the following issues:

- (1) Structure and qualifications of the Sub-committee
- (2) Knowledge and abilities of the Sub-committee
- (3) Independence of the Sub-committee
- (4) Roles, duties and responsibilities of the Sub-committee
- (5) Sub-committee's meeting

The results of the Risk management committee evaluation in 2021 in which 5 members were assessed accounted for 93.13 percent.

6. Self-evaluation of individual members of the Risk management committee

It is made for assessment of performance of each member of the Risk management committee to see whether it is in accordance with the good practices for efficiency improvement. The evaluation form shall cover the following issues:

- (1) Structure and qualifications of the Sub-committee
- (2) Sub-committee's meeting
- (3) Roles, duties and responsibilities of the Sub-committee

The results of the individual Risk management committee evaluation in 2021 in which 5 members were assessed accounted for 86.00 percent.

6. Self-evaluation of Chief Executive Officer

It is made for assessment of performance of the Chief Executive Officer to see whether it is in accordance with the good practices for efficiency improvement. The evaluation form shall cover the following issues:

- (1) Leadership
- (2) Strategy formulation
- (3) Strategy implementation
- (4) Planning and financial performance
- (5) Relationship with the board of director
- (6) Relationship with external
- (7) Administration and Relationship with personnel
- (8) Succession
- (9) Knowledge of products and services
- (10) Personality

The results of the Chief Executive Officer evaluation in 2021 was assessed accounted for 93.52 percent.

Knowledge Enhancement of the Board of Directors

In 2021, the directors attended the following seminars and training:

Names of Directors	Position	Training
1. Miss Piyaporn Phanachet	Chief Executive Office	DIRECTOR LEADERSHIP CERTIFICATION PROGRAM (DLCP) Batch 3/2021
2. Mrs. Duangjai Lorlertwit	Audit Committee	DIRECTOR LEADERSHIP CERTIFICATION PROGRAM (DLCP) Batch 1/2021
3. Mr. Suwitcha Nativivat	Audit Committee	DIRECTOR LEADERSHIP CERTIFICATION PROGRAM (DLCP) Batch 1/2021

Remuneration of Management and Employees

Remuneration of Management team

As of 31 December 2021, the Company has management team comprising of 4 members, consists of Chief Executive Officer and Executive directors. The Company has paid salary and provident fund contributions for year 2021 amounting to THB 18.85 million and non-financial benefits, which are a company car, group life Insurance and Directors & Officers Liability Insurance.

Remuneration of Employees

As of 31 December 2021, the Company has employees 86 people, and the Company has paid salary, wage, overtime, living expenses, social security contributions, provident fund contributions, and others for year 2021 amounting to Baht 68.68 million.

The Company has a policy to encourage the Provident Fund Committee to select the fund manager who strictly complies with the Investment Governance Code (“I Code”) and/or is committed to responsible investments, ensuring that environmental, social, and governance (ESG) practices are embedded in the business. The fund manager shall strictly comply with the Investment Governance for the best interests of the Company’s provident fund members in the long run.

The Companies that join provident funds in Thailand are as follows:

Company Name	No. of employee attended PVD (people)	Accounted for the proportion of all employees (%)
TCM Corporation Public Company Limited	48	55.81
Carpets International (Thailand) Public Company Limited	252	26.67
T.C.H. Suminoe Company Limited	77	52.38

Human Resources Development

In 2021, the company had training courses to develop their knowledge and skills of employees. The curriculum was divided into 3 main courses as follows: 1. training courses in compliance with mandatory training laws 2. productivity enhancement training programs, and 3. knowledge development courses based on job positions, health, and well-being. There were 24 training courses with 50 batches, and 19 courses with 21 batches of external training. This included operational level, superior level and managerial level, at average of 11.99 hours per person, separated into operational level 11.07 hours per person, superior level 11.91 hours per person and managerial level 25.90 hours per person. Total training expense amounted to THB 1,097,715 (The details of the Human Resources Development are in page 51)

Remuneration of the Company and Subsidiaries' s Auditor 2021

The auditor of the company and subsidiaries for the year ended 31 December 2021 is Miss. Sulalit Ardsawang, Certified Public Accountant Registration No. 7517 of Dharmniti Auditing Co., Ltd., The Company has paid auditor's remuneration for year 2021 amounting to THB 3.09 million and no other service fee.

8. Corporate Governance Report

According to our determination to realize the importance of corporate governance principles to develop the operational guidelines, the company has managed to improve the level of corporate governance score. The improvement was evident in the Corporate Governance Report of Thai Listed Companies (CGR) 2021, issued by the Thai Institute of Directors Association (IOD). In 2021, the company received a 4 stars level () , which is classified as “Very Good” recognition level. It was clear that the success stemmed from the ambition from relevant departments to achieve sustainable goals of the company along with the good corporate governance principles for business sustainability in the future.

Compliance with the Principles of Good Corporate Governance

The Company’s good corporate governance consists of the following 8 principles:

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and Top Management
Principle 5	Nurture Innovation and Responsibly Conduct Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

The full contents of the Company’s Good Corporate Governance Guidelines are available at www.tcm-corporation.com under the heading of “Corporate Governance”.

Principle 1

Establish Clear Leadership Role and Responsibilities of the Board

The company adheres to the Code of Practice as follows:

1. The company defines roles, duties, and responsibilities of the Board of Directors. The directors shall be responsible for defining objectives, goals, vision, mission, strategy, and organizational values. In addition, they are required to propose operating policy, annual operation plan, and financial policy to enable executives and employees to work in the same direction.
2. There exist a code of business ethics, Charter of the Board of Directors and Committees, corporate social responsibility policy, and anti-corruption policy. These have been formally written in order for the Board of Directors to behave as a role model and the leader in corporate governance. Further details are available at www.tcm-corporation.com under the heading of corporate governance.
3. Appropriate and sufficient internal audit systems have been established throughout the organization. The audit department is responsible for evaluating and reporting results to the Audit Committee at least once a quarter year. The assessment of the audit systems efficiency shall be conducted at least annually.
4. Risk management committees have been established in the subsidiary group to compile and submit proposals to the risk management committee of the parent company to consider the suitability of the guidelines for risk prevention and resolution. Risk management meetings shall be organized at least twice a year.
5. The internal audit department collaborates with the risk management committee to follow up and evaluate business performance. The assessment results and other relevant issues shall be directly reported to the Audit Committee at least once a quarter year.
6. It is required to supervise communications in the company in order to enable directors, executives, and employees at all level to gain a better understanding and implement the abovementioned policies.

Principle 2

Define Objectives that Promote Sustainable Value Creation

The company adheres to the Code of Practice as follows:

1. The Board of Director shall clearly and appropriately determine the corporate objectives and goals to be implemented by all employees to move forward to the same direction. Determine vision, mission and corporate culture to create value to the Company, customers, all stakeholders, and the overall society to endure sustainable value creation.
2. Creating annual strategies and planning in conformity to the corporate objectives and goals by taking account of the current environment and relevant factors as well as analyzing opportunities and risks which may affect related stakeholders along the value chain as well as those which may affect the Company's achievement. Manage acceptable risks, and support creation or review of the objectives, goals and strategies to ensure that the annual strategies and operational plans can respond to the effects in the longer term for projection and decision making of the Board of Directors.

Principle 3

Strengthen Board Effectiveness

The company adheres to the Code of Practice as follows:

1. Determine that the composition of the Board of Directors shall be comprised of at least 5 directors but not exceeding 12 directors according to company's articles of association who shall be appointed by the shareholders' meeting. At least half of all directors shall reside in the Kingdom. The number of independent directors shall be at least one-thirds (1/3) of the total number of the Board of Directors' members and shall not be less than 3 in accordance with the rules of Securities and Exchange Commission and Stock Exchange of Thailand. In 2021, the company has a total of 9 directors (The details of the Board of Directors are in [page 85](#))
2. Any members of the Board of Directors who are independent directors shall have qualifications related to independence as specified by the Company and the Securities and Stock Exchange Act regarding the qualifications to ensure their abilities to take care of the benefits of each shareholder fairly and equitably, prevent conflict of interest and they are allowed to attend the Board of Directors' meeting in which independent opinions are welcome. The independent directors who are members of audit committee must be outsiders and have accounting and financial knowledge.
3. The Board of Directors have determined that the Chairman and Chief Executive Officer shall be different persons. The Chairman shall monitor the management's operation and provide suggestions and assistance without participation or interference in the normal daily management of Chief Executive Officer within the authority granted by the Board of Directors.
4. The Board of Directors shall not be partnership or hold directorship in any juristic persons having the same nature and being competitors of the Company unless the shareholders' meeting is informed prior to appointment.
5. Each member of the Board of Directors shall not take any positions at more than five (5) other listed companies. However, executive directors shall be allowed to hold office at only 3 (three) listed companies to ensure that the Board of Directors can fully dedicate their time to Company. Any directors holding directorship or executive position at other companies shall always notify such positions to the Board of Directors.
6. The Board of Directors shall appoint a qualified person to the Company Secretary. If it is deemed appropriate, Assistant Company Secretary may also be appointed. Company Secretary and Assistant Company Secretary shall attend the Board of Directors' meeting but shall not have the vote in any cases. (The details of the Company Secretary are in [page 87](#))

7. The Board of Directors is responsible for the selection of the Board of Directors and sub-committees by considering qualifications, knowledge, and expertise for the given positions. Furthermore, shareholders are allowed to propose the appointment of new directors in advance by setting the criteria and conditions for nominations, published in the company's website www.tcm-corporation.com
8. The company determined of remuneration of the Board of Directors and sub – committees at fair and appropriate remuneration payment in short term and long term by taking account of the scope of duties and responsibilities as well as the benefit expected to receive from directors. The Company's operation and the Board of Directors' performance shall be assessed in comparison with the other companies in the same industry and other listed companies in the same industry. (The details of remuneration of the Board of Directors are in [page 88](#))
9. The company has Self-evaluation of the Board of Directors and Sub-committees. It is made for assessment of performance of the Board of Directors and each director and to review opinions on various matters related to the Company's operations and performance of the Board of Directors for improvement of corporate governance. (The details of assessment are in page 89)
10. The Company supports and encourages the Board of Directors to attend the seminars and training held by Thai Institute of Directors, the Stock Exchange of Thailand, Securities and Exchange Commission (SEC), or other independent organizations on regular basis to enhance their knowledge and improve their performance for the benefit of the Company. (The details of attending seminars and training of directors are in page 91)
11. Good corporate governance is specified in compliance with the law on securities and stock exchange, relevant requirements, and the best practices of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the laws related to the company's business. The principles of good corporate governance shall be reviewed at least annually
12. The Chief Executive Officer and the Executive Directors representing the Board of Directors are designated as the director of each subsidiary to ensure that the subsidiaries proceed in accordance with corporate plans and policies. The performance review meetings shall be conducted quarterly. The budget proposal shall be included in the plan in advance and must be approved by the Board of Directors of the Company before it is implemented.

Principle 4

Ensure Effective CEO and Top Management

The company adheres to the Code of Practice as follows:

1. The Company determines that the Board of Directors shall nominate the personnel based upon the procedures indicated in the Company's articles of association. The knowledgeable, skilled, experienced, and qualified persons shall be recruited to hold office of the top management for the utmost benefit of the Company.
2. The Executive Committee consider the remuneration structure and rate to ensure appropriateness for responsibilities and to motivate the top management and employees to lead the Company to achieve its objectives and goals in accordance with the short-term and long-term remuneration payment.

Short-term remuneration includes salary and annual reward (bonus)

The company has a short-term compensation policy which shall reflect the company performance and achieve the annual budget goals. In addition, there are criteria for performance evaluation of executives and employees. The criteria shall be fair, transparent, auditable, and suitable for the knowledge and ability of the executives and employees. There is a code of practice which shall be considered on the basis of the annual budget and achievement of the Company's goals as well as the market and economic situation in comparison to the other companies in the same industry.

Long-term remuneration includes payment upon retirement or resignation

The company has a long-term compensation policy to encourage employees to preserve savings and conduct financial planning for their retirement. Incentives are provided to motivate employees to work hard with love and loyalty to the organization. There is a code of practice which the Company has established provident fund for employees to foster employees' savings. The Company shall contribute 3 percent or 5 percent of the savings, depending on the salary base of the members. This provident fund is not mandatory and shall be refunded to employees upon retirement or resignation. The company also offers prestigious awards for employees who have worked for the company for over 15 years in order to motivate employees to be dedicated to the organization. (The details of remuneration of the top management and employees are in [page 91](#))

3. Performance assessment of the top management shall be assessed on the basis of Key Performance Indicator (KPI) determined by the top management in conformity to the Company's objectives and goals. Main behaviors related to performance and conformity to the corporate core value shall be evaluated, and the Board of Directors shall consider the results and determine appropriate remuneration of Chief Executive Officer. Performance of the top executives from Deputy Chief Executive to Department Managers, shall be assessed by Chief Executive Officer. The results shall be proposed to the Board of Directors for further consideration.
4. Performance assessment of the employee, Chief Executive Officer assigns Human Resources Manager to make evaluation form for supervising staff including Division Manager or Unit Chief, to operational staff which shall conform to the Company's objectives and goals. Topics of evaluation shall conform to the overall KPIs of the Company and the evaluation shall be conducted once year through the chain of command. In other words, Department Managers shall evaluate Division Managers and supervising staff while Division Managers and supervising staff shall evaluate operational staff. Each executive shall make annual KPIs in accordance with the divisional KPIs. Annual consideration of pay raise shall take account of the KPIs achievement.

Human Resources Manager shall summarize the performance to be proposed to Chief Executive Officer for consideration of pay raise prior to proposal to the Board of Directors for further approval.

5. The company encourage personnel development to Management and employee as follows:
 - 5.1. Determination that all new members of the top management shall attend the orientation to build knowledge and understanding of the business nature and prepare for appointment without delay.
 - 5.2. Encouragement Chief Executive and the top management to attend the seminars and training held by Thai Institute of Directors, the Stock Exchange of Thailand, Securities and Exchange Commission (SEC), or other independent organizations on regular basis to enhance their knowledge, skills and experience as well as qualifications to lead the Company to achieve the determined goals.
 - 5.3. Determination Human Resources Policy "Encourage employees to develop their full potential for sustainable business goals"

Human Resources Management in response to the corporate sustainable growth is one of the Company's key strategies. Operations are as follows:

- (1) Recruitment: The Company determines the policy and procedures of personnel recruitment and selection on the basis of equity, qualifications, education, experience, physical condition, and other requirements needed for each position, disregarding gender and other diversity.
- (2) Personnel development: The Company emphasizes personnel development to equip them with necessary knowledge, skills and potentials by making annual training programs in advance. (The details of Personnel development are in [page 51](#))

- (3) Employee retention: The Company realizes the importance of employee retention by creating happiness at work in the form of fair compensation suitable for the work nature and employee abilities. All welfare and benefits, as well as safe and sanitary work condition, shall be assured. Entertainment activities shall be arranged to create happiness and employees shall be given opportunities to voice their mind regarding their performance and the Company's operation improvement. (The details of employee retention are in page 55)
- (4) Safety: The Committee on Safety, Occupational Health and Work Environment, in collaboration with Occupational Health and Safety Division, shall make accident prevention manual, provide training on safety, arrange danger prevention activities, and minimize risk of work accidents, as well as increasing security system and hold safety activities to employees. (The details of Safety are in page 61)
- (5) Operation monitoring: To ensure appropriate implementation and compliance of the policy, the Company determines that work shall be monitored, and work goals shall be set up for inspection. The results shall be reported to the superior in the relevant chain of command.
- (6) Performance assessment: Performance during probationary period shall be assessed and the annual performance evaluation shall be conducted once a year for consideration of adjustment of wage, compensation and reward. Moreover, the results shall be used in consideration of promotion for employees.
- (7) Succession plan: The Board of Directors shall ensure that the Company has appropriate recruitment process to engage qualified persons to hold office of key executive positions and the nomination process of the top management is in accordance with the Executive Committee's procedures.

Principle 5

Nurture Innovation and Responsibly Conduct Business

The company adheres to the Code of Practice as follows:

1. Create corporate culture and promote innovative creation by Personnel development training shall be provided to foster innovative ideas which the management can implement in strategies review improvement planning and operation monitoring so that the said innovative process can be properly managed.
2. The company puts an emphasis on responsibility for all business operations. The Board of Directors is committed to developing good corporate governance principles, and therefore establishes the Code of Conduct and guidelines for accountability for stakeholders. These regulations are enacted as the efficient and transparent guidelines for the Board of Directors, executives, and employees at all levels. The guidelines also pave the way for building trust and gaining acceptance from stakeholders in every party in order to create sustainable values for the business, consisting of responsibilities to shareholders, customers, business partners, business competitors, creditors, employees, society, and environment.
3. The company requires efficient resources management in various areas as follows:
 - 3.1 Value chain management (VCM) requires a procurement policy to be in accordance with the ISO9001 standards system. An improvement in the production process is required to increase productivity, reduce costs, and mitigate environmental impact. Transportation and storage systems should be managed to be safe and quality. Furthermore, it is vital to build good relationships with business partners and conduct operations with transparency and fairness to satisfy all customers and stakeholders
 - 3.2 Energy Management, energy saving policy is determined and employee awareness of using energy effectively is raised to encourage all employees to be part of effective consumption of energy and reduce energy costs.

- 3.3 Information Technology Management, Information technology management policy is determined to ensure sufficient resources allocation for business operation and compliance with the law, rules, regulations, and other relevant standards to be applied to information technology system. Created the data security standard manual and assessed the information technology risks accordance with ISO9001 standards. Risk assessment shall be performed at least once a year.
- 3.4 Social, community and environmental management, the company issues Corporate Social Responsible policy as follows:
- (1) Ethical and social responsible business operation
 - (2) Participation in development of communities where the business is operated and the overall society in economic, social, community, and environmental aspects.
 - (3) Respect the laws and human rights by avoiding discrimination against any persons, whether related to the Company or not, in terms of difference in race, nationality, religion, and culture. The personnel shall be treated fairly to promote sustainable growth.
 - (4) Encourage all employees to do volunteer work and raise awareness of social responsibility for the social benefit without expectation of return.
 - (5) Promote activities which can create sustainable benefits to the community and society within the following framework:
 - 5.1 Organizational activities

These are activities to enhance skills of directors, executives and employees of all levels, create internal knowledge and foster participation and expression of personal views on the Company for maintenance of good corporate environment.
 - 5.2 Community activities

These are activities to be conducted in accordance with the Company's business to ensure continuity and clear results, contributing to long-term benefit to the society, community and environment, promote continuous educational development and learning, as well as improving the quality of life of people living in the area where the Company operates its business and the overall society.

Principle 6

Strengthen Effective Risk Management and Internal Control

The company adheres to the Code of Practice as follows:

1. Determines Risk Management Policy "The Company aims to prevent and minimize possible risks in the future by solving, analyzing, assessing, and reviewing risk factors which may affect the Company's business operations, monitoring the unacceptable results of risk management to ensure that the Company has sufficient and effective risk management".
2. Risk Management Committee shall perform the assigned tasks to manage and minimize risks. Risks shall be assessed regularly and controlled at acceptable level. Monitoring is performed to ensure sufficient and appropriate risk management system to prevent possible risks under good corporate governance principles. In addition, the Risk Management Team consisting of executives for each division are established to manage risks in each division with regular monitoring process.
3. Internal audit system has been appropriate and sufficient, including evaluating and following up on various matters on a regular basis. An independent internal audit department is responsible for reporting the audit results to the Audit Committee by adhering to the International Standards on Auditing (ISA) to maximize the benefits for the company and gain acceptance from all stakeholders.
4. The Company determines the measures and procedures to take care of the use of the Company's internal data which is not disclosed to the public for the benefit of self or others, it is mandatory that all relevant

parties including directors, executives, and employees understand and accept the regulations and guidelines in writing. These include the determination of sanctions in case of violation of the rules.

5. The company determines The Board of Directors, Executives or employee shall keep confidentiality of information and documents which cannot be disclosed and/or trade secret, invented formulae and other which belong to the Company and information that may affect the price of securities, there are staff and departments responsible for providing information for external parties, including the Chief Executive Officer, Accounting and Finance Committee, and Investor Relations Department
6. The Company determines rules and procedures to report the trading of Company's securities held by the directors and executives in accordance with the requirements of Securities and Exchange Commission and the Stock Exchange of Thailand.
7. The Company determines the measures and procedures for approval of connected transactions and transactions related to acquisition and disposition of assets to ensure compliance with the Securities and Exchange Commission and Stock Exchange of Thailand.
8. The Company determines rules, conditions and procedures of report of interests of the directors, executives and related persons under Section 89/14 of Securities and Stock Exchange Act, B.E. 2535, amended by Securities and Stock Exchange Act (No. 4), B.E. 2551, indicating that directors and executives shall report their interests other related persons' interests
9. The Company shall operate its business honestly and fairly on the basis of good corporate governance, business code of conduct, the policy and practice of good treatment to all stakeholders, other applicable laws. The Company cannot tolerate any form of corruption. For this reason, Anti-corruption policy is issued as follow; "All directors, executives and employees of all level shall not do or accept any form of corruption whether directly or indirectly which cover all business in the country and all related agencies. Performance of anti-corruption policy shall be audited at least once a year, and the procedures and requirements thereof shall be reviewed regularly to ensure conformity to the changing business as well as the applicable rules, regulations and laws." In addition, the guidelines have been publicly published to allow executives and employees to be thoroughly informed. (Further details are available at www.tcm-corporation.com under the heading of Corporate Governance.)
10. The Company determine the procedures of whistleblowing or complaint filing in accordance with the anti-corruption policy approved by the Board of Directors for achievement of the objectives. The procedures are as follows:

Address:Chairman of Audit Committee

TCM Corporation Public Company Limited

2044/24 New-Petchburi Road, Bangkok Sub-district, Huaykwang District, Bangkok 10310

E-mail: auditcom@tcm-corporation.com

In 2021, the company had not whistleblowers or complaints about fraud.

Principle 7

Ensure Disclosure and Financial Integrity

The company adheres to the Code of Practice as follows:

1. Determine the Board of Directors shall be responsible for ensuring appropriate preparation and disclosure of financial statements and other important information in sufficient, fair and timely manner under the related standards and guidelines in financial statements disclosure, the following factors shall be considered:
 - a. Assessment results of internal control system
 - b. The auditor's opinions in the financial statements, remarks of the auditors related to the internal control system and remarks of the auditors through other communication channels (if any)

- c. Audit Committee's opinions
 - d. Conformity to the Company's objectives, goals, strategies, and policies
- 2. The Company determines that the Accounting and Financial Division consisting of the sufficient number of persons having required qualifications, knowledge, skills, and experience suitable for duties and responsibilities shall be shall prepare and disclose financial information. Persons who are authorized to disclose financial information include Chief Executive Officer, top management of the accounting and financial chain of command, and investor relations.
- 3. The Board of Directors shall ensure the disclosure of information about the Company either financial or non-financial reports in accordance with the requirements of Securities and Exchange Commission and the Stock Exchange of Thailand and other information in accurate, complete, timely, and transparent through the company's report in the Stock Exchange of Thailand' s website and the Company's website which is easily accessible, fair and reliable. Information Disclosure Policy and guidelines have been launched to ensure that the employees comply with the policy. (Further details are available at www.tcm-corporation.com under the heading of Corporate Governance.)
- 4. The Board of Directors assigns the management to appoint Investor Relations Officer to communicate with shareholders and stakeholders such as analysts and investors to ensure fairness and timely operation on the basis of ethics of Investor Relations Officer. Shareholders can contact Investor Relations Officer, please email to ir@tcm-corporation.com.

Principle 8

Ensure Engagement and Communication with Shareholders

The company adheres to the Code of Practice as follows:

1. Ordinary shareholders' meeting which shall be held within 4 months from the end date of the Company's accounting period. Giving the rights to propose the meeting agendas and nomination of new directors in advance. Rules and procedures thereof shall be disclosed on the Company's website and the proposal shall be made within three months prior to the date of annual financial statements closure, from October to December each year.
2. When considering urgent matters that require approval from shareholders, the company shall arrange an extraordinary general meeting of shareholders by sending an invitation letter at least 30 days in advance and publishing the invitation on the website. Documents stating the meeting agenda and details shall be attached to the letter.
3. After the general meeting of shareholders, the company shall report the resolution of the meeting within the following day and present the meeting minutes to the Stock Exchange of Thailand along with the disclosure on the company website within 14 days from the date of the shareholders' meeting
4. The Company comply with the AGM Checklist made by Thai Investors Association. was set in the form of electronic media (E-AGM), In 2021, the Company used virtual conferences as a means of communication to maintain social distancing in accordance with preventive measures against the spread of COVID-19 pandemic.
5. The Company arranges it website to communicate important information and news between the Company and the third party such as shareholders, institutional shareholders, analysts, general shareholders and shall provide opportunities to the public to access and ask question equitably.
6. The Company arranges factory visit at least once a year to provide shareholders or analysts with opportunities to visit the Company's business. In 2021, factory visits were not available due to the limitations of the COVID-19 pandemic.

Corporate Governance Assessment by the Thai Institute of Directors Association

Pursuant to good corporate governance principles for listed companies, revised by the Securities and Exchange Commission in 2017, the company has revised the corporate governance guidelines to comply with the abovementioned principles. Regular reviews shall be conducted at least once a year. In 2021, there were issues that the company had not implemented as follows:

1. The company should establish recruitment committee, compensation committee, and corporate governance committee.

The company has 9 members in the Board of Directors, which still meet the requirements of the Securities and Exchange Commission and comply with the regulations of the company. The Board of Directors has sufficient knowledge and skills to oversee the company's business in compliance with the principles of corporate governance. Therefore, there is no need to recruit additional directors. Regarding consideration for compensation, the Board of Directors jointly considered compensation with transparency and fairness, including the review of corporate governance principles. The Board of Directors and the Audit Committee has consistently considered, reviewed, and evaluated the results.

2. The company should specify that the independent directors be appointed to a position not to exceed 9 years.

Due to the subsidiaries of the company is a business that the Board of Directors and executives should have knowledge, ability, and familiarity with the type of business. Therefore, the directors with professional experience and familiarity with the nature of the business are able to propose practical recommendations. Even though the independent directors have held the position for more than 9 years, they can still provide independent opinions and meet all the requirements of the company.

3. The Chairman of the Board should be an independent director.

The Chairman of the Board plays a role in conducting the general meeting in an orderly manner. In addition, the Chairman shall support and encourage the joint committee to independently express their opinions on various issues. The Chairman can participate in expressing opinions as a member of the Board of Directors, but cannot interfere with the management in order to give benefit to a specific person

4. During the past year, the Board of Directors should arrange meetings among non-executive directors without executive directors in the meetings, and specify numbers of the meetings or date of the meetings.

Due to the impact from Covid-19 in the past year, the meetings of the Board of Directors were set mainly in the form of VDO Conference. There was inconvenience to arrange a separate meeting for non-executive directors specifically.

9. Transaction with related parties

In 2021, the company has transaction with related parties as follows; -

1. Purchasing-Selling: Carpets

No.	Company	Relationship Related	Nature of transaction	Amount (THB)		Reasons and necessity
				The value of carpets and materials for installation in year 2021	Outstanding as of December 31,2021	
1	Royal Thai International Company Limited (RTI) – (Buyer)	- TCMC (Seller) hold 99.99% of issued and fully paid-up share capital of RTI - There are the same director 3 persons are Mr. Pimol Srivikorn, M.L. Walliwan Varavarn and Mrs. Noppaporn Aphiwatthanakul	Purchase and sell carpets and materials for installation	-	5,711,388	The normal business operation and general trading condition.
2	TCM Corporation Public Company Limited (TCMC) – (Buyer)	- Carpet International Public Company Limited (CI) – (Seller) - TCMC hold 100% of issued and fully paid-up share capital of Vechachai	Purchase and sell carpets	522,415,842	352,243,410	The normal business operation and general trading condition.
3	Carpet International Public Company Limited (CI) – (Buyer)	- TCMC (Seller) hold 100% of issued and fully paid-up share capital of Vechachai	Purchase and sell carpets	5,819,847	-	The normal business operation and general trading condition.
4	Royal Thai HK Limited (RTHK) – (Buyer)	- TCMC (Seller) hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTHK' share	Purchase and sell carpets	82,691,573	146,338,303	The normal business operation and general trading condition.
5	Royal Thai America Inc. (RTUS) – (Buyer)	- TCMC (Seller) hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTUS' share	Purchase and sell carpets	259,218,344	239,416,900	The normal business operation and general trading condition.
6	Royal Thai Singapore Limited (RTSG) – (Buyer)	- TCMC (Seller) hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTSG' share	Purchase and sell carpets	23,265,323	-	The normal business operation and general trading condition.
7	Royal Thai Macau (2017) Limited (RTMO) – (Buyer)	- TCMC (Seller) hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTMO' share	Purchase and sell carpets	-	-	The normal business operation and general trading condition.
8	Royal Thai China Trading Limited (RTCN) – (Buyer)	- TCMC (Seller) hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTCN' share	Purchase and sell carpets	11,034,461	6,867,079	The normal business operation and general trading condition.

9	RT UK (2017) Limited (RTUK) – (Buyer)	- TCMC (Seller) hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTUK' share	Purchase and sell carpets	4,876,855	1,718,637	The normal business operation and general trading condition.
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2. Support administrative and sale support

No.	Company	Relationship Related	Nature of transaction	Amount (THB)		Reasons and necessity
				The value of service fee in year 2021	Outstanding as of December 31,2021	
1	Royal Thai America Inc. (RTUS) – (Service Provider)	- TCMC (Service Recipient) hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTUS'share	Management Fees	35,921,213	19,134,582	The normal business operation
2	TCM Corporation Public Company Limited (TCMC) – (Service Provider)	- Carpet International Public Company Limited (CI) - (Service Recipient) - TCMC hold 100% of issued and fully paid-up share capital of Vechachai	Management Fees	20,735,435	6,531,823	The normal business operation
3	TCM Corporation Public Company Limited (TCMC) – (Service Provider)	- Royal Thai HK Limited (RTHK) - (Service Recipient) - TCMC hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTHK' share	Management Fees	5,479,219	3,021,704	The normal business operation
4	TCM Corporation Public Company Limited (TCMC) – (Service Provider)	- Royal Thai America Inc. (RTUS) – (Service Recipient) - TCMC hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTUS'share	Management Fees	11,910,531	6,587,450	The normal business operation
5	TCM Corporation Public Company Limited (TCMC) – (Service Provider)	RT UK (2017) Limited (RTUK) – (Service Recipient) - TCMC hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTUK'share	Management Fees	750,633	929,505	The normal business operation

3. Support in finance

No.	Company	Relationship Related	Nature of transaction	Amount (THB)			Reasons and necessity
				Loan in year 2021	Outstanding as of December 31,2021	Interest	
1	TCMC Furniture Limited (TCMF) – (Borrower)	- TCMC (Lender) hold 76% of issued and fully paid-up share capital of TCMC-F - There are the same director 2 persons are Mr. Pimol Srivikorn and M.L. Walliwan Varavarn	Support in finance	-	196,200,589	3,900,037	For investment

2	Manor (2016) Holding Limited. (Recipient)	- TCMC (Provider) hold 100% of issued and fully paid-up share capital of Manor (2016) Holding Limited.	Advance Payment for subsidiary	-	22,581,150	-	Advance Payment for subsidiary
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The shareholders and/or investors can examine the three-year comparative statement from the annual report disclosed on the Company's website.



ECOSOFT® CARPET TILE

To date with EcoSoft®, Carpets Inter has diverted over 830 million PET bottles from polluting our planet...

Be a part of this Mission!

EcoSoft® is a unique, high-performance and environmentally conscious carpet tile cushion backing – responsibly recycling millions of discarded single-use PET water bottles into a very good use. This solution dyed nylon PET felt modular carpet tile is recognized by the International Living Future Institute (ILFI) under their DECLARE Label award program as RED LIST FREE, the highest designated level acknowledging no harmful content. This achievement further demonstrates Carpets Inter’s genuine commitment to material transparency providing safety and hygiene towards healthy occupied spaces, while aspiring to achieve carbon neutrality under Well Building Certification.

EcoSoft® is made from 80% post-consumer discarded water bottles, plus 5% post-industrial recycled PET. The environmentally friendly backing not only meets all stringent performance criteria required for a heavy wear commercial location, but consistently outperforms conventional PVC and bitumen hard backing, as well as all polyurethane cushion backings, in terms of dimensional stability, durability, comfort, sound absorption, thermal barrier, hygiene, and indoor air quality.

Part 3 Financial Statement

Independent Auditor's Report

To the Shareholders and the Board of Directors of TCM Corporation Public Company Limited

Opinion

I have audited the consolidated financial statements of TCM Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of TCM Corporation Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of TCM Corporation Public Company Limited and its subsidiaries as at December 31, 2021, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of TCM Corporation Public Company Limited as at December 31, 2021, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions 'Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment of goodwill

As discussed in Note 13 to the financial statements, relating to goodwill arising from business combination in many countries, the Group and the Company have goodwill arising from business combination, as presented in the consolidated financial statements as at December 31, 2021 amounting to Baht 2,333.75 million. I have focused my audit on the consideration of the impairment of goodwill, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I have understood the goodwill impairment testing process, this includes assessing the determination of cash generating units and the financial model chosen by the Group's and Company's management by understanding that management's consideration process is consistent with how assets are utilized. In addition, I also tested the significant assumptions used in projecting expected future cash flows and compared those assumptions with internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group, the Company and of the industry, tested the calculation of the realizable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realizable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to impairment assessment for goodwill.

Other Matters

The consolidated financial statements of TCM Corporation Public Company Limited and its subsidiaries and the separate financial statements of TCM Corporation Public Company Limited for the year ended December 31, 2020, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in his report dated February 25, 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Sulalit Ardsawang.

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(Miss Sulalit Ardsawang)
Certified Public Accountant Registration No. 7517
Dharmniti Auditing Company Limited
Bangkok, Thailand
February 28, 2022

Financial Statement 2021

Statement of Financial position

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

		ASSETS				
		Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2021	2020	2021	2020	
Current assets						
	Cash and cash equivalents	5	480,143,129.55	672,219,842.91	93,513,824.85	179,345,133.13
	Trade and other current receivables	4, 6	1,406,740,834.79	1,321,483,615.89	487,510,925.07	446,571,514.38
	Short-term loans to subsidiaries	4	-	-	133,942,800.00	-
	Current portion of long-term loans to subsidiaries	4	-	-	41,671,033.80	31,718,958.89
	Inventories	7	931,603,700.76	769,644,504.87	12,049,516.69	4,347,611.59
	Other current financial assets	8	7,658,902.40	100,793,853.42	-	7,033,819.15
	Other current assets		35,497,791.74	39,559,362.78	-	-
	Disposal asset group classified as held for sales	9.1	386,600,757.49	-	-	-
	Total current assets		3,248,245,116.73	2,903,701,179.87	768,688,100.41	669,017,037.14
Non-current assets						
	Other non-current financial assets	8	2,960,935.45	2,668,238.90	-	-
	Investments in subsidiaries	9.1	-	-	3,950,195,526.76	3,950,195,526.76
	Long-term loans to subsidiaries	4	-	-	169,544,551.68	174,788,753.70
	Investment property		6,485,375.41	5,844,278.34	-	-
	Property, plant and equipment	10	1,962,457,568.29	1,969,244,372.07	4,694,990.75	2,614,226.34
	Right-of-use assets	11	179,412,216.38	156,144,147.83	31,724,157.04	16,005,166.43
	Intangible assets	12	549,602,434.12	558,091,319.17	47,040,750.25	52,616,872.03
	Goodwill	13	2,333,752,807.35	2,201,280,124.08	-	-
	Deferred tax assets	14	192,738,701.12	141,852,888.75	4,196,062.34	5,046,521.16
	Other non-current assets		34,285,897.88	31,738,831.59	18,190,557.06	16,309,664.72
	Total non-current assets		5,261,695,936.00	5,066,864,200.73	4,225,586,595.88	4,217,576,731.14
	Total assets		8,509,941,052.73	7,970,565,380.60	4,994,274,696.29	4,886,593,768.28

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Current liabilities					
Short-term loans from financial institutions	15	411,824,175.35	296,044,015.11	-	-
Trade and other current payables	4, 16	1,426,771,420.18	1,342,073,732.24	470,494,653.70	428,568,068.00
Current portion of long-term loans from financial institutions	17	259,523,661.39	129,710,975.84	90,270,965.55	-
Current portion of lease liabilities	18	65,916,839.13	35,664,897.83	2,968,081.40	1,244,577.10
Short-term loans from related person	4	-	1,500,000.00	-	-
Income tax payables		11,824,295.93	19,398,405.28	-	-
Other current financial liabilities		14,052,853.49	41,894,442.89	6,159,442.45	-
Liabilities included in disposal asset group classified as held for sales	9.1	409,323,721.62	-	-	-
Total current liabilities		2,599,236,967.09	1,866,286,469.19	569,893,143.10	429,812,645.10
Non-current liabilities					
Long-term loans from financial institutions	17	2,583,075,519.45	2,727,417,658.86	1,979,268,393.80	2,061,946,122.53
Long-term loans from related person	4	1,172,558.40	17,698,850.65	-	-
Lease liabilities	18	145,701,494.02	124,577,917.38	28,084,889.06	13,767,059.34
Other non current payables		7,962,389.36	7,442,244.25	2,501,397.50	2,521,086.33
Deferred tax liabilities	14	257,984,618.43	249,152,898.37	-	-
Provisions for employee benefit	19	227,430,033.27	247,161,373.88	27,365,603.00	9,338,936.00
Total non-current liabilities		3,223,326,612.93	3,373,450,943.39	2,037,220,283.36	2,087,573,204.20
Total liabilities		5,822,563,580.02	5,239,737,412.58	2,607,113,426.46	2,517,385,849.30

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Authorized share capital					
1,017,585,300 ordinary shares, Baht 1.10 each		1,119,343,830.00	1,119,343,830.00	1,119,343,830.00	1,119,343,830.00
Issued and fully paid-up share capital					
763,201,125 ordinary shares, Baht 1.10 each		839,521,237.50	839,521,237.50	839,521,237.50	839,521,237.50
Premium on share capital		633,288,121.50	633,288,121.50	633,288,121.50	633,288,121.50
Surplus from the changes in the ownership interests					
in subsidiaries		5,559,130.99	5,559,130.99	-	-
Retained earnings					
Appropriated					
Legal reserve	20	47,516,048.23	45,607,816.41	47,516,048.23	45,607,816.41
Unappropriated		887,632,031.67	1,019,107,735.87	866,835,862.60	850,790,743.57
Other components of equity		(85,817,315.47)	(183,685,300.46)	-	-
Total equity attributable to owners of the parent		2,327,699,254.42	2,359,398,741.81	2,387,161,269.83	2,369,207,918.98
Non-controlling interests		359,678,218.29	371,429,226.21	-	-
Total shareholders' equity		2,687,377,472.71	2,730,827,968.02	2,387,161,269.83	2,369,207,918.98
Total liabilities and shareholders' equity		8,509,941,052.73	7,970,565,380.60	4,994,274,696.29	4,886,593,768.28

Statement of profit or loss and other comprehensive income

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2021

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenue from sales and rendering services	4	7,744,420,416.85	6,792,401,371.39	692,946,619.41	902,836,516.67
Dividend income	4, 9.1	-	-	38,561,104.00	41,971,202.00
Gain on exchange rate		22,366,605.14	4,898,272.91	38,874,941.10	7,523,695.47
Gain on fair value adjustment to derivatives		25,472,136.25	-	-	7,033,819.15
Other income	4	50,323,067.03	74,030,814.21	44,361,088.67	70,529,155.21
Total revenues		7,842,582,225.27	6,871,330,458.51	814,743,753.18	1,029,894,388.50
Expenses					
Cost of sales and rendering services	4	6,176,433,977.72	5,200,794,769.92	541,073,670.10	730,300,827.42
Distribution costs	4	700,828,139.41	647,619,952.33	56,858,397.96	35,237,102.07
Administrative expenses	4	952,300,442.32	874,222,592.22	102,623,801.88	122,441,618.91
Loss on fair value adjustment to derivatives		-	28,960,774.38	12,573,392.66	-
Total expenses		7,829,562,559.45	6,751,598,088.85	713,129,262.60	887,979,548.40
Profit from operations		13,019,665.82	119,732,369.66	101,614,490.58	141,914,840.10
Finance costs		(135,194,514.05)	(153,666,662.86)	(84,551,104.47)	(107,278,555.37)
Profit (loss) before income tax (expenses)		(122,174,848.23)	(33,934,293.20)	17,063,386.11	34,636,284.73
Income tax (expenses)	24	2,061,445.24	33,824,066.81	(556,144.06)	3,528,351.72
Profit (loss) for the year		(120,113,402.99)	(110,226.39)	16,507,242.05	38,164,636.45
Other comprehensive income :					
Item that may be reclassified subsequently to profit or loss					
Differences on transtating financial statements		97,653,901.18	28,101,479.70	-	-
		97,653,901.18	28,101,479.70	-	-
Item that will not be reclassified to profit or loss					
Capital surplus from land revaluation, net of income tax		-	(133,033,520.80)	-	(133,033,520.80)
Actuarial gain arising from post employee benefit, net of income tax		23,433,590.40	14,861,919.16	1,446,108.80	314,986.40
		23,433,590.40	(118,171,601.64)	1,446,108.80	(132,718,534.40)
Other comprehensive income (loss) for the year, net of income tax		121,087,491.58	(90,070,121.94)	1,446,108.80	(132,718,534.40)
Total comprehensive income (loss) for the year		974,088.59	(90,180,348.33)	17,953,350.85	(94,553,897.95)

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT.)
AS AT DECEMBER 31, 2021

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes	2021	2020	2021	2020	
Profit (loss) attributable to					
Owners of the parent	(152,848,166.27)	(41,027,762.69)	16,507,242.05	38,164,636.45	
Non-controlling interests	32,734,763.28	40,917,536.30	-	-	
	<u>(120,113,402.99)</u>	<u>(110,226.39)</u>	<u>16,507,242.05</u>	<u>38,164,636.45</u>	
Total comprehensive income (loss) attributable to					
Owners of the parent	(31,699,487.44)	(123,918,579.66)	17,953,350.85	(94,553,897.95)	
Non-controlling interests	32,673,576.03	33,738,231.33	-	-	
	<u>974,088.59</u>	<u>(90,180,348.33)</u>	<u>17,953,350.85</u>	<u>(94,553,897.95)</u>	
Basic earnings (loss) per share					
Owners of the parent	<u>(0.20)</u>	<u>(0.05)</u>	<u>0.02</u>	<u>0.05</u>	
Weighted average number of ordinary shares (shares)					
	<u>763,201,125</u>	<u>763,201,125</u>	<u>763,201,125</u>	<u>763,201,125</u>	

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT DECEMBER 31, 2021

Baht

	Consolidated financial statements											Total shareholders' equity
	Equity attributable to owners of the parent											
	Ordinary shares, issued and paid-up	Premium on share capital	Surplus from the changes in the ownership interests in subsidiaries	Retained earnings		Other components of equity			Total equity attributable to owners of the parent	Non-controlling interests	Total	
Appropriated				Legal reserve	Unappropriated	Capital surplus	Differences on translating financial statements	Total other components of equity				
Beginning balance, as at January 1, 2020	839,521,237.50	633,288,121.50	-	45,607,816.41	688,325,542.64	(218,658,649.97)	271,015,472.43	2,477,758,190.48	370,842,705.98	2,848,600,896.46		
Paid for subsidiary's share capital	-	-	-	-	-	-	-	-	18,307,753.41	18,307,753.41		
Dividend	-	-	-	-	-	-	-	-	(45,900,333.52)	(45,900,333.52)		
Surplus from the changes in ownership interests in subsidiaries	-	-	5,559,130.99	-	-	-	-	5,559,130.99	(5,559,130.99)	-		
Total comprehensive income for the year	-	-	-	-	(41,027,762.69)	-	-	(41,027,762.69)	40,917,536.30	(110,226.39)		
Profit (loss) for the year	-	-	-	-	371,809,955.92	(489,674,122.40)	34,973,349.51	(454,700,772.89)	(7,179,304.97)	(90,070,121.94)		
Other comprehensive income (loss) for the year - net of income tax	-	-	-	-	330,782,193.23	(489,674,122.40)	34,973,349.51	(454,700,772.89)	33,738,231.33	(90,180,348.33)		
Ending balance, as at December 31, 2020	839,521,237.50	633,288,121.50	5,559,130.99	45,607,816.41	1,019,107,735.87	-	(183,685,300.46)	2,359,398,741.81	371,429,226.21	2,730,827,968.02		
Legal reserve	-	-	-	1,908,231.82	(1,908,231.82)	-	-	-	-	-		
Dividend	-	-	-	-	-	-	-	-	(44,906,434.71)	(44,906,434.71)		
Portion of non-controlling interests from investment in subsidiaries	-	-	-	-	-	-	-	-	481,850.80	481,850.80		
Total comprehensive income for the year	-	-	-	-	(152,848,166.27)	-	-	(152,848,166.27)	32,734,763.28	(120,113,402.99)		
Profit (loss) for the year	-	-	-	-	23,280,693.89	-	97,867,984.98	121,148,678.87	(61,187.29)	121,087,491.58		
Other comprehensive income for the year - net of income tax	-	-	-	-	(129,567,472.38)	-	97,867,984.98	(31,699,487.40)	32,673,575.99	974,088.59		
Ending balance, as at December 31, 2021	839,521,237.50	633,288,121.50	5,559,130.99	47,516,048.23	887,632,031.67	-	(85,817,315.48)	2,327,699,254.41	359,678,218.29	2,687,377,472.70		

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
AS AT DECEMBER 31, 2021

	Baht						
	Separate financial statements						
	Ordinary shares, issued and paid-up	Premium on share capital	Retained earnings	Appropriated - Legal reserve	Unappropriated	Other components of equity	Total shareholders' equity
						Capital surplus from land revaluation - net of income tax	
Beginning balance, as at January 1, 2020	839,521,237.50	633,288,121.50	45,607,816.41	455,670,519.12	489,674,122.40	2,463,761,816.93	
Total comprehensive income for the year				38,164,636.45	-	38,164,636.45	
Profit for the year	-	-	-	314,986.40	(133,033,520.80)	(132,718,534.40)	
Other comprehensive income (loss) for the year - net of income tax	-	-	-	356,640,601.60	(356,640,601.60)	-	
Transfer to retained earnings	-	-	-	395,120,224.45	(489,674,122.40)	(94,553,897.95)	
Ending balance, as at December 31, 2020	839,521,237.50	633,288,121.50	45,607,816.41	850,790,743.57	-	2,369,207,918.98	
Legal reserve			1,908,231.82	(1,908,231.82)	-	-	
Total comprehensive income for the year				16,507,242.05	-	16,507,242.05	
Profit for the year	-	-	-	1,446,108.80	-	1,446,108.80	
Other comprehensive income for the year - net of income tax	-	-	-	17,953,350.85	-	17,953,350.85	
Ending balance, as at December 31, 2021	839,521,237.50	633,288,121.50	47,516,048.23	866,835,862.60	-	2,387,161,269.83	

Notes

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Statement of Cash flows

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

AS AT DECEMBER 31, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) for the year	(120,113,402.99)	(110,226.39)	16,507,242.05	38,164,636.45
Reconciliations of profit (loss) for the period to net cash provided				
by (used in) operating activities:				
Bad debt	417,441.94	8,617,649.53	417,441.94	6,505,242.77
Allowance for expected credit losses (reversal)	(225,344.97)	(13,962,781.14)	(10,453,058.00)	(18,759,123.96)
Allowance for obsolete inventories (reversal)	8,139,173.65	4,448,067.00	-	(17,706,356.31)
Allowance for impairment of other current assets	158,350.69	108,320.86	-	-
Transfer of fixed assets to expenses	455,360.00	-	-	-
Allowance for impairment of fixed assets (reversal)	-	(76,546,827.04)	-	(73,961,517.04)
Depreciation and amortization	264,331,879.45	265,826,957.92	9,168,641.69	6,889,904.52
Loss on disposal of fixed assets	8,872,643.97	83,797,254.25	207.00	79,783,554.11
Gain from cancellation finance leases	-	-	(255,128.16)	-
Unrealized gain on exchange rate	(12,934,991.16)	(374,541.40)	(39,787,801.48)	(6,230,554.81)
(Gain) loss on fair value adjustments to derivatives	(66,794,015.85)	28,960,774.38	13,193,261.60	(7,033,819.15)
Dividend income	-	-	(38,561,104.00)	(41,971,202.00)
Provision from claim on defected goods	(1,952,814.23)	(2,594,137.56)	-	(1,230,150.00)
Interest income	(634,539.02)	(490,444.42)	(4,275,418.55)	(11,730,666.93)
Employee benefit expenses	36,143,153.70	28,379,184.96	7,205,750.36	1,266,591.00
Loss on settlement of benefits	-	19,173,093.29	-	961,510.00
Finance costs	135,194,514.05	153,666,662.86	84,551,104.47	107,278,555.37
Income tax (expenses)	(2,061,445.24)	(33,824,066.81)	556,144.06	(3,528,351.72)
Profit provided by operating activities before changes in operating assets and liabilities	248,995,963.99	465,074,940.29	38,267,282.98	58,698,252.30
(Increase) decrease in operating assets				
Trade and other current receivables	(151,065,978.34)	94,064,891.51	(78,772,046.39)	60,759,478.88
Inventories	(169,866,621.19)	123,909,864.32	(7,701,905.10)	30,327,421.27
Other current assets	3,903,220.35	(22,733,584.95)	-	-
Other non-current assets	(2,547,066.29)	1,651,737.71	(432,111.11)	(1,646,888.30)
Increase (decrease) in operating liabilities				
Trade and other current payables	107,775,155.76	28,240,463.37	42,122,757.38	(83,967,213.92)
Other non-current payables	520,145.11	(780,069.28)	(19,688.83)	46,325.50

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
AS AT DECEMBER 31, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash received (paid) from operations	37,714,819.39	689,428,242.97	(6,535,711.07)	64,217,375.73
Cash payment for employee benefit	(55,550,366.61)	(51,395,696.21)	(1,702,734.48)	(4,174,464.01)
Cash received from income tax return	79,547,727.39	941,899.15	79,032,777.10	-
Cash payment for income tax	(43,702,962.42)	(75,888,084.38)	(1,515,993.67)	(8,308,708.42)
Net cash provided by operating activities	18,009,217.75	563,086,361.53	69,278,337.88	51,734,203.30
<u>Cash flows from investing activities</u>				
Cash receipt from short-term loans to subsidiary	-	-	-	11,674,704.00
Cash payment for short-term to subsidiaries	-	-	(135,300,000.00)	(11,643,500.00)
Cash receipts from long-term to subsidiaries	-	-	18,500,988.00	32,497,364.90
(Increase) decrease in other current financial assets	86,101,131.87	(87,808,430.27)	-	-
Cash payment for purchase of fixed assets	(139,271,548.97)	(75,237,146.17)	(3,132,686.29)	(1,924,357.29)
Cash receipts from disposal of fixed assets	2,710,786.25	16,885,016.50	-	9,453,608.41
Cash receipt deposit for sales of asset for sale	-	463,708,099.00	-	463,708,099.00
Cash payment for purchase of intangible assets	(1,684,017.16)	(33,168,017.98)	(30,037.32)	(12,179,728.77)
Dividend received	-	-	38,561,104.00	41,971,202.00
Interest received	634,539.02	490,444.42	5,210,368.42	7,950,081.69
Net cash provided by (used in) investing activities	(51,509,108.99)	284,869,965.50	(76,190,263.19)	541,507,473.94
<u>Cash flows from financing activities</u>				
Increase in short-term loans form financial institutions	115,780,160.24	53,011,372.20	-	-
Cash received of long-term loans from related person	-	2,130,153.11	-	-
Cash payment for long-term loans from related person	(16,642,202.85)	(5,100,154.33)	-	-
Cash receipts of long-term loan from financial institutions	-	17,310,539.65	-	-
Cash payment for long-term loan from financial institutions	(97,024,036.69)	(470,752,231.74)	-	(385,761,500.00)
Cash payment for loan front-end fee	-	(2,179,369.23)	-	-
Cash payment for lease liabilities	(56,609,028.71)	(32,187,826.05)	(1,933,296.15)	(1,099,519.22)
Dividend payment	(44,906,434.71)	(45,913,637.22)	-	-
Interest payment	(131,206,522.92)	(140,849,933.47)	(76,986,086.82)	(94,623,935.22)
Cash received from increasing share capital	-	18,307,753.41	-	-
Net cash used in financing activities	(230,608,065.64)	(606,223,333.67)	(78,919,382.97)	(481,484,954.44)
Net increase (decrease) in cash and cash equivalents	(264,107,956.88)	241,732,993.36	(85,831,308.28)	111,756,722.80
Differences on translating financial statements	72,031,243.52	4,715,559.36	-	-
Cash and cash equivalents - beginning of year	672,219,842.91	425,771,290.19	179,345,133.13	67,588,410.33
Cash and cash equivalents - ending of year	480,143,129.55	672,219,842.91	93,513,824.85	179,345,133.13

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
AS AT DECEMBER 31, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Supplemental disclosures of cash flow information</u>				
Transaction non-cash				
Increase in payable for purchase of fixed assets	1,397,901.87	-	-	-
Increase in payable for purchase of software	-	3,152,936.54	-	3,147,586.54
Increase (decrease) in accrued employee benefits expenses	(28,501,535.87)	37,837,269.13	(30,167.12)	643,361.99
Increase in lease liabilities	40,692,959.29	69,988,268.97	27,393,532.47	14,731,587.29
Decrease in revaluation of fixed assets	-	(166,291,901.00)	-	(166,291,901.00)
Transfer land to assets held for sale	-	463,708,099.00	-	463,708,099.00
Difference on measurement of loans to subsidiaries	-	-	-	(19,689,556.24)
Allowance for doubtful accounts - beginning	-	-	-	(6,441,316.15)
Deferred financial cost	-	12,016,893.43	-	12,016,893.43

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. GENERAL INFORMATION

1.1 Corporate information

TCM Corporation Public Company Limited (“the Company”) had registered to be a limited company on April 10, 1967. The Company’s status had been changed to be the public company limited and registered with the Ministry of Commerce on March 31, 1994.

The address of its registered office at 2044/24 New Petchburi Road, Bangkapi, Huaykwang, Bangkok, 10310 Thailand

The major shareholder of the Company is Srivikorn Family.

Nature of the Company’s business and major shareholder

The Company and its a local subsidiaries, Royal Thai International Co.,Ltd. and group of the overseas subsidiaries, TCMC HK (2017) Limited Group and a group of the local subsidiaries, Vechachai Co., Ltd. Group (Commercial Carpet Business) manufacture, distribute and/or sell various types of rugs and install carpet for flooring, including the Axminster Carpet, and hand carpet to decorate hotels, theaters, airports, palaces, and homes, and sell flooring products (TCM Flooring).

A local subsidiary, T.C.H. Suminoe Co., Ltd. manufactures and distributes carpets for the internal flooring of vehicles and upholstery fabrics for vehicles (TCM Automotive).

An oversea subsidiary, TCM Living Ltd. (The Company holds shares through two subsidiaries, TCMC Furniture Limited and Manor (2016) Holding Limited) manufactures and distributes sofa chair (TCM Living).

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting businesses and industries as a whole. This situation may affect the results of operations of business. Nevertheless, the management of the Company and its subsidiaries have continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with Thai Financial Reporting Standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re: the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language version.

2.2 Basis of consolidated financial statements preparation

2.2.1 The consolidated financial statements include the financial statements of TCM Corporation Public Company Limited and its subsidiaries as follows:

Company name	Type of business	Percentage of holding (% of share capital)		Head office location
		2021	2020	
• Direct subsidiaries held by the Company				
United Carpet Manufacturing Co., Ltd. (The liquidation is completed on August 9, 2021)	Manufacturer and distributor of carpet	-	51.00	Thailand
Royal Thai international Co., Ltd.	Sale of carpet	99.99	99.99	Thailand
T.C.H. Suminoe Co., Ltd.	Manufacturer and distributor of carpet	49.90	49.90	Thailand
TCMC Furniture Limited	Holding Company	76.00	76.00	England
Manor (2016) Holdings Limited	Holding Company	100.00	100.00	England
TCMC HK (2017) Limited	Holding Company	100.00	100.00	Hong Kong
Vechachai Company Limited	Holding Company	100.00	100.00	Thailand
• Indirect subsidiaries held by TCMC Furniture Limited and Manor (2016) Holdings Limited*				
Alstons (Upholstery) Limited	Manufacturer and distributor of sofa chair	75.45	75.45	England
Alstons (Carbinets) Limited	Manufacturer of wooden flame for sofa chair	75.45	75.45	England
TCMC Living Limited	Holding Company	75.45	75.45	England
Ashley Manor Upholstery Limited	Manufacturer and distributor of sofa chair	75.45	75.45	England
AMX Design Limited	Distributor sofa chair	75.45	75.45	England

Alexander and James Limited	Distributor sofa chair	75.45	75.45	England
James Alexander Company Limited	Research and product development center	75.45	75.45	Thailand
Arlo Living Limited *	Distributor sofa chair	75.45	-	England
• Indirect subsidiaries held by TCMC HK (2017) Limited				
Costigan Limited	Holding Company	100.00	100.00	British Virgin Islands
		Percentage of holding (% of share capital)		
Company name	Type of business	2021	2020	Head office location
Anderry Limited	Holding Company	100.00	100.00	British Virgin Islands
Onsen Limited	Holding Company	100.00	100.00	British Virgin Islands
Royal Thai HK (2017) Limited	Sale of carpet	100.00	100.00	Hong Kong
Royal Thai Carpets (Foshan) Co., Ltd.	Manufacturer and distributor of carpet	51.00	51.00	China
Royal Thai Americas (2017) Inc.	Sale of carpet	100.00	100.00	USA
Royal Thai Singapore (2017) Pte. Ltd.	Sale of carpet	100.00	100.00	Singapore
Royal Thai Macau (2017) Limited	Sale of carpet	100.00	100.00	Macau
Royal Thai India (2017) Limited	Sale of carpet	100.00	100.00	India
RT UK (2017) Limited	Sale of carpet	100.00	100.00	England
Royal Thai China Trading Limited	Sale of carpet	100.00	100.00	China
• Indirect subsidiaries held by Vechachai Co., Ltd.				
Carpets International Thailand Plc.	Manufacturer and distributor of carpet	99.31	99.31	Thailand

* During 2021, TCMC Living Limited invested in shares of Arlo Living Limited at a price of Pound 0.2 million by holding 100% of shares. TCMC Living Limited has used Arlo's financial information to prepare the consolidated financial statements from May 31, 2021 onwards. And on January 17, 2022, TCM Living Limited sold all of ordinary share of such company as discussed in Note 17 to the financial statement.

United carpet Manufacturing Co., Ltd. had registered the company's dissolution on July 1, 2021 and had liquidated on August 9, 2021 with the Ministry of Commerce.

2.2.2 The Company is deemed to have control over an investee or subsidiary if it has rights to, or is exposed to, variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

2.2.3 Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.

- 2.2.4 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.
- 2.2.5 The financial statements of an overseas subsidiary is translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of "Differences on translating financial statements" in shareholders' equity.
- 2.2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Financial reporting standards that became effective in the current period

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

2.4 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued several revised financial reporting standards and has been published in the Government Gazette, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and for some financial reporting standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company and its subsidiaries have assessed that these revised standards will not have any significant impact on the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of revenues and expenses

Sales of goods

Revenue from sale of goods rendered are recognized when the significant at the point in time when control of goods have been transferred to the customer. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Revenues from rendering services

Revenue from rendering services of carpet and flooring installation is recognized upon completion of service in cases where the projects are low value, the work had a short duration, and control of the assets created has not yet been transferred to the customers.

Dividends are recognized as revenues when the right to receive the dividends is established.

Interest income are recognized on an accrual basis based on the effective rate.

Other income and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash, cash at banks and deposits at financial institutions and all highly liquid investments with an original maturity of 3 months or less and without withdrawal restrictions.

3.3 Inventories

Inventories are stated at the lower of cost or net realizable value, cost being determined as follow:

Finished goods manufactured by other parties	FIFO/specific
Finished goods manufactured by the company	Average cost/Standard cost, which approximate actual cost
Work in process	Average cost/Standard cost, which approximate actual cost
Raw material	Average cost/FIFO

The Company and its subsidiaries determine the cost by the calculation from standard cost which is adjusted approximately to the actual cost based on moving average cost method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and goods in progress, cost includes and appropriate share of overheads based on normal production capacity.

The net realizable value of inventory is estimated from selling price in the ordinary course of business, less the estimated costs to complete the sale.

Allowance for decline in value obsolete inventories is recorded by considering obsolete inventories and slow-moving inventories.

3.4 Trade receivables

Trade receivables are stated at their invoice value less allowance for expected credit losses unless they contain significant financing components, when they are recognized at present value.

The allowance for expected credit losses is disclosed in Note 3.5.

3.5 Financial instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognized as expense in profit or loss.

Subsequent measurement of debt instruments by 3 methods depend on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.
- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognized through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognized as profit or loss upon recognized of financial assets. Earning or deficit previously recognized in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortized cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognizing the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

Classification and valuation of financial liabilities

The Company and its subsidiaries are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

Derivative

Derivative is recognized at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognized in profit or loss immediately unless that derivative is used for hedge

Derecognition of financial instruments

Financial assets will be derecognized from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

Financial liabilities will be derecognized from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognizing new liabilities by recognizing the difference of such carrying value under profit or loss.

Impairment of financial assets

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company and its subsidiaries use the general approach in considering the allowance for loss on impairment. For trade receivables, the Company and its subsidiaries apply a simplified approach in calculating ECLs. The Company and its subsidiaries recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognized amount. The Company and its subsidiaries intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

3.6 Investments in subsidiaries

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

In separate financial statement, investments in subsidiaries are stated at cost net of allowance for impairment (if any).

A test for impairment is carried out when there is a factor indicating that investment might be impaired. If the carrying value of the investment is higher than its recoverable amount. The impairment loss is charged to profit or loss.

If the Company and its subsidiaries disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.7 Investment property

Investment property is property which is held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes.

Investment property are measured at cost on initial recognition and subsequently at fair value, with any change recognized in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.8 Property, plant and equipment and depreciation

Land is stated at cost and adjusted by appraisal values of assets.

Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets including any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, which are the obligations of the company (if any).

The revaluation of land will be recorded at fair value, valued by an independent expert. The Company and subsidiaries will provide an independent expert to revalue such assets every 5 years. However, in case there is any factor which materially effects to the asset value, the Company and subsidiaries will provide an independent expert to revalue such assets in the occurring year.

Any increase in value, on revaluation, is recognised in other comprehensive income under the presented in "revaluation surplus" in equity unless it offsets a previous decrease in value recognised loss in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect

of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal of assets.

Expenditure related to renewal or improvement of assets which will materially increase the replacement value of the assets will be combined as investment cost. The costs of the repair and maintenance servicing of property, plant and equipment are recognized as expenses for the period incurred.

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful life:-

	<u>Useful life (year)</u>
Land improvement	5 - 10
Building	5 - 50
Leasehold improvements	10 - 20
Machinery and equipment	3 - 40
Furniture, fixture and office equipment	3 - 10
Vehicle	3 - 10

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation is separately recorded if the cost of any of the components is significantly when compared with its original cost.

Depreciation is included in determining business performance and no depreciate is provided for construction in progress.

Property, plant and equipment are written off at disposal. Any gain or loss arising from sale or disposal of an asset is recognized in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

3.9 Intangible assets and amortization

Intangible assets are stated at cost less accumulated amortization and allowance for impairment of assets (if any).

Intangible assets acquired through business combination are initially recognized at their fair value on the date of business acquisition while other intangible assets acquired in other cases are recognized at cost.

Intangible assets with finite lives are amortized based on the straight-line method over the economic useful live and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amotisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charge to the statement of profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful life (year)</u>
Software license	5 - 10
Software for digitalization and archives of carpet	10
Customer relationships	7 - 12
Trade name	10 - 15
Design	5
No amortization is provided on software in progress.	

3.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognized as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

As for the cost of acquiring an investment that is lower than the fair value of the share of net assets of the subsidiary, the difference is negative goodwill and will be recognized immediately in the statement of profit or loss.

3.11 Impairment of non-financial assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, an appropriate valuation model is used which reflects the amount that the Company could obtain from the disposal of the asset after deducting the costs of disposal.

An impairment loss is recognized in profit or loss.

3.12 Leases

At inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease if the lease term reflects the Company and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiaries use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company and its subsidiaries apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

3.13 Foreign currency conversions

Foreign currency assets and liabilities are converted into Thai Baht at rates of exchange ruling at the end of reporting period. Transactions during the year are translated at rates prevailing on the transaction date. Gains or losses on exchange are credited or charged to current operations.

The financial statements of the Company's and its subsidiaries' are translated into the presentation currency using the following exchange rate:

- The Company's and its subsidiaries' assets and liabilities are translated at the closing rate as at the end of reporting period date.
- The Company's and its subsidiaries' revenues and expenses are translated at the average exchange rates during the year which are approximate the exchange rates at the dates of transactions; and
- Share capital is translated at historical rates.

Exchange differences on translating financial information are recognized in the other comprehensive income (loss) and presented in "the translating financial statement" as a separate component of shareholders' equity until the disposal of the foreign operation.

3.14 Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognized when the Company and its subsidiaries receive or has an unconditional right to receive non-refundable consideration from the customer before the Company and its subsidiaries recognizes the related revenue, the amount is presented under trade and other current liabilities.

3.15 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, wage, bonus and contributions to social security fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and subsidiaries' contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligation in respect of the severance payments that it must pay to the employees upon retirement under the labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income as a part of retained earning.

3.16 Provisions

Provisions are recognized when the Company and its subsidiaries have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company and subsidiaries expect a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

3.17 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.18 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries record income tax expense, if any, at the amount expected to be paid to the taxation authorities, base on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expenses which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.19 Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year with the weighted average number of the issued and paid-up shares at the end of the year.

3.20 Fair value

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

3.21 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

Allowances for diminution in value of inventory accounts are intended to adjust the value of inventory for probable credit losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, taking into account the current situation with respect to sales of inventory items, on a specific basis. However, the use of different estimates and assumptions could affect the amounts of allowance for diminution in value of inventory in the future.

Impairment of investment in subsidiary

In determining reviews the impairment of investment in the subsidiary, the management is required to prepare projections of the cash flows expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Determining the lease term of contracts with renewal and termination options

The Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the incremental borrowing rate

The Company and its subsidiaries cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Company and its subsidiaries are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company and its subsidiaries would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

Property, plant and equipment and right-of-use assets and depreciation

In determining depreciation of plant, equipment and right-of-use assets, the management is required to make estimates of the useful life and residual values of the plant, equipment and right-of-use assets to review the estimated useful life and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment and right-of-use assets for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets and amortization

In determining amortization of other intangible assets, the management is required to make estimates of the useful lives and residual values of intangible assets to review the estimated useful lives and residual values when there are any changes.

In recording the initial recognition and measurement of intangible assets as at the acquired date and subsequent impairment testing, the management is required to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits (Defined benefit plans)

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company and its subsidiaries use judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

4. RELATED PARTIES TRANSACTIONS

The Company and its subsidiaries have certain transactions with its related parties. These companies are related through common shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the basis mutual determined by the Company and related parties.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Company and its subsidiaries were as follows:

4.1 The nature of the relationship with related parties can be summarized as follows:

Name of related parties	Type of business	Nature of relationship
<u>Direct subsidiaries</u>		
United Carpet Manufacturing Co., Ltd. (It had liquidated on August 9, 2021)	Manufacturer and distributor of carpet	Subsidiaries
Royal Thai International Co., Ltd.	Flooring distributors	Subsidiaries
T.C.H. Suminoe Co., Ltd.	Manufacturer and distributor of automotive textile	Subsidiaries
TCMC Furniture Limited	Holding company in sofa business	Subsidiaries
Manor (2016) Holdings Limited	Holding company in sofa business	Subsidiaries
TCMC HK (2017) Limited	Holding company in carpet business	Subsidiaries

Vechachai Co., Ltd.	Holding company in carpet business	Subsidiaries
<u>Indirect subsidiaries</u>		
TCM Living Limited	Holding company in sofa business	Shareholding by TCMC Furniture Limited and Manor (2016) Holdings Limited
Alstons (Upholstery) Limited	Manufacturer and distributor of sofa chair	A subsidiary of TCM Living Limited
Alstons (cabinets) Limited	Manufacturer of wooden frame for sofa chair	A subsidiary of TCM Living Limited
Ashley Manor Upholstery Limited	Manufacturer and distributor for sofa chair	A subsidiary of TCM Living Limited
AMX Design Limited	Sofa chair distributors	A subsidiary of TCM Living Limited
Alexander and James Limited	Sofa chair distributors	A subsidiary of TCM Living Limited
James Alexander Co., Ltd.	Research and product development center and sofa chair distributors	A subsidiary of TCM Living Limited
Arlo Living Limited	Sofa chair distributors	A subsidiary of TCM Living Limited
Costigan Limited	Holding company in carpet business	A subsidiary of TCMC HK (2017) Limited
Anderry Limited	Holding company in carpet business	A subsidiary of Costigan Limited
Onsen Limited	Holding company in carpet business	A subsidiary of Anderry Limited
Royal Thai HK (2017) Limited	Carpet distributors	A subsidiary of Costigan Limited
Royal Thai Americas (2017) Inc.	Carpet distributors	A subsidiary of Costigan Limited
Royal Thai Singapore (2017) Pte. Ltd.	Carpet distributors	A subsidiary of Costigan Limited
Royal Thai Macau (2017) Limited	Carpet distributors	A subsidiary of Costigan Limited
Royal Thai India (2017) Limited	Carpet distributors	A subsidiary of Onsen Limited
RT UK (2017) Limited	Carpet distributors	A subsidiary of TCMC HK (2017) Limited
Royal Thai China Trading Limited	Carpet distributors	A subsidiary of RT HK (2017) Limited
Royal Thai Carpets (Foshan) Co., Ltd.	Manufacturer and distributor of carpet	A subsidiary of RT HK (2017) Limited
Carpets International Thailand Plc.	Manufacturer and distributor of carpet	A subsidiary of Vechachai Co., Ltd.
<u>Related companies</u>		
President Hotel and Tower Co., Ltd.	Hotel	The Company's Shareholder and Co-director
Erawan Holding L.L.C.	Interior	Shareholder in the subsidiary
Suminoe Textile Co., Ltd.	Manufacturer and distributor of automotive textile and interior material for train, bus, ship, and aircraft	Shareholder in the subsidiary
Suminoe Textile Shanghai Co., Ltd.	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
<u>Name of related parties</u>	<u>Type of business</u>	<u>Nature of relationship</u>
SPM Automotive Textile Co., Ltd.	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
P.T. Suminoe Surya Techno	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
Suminoe Teijin Techno Krishna	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
Srivikorn Group Holding Co., Ltd.	Holding company	The same director
<u>Related persons</u>		

Key management personnel	Persons having authority and responsibility for management
Shareholder	Shareholder of the Company and Subsidiaries

4.2 The Company and its subsidiaries have pricing policies for transactions with related parties as follows:

Transactions	Pricing policies
Revenue from sales of goods	According to agree upon rate
Revenue from hiring and services	According to agree upon rate
Management fee income	According to agree upon rate
Dividend income	As declared
Interest income	According to market interest rate
Cost of purchase goods	According to general trade practice
Service cost	According to agree upon rate
Marketing expenses	According to agree upon rate
Technical assistance fee	According to agree upon rate
Interest expenses	According to market interest rate
Compensation to directors	According to be approved by director and/or shareholders
Management fee	According to agree upon rate

Revenue and expense transactions with related parties for the years ended December 31, 2021 and 2020 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Transactions with subsidiary companies</u>				
Revenue from sales and rendering services	-	-	387,174	564,349
Dividend income	-	-	38,561	41,971
Management fee income	-	-	38,876	55,352
Other incomes	-	-	3,900	7,498
Cost of sale (purchase of goods)	-	-	519,413	698,684
Distribution cost and administrative expenses	-	-	39,281	54,844
<u>Related parties</u>				
Revenue from sales and rendering services	209	519	-	-
Cost of sale (purchase of goods)	15,729	15,730	-	-
Distribution cost and administrative expenses	24,759	21,084	-	-
<u>Directors and key managements remuneration</u>				
Short-term benefits	205,813	190,103	15,058	16,928
Long-term benefits	7,540	4,782	3,793	128
	213,353	194,885	18,851	17,056

Balance with the related parties as at December 31, 2021 and 2020 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Assets</u>				
Trade and other current receivables				
Subsidiaries - net	-	-	424,585	341,991
Related parties	-	98	-	-
	-	98	424,585	341,991
Short-term loans to				
Subsidiary	-	-	133,943	-
	-	-	133,943	-
Other non-current receivables				
Subsidiary	-	-	560	255
	-	-	560	255
Right-of-use assets				
Subsidiary	-	-	29,976	13,709
	-	-	29,976	13,709
Long-term loans to				
Subsidiary				
Beginning balance	-	-	206,508	229,025
<u>Less</u> : Repayment during the year	-	-	(18,501)	(35,673)
<u>Add</u> : Interest income	-	-	6,537	6,957
Exchange rate difference	-	-	16,671	6,199
Ending balance	-	-	211,215	206,508
<u>Less</u> : Current portion due within 1 year	-	-	(41,671)	(31,719)
Ending balance - net	-	-	169,544	174,789

The Company entered into an agreement to provide a long-term loan to from subsidiaries in order to acquire Alstons Furniture Group Limited in a total amount of Pound 8.36 million with the fixed interest rate of 2% per annum. (Interest income recognized by using an effective rate of 2.84% - 3.29% per annum). The interest is to be paid on an annual basis on the June 30, of each year. The principal amount to be paid in each period and timing is not specifically identified in the agreement, but it is agreed based on the projected cash flows of the subsidiary.

At as December 31, 2021, the Company has loans to the oversea subsidiary in the form of promissory note in the total amount of Pound 3.00 million with the fixed interest rate of 3.5% per annum and the loan period on March 15, 2022.

As at December 31, 2021 and 2020, the balances outstanding on such loan were Pound 4.35 million and Pound 4.79 million, respectively. This loan is unsecured.

As at December 31, 2021 and 2020, long-term loan to Manor (2016) Holdings Limited, the balances outstanding on such loan were Pound 0.5 million. The loan is non-interest bearing (interest income recognized

by using an effective rate of 3.03% per annum). The Company intends not to recover within 1 year and therefore classified it as long-term loans.

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Liabilities</u>				
Trade and other current payables				
Subsidiaries	-	-	376,137	369,544
Related parties	23,853	7,393	-	-
	<u>23,853</u>	<u>7,393</u>	<u>376,137</u>	<u>369,544</u>
Short-term loans from				
Related person	-	1,500	-	-
	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
Long-term loans from				
Related person				
Beginning balance	17,698	20,136	-	-
<u>Add</u> : Additional loans during the year	-	2,130	-	-
<u>Less</u> : Repayment during the year	(16,642)	(5,100)	-	-
Differences on translating financial statements	116	532	-	-
Ending balance	<u>1,172</u>	<u>17,698</u>	<u>-</u>	<u>-</u>
Lease liabilities - net	-	-	30,369	13,974
Subsidiaries	<u>-</u>	<u>-</u>	<u>30,369</u>	<u>13,974</u>

As at December 31, 2021 and 2020, the subsidiary, TCMC Furniture Limited has loans from its shareholders in the amount of Pound 0.40 million and Pound 0.44 million, respectively. These loans bear a fixed interest rate of 2% per annum. The abovementioned loan is not secured.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash on hand	486	909	40	393
Cash at banks - current account	288,315	440,424	7,539	10,203
Cash at banks - savings account	191,342	230,887	85,935	168,749
Total	<u>480,143</u>	<u>672,220</u>	<u>93,514</u>	<u>179,345</u>

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables (Note 6.1)	1,109,551	1,103,769	454,083	364,077
Other current receivables (Note 6.2)	330,722	250,155	42,699	102,219
	<u>1,440,273</u>	<u>1,353,924</u>	<u>496,782</u>	<u>466,296</u>
<u>Less</u> Allowance for expected credit losses	<u>(33,532)</u>	<u>(32,440)</u>	<u>(9,271)</u>	<u>(19,724)</u>

Net	1,406,741	1,321,484	487,511	446,572
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Movement of the change in the allowance for expected credit losses were summarized as follows :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance of the year	32,440	46,641	19,724	38,483
Additional during the year	10,676	14,061	6,110	5,082
Deduction during the year	(10,901)	(28,024)	(16,563)	(23,841)
Differences on translating financial statements	1,317	(238)	-	-
Ending balance at end of the year	33,532	32,440	9,271	19,724

6.1 Trade receivables

Trade receivables classified by ages of accounts consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Not over due	476,337	247,817	153,147	187,974
Overdue 1 months to 3 months	328,901	772,676	95,980	113,048
Overdue 3 months to 6 months	216,167	35,771	107,913	25,491
Overdue 6 months to 12 months	12,734	26,338	73,257	12,793
Overdue more than 12 months	75,412	21,167	23,786	24,771
Total	1,109,551	1,103,769	454,083	364,077

6.2 Other current receivables

Other current receivables consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other receivables related parties	-	-	24,166	29,269
Refundable import duty	5,232	2,859	-	-
Value added tax	9,905	66,586	8,036	62,751
Advance payment	5,366	1,690	577	128
Prepaid expenses	248,783	115,571	2,468	1,159
Deposit for inventories	10,495	7,791	-	-
Retentions	13,428	11,599	3,947	3,122
Other	37,513	44,059	3,505	5,790
Total	330,722	250,155	42,699	102,219

7. INVENTORIES

Inventories consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Finished goods	570,963	432,770	14,429	6,728
Raw materials	303,648	282,605	-	-
Work in process	106,627	101,745	-	-
Maintenance and factory supplies	1,679	853	-	-
Goods in transit	30,943	25,556	-	-
	1,013,860	843,529	14,429	6,728
<u>Less</u> Allowance for obsolete stock	(82,256)	(73,885)	(2,380)	(2,380)
Net	931,604	769,644	12,049	4,348

Movement of the change in the allowance for obsolete stock were as follows :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance of the year	73,885	69,392	2,380	20,086
Additional during the year	18,163	27,159	-	631
Deduction during the year	(10,024)	(22,711)	-	(18,337)
Differences on translating financial statements	232	45	-	-
Ending balance at end of the year	82,256	73,885	2,380	2,380

8. OTHER FINANCIAL ASSETS

Other financial assets consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Other current financial assets</u>				
Financial assets at FVPL				
- Unit trusts	7,659	93,760	-	-
- Derivative assets	-	7,034	-	7,034
Total other current financial assets	7,659	100,794	-	7,034
<u>Other non-current financial assets</u>				
Financial assets at FVOCI				
- Common stock, Harrington Factory	2,961	2,668	-	-
Total other non-current financial assets	2,961	2,668	-	-

9. INVESTMENTS IN SUBSIDIARIES

9.1 Investments in subsidiaries consisted of :

Type of business	Separate financial statements								
	Percentage of ownership (%)		(Thousand Baht)						
	2021	2020	Paid up shares		At cost method		Dividend		
		2021	2020	2021	2020	2021	2020	2021	2020
<u>Local subsidiaries companies</u>									
⁽¹⁾ United Carpet Manufacturing Co., Ltd.	Manufacturing and Sale of carpet	-	51.00	-	20,000	-	10,200	-	-
	<u>Less</u> : allowance on impairment of investment					-	(10,200)		
						-	-		
Royal Thai International Co., Ltd.	Sale of carpet	100.00	100.00	1,000	1,000	1,000	1,000	-	-
	<u>Less</u> : allowance on impairment of investment					(1,000)	(1,000)		
						-	-		
T.C.H. Suminoe Co., Ltd.	Manufacturing and sale of carpet	49.90	49.90	250,000	250,000	162,175	162,175	38,561	41,971
Vechachai Co., Ltd.	Holding company (Manufacturing and Sale of carpet)	100.00	100.00	1,000	1,000	,748,278	1,748,278	-	-
<u>Overseas subsidiary company</u>									
TCMC Furniture Limited	Holding company in business - TCM Living group 45%	76.00	76.00	48,366	48,366	66,127 *	66,127 *	-	-
				£1 million	£1 million				
Manor (2016) Holdings Limited	Holding company in business - TCM Living group 41.25%	100.00	100.00	310,528	310,528	314,992 *	314,992 *	-	-
				(6.25 million Pound)	(6.25 million Pound)				
TCMC HK (2017) Limited	Holding company in carpet business (Carpet distributors)	100.00	100.00	,620,054	,620,054	1,658,623	1,658,623	-	-
				187 million Hong Kong Dollar	187 million Hong Kong Dollar				
Total						<u>3,950,195</u>	<u>3,950,195</u>	<u>38,561</u>	<u>41,971</u>

⁽¹⁾ United Carpet Manufacturing Co., Ltd., had registered the company's dissolution on July 1, 2021 and had been liquidated on August 9, 2021 with the Ministry of Commerce.

*The Company has loans to the two subsidiaries charged an interest at the rate less than the market rate. The company, therefore, recoded the difference between the loans amount and the fair value of such loans at the initial date as "Investment in subsidiaries" in the separate financial statements.

The subsidiary of the subsidiary in the TCM Living

On May 31, 2021, TCM Living Limited has entered into the share purchase agreement in Arlo Living Limited "Arlo", of all ordinary shares at a price of Pound 0.2 million from Mark Smith (Director of TCMC Living Limited). As at the acquisition date, Arlo has net assets acquired of Pound 1.85 million. Therefore, the said subsidiary received the transfer of ownership in the investment as agreed and considers Arlo Living Limited to be a subsidiary of the Company and has used Arlo's financial information to prepare the consolidated financial statements from May 31, 2021 onwards. However, the appraisal price as at the business acquisition date is still under evaluation which will be completed within 1 year.

And on January 17, 2022, TCM Living Limited sold all of its investments in Arlo Living Limited to Mark Smith (existing shareholder) at a price of Pound 0.4 million. Therefore, as at December 31, 2021, the Group

classified related assets and liabilities of such company in the consolidated financial statements as disposal asset group and liabilities classified as held for sales.

Net disposal asset group classified as held for sales as at December 31, 2021 were as follows:

	Thousand Baht
Cash and cash equivalents	1,232
Trade and other current receivables	17,740
Inventories	15,762
Property, plant and equipment	3,709
Intangible assets	105,223
Right-of-uses	242,935
Disposal asset group classified as held for sales	<u>386,601</u>
Short-term loans from financial institutions	27,953
Trade and other current payables	144,249
Other current liabilities	16,975
Lease liabilities	220,147
Liabilities included in disposal asset group classified as held for sales	<u>409,324</u>
Net disposal asset group classified as held for sales	<u><u>(22,723)</u></u>

9.2 Investments in subsidiaries consisted of :

Name of Company	Place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests (%)		Thousand Baht					
				Profit (loss) allocated to non-controlling interests		Dividend paid to non-controlling interest for the year		Accumulated non-controlling interest	
				2021	2020	2021	2020	2021	2020
T.C.H. Suminoe Co., Ltd.	Thailand	50.10	50.10	38,370	23,500	38,715	42,139	217,015	217,360
TCMC Furniture Limited	England	24.00	24.00	(6,329)	(2,782)	-	-	(56,905)	(50,678)
TCM Living Limited	England	24.55	24.55	2,233	14,612	6,191	3,761	188,120	192,078
Group Other				(1,601)	(1,592)	-	-	11,448	12,669
Total				<u>32,673</u>	<u>33,738</u>	<u>44,906</u>	<u>45,900</u>	<u>359,678</u>	<u>371,429</u>

Summarized financial information in respect of T.C.H Suminoe Co., Ltd. represents amounts before intra group eliminations.

	Thousand Baht	
	2021	2020
<u>Statement of financial position</u>		
Current assets	341,981	368,577
Non-current assets	252,855	244,867
Current liabilities	105,682	135,809
Non-current liabilities	54,740	42,532
<u>Statement of comprehensive income</u>		
Revenues	754,745	656,866
Profit attributable to non-controlling interests	38,370	17,198
Other comprehensive loss attributable to non-controlling interests	-	(414)
<u>Statement of cash flows</u>		
Net cash provided by operating activities	94,371	115,827
Net cash used in investing activities	(31,483)	(4,110)
Net cash used in financing activities	(83,860)	(93,035)
Net cash increase (decrease) in cash and cash equivalents	<u>(20,972)</u>	<u>18,682</u>
Dividend paid to non-controlling interest	38,715	42,139

Summarized financial information in respect of TCMC Furniture Limited Group represents amounts before intra group eliminations.

	Thousand Baht	
	2021	2020
<u>Statement of financial position</u>		
Current assets	5,128	58,491
Non-current assets	1,114,020	1,003,896
Current liabilities	65,964	42,273
Non-current liabilities	265,923	322,115
<u>Statement of comprehensive income</u>		
Revenues	20,261	155,559
Profit (loss) attributable to non-controlling interests	1,844	(2,316)
Other comprehensive income (loss) to non-controlling interests	92	(465)

	Thousand Baht	
	2021	2020
<u>Statement of cash flows</u>		
Net cash provided by operating activities	20,006	70,133
Net cash provided by investing activities	20,261	81,309
Net cash used in financing activities	(98,606)	(94,156)
Net cash increase (decrease) in cash and cash equivalents	(58,339)	57,286
Exchange differences on translating financial statements of foreign operation	11,350	734

Summarized financial information in respect of TCM Living Limited Group represents amounts before intra group eliminations.

	Thousand Baht	
	2021	2020
<u>Statement of financial position</u>		
Current assets	1,449,347	1,211,953
Non-current assets	2,803,315	2,220,928
Current liabilities	1,539,873	1,134,220
Non-current liabilities	411,616	167,340
<u>Statement of comprehensive income</u>		
Revenues	5,462,660	4,103,228
Profit attributable to non-controlling interests	8,126	12,717
Other comprehensive income to non-controlling interests	123	1,894
<u>Statement of cash flows</u>		
Net cash provided by operating activities	192,346	152,171
Net cash used in investing activities	(210,796)	(66,082)
Net cash provided by (used in) financing activities	22,843	(53,185)
Net cash increase in cash and cash equivalents	4,393	32,904
Exchange differences on translating financial statements of foreign operation	(28,823)	3,434
Dividend paid to non-controlling interest	6,191	3,761

9.3 Guarantee

The Company has pledged share certificates of its subsidiaries to guarantee credit facilities of the Company and its subsidiaries with the financial institutions as discussed in Note 17 to the financial statement, as follows:

- 99.30% share of Carpet International Thailand Plc.
- 100% share of Vechachai Co., Ltd.
- 100% share of TCMC HK (2017) Limited.

10. PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment consisted of:-

	Thousand Baht					
	Consolidated financial statements					
	Balance per book as at January 1, 2021	Transactions during the year			Differences on translating the financial statements	Balance per book as at December 31, 2021
	Increase	Decrease	Transfer-in (Transfer-out)			
<u>At cost</u>						
Land	526,918	-	-	-	-	526,918
Building	1,197,606	-	-	-	10,433	1,208,039
Building improvements	63,716	1,290	(984)	-	755	64,777
Machinery and equipment	3,064,115	67,549	(92,352)	24,829	22,712	3,086,853
Furniture fixture and office equipment	290,560	5,848	(3,944)	2,542	2,164	297,170
Vehicles	138,309	16,462	(15,163)	5,052	10,374	155,034
Assets under installation	68	34,705	-	(2,541)	-	32,232
Machinery under installation	13,022	14,815	(455)	(24,829)	-	2,553
Total	5,294,314	140,669	(112,898)	5,053	46,438	5,373,576
<u>Less</u> Accumulated depreciation						
Building	(503,724)	(12,480)	-	-	(1,772)	(517,976)
Building improvements	(48,402)	(4,194)	984	-	(493)	(52,105)
Machinery and equipment	(2,428,076)	(121,229)	82,493	-	(11,053)	(2,477,865)
Furniture fixture and office equipment	(242,240)	(5,523)	3,927	-	(1,529)	(245,365)
Vehicles	(97,394)	(17,006)	13,495	(3,939)	(6,486)	(111,330)
Total	(3,319,836)	(160,432)	100,899	(3,939)	(21,333)	(3,404,641)
<u>Less</u> Allowance for impairment	(5,234)	(1,243)	-	-	-	(6,477)
Property, plant and equipment, net	1,969,244					1,962,458

	Thousand Baht					
	Consolidated financial statements					
	Balance per book as at January 1, 2020	Transactions during the year			Differences on translating the financial statements	Balance per book as at December 31, 2020
	Increase	Decrease	Transfer-in (Transfer-out)	Reclassification on		
<u>At cost</u>						
Land	526,918	-	-	-	-	526,918
Building	1,195,234	-	-	-	-	1,197,606
Building improvements	67,377	41	(3,950)	-	-	63,716
Machinery and equipment	3,011,230	37,969	(8,568)	21,237	(1,711)	3,064,115
Furniture fixture and office equipment	266,088	15,091	(876)	6,967	1,932	290,560
Vehicles	147,869	5,097	(5,500)	-	(13,818)	138,309
Assets under installation	1,033	68	-	(1,033)	-	68
Machinery under installation	23,222	16,971	-	(27,171)	-	13,022
Non-operating assets	1,013,470	-	(549,762)	(463,708)	-	-
Total	6,252,441	75,237	(568,656)	(463,708)	(13,597)	5,294,314
<u>Less</u> Accumulated depreciation						
Building	(480,851)	(22,651)	-	-	-	(503,724)
Building improvements	(43,912)	(5,613)	1,241	-	-	(48,402)
Machinery and equipment	(2,332,634)	(96,330)	1,685	-	933	(2,428,076)
Furniture fixture and office equipment	(219,700)	(18,182)	690	-	(4,151)	(242,240)
Vehicles	(93,287)	(15,291)	3,837	-	8,725	(97,394)
Non-operating assets	(293,903)	(366)	294,269	-	-	-

Total	(3,464,287)	(158,433)	301,722	-	5,507	(4,345)	(3,319,836)
<u>Less</u> Allowance for impairment	(81,781)	(7,743)	84,290	-	-	-	(5,234)
Property, plant and equipment, net	<u>2,706,373</u>						<u>1,969,244</u>

	Thousand Baht				
	Separate financial statements				
	Balance per book as at January 1, 2021	Transactions during the year			Balance per book as at December 31, 2021
	Increase	Decrease	Transfer-in (Transfer-out)		
<u>At cost</u>					
Furniture and office equipment	6,624	473	(451)	2,542	9,188
Construction in process	68	2,659	-	(2,542)	185
Total	6,692	3,132	(451)	-	9,373
<u>Less</u> Accumulated depreciation					
Furniture and office equipment	(4,078)	(1,051)	451	-	(4,678)
Total	(4,078)	(1,051)	451	-	(4,678)
Property, plant and equipment, net	<u>2,614</u>				<u>4,695</u>

	Thousand Baht				
	Separate financial statements				
	Balance per book as at January 1, 2020	Transactions during the year			Balance per book as at December 31, 2020
	Increase	Decrease	Transfer-in (Transfer-out)		
<u>At cost</u>					
Furniture and office equipment	4,768	1,856	-	-	6,624
Construction in process	-	68	-	-	68
Non-operating assets	1,013,470	-	(1,013,470)	-	-
Total	1,018,238	1,924	(1,013,470)	-	6,692
<u>Less</u> Accumulated depreciation					
Furniture and office equipment	(3,515)	(563)	-	-	(4,078)
Non-operating assets	(293,903)	(366)	294,269	-	-
Total	(297,418)	(929)	294,269	-	(4,078)
<u>Less</u> Allowance for impairment	(73,962)	(7,743)	81,705	-	-
Property, plant and equipment, net	<u>646,858</u>				<u>2,614</u>

As at December 31, 2021 and 2020, the Company and its subsidiaries had machine and equipment, furniture fixture and office equipment and vehicle, which were the fully depreciated but they are still in use with cost price of Baht 2,107.41 million and Baht 2,489.97 million, respectively (the separate amounting to Baht 2.55 million and Baht 2.91 million, respectively).

A subsidiary pledged its land together with the construction and machinery total book value amount of Baht 285.30 million to a financial institution for the guarantee of credit facilities as referred to Note 17 to the financial statements.

The long-term loans of subsidiaries in the United Kingdom are secured by fixed and flating charges over all property or undertaking of the subsidiaries as referred Note 17 to the financial statements.

11. RIGHT-OF-USE ASSETS

Right-of-use assets consisted of:-

	Thousand Baht				
	Consolidated financial statements				
	Balance per book as at January 1, 2021	Transactions during the year		Differences on translating the financial statements	Balance per book as at December 31, 2021
		Increase	Decrease		
<u>At cost</u>					
Building	142,530	36,974	(5,921)	15,442	189,025
Machinery and equipment	12,979	-	-	1,424	14,403
Furniture and office equipment	1,359	-	-	-	1,359
Vehicle	36,240	2,864	(5,286)	1,802	35,620
Total	<u>193,108</u>	<u>39,838</u>	<u>(11,207)</u>	<u>18,668</u>	<u>240,407</u>
<u>Less</u> Accumulated depreciation					
Building	(17,153)	(23,926)	5,921	(1,973)	(37,131)
Machinery and equipment	(1,170)	(1,202)	-	(158)	(2,530)
Furniture and office equipment	(788)	(280)	-	-	(1,068)
Vehicle	(17,853)	(5,523)	4,172	(1,062)	(20,266)
Total	<u>(36,964)</u>	<u>(30,931)</u>	<u>10,093</u>	<u>(3,193)</u>	<u>(60,995)</u>
Right of use assets, net	<u>156,144</u>				<u>179,412</u>

	Thousand Baht					
	Consolidated financial statements					
	Balance per book as at January 1, 2020	Transactions during the year			Differences on translating the financial statements	Balance per book as at December 31, 2020
		Increase	Decrease	Reclassification		
<u>At cost</u>						
Building	64,734	91,326	(15,356)	-	1,826	142,530
Machinery and equipment	6,208	6,513	-	-	258	12,979
Furniture and office equipment	1,359	-	-	-	-	1,359
Vehicle	38,321	4,497	(6,001)	(778)	201	36,240
Total	<u>110,622</u>	<u>102,336</u>	<u>(21,357)</u>	<u>(778)</u>	<u>2,285</u>	<u>193,108</u>
<u>Less</u> Accumulated depreciation						
Building	-	(20,281)	2,820	-	308	(17,153)
Machinery and equipment	(297)	(854)	-	-	(19)	(1,170)
Furniture and office equipment	(512)	(276)	-	-	-	(788)
Vehicle	(12,943)	(9,060)	3,542	657	(49)	(17,853)
Total	<u>(13,752)</u>	<u>(30,471)</u>	<u>6,362</u>	<u>657</u>	<u>240</u>	<u>(36,964)</u>
Right of use assets, net	<u>96,870</u>					<u>156,144</u>

	Thousand Baht			
	Separate financial statements			
	Balance per book as at January 1, 2021	Transactions during the year		Balance per book as at December 31, 2021
	Increase	Decrease		
<u>At cost</u>				
Building	14,731	27,393	(10,169)	31,955
Vehicle	3,588	-	-	3,588
Total	18,319	27,393	(10,169)	35,543
<u>Less Accumulated depreciation</u>				
Building	(1,022)	(1,963)	1,005	(1,980)
Vehicle	(1,292)	(547)	-	(1,839)
Total	(2,314)	(2,510)	1,005	(3,819)
Right of use assets, net	16,005			31,724

	Thousand Baht			
	Separate financial statements			
	Balance per book as at January 1, 2020	Transactions during the year		Balance per book as at December 31, 2020
	Increase	Decrease		
<u>At cost</u>				
Building	10,169	4,562	-	14,731
Vehicle	3,588	-	-	3,588
Total	13,757	4,562	-	18,319
<u>Less Accumulated depreciation</u>				
Building	-	(1,022)	-	(1,022)
Vehicle	(733)	(559)	-	(1,292)
Total	(733)	(1,582)	-	(2,314)
Right of use assets, net	13,024			16,005

12. INTANGIBLE ASSETS

Intangible assets consisted of:

	Thousand Baht					
	Consolidated financial statements					
	Balance per book as at January 1, 2021	Transactions during the year			Differences on translating the financial statements	Balance per book as at December 31, 2021
	Increase	Decrease	Transfer-in (Transfer-out)			
<u>At cost</u>						
Software	117,106	757	(992)	7,328	-	124,199
Customer relationship	578,207	-	-	-	52,102	630,309
Trademark	186,661	-	-	-	5,764	192,425
Design	62,464	-	-	-	6,852	69,316
Programs and license in development	31,642	927	-	(7,623)	30,472	55,418
Total	976,080	1,684	(992)	(295)	95,190	1,071,667

Thousand Baht						
Consolidated financial statements						
	Balance per book as at January 1, 2021	Transactions during the year			Differences on translating the financial statements	Balance per book as at December 31, 2021
		Increase	Decrease	Transfer-in (Transfer-out)		
<u>Less</u> Accumulated amortization						
Software	(56,135)	(8,522)	981	295	-	(63,381)
Customer relationship	(233,235)	(58,754)	-	-	(22,222)	(314,211)
Trademark	(66,155)	(5,691)	-	-	(3,311)	(75,157)
Design	(62,464)	-	-	-	(6,852)	(69,316)
Total	(417,989)	(72,967)	981	295	(32,385)	(522,065)
Intangible assets, net	<u>558,091</u>					<u>549,602</u>

Thousand Baht							
Consolidated financial statements							
	Balance per book as at January 1, 2020	Transactions during the year				Differences on translating the financial statements	Balance per book as at December 31, 2020
		Increase	Decrease	Transfer-in (Transfer-out)	Reclassification on		
<u>At cost</u>							
Software	58,251	3,095	(51)	55,847	(36)	-	117,106
Customer relationship	568,825	-	-	-	-	9,382	578,207
Trademark	181,523	-	-	-	-	5,138	186,661
Design	60,745	-	-	-	-	1,719	62,464
Programs and license in development	53,811	33,226	-	(55,847)	-	452	31,642
Total	923,155	36,321	(51)	-	(36)	16,691	976,080
<u>Less</u> Accumulated amortization							
Software	(49,225)	(6,956)	46	-	-	-	(56,135)
Customer relationship	(179,596)	(49,768)	-	-	-	(3,871)	(233,235)
Trademark	(50,529)	(14,019)	-	-	-	(1,607)	(66,155)
Design	(54,659)	(6,181)	-	-	-	(1,624)	(62,464)
Total	(334,009)	(76,924)	46	-	-	(7,102)	(417,989)
Intangible assets, net	<u>589,146</u>						<u>558,091</u>

Thousand Baht					
Separate financial statements					
	Balance per book as at January 1, 2021	Transactions during the year			Balance per book as at December 31, 2021
		Increase	Decrease	Reclassification	
<u>At cost</u>					
Software	62,987	20	-	(295)	62,712
Programs and license in development	817	10	-	-	827
Total	63,804	30	-	(295)	63,539
<u>Less</u> Accumulated amortization					

Software	(11,187)	(5,606)	-	295	(16,498)
Total	(11,187)	(5,606)	-	295	(16,498)
Intangible assets, net	52,617				47,041

	Thousand Baht					
	Separate financial statements					
	Balance per book as at January 1, 2020	Transactions during the year				Balance per book as at December 31, 2020
	Increase	Decrease	Transfer-in (Transfer-out)	Reclassification		
<u>At cost</u>						
Software	7,164	13	-	55,846	(36)	62,987
Programs and license in development	41,349	15,314	-	(55,846)	-	817
Total	48,513	15,327	-	-	(36)	63,804
<u>Less Accumulated amortization</u>						
Software	(6,808)	(4,379)	-	-	-	(11,187)
Total	(6,808)	(4,379)	-	-	-	(11,187)
Intangible assets, net	41,705					52,617

13. GOODWILL

Goodwill consisted of :

	Thousand Baht	
	Consolidated financial statements	
	2021	2020
TCM Living	1,340,102	1,207,629
Commercial Carpet Business	993,651	993,651
Total	2,333,753	2,201,280

- TCM Living consisted of :

	Consolidated financial statements			
	Foreign currency (Thousand GBP)		Thousand Baht	
	2021	2020	2021	2020
- Sofa Business - Alstons Group	6,157	6,157	250,223	243,336
- Sofa Business - DMMH Group	23,558	23,558	957,406	931,052
	29,715	29,715	1,207,629	1,174,388
Differences on translating financial statements	-	-	132,473	33,241
Total	29,715	29,715	1,340,102	1,207,629

The Company and its subsidiaries determined the recoverable amounts of the CGUs based on value-in-use by preparing projections of the cash flows that are expected to be generated from that

group of assets in the future, with reference to financial projections approved by the management. These cash flow projections cover a period of 3 - 5 years.

Key assumptions used in value-in-use of significant CGUs calculation are summarised below:

	Sofa Business (TCM Living)		
	Sofa Business - Alstons Group	Sofa Business - DMMH Group	Commercial Carpet Business
Long-term growth rate (%)	1	1	2
Discount rate before tax (%)	14.26	14.26	10

14. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	192,739	141,853	9,893	11,764
Deferred tax liabilities	(257,985)	(249,153)	(5,697)	(6,717)
	<u>(65,246)</u>	<u>(107,300)</u>	<u>4,196</u>	<u>5,047</u>

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2021 and 2020, were summarized as follows :

	Thousand Baht				
	Consolidated financial statements				
	Balance per book as at January 1, 2021	Income (expense) during the year		Differences on translating financial statements	Balance per book as at December 31, 2021
	In profit or loss	In other comprehensiv e income			
Deferred tax assets :					
Allowance for expected credit losses	2,710	984	-	173	3,867
Effect of elimination from related transactions	1,385	444	-	-	1,829
Allowance for decline in value of obsolete stocks	14,808	1,590	-	22	16,420
Gain from sales of fixed asset to related party	1,482	(1,411)	-	-	71
Allowance for impairment of assets	635	229	-	-	864
Derivative assets	7,786	(5,731)	-	680	2,735
Accrued expenses	765	1,132	-	52	1,949
Employee benefit obligations	47,030	760	(5,858)	-	41,932
Other provision	53	-	-	-	53
Trade discount	6,530	-	-	716	7,246
Deferred financing service fee	389	1,519	-	-	1,908
Tax loss	135,736	35,582	-	15,856	187,174
Total	<u>219,309</u>	<u>35,098</u>	<u>(5,858)</u>	<u>17,499</u>	<u>266,048</u>
Deferred tax liabilities :					
Lease liabilities	(3,032)	2,307	-	-	(725)

The difference from the fair value adjustment of assets from business combination	(302,676)	1,106	-	(7,777)	(309,347)
Accumulated depreciation	(19,677)	(1,545)	-	-	(21,222)
Derivative liabilities	(1,224)	1,224	-	-	-
Total	<u>(326,609)</u>	<u>3,092</u>	<u>-</u>	<u>(7,777)</u>	<u>(331,294)</u>
Thousand Baht					
Consolidated financial statements					
	Balance per book as at January 1, 2020	Income (expense) during the year		Differences on translating financial statements	Balance per book as at December 31, 2020
		In profit or loss	In other comprehensive income		
Deferred tax assets :					
Allowance for expected credit losses	1,396	1,362	-	(48)	2,710
Effect of elimination from related transactions	-	1,385	-	-	1,385
Allowance for decline in value of obsolete stocks	13,737	1,072	-	(1)	14,808
Gain from sales of fixed asset to related party	2,532	(1,050)	-	-	1,482
Allowance for impairment of assets	15,447	(14,812)	-	-	635
Derivative assets	914	6,761	-	111	7,786
Accrued expenses	1,867	(1,146)	-	44	765
Employee benefit obligations	58,420	(7,774)	(3,616)	-	47,030
Other provision	829	(776)	-	-	53
Trade discount	7,241	(723)	-	12	6,530
Deferred financing service fee	(2,122)	2,511	-	-	389
Tax loss	167,862	(33,473)	-	1,347	135,736
Total	<u>268,123</u>	<u>(46,663)</u>	<u>(3,616)</u>	<u>1,465</u>	<u>219,309</u>
Deferred tax liabilities :					
The difference from the fair value adjustment of asset held for sale	(122,418)	89,160	33,258	-	-
Lease liabilities	(5,033)	2,001	-	-	(3,032)
The difference from the fair value adjustment of assets from business combination	(318,308)	15,220	-	412	(302,676)
Accumulated depreciation	(18,002)	(1,675)	-	-	(19,677)
Derivative liabilities	-	(1,224)	-	-	(1,224)
Total	<u>(463,761)</u>	<u>103,482</u>	<u>33,258</u>	<u>412</u>	<u>(326,609)</u>

Thousand Baht					
Separate financial statements					
	Balance per book as at January 1, 2021	Income (expense) during the year		Differences on translating financial statements	Balance per book as at December 31, 2021
		In profit or loss	In other comprehensive income		
Deferred tax assets :					
Allowance for expected credit losses	850	(657)	-	-	193
Allowance for decline in value of obsolete stocks	476	-	-	-	476
Derivative liabilities	-	1,232	-	-	1,232
Accrued expenses	335	115	-	-	450
Employee benefit obligations	1,868	3,967	(362)	-	5,473

Deferred financing service fee	389	1,519	-	1,908
Lease liabilities	98	63	-	161
Tax loss	7,748	(7,748)	-	-
Total	11,764	(1,509)	(362)	9,893
Deferred tax liabilities :				
Derivative assets	(1,406)	1,406	-	-
Interest difference the effective interest rate	(5,311)	(386)	-	(5,697)
Total	(6,717)	1,020	-	(5,697)
Thousand Baht				
Separate financial statements				
	Balance per book as at January 1, 2020	Income (expense) during the year		Balance per book as at December 31, 2020
		In profit or loss	In other comprehensive income	
Deferred tax assets :				
Allowance for expected credit losses	290	561	-	851
Allowance for decline in value of obsolete stc	4,017	(3,541)	-	476
Allowance for impairment of assets	14,792	(14,792)	-	-
Accrued expenses	781	(446)	-	335
Employee benefit obligations	2,464	(518)	(78)	1,868
Deferred financing service fee	(2,122)	2,511	-	389
Lease liabilities	-	97	-	97
Tax loss	75,351	(67,603)	-	7,748
Total	95,573	(83,731)	(78)	11,764
Deferred tax liabilities :				
The difference from the fair value adjustment of asset held for sale	(122,418)	89,160	33,258	-
Derivative assets	-	(1,406)	-	(1,406)
Interest difference the effective interest rate	(4,817)	(494)	-	(5,311)
Total	(127,235)	87,260	33,258	(6,717)

15. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trust receipts	6,034	10,772	-	-
Short - term loans	405,790	285,272	-	-
Total	411,824	296,044	-	-

The subsidiary has short-term credit facilities from commercial bank in the total amount of Baht 1,347 million and GBP 11 million, which consisted of :

Type of short-term credit facilities	Interest rate
	(% per annum)
(1) Letter of credit/Trust receipt/Packing credit/Discounted export bill	LIBOR+2.00
(2) Short-term loans	LIBOR+3.00

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables				
Trade payables - other parties	528,555	458,169	948	480
Trade payables - related parties	1,901	3,440	350,136	349,398
Total trade payables	530,456	461,609	351,084	349,878
Other current payables				
Other payables - related parties	4,066	3,953	26,001	20,146
Other payables - other parties	141,886	125,619	2,542	3,861
Accrued expenses - other parties	375,542	329,439	10,102	3,590
Provision from claim on defected goods	651	2,603	-	-
Contract liabilities - advance received for goods	262,532	209,383	75,364	43,686
Accrued dividend	1,982	2,423	203	208
Accrued employee compensation	9,336	37,837	613	643
Payables for purchase of software	-	3,148	-	3,148
Accrued bonus	8,464	7,675	-	1,540
Accrued commission	5,302	7,534	2,249	1,675
The revenue department payables	73,808	140,967	160	193
Other	12,746	9,884	2,177	-
Total other current payables	896,315	880,465	119,411	78,690
Total trade and other current payables	1,426,771	1,342,074	470,495	428,568

17. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Long-term loans (principle)	2,868,135	2,864,023	2,060,000	2,060,000
<u>Less</u> : Deferred financial cost	(38,499)	(12,997)	(3,424)	(4,156)
<u>Add</u> : Accrued interest	12,963	6,102	12,963	6,102
	2,842,599	2,857,128	2,069,539	2,061,946
<u>Less</u> : Current portion due within 1 year	(259,524)	(129,710)	(90,271)	-
Long-term loans from financial institutions, net	2,583,075	2,727,418	1,979,268	2,061,946

Movement of long-term loans from a financial institutions for the year ended December 31, 2021 was summarized as follows :

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Beginning balance of the year	2,857,128	2,061,946
<u>Less</u> Repayment during the year	(97,024)	-
<u>Add</u> Interest expenses	6,861	6,861
<u>Add</u> Amortization of deferred financial cost	2,484	732
Differences on translating financial statements	73,150	-
Ending balance ended of the year	2,842,599	2,069,539

The detail of long-term loan facilities of the Company and its subsidiaries are as follows:

TCM Corporation Public Company Limited

On October 3, 2018, the Company has entered into a long-term facility agreement with the existing commercial bank to receive the loan of Baht 2,400 million for short-term loan repayment which was borrowed for acquiring of commercial carpet business. An front end fee for the new loan of Baht 6 million has been deducted from the initial carrying value and are charged to profit or loss as part of the finance cost calculated using the effective interest rate method. The agreement term is ten years and interest rate of first four year is MLR - 1.50 per annum, after the fourth year is MLR - 1.75 per annum. The interest will be paid on a monthly basis with the first interest payment on the last day of the month of the first drawdown of the loan. Repayment of the principal is to be made every six months, totaling 20 installments. The first repayment was made on the last day of the sixth month from the month of the first drawdown of the loan. Other installment will be made every six months.

Subsequently, on April 30, 2020, the Company has entered into an amended agreement of the facility agreement for Baht 2,400 million dated April 28, 2015, to also maintain liquidity of the Company from the impact of COVID-19 pandemic situation. Under the amended agreement, the bank extends the principal repayment periods for April 2020 and October 2020 installments (3rd and 4th installment) to be repayable in the last installment. The changes in loan repayment are as follows:

Installment	Amount per installment (Baht)
1	45,000,000.00
3 - 4	-
5	68,000,000.00
6 - 8	91,000,000.00
9 - 14	113,000,000.00
15 - 19	136,000,000.00
20 (last payment)	All outstanding amount

However, during October 2020, the Company had excessive cash flows from sales of land, so the Company made an early repayment of the remaining loan for the payment period from April 2021 to April 2022 (5rd - 7th installment) in the total amount of Baht 250 million prior to the above payment due.

The loan agreement contains certain conditions pertaining to following matter:

- (1) The Company shall proceed to have Srivikorn family members hold aggregate shares in lender in a proportion of not less than 30 percent of the issued and paid-up share capital.
- (2) The Company shall maintain the debt-to-equity ratio for the year 2018 to not exceed 3.00, from the year 2019 to 2020 to not exceed 2.75 and for the year 2021 onwards to not exceed 2.00.

Such credit loan has guaranteed by follows:

- 1.1) 99.31% shares of Carpet International (Thailand) Plc.
- 1.2) 100% shares of Vechachai Co., Ltd.
- 1.3) 100% shares of TCMC HK (2017) Limited
- 1.4) mortgaging land, building of Carpet International (Thailand) Plc. and registering its machinery under a business security agreement.

Overseas subsidiaries

TCMC Furniture Limited group

On April 28, 2015, the subsidiary company, TCMC Furniture Limited, has entered into a long-term loan agreement with a Thai commercial bank's oversea branch, amounting to Pounds 13 million, to acquire Alstons Furniture Group Limited. An front end fee, in the amount of Pounds 0.13 million has been deducted from the initial carrying value and are charged to profit or loss as part of the finance cost calculated using the effective interest rate method. The agreement term is five years with interest rate at LIBOR+3% per annum. An interest for the first period of interest payment will be calculated from the day on which the loan is drawdown to the end of the day on which the first interest payment is to be made. The interest will be paid on a quarterly basis from the date of first drawdown of the loan. Repayment of the principal is to be made on a quarterly basis in a total of 21 periods with the first payment being made on the last day of the third month from the month of the first drawdown of the loan. Other payment will be made every three months in the following amounts:

<u>Installment</u>	<u>Amount per installment (Pound)</u>
1 - 20	450,000.00
21 (last payment)	4,000,000.00

Subsequently, on April 30, 2020, the subsidiary, TCMC Furniture Limited, has entered into a long-term loan agreement with the existing commercial bank to refinance the remaining loan balance of Pounds 4.20 million to a new loan. The agreement term is five years, with an interest rate of LIBOR+2.675% per annum. The interest will be paid on a quarterly basis from the date of the first drawdown of the loan. Repayment of the principal is to be made on a quarterly basis with the first payment being made on the last day for the ninth month from the month of the first drawdown of the loan. Other payment will be made every quarter in the following amounts:

<u>Installment</u>	<u>Amount per installment (Pound)</u>
1 - 17	233,333.00
18 (last payment)	233,333.00

The loan is secured by charges over the assets of the TCMC Furniture Limited and its subsidiary, Alston (Upholstery) Limited. The loan also secured by a guarantee from the TCMC Furniture Limited and its subsidiaries of the group, and 76% of secured obligations from the Company.

The loan agreement contains certain conditions and restrictions pertaining to matters such as TCMC Furniture Limited has to maintain the interest coverage ratio not less than 3:1, and has to maintain the debt-to-equity ratio not over 2:1. The member of TCMC Furniture Limited has to maintain the percentage of the shareholding within TCMC Furniture Limited group in compliance with the existing structure according to loan agreement.

Manor (2016) Holdings Limited group

On October 4, 2016, the subsidiary company, Manor (2016) Holdings Limited, has entered into a long-term loan agreement with a Thai commercial bank's oversea branch, amounting to Pounds 20 million, to acquire DM Midlands Limited. The agreement term is 7 years with interest rate at LIBOR+3.25% per annum. An interest for the first period of interest payment will be calculated from the day on which the loan is drawn down to the end of the day on which the first interest payment is to be made. The interest will be paid on a quarterly basis from the date of first drawdown of the loan. Repayment of the principal and interest is to be made on a quarterly basis in a total of 27 periods with the first interest payment being made on the last day of the third month from the month of the first drawdown of the loan. The first principal payment is to be made on the last day of the ninth month from the month of the first drawdown of the loan. Other payment will be made every three months.

Subsequently, on July 30, 2020, the subsidiary, Manor (2016) Holdings Limited has entered into an amendment agreement of the facility agreement for Pounds 20 million, to maintain liquidity of the subsidiary from the impact of COVID-19 pandemic situation. Under the amended agreement, the bank extends the principal repayment periods for April 2020 to January 2021 installments (12th to 15th installment) to be repayable in the last installment. The changes in loan repayment are as follows:

Periods	Amount (Pound)
1 - 11	500,000.00
12 - 15	-
16 - 26	600,000.00
27 (last payment)	7,900,000.00

This loan is secured by fixed and floating charges over all property of the Manor (2016) Holdings Limited Group.

The loan agreement contains certain conditions and restrictions pertaining to matters such as Manor (2016) Holdings Limited has to maintain the interest coverage ratio for the year 2019 not less than 2.25:1, for the year 2020 not less than 2.5:1 and for the year 2021 onwards not less than 3:1, and has to maintain the debt to equity ratio for the year 2019 not over 2.2:1, for the year 2020 not over 1.7:1 and for the year 2021 onwards not over 1.4:1. The member of Manor (2016) Holdings Limited has to maintain the percentage of the shareholding within TCMC Furniture Limited group in compliance with the existing structure according to loan agreement. No capital distributions are permitted until the balance is reduced to 60% of the facility.

TCMC HK (2017) Limited Group

During the year 2020, a subsidiary in America under TCMC HK (2017) Limited group, received credit facilities in the total amount of USD 1.83 million from the government agency, U.S. Small Business Administration (SBA) and a financial institution under the program of financial reprieve to a small business who was affected by COVID -19 pandemic situation. Details of such credit facilities and their significant conditions are as follows:

- Economic Injury Disaster Loan (EIDL) Advance of USD 0.01 million; this loan is using for maintaining its employees without interest charge and has no repayment period.
- Economic Injury Disaster Loan (EIDL) of USD 0.15 million; this loan bears interest at 3.75% per annum. Repayment of the principal with interest is to be made on a monthly basis each USD 731, with a grace period of twelve months. The first payment will be made in November 2021. All remaining principal and accrued interest are due and payable in November 2050. The loan is secured by a charge over the operating assets of the subsidiary.
- Paycheck Protection Program forgivable loan, on April 20, 2020, the Company received a Paycheck Protection Program forgivable loan (PPP loan) in the amount of USD 1.67 million, the loan proceeds were used to fund certain payroll and other approved costs under the program in the amount of USD 1.38 million, which it was recognised as other income. The remaining portion of USD 0.29 million was recorded as long-term loan. The loan is bearing an interest of 1% per annum. The first repayment is November 2020 and the balance will be paid in 17 equal monthly installments. The loan is secured by a charge over the operating assets of the subsidiary.

During the year 2021, the subsidiary had gotten forgiveness of certain loans, amount of USD 0.29 million is based on the employer maintaining condition under the regulation of SBA, which it was recognized as other income.

18. LEASE LIABILITIES

Lease liabilities consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease liabilities	215,179	180,619	37,727	19,574
<u>Less</u> Deferred interest	(3,561)	(20,376)	(6,674)	(4,562)
	211,618	160,243	31,053	15,012
<u>Less</u> Current portion due within 1 year	(65,917)	(35,665)	(2,968)	(1,245)
Lease liabilities, net	<u>145,701</u>	<u>124,578</u>	<u>28,085</u>	<u>13,767</u>

Movement of lease liabilities account for the year ended December 31, 2021 summarized as follows:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value beginning balance	160,243	15,012

Additions during the year	40,693	27,393
Cancellation of lease contracts during the year	-	(9,419)
Payments for the year	(58,365)	(2,907)
Accretion of interest	1,755	974
Differences on translating financial statements	67,292	-
Net book value ending balance	<u>211,618</u>	<u>31,053</u>

The following are the leases related expenses recognized in profit or loss:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Depreciation of right-of-use assets	30,946	2,511
Interest expenses on lease liabilities	1,755	974
Total	<u>32,701</u>	<u>3,485</u>

19. PROVISION FOR EMPLOYEE BENEFIT

The statements of financial position :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision for employee benefit at beginning balance	247,161	307,320	9,339	12,322
Transfer in of employee from subsidiaries	-	-	14,301	-
Current service costs and interest	29,919	28,379	6,162	1,267
Loss on settlement of benefits	6,224	19,173	1,044	962
Actuarial gains	(29,292)	(18,478)	(1,808)	(394)
Benefits paid	(27,049)	(89,233)	(1,672)	(4,818)
Differences on translating financial statements	467	-	-	-
Provision for employee benefit at ending balance	<u>227,430</u>	<u>247,161</u>	<u>27,366</u>	<u>9,339</u>

Expense recognized in the statements of comprehensive income :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current service costs and interest				
Cost of sales	13,614	14,738	189	-
Selling and administrative expenses	16,305	13,641	5,973	1,267
	29,919	28,379	6,162	1,267
Loss on settlement of employee benefits	6,224	19,173	1,044	962
Total	<u>36,143</u>	<u>47,552</u>	<u>7,206</u>	<u>2,229</u>

Expense recognized in other comprehensive income :

	Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Actuarial gain				
Demographic assumptions changes	(12,620)	1,036	-	-
Financial assumptions changes	(4,374)	2,479	(31)	-
Experience adjustments	(12,298)	(21,993)	(1,777)	(394)
Total	(29,292)	(18,478)	(1,808)	(394)

Principal actuarial assumptions :

	Percentage per annum			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	0.93 - 1.86	1.11 - 1.42	1.46	1.42
Salary increase rate	4.00 - 5.00	4.00 - 5.00	4.00	4.00
Employee turnover rate	0.00 - 49.00	0.00 - 56.00	0.00 - 36.00	0.00 - 41.00
Disability	5.00	5.00	5.00	5.00
Mortality	100 of Thai mortality table 2017	100 of Thai mortality table 2017	100 of Thai mortality table 2017	100 of Thai mortality table 2017

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term provisions for employee benefit obligations as at December 31, 2021 and 2020, are summarized below:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate				
1% increase	(18,726)	(24,819)	(784)	(418)
1% decrease	21,405	28,814	866	466
Salary increase rate				
1% increase	21,690	28,510	848	449
1% decrease	(19,241)	(25,060)	(787)	(412)
Employee turnover rate				
1% increase	(19,554)	(25,723)	(829)	(449)
1% decrease	13,637	18,661	446	235

20. REGAL RESERVE

In compliance with the Public Company Act. B.E.2535 (1992), the Company has to set aside a portion of annual net profit for legal reserve not less than 5% of annual net profit until this reserve is not less than 10% of authorized capital. Such reserve is not allowed to pay for dividend.

According to the Annual General Shareholder' Meeting for the year 2021, it had a resolution to allocate the legal reserve amounted Baht 1,908,231.82.

21. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2021 and 2020 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Changed in inventories of finished goods and work in process	(120,159)	(52,907)	(5,659)	25,450
Raw materials and consumables used	1,013,780	3,381,374	-	-
Purchase of finished goods	620,011	665,967	530,920	710,266
Depreciation and amortization	264,332	265,827	9,169	6,890
Salaries, wage and other employee benefits	1,031,013	1,926,099	68,679	45,878
Management compensation	213,353	194,885	18,851	17,057
Management and technical fees	15,216	12,255	35,921	54,844

22. PROVIDENT FUND

The Company and its subsidiaries have set up provident fund in accordance with the Provident Fund Act B.E. 2530 (1987), in order to encourage savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company and its subsidiaries regulation. The fund is partly contributed by the employees and another part by the Company at the rate of 3% and 5% of their basic salaries. Hereby, the Company and its subsidiaries have appointed BCAP Asset Management Company Limited as the fund manager to manage the established Fund.

Provident fund contributions made by the Company and its subsidiaries for their employees and recognized as expense in the statements of comprehensive income for the years ended December 31, 2020 amounting to Baht 4.26 million. And on January 5, 2021, the Ministry of Finance has issued an announcement that employees or employers who are financially impacted by the situation of the Coronavirus disease 2019 (Covid-19). Employees and employers can temporarily suspend or postpone the contributions to the provident fund until the remittance period of December 2021. The Company and its subsidiaries exercise their rights according to the notification of the Ministry of Finance. Therefore, they did not pay contributions for the year ended December 31, 2021.

23. OPERATING SEGMENT

The Company and subsidiaries operate in three main operating segments reported by products as follows:

Type of operating segment	Nature of operating segment
- TCM Flooring	- Hand-woven and machine-woven carpet for indoor decoration including the flooring materials
- TCM Living	- Sofa chair for interior decoration
- TCM Automotive	- Carpet for the floors inside vehicles, vehicles upholstery fabrics

The operating segment's performance is regularly reviewed by the Chief Operating Executive Director, in order to make decisions about the allocation of resources to the segment and assess its performance. The

Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Details of financial information by segment operations for the years ended December 31, 2021 and 2020 were as follows :

	Thousand Baht							
	Consolidated financial statements							
	TCM Flooring		TCM Automotive		TCM Living		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from sales and services	1,550,216	2,034,407	731,748	652,956	5,462,456	4,105,038	7,744,420	6,792,401
Cost of sales and services	(986,831)	(1,289,932)	(572,583)	(527,920)	(4,617,020)	(3,382,943)	(6,176,434)	(5,200,795)
Gross profit	563,385	744,475	159,165	125,036	845,436	722,095	1,567,986	1,591,606
Other income	28,513	68,403	21,607	3,910	203	1,717	50,323	74,030
Distribution costs	(255,542)	(309,120)	(32,144)	(22,747)	(413,142)	(315,753)	(700,828)	(647,620)
Administrative expenses	(416,366)	(504,343)	(53,564)	(46,006)	(439,596)	(281,613)	(909,526)	(831,962)
Sharing expenses	(6,321)	(22,391)	(2,896)	(4,726)	(33,557)	(15,143)	(42,774)	(42,260)
Gain on exchange rate	20,977	4,677	1,390	221	-	-	22,367	4,898
Gain (loss) on fair value adjustments to derivatives	(11,999)	6,119	-	-	37,471	(35,079)	25,472	(28,960)
Finance costs	(87,511)	(109,144)	(718)	(605)	(46,965)	(43,917)	(135,194)	(153,666)
Income tax (expenses)	46,151	43,758	(19,148)	(12,076)	(24,942)	2,142	2,061	33,824
Profit (loss) for the year	(118,713)	(77,566)	73,692	43,007	(75,092)	34,449	(120,113)	(110)

Information about geographical areas

The Company and its subsidiaries' revenue from sales separated by geographical area for the years ended December 31, 2021 and 2020 were summarized as follows :

	Thousand Baht	
	Consolidated financial statements	
	2021	2020
Thailand	832,563	1,314,400
United Kingdom	5,432,013	4,062,914
Other	1,479,844	1,415,087
Total	7,744,420	6,792,401

Non-current assets of the Company and its subsidiaries separated by geographical area as at December 31, 2021 and 2020 were as follows :

	Thousand Baht							
	Consolidated financial statements							
	Thailand				Overseas			
	TCM Flooring		TCM Automotive		TCM Flooring		TCM Living	
2021	2020	2021	2020	2021	2020	2021	2020	
Property, plant and equipment	1,467,432	1,519,660	225,690	225,013	9,831	8,125	259,505	216,447
Right-of-use assets	9,421	6,724	17,063	9,158	20,817	9,550	132,111	130,712
Intangible assets	194,376	219,066	9,303	9,773	-	-	345,923	329,252
Total	1,671,229	1,745,450	252,056	243,944	30,648	17,675	737,539	676,411

Information about major customers

For the years ended December 31, 2021 and 2020, the subsidiaries have a major customer constitute 10% of the revenue from the sale of the Company and its subsidiaries in the amount of Baht 1,860.09 million and Baht 2,058.51 million, respectively.

24. INCOME TAX (EXPENSES)

24.1 Major components of income tax (expenses) for the years ended December 31, 2021 and 2020 consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Income tax (expenses) shown in profit or loss :				
Current income tax (expenses) :				
Income tax expenses for the year	36,129	(22,993)	67	-
Deferred income tax (expenses) :				
Changes in temporary differences relating to the original recognition and reversal	(38,190)	56,817	489	3,528
Total	(2,061)	33,824	556	3,528
Income tax relating to components of other comprehensive income :				
Actuarial gain	5,858	-	362	-
Total	5,858	-	362	-

24.2 The reconciliation between the accounting profit and income tax expenses for the years ended December 31, 2021 and 2020 are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit (loss) for the year	(122,175)	(33,934)	17,063	34,636
The applicable tax rate (%)	20	20	20	20
(Income) tax expense at the applicable tax rate	(24,435)	(6,787)	3,412	6,927
Reconciliation items:				
Tax effect of additional income assessment:	603	-	603	-
Tax effect of expenses that are not deductible and income that are not required in determining tax profit	(12,928)	(13,364)	4,253	(9,919)
Tax effect of income or profit that are not required in determining taxable profit :				
- Exemption of non-taxable dividend income	-	-	(7,712)	-
- Exemption of income non-taxable	(1,348)	-	-	-
- Expense indeterminant tax	(18)	-	-	-
Unrecognized tax losses on deferred tax assets	42,527	(17,983)	-	(536)
Effect on difference of tax rate	(6,636)	(1,190)	-	-
Others	174	5,500	-	-

Total reconciliation items	22,374	(27,037)	(2,856)	(10,455)
Total (income) tax expenses	(2,061)	(33,824)	556	(3,528)

As at December 31, 2021 and 2020, the three subsidiaries have the accumulated tax losses that have not been yet utilized and recorded as deferred tax assets amounting to Baht 37.96 million and Baht 29.15 million, respectively, since the companies still have considered the subsidiary and rationale for its utilization of deferred tax assets compared with their financial plans.

25. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year (excluding other comprehensive income) by weighted average number of ordinary shares that are issued and paid during the year.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit (loss) for the year (Thousand Baht)				
- attributable to equity holders of the parent	(152,848)	(41,028)	16,507	38,165
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125	763,201,125	763,201,125
Basic earnings (loss) per share (Baht per share)	(0.20)	(0.05)	0.02	0.05

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at December 31, 2021, the Company and its subsidiaries had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows :

	Thousand Baht			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at FVPL				
- Unit trusts	-	7,659	-	7,659
Financial assets at FVOCI				
- Common stock	2,961	-	-	2,961
Liabilities measured at fair value				
Financial liabilities at FVPL				
- Foreign currency forward contracts	-	14,052	-	14,052
	Thousand Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Financial liabilities at FVPL				
- Foreign currency forward contracts	-	6,159	-	6,159

During the current year, there were no transfers within the fair value hierarchy.

27. FINANCIAL INSTRUMENTS

27.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiary do not hold or issue any derivative financial instruments.

27.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks and bank overdrafts facility. The most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not significantly affect their operations and/or cash activities, therefore no financial derivatives was adopted to manage such risks.

As at December 31, 2021 and 2020, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Thousand Baht				Effective interest rate (% per annum)
	Consolidated financial statements as at December 31, 2021				
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total	
<u>Financial Assets</u>					
Cash and cash equivalents	195,396	-	284,747	480,143	1.10 - 1.30
Trade and other current receivables	-	-	1,406,741	1,406,741	-
Other current financial assets	-	-	7,659	7,659	-
Other non-current financial assets	-	-	2,961	2,961	-
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	411,824	-	411,824	2.47 - 3.00
Trade and other current payables	-	-	1,426,771	1,426,771	-
Other current financial liabilities	-	-	14,053	14,053	-
Long-term loans from financial institutions	-	2,842,599	-	2,842,599	3.00 - 4.07
Long-term loans from related person	-	1,173	-	1,173	2.00
Lease liabilities	-	211,618	-	211,618	2.00 - 5.25

	Thousand Baht				Effective interest rate (% per annum)
	Consolidated financial statements as at December 31, 2020				
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total	
<u>Financial Assets</u>					
Cash and cash equivalents	289,635	-	382,585	672,220	1.10 - 1.30
Trade and other receivables	-	-	1,321,484	1,321,484	-
Other current financial assets	-	-	100,794	100,794	-

Other non-current financial assets	-	-	2,668	2,668	-
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	296,044	-	296,044	2.47 - 3.00
Trade and other payables	-	-	1,342,074	1,342,074	-
Short-term loans from related person	-	1,500	-	1,500	1.15
Other current financial liabilities	-	41,894	-	41,894	-
Long-term loans from financial institutions	-	2,857,129	-	2,857,129	3.00 - 4.07
Long-term loans from related person	-	17,699	-	17,699	2.00
Lease liabilities	-	160,243	-	160,243	2.00 - 5.25

Thousand Baht

	Separate financial statements as at December 31, 2021				Effective interest rate (% per annum)
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total	
<u>Financial Assets</u>					
Cash and cash equivalents	89,899	-	3,615	93,514	1.10 - 1.30
Trade and other current receivables	-	-	487,511	487,511	-
Short-term loans to subsidiaries	-	133,943	-	133,943	3.50
Long-term loans to subsidiaries	-	211,216	-	211,216	2.00
<u>Financial liabilities</u>					
Trade and other current payables	-	-	470,495	470,495	-
Other current financial liabilities	-	-	6,159	6,159	-
Long-term loans from financial institutions	-	2,069,539	-	2,069,539	3.75
Lease liabilities	-	31,053	-	31,053	3.50 - 4.75

Thousand Baht

	Separate financial statements as at December 31, 2020				Effective interest rate (% per annum)
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total	
<u>Financial Assets</u>					
Cash and cash equivalents	10,349	-	168,996	179,345	1.10 - 1.30
Trade and other receivables	-	-	446,572	446,572	-
Long-term loans to subsidiaries	-	206,508	-	206,508	2.00
Other current financial assets	-	-	7,034	7,034	-
<u>Financial liabilities</u>					
Trade and other payables	-	-	428,568	428,568	-
Long-term loans from financial institutions	-	2,061,946	-	2,061,946	3.75
Lease liabilities	-	15,012	-	15,012	3.50 - 4.75

27.3 Credit risk

The Company and its subsidiaries are exposed to credit risk of trade receivables. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for expected credit losses.

27.4 Foreign currency risk

The Company and its subsidiaries do not consider themselves exposed to foreign currency risk since the Company and its subsidiaries perform only domestic business activities.

The Company and its subsidiaries to foreign currency risk relates primarily to raw materials purchases sales of goods and Loans to subsidiaries in foreign currencies. As at December 31, 2021, the Company and its subsidiaries primarily utilized forward exchange contracts and foreign exchange option to hedge exchange rate as follows:

	<u>Maturity date</u>	<u>Foreign currency</u>	<u>Applicable exchange rates</u>
Selling contracts	January 5, 2022 - June 28, 2022	USD 11,463,337	THB 32.25 - 33.94
Selling contracts	February 15, 2022	GBP 3,000,000	THB 44.86
Purchase contracts	March 25, 2022 - June 2, 2022	USD 942,283	THB 33.26 - 33.93
Purchase contracts	January 4, 2022 - June 1, 2022	EUR 1,749,677	GBP 1.16 - 1.18

27.5 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries' operations as well as securing and reducing the impact of fluctuations in cash flow by establish reasonable short-term credit facilities from financial institutions.

27.6 Fair values of financial instruments

Since the majority of the Company and its subsidiaries financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

28. COMMITMENTS

28.1 As at December 31, 2021, the Company and its subsidiaries had commitments on the long-term service agreement as follow :

28.1.1 The Company entered into a services agreement with an Inter- Group company, Royal Thai Americas (2017), to provide the flooring business segment of the Group with the following services: (1) strategic management; (2) administration, legal and tax; (3) public relations and worldwide marketing support; (4) provision of goods; (5) product design; and (6) information technology. The management fee for the services shall be calculated based on total costs incurred according to the basis mentioned in the agreement.

The agreement has been in effect since January 1, 2019 and shall remain in effect for a period of one year from the effective date, unless written notice to the contrary is given to the counter party 30 days prior in advance. Otherwise, this Agreement shall automatically renew for a one-year period on each anniversary of the effective date.

28.1.2 On April 25, 2008, a subsidiary entered into a technical assistance agreement with a foreign related company. The above subsidiary must pay a technical assistance fee every 3 month at the agreed percentage of net sales of fabric products and carpet products. The calculation applies to sales starting from June 1, 2008. The agreement ends on May 31, 2009 with the option to automatically renew every year until there is a termination notice.

28.2 As at December 31, 2021, the Company and its subsidiaries had the following commitments on capital expenditure :

	Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
Machinery and equipment purchase	14,654	-
Other	131	-
Total	14,785	-

28.3 As at December 31, 2021, the Company and its subsidiaries had commitments under leases for which the lease term end within one year or for the low-value underlying assets as follows :

	Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
Within 1 year	1,773	-
Over 1 year but not over 5 years	290	-
Total	2,063	-

29. CONTINGENT LIABILITIES

29.1 As at December 31, 2021, the Company and its subsidiaries had contingent liabilities from letter of guarantee issued by several commercial banks to guarantee product sales and rental agreement amounting to Baht 60.77 million (the separate : Baht 29.73 million).

29.2 As at December 31, 2021, the Company and its subsidiaries had short-term credit facilities, in total amount of as follow :

Currency	Million Baht					
	Consolidated financial statements			Separate financial statements		
	Credit arrangement	Used	Unused	Credit arrangement	Used	Unused
1) Baht	1,347.00	(83.02)	1,263.98	385.00	(29.73)	355.27
2) GBP	11.00	(9.62)	1.38	-	-	-

The Company and its subsidiaries had forward contracts credit facilities in the amount of Baht 830 million and USD 10.30 million (the separate : Baht 630 million and USD 1 million).

30. CAPITAL MANAGEMENT

The primary objectives for capital management of the Company and its subsidiaries are to ensure the appropriate financial structure and sustain future development of business. According to the statement of financial position as at December 31, 2021, the Company's and its subsidiaries' debt to equity ratio was 2.501 : 1 (as of December 31, 2020, was 2.222 : 1) and the Company's debt to equity ratio was 1.092 : 1 (as of December 31, 2020, was 1.063 : 1)

31. RECLASSIFICATION

The Company and its subsidiaries had reclassified certain of accounting transactions in the financial statements for the year 2020 period in order to comply with the current period accounting classification which had no effect on net profit (loss) or shareholders' equity as follows:

	Thousand Baht		
	Consolidated financial statements		
	Reclassification		
	Before Reclassification	Increase (decrease)	After Reclassification
<u>Statement of financial position</u>			
As at December 31, 2020			
Trade and other current receivables	1,329,230	(7,746)	1,321,484
Current tax assets	15,066	(15,066)	-
Inventories	804,228	(34,584)	769,644
Other current assets	4,975	34,584	39,559
Other non-current receivables	5,909	(5,909)	-
Other non-current assets	3,018	28,721	31,739

	Thousand Baht		
	Separate financial statements		
	Reclassification		
	Before Reclassification	Increase (decrease)	After Reclassification
<u>Statement of financial position</u>			
As at December 31, 2020			
Trade and other current receivables	454,317	(7,746)	446,571
Current tax assets	8,309	(8,309)	-
Other non-current receivables	255	(255)	-
Other non-current assets	-	16,310	16,310

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 28, 2

MR. PIMOL SRIVIKORN

Chairman of the Board

Our commitment to social responsibility extends beyond providing products that are safe, comfortable, and well designed. It extends to fostering humane, safe, and ethical workplace conditions in every facet of our multinational business, while promoting those same values – and a greater commitment to social awareness – wherever our brands are present.

2



MR. SORAVIS KRAIRIKSH

Chairman of Audit Committee and Independent Director

3



MR. SUVITCHA NATIVIVAT

Member of Audit Committee and Independent Director

4



MRS. DUANGJAI LORLERTWIT

Member of Audit Committee and Independent Director

5



MR. UTHAYAN UTHAYANA

Independent Director

6



MR. ISAREIT CHIRATHIVAT

Independent Director

7



MISS PIYAPORN PHANACHET

Chief Executive Officer

8



M.L. WALLIWAN VARAVARN

Executive Director

9



MR. SUMATE SUWANVONGKIJ

Director

10



MRS. NOPPHAPORN APHIWATTANAKUL

Executive Director

Attachment

Attachment 1 Information on Directors, Management, Persons with Power and Company Secretary

(Information as of 31 December 2021)

Details on Directors



Mr. Pimol Srivikorn

Current Position: Chairman of the Board and Chairman of Executive Board
Nationality: Thai
Age: 57 years
Address: 132/4 Soi Charoenmit, Phrakanong Nue, Wattana, Bangkok Thailand 10110
Education: Master's Degree Business Administration, California University, USA
Bachelor's Degree Business Administration, University of Pennsylvania, USA
Director Accreditation Program: Director Accreditation Program (DAP) Class 154/2018
Period of Directorship: Holding Positions since 29 April 2004 until 2021 for total 17 years
Meeting Attendance of the Past Year: Attended 6 of 6 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2021, 111,000,000 shares
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business:

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business
Total	Type of Directorship		
None	-	8 Companies	None

Work Experiences

2017 – Present : Chairman – TCMC HK (2017), HK
2017 – Present : Director – Vechachai Company Limited
2016 – Present : Chairman – TCM Living Limited, UK
2015 – Present : Chairman - Manor (2016) Holdings Limited, UK
2015 – Present : Chairman - TCMC Furniture Limited, UK
2010 – Present : Executive Director - Srivikorn Group Holding Co., Ltd.
2007 – Present : President - Taekwondo Association of Thailand
1989 – Present : Director - President Hotel and Tower Co., Ltd.



Mr. Soravis Krairiksh

Current Position: Chairman of Audit Committee and Independent Director
Nationality: Thai
Age: 49 years
Address: 11/16 Narasiri Bangna Moo14, Bangna Trad Rd., Bangpleeyai, Bangplee, Samutprakan Thailand 10540
Education: Master's in finance, London Business School
 Bachelor in Economics, London School of Economics
Director Accreditation Program: Director Accreditation Program (DAP) Class 42/2005
 Advanced Audit Committee Program (AACP) Class 31/2018
Period of Directorship: Holding Positions since 29 November 2006 until 2021 for total 16 years
Meeting Attendance of the Past Year: Attended 6 of 6 of Board of Directors' Meetings
 Attended 4 of 4 of Audit Committee's Meetings
Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business:

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business Total
Total	Type of Directorship		
1 Company	(1) Managing Director, Investment Banking Group - Bualuang Securities PCL.	None	None

Work Experiences

2020 – Present: Managing Director, Investment Banking Group - Bualuang Securities PCL.
 2015 – 2019: Deputy Managing Director, Investment Banking Group - Bualuang Securities PCL.
 2012 – 2018: Executive Vice President, Investment Banking Group - Bualuang Securities PCL.
 2009 – 2011: Senior Vice President - Bangkok Bank PCL.
 2007 – 2008: Senior Vice President - Bualuang Securities PCL.
 2004 – 2006: First Vice President - Bualuang Securities PCL.



Mr. Suvitcha Nativivat

Current Position: Member of Audit Committee and Independent Director
Nationality: Thai
Age: 40 years
Address: 877/105 Soi Ramkhamhaeng 24, Suanluang, Bangkok Thailand 10250
Education: Master of Laws, University of Pennsylvania Law School, USA
 Bachelor of Laws (Hons.), University of London, UK
 Bachelor of Laws, Chulalongkorn University, Thailand
 Bachelor of Business Administration, Sukhothai Thammathirat University, Thailand

Director Accreditation Program: Director Accreditation Program (DAP) Class 188/2014
 Advanced Audit Committee Program (AACP) Class 30/2018
 Director Leadership Certification Program (DLCP) Class 1/2021

Period of Directorship: Holding Positions since 29 April 2013 until 2021 for total 9 years
Meeting Attendance of the Past Year: Attended 6 of 6 of Board of Directors' Meetings
 Attended 3 of 4 of Audit Committee's Meetings

Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business:

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business
Total	Type of Directorship		
None	-	6 Companies	None

Work Experiences

2016 – Present: Managing Director - Vitaboost (Thailand) Co., Ltd.
 2016 – Present: Director – Bright TV Co., Ltd.
 2015 – Present: Director – Power Matic Co., Ltd.
 2014 – Present: Director - N-Vest Venture Capital Co., Ltd.
 2011 – Present: Partner - Bunchong and Vidhya Law Office Co., Ltd.
 2009 – Present: Independent Director and Audit Committee Member - King Wai Life Insurance (Thailand) PCL.
 (Formerly Manulife Insurance (Thailand) PCL.)
 2010 – 2011: Senior Associate - Timblich and Partners Co., Ltd.
 2008 – 2010: Associate - Linklaters (Thailand) Co., Ltd.



Mrs. Duangjai Lorlertwit

Current Position: Member of Audit Committee and Independent Director
Nationality: Thai
Age: 60 years
Address: 23 Soi Piboolwattana, Rama6 Road, Phayathai, Phayathai, Bangkok Thailand 10400
Education: Bachelor of Communication Arts, Chulalongkorn University, Thailand
Director Accreditation Program: Director Certification Program (DCP) Class 148/2011
 Advanced Audit Committee Program (AACP) Class 30/2018
 Director Leadership Certification Program (DLCP) Class 1/2021
Period of Directorship: Holding Positions since 1 March 2018 until 2021 for total 4 years
Meeting Attendance of the Past Year: Attended 6 of 6 of Board of Directors' Meetings
 Attended 4 of 4 of Audit Committee's Meetings
Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business:

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business
Total	Type of Directorship		
None	-	1 Company	None

Work Experiences

2018 – Present: Advisor – Stonehenge Inter PCL.
 2018 – 2020: Director – GMM Studios International Co., Ltd.
 2017 – 2020: Director and Executive Director – GMM Channel Holding Co., Ltd. (Formerly GMM Channel Trading Co., Ltd.)
 2016 – 2020: Advisor to the Chairman – CAT Telecom PCL.
 2016 – 2019: Director – C Panel Co., Ltd.
 2006 – 2017: Partner – JD Partner Co., Ltd.
 2003 – 2005: Executive Vice President – MCOT PCL.
 2001 – 2003: Chief Operation Officer – Nation Broadcasting Corporation Co., Ltd. and Nation Radio Co., Ltd.
 1990 – 1999: Managing Director – Grammy Television Co., Ltd.
 1990 – 1999: Executive Director – Grammy Entertainment PCL.



Mr. Uthayan Uthayanaka
(Resignation on 13th July 2021)

Current Position: Independent Director
Nationality: Thai
Age: 86 years
Address: 4 Soi Premier, Srinakarin Rd., Nongbon, Prawet, Bangkok Thailand 10250
Education: Bachelor Degree in Politic Science, Widener University, USA
Director Accreditation Program: Director Accreditation Program (DAP) Class 42/2005
 Audit Committee Program (ACP) Class 2003
Period of Directorship: Holding Positions since 26 April 2005 until 2021 for total 16 years
Meeting Attendance of the Past Year: Attended 3 of 3 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business:

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business
Total	Type of Directorship		
None	-	None	None

Work Experiences

Qualified Director - Office of the Civil Service Commission
 Vice President - Suanluang RAMA 9 Foundation
 Inspector - Prime Minister's office
 Assistant Secretary - The Office of Accelerated Rural Development



Mr. Isareit Chirathivat

Current Position: Independent Director
Nationality: Thai
Age: 43 years
Address: 5/4 Unit B3 Soi Atthakan Prasit, ThungMahaMek, Sathon, Bangkok Thailand 10120
Education: Master's Degree, Marketing, Real Estate & Entrepreneurship, UCLA Anderson School of Management
 Bachelor's Degree, Economics, Boston College
Director Accreditation Program: Director Accreditation Program (DAP) Class 154/2018
Period of Directorship: Holding Positions since 29 April 2013 until 2021 for total 9 years
Meeting Attendance of the Past Year: Attended 5 of 6 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business
Total	Type of Directorship		
1 Company	(1) Head of Food and Fashion Partner Management - Central Pattana PCL.	None	None

Work Experiences

2019 – Present: Head of Food and Fashion Partner Management - Central Pattana PCL.
 2014 – 2018: Vice President, Property Management - Central Pattana PCL.
 2013 – 2014: Business Development Assistant Vice President - Central Pattana PCL.
 2009 – 2014: Senior Business Development Manager - Central Pattana PCL.
 2005 – 2008: Business Development Manager - Central Pattana PCL.
 2002 – 2003: Assistant Brand Manager – Central Marketing Group Co., Ltd.
 2000 – 2002: Equity Syndicate Analyst - Goldman, Sachs & Co, New York



Miss Piyaporn Phanachet

Current Position: Chief Executive Officer
Nationality: Thai
Age: 54 years
Address: 61/80 Soi Taweemit 10, Rama 9 Road, Huaykwang, Huaykwang, Bangkok Thailand 10310
Education: Master of Science in Real Estate Development, Massachusetts Institute of Technology (MIT), USA
 MBA, University of New Hampshire, USA
 BA in Accounting, Chulalongkorn University, Thailand
Director Accreditation Program: Director Certification Program (DCP) Class 237/2017
 Director Leadership Certification Program (DLCP) Class 3/2021
Period of Directorship: Holding Positions since 17 July 2020 until 2021 for total 2 years
Meeting Attendance of the Past Year: Attended 6 of 6 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business

Total	Listed Company	Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business
	Type of Directorship		
2 Companies	(1) Independent Director and Audit Committee Member – Humanica PCL. (2) Advisor - U city Public Company Limited	1 Company	None

Work Experiences

2021 - Present: Independent Director and Audit Committee Member – Humanica PCL.
 2020 - Present: Advisor - U city Public Company Limited
 2008 - Present: Chairman CPMG - Thailand Management Association
 2018 - 2020: Director and Executive Director - U city Public Company Limited
 2017 - 2020: Chief Executive Officer - U city Public Company Limited
 2017 - 2020: Director – Subsidiaries group of U city Public Company Limited
 2017 - 2020: Chairmen of the Corporate Governance Committee – Vienna House Hotel Management Company Limited
 2010 - 2017: Member of Assets Committee - Soneva Resort (Formerly Six Senses Resort and Spa)
 2013 - 2016: Advisor - Office of Property Management, Chulalongkorn University



M.L. Walliwan Varavarn

Current Position: Executive Director
Nationality: Thai
Age: 64 years
Address: 1056/3 Nakorn Chaisri Rd., Thanon Nakornchaisri, Dusit, Bangkok Thailand 10300
Education: Master Degree, Massachusetts Institute of Technology, USA
 Bachelor's Degree, Commerce and Accountancy, Chulalongkorn University, Thailand
Director Accreditation Program: Director Accreditation Program (DAP) Class 14/2004
 Director Certification Program (DCP) Class 76/2006
 Corporate Governance Executive Program (CGE) Class 14/2019
Period of Directorship: Holding Positions since 29 April 2003 until 2021 for total 19 years
Meeting Attendance of the Past Year: Attended 5 of 6 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business
Total	Type of Directorship		
None	-	7 Companies	None

Work Experiences

2019 - Present: Director – Rugby School Thailand
 2017 - Present: Director – Carpets International (Thailand) PCL.
 2016 - Present: Director – TCM Living Limited, UK
 2012 – Present: Director - President Hotel and Tower Co., Ltd.
 2010 - Present: Director - T.C.H. Suminoe Co., Ltd.
 2003 - Present: Director - Global Utilities Services Co., Ltd.
 2001 – Present: Chief executive officer and director - Srivikorn Group Holding Co., Ltd.



Mr. Sumate Suwanvongkij

Current Position: Director
Nationality: Thai
Age: 62 years
Address: 88/10 Jakkapong Rd., Taladyad, Pranakorn, Bangkok Thailand 10200
Education: Bachelor's Degree, Marketing, Bangkok University, Thailand
Director Accreditation Program: Director Accreditation Program (DAP) Class 151/2018
Period of Directorship: Holding Positions since 2 July 2013 until 2021 for total 9 years
Meeting Attendance of the Past Year: Attended 6 of 6 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2021 – 270 Shares
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company's Business
Total	Type of Directorship		
None	-	None	None

Work Experiences

2012 – 2018: Managing Director - Royal Thai International Co., Ltd.
 1983 – 2018: Domestic Sales Manager – TCM Corporation Plc. (Formerly Thailand Carpet Manufacturing Plc.)



Mrs. Noppaporn Aphiwatthanakul

Current Position: Group Finance Director and Company Secretary
Nationality: Thai
Age: 62 years
Address: 310/1201 Soi Songprapa 14, Songprapa Rd., Sikan, Don Muang Bangkok Thailand 10210
Education: Master’s Degree, Accounting, Sripatum University, Thailand
 Bachelor’s Degree, Accounting, Chulalongkorn University,
Director Accreditation Program: Director Accreditation Program (DAP) Class 151/2018
Period of Directorship: Holding Positions since 27 April 2018 until 2021 for total 4 years
Meeting Attendance of the Past Year: Attended 6 of 6 of Board of Directors’ Meetings
Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
Direct and indirect interest in any of business with Company and its subsidiaries: None

Director/Executive Position in other Business

Listed Company		Other Non – Listed Company	Other Position in Competing Business/ Connected with Company’s Business
Total	Type of Directorship		
None	-	None	None

Work Experiences

2018 – Present: Director of the Corporate office – TCM Corporation PLC.
 1981 – Present: Accounting and Finance Manager - TCM Corporation PLC.

Management Team

1. **Name and Surname** : Mr. Pimol Srivikorn
Age : 57 Years
Nationality : Thai
Position : Chairman of Executive Board
Education : Master's Degree Business Administration, California University, USA
Bachelor's Degree Business Administration, University of Pennsylvania, USA
Experience : Chairman – TCMC HK (2017), HK
Director – Vechachai Company Limited
Chairman – TCM Living Limited, UK
Chairman - Manor (2016) Holdings Limited, UK
Chairman - TCMC Furniture Limited, UK
Executive Director - Srivikorn Group Holding Co., Ltd.
President - Taekwondo Association of Thailand
Director - President Hotel and Tower Co., Ltd.

Shareholding in the Company : 31 December 2021 - 111,000,000 shares
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
2. **Name and Surname** : Miss Piyaporn Phanachet
Age : 54 Years
Nationality : Thai
Position : Chief Executive Officer
Education : Master of Science in Real Estate Development, Massachusetts Institute of Technology (MIT), USA
MBA, University of New Hampshire, USA
BA in Accounting, Chulalongkorn University, Thailand
Experience : Independent Director and Audit Committee Member – Humanica PCL
Advisor - U city Public Company Limited
Chairwoman CPMG - Thailand Management Association
Director and Executive Director - U city Public Company Limited
Chief Executive Officer - U city Public Company Limited
Director – Subsidiaries group of U city Public Company Limited
Chairwoman of the Corporate Governance Committee – Vienna House Hotel Management Company Limited
Member of Assets Committee - Soneva Resort (Formerly Six Senses Resort and Spa)
Advisor - Office of Property Management, Chulalongkorn University

Shareholding in the Company: 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
3. **Name and Surname** : M.L. Walliwan Varavarn
Age : 64 Years
Nationality : Thai
Position : Executive Director
Education : Master's Degree, Massachusetts Institute of Technology, USA

- Bachelor's Degree, Commerce and Accountancy, Chulalongkorn University, Thailand
- Experience** : Director – Rugby School Thailand
 Director – Carpets International (Thailand) PCL.
 Director – TCM Living Limited, UK
 Director - President Hotel and Tower Co., Ltd.
 Director - T.C.H. Suminoe Co., Ltd.
 Director - Global Utilities Services Co., Ltd.
 Chief executive officer and director - Srivikorn Group Holding Co., Ltd.
- Shareholding in the Company:** 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
4. **Name and Surname** : **Mrs. Nopphaporn Aphiwatthanakul**
Age : 62 Years
Nationality : Thai
Position : Group Finance Director
Education : Master's Degree, Accounting, Sripatum University, Thailand
 Bachelor's Degree, Accounting, Chulalongkorn University, Thailand
Experience : Director of the Corporate office – TCM Corporation PLC.
 Accounting and Finance Manager - TCM Corporation PLC.
- Shareholding in the Company** : 31 December 2021 - None
Shareholding for spouse and child in the Company: 31 December 2021 - None
Relationship between the board and the management: None
5. **Name and Surname** : **Mark Robert Johnson**
Age : 61 Years
Nationality : British
Position : CEO, TCM Flooring
(Resignation on 31 December 2021)
Education : City & Guilds Textile Dyeing, Member of The Society of Dyers and Colorists (UK).
Work Experience : 37 Years in carpet manufacturing,
 21 years in Asia with senior management positions in China, India and Thailand.
- Shareholding in the Company** : 31 December 2021 - None
Shareholding for spouse and child in the company: 31 December 2021 – None
Relationship between Board of directors and management: None
6. **Name and Surname** : **Shyam Bhatler**
Age : 55 Years
Nationality : American
Position : Chief Financial Officer, TCM Flooring
(Take a position as Chief Executive Officer since January 1, 2022.)
Education : Chartered Accountants (India)
 : CPA (USA), LIFA (USA)
 : MBA from Goizueta Business School (USA)
Work Experience : Practice as Chartered Accounts in India – over 3 years.
 Co Established and Co managed carpet operations in the US - 6 years
 CFO in floor covering industry - over 20 years.

Shareholding in the Company : 31 December 2021 - None
Shareholding for spouse and child in the company: 31 December 2021 – None
Relationship between Board of directors and management: None

7. Name and Surname : Mark Alexander Smith
Age : 50 Years
Nationality : British
Position : Chief Executive Officer, TCM Living
(Resignation on 31 December 2021)
Education : BA Honours Interior Architecture and Design, Royal Society of the Arts
Work Experience : 2008 – 2020, Design Director at DM Midlands Group
1999 - 2008, Design Director at Ashley Manor Upholstery
1997 - 1999, Group Design Manager at Wyefield Group
1996 - 1997, Design Manager at Lincoln House Furnishing
1994-1996, Designer at Medallion Upholstery
Shareholding in the Company : 31 December 2021 – 6.875% share in TCM Living Limited, UK
Shareholding for spouse and child in the company: as at 31 December 2021 - None
Relationship between Board of directors and management: None

8. Name and Surname : Jonathan Fearn
Age : 47 Years
Nationality : British
Position : Chief Financial Officer, TCM, TCM Living
(Take a position as Chief Executive Officer since January 1, 2022.)
Education : BA Honours in Managerial and Administrative Studies, Aston University
Work Experience : 2016 – 2020, Chief Financial Officer - Shoe Zone PLC.
2015 - 2016, UK Integration Lead - UDG Acquisition - Celesio Group UK
2014 - 2015, Head of Region – Lloydspharmacy Retail, Celesio Group (UK)
2012 - 2013, Head of Financial Controlling – Marketing & Sales - Celesio Group (UK)
2011 – 2012, Dir. of Healthcare Services and Commercial Finance – Lloydspharmacy
2010 – 2011, Head of Strategic Finance – Lloydspharmacy
2005 – 2010, Head of Strategic Analysis – Lloydspharmacy
2003 – 2004, Financial Controller - Pharmacy – Lloydspharmacy
2002 – 2003, Pharmacy Accountant – Lloydspharmacy
1998 – 2001, Graduate Trainee to Management Accountant – EON UK
Shareholding in the Company : 31 December 2021 - None
Shareholding for spouse and child in the company: as at 31 December 2021 - None
Relationship between Board of directors and management: None

9. Name and Surname : Tor Kulchornchan
Age : 60 Years
Nationality : Thai
Position : Managing Director, T.C.H.Suminoe Co., Ltd
Education : Master's Degree
Work Experience : Managing Director – T.C.H. Suminoe Co., Ltd.
Managing Director– Texchem – Pack (Thailand) Co., Ltd.

Production Manager and Engineering Manager (Washing Machine)
Toshiba Consumer Product (Thailand)
Production Manager (Medical Supplies) – Kawasumi Laboratories (Thailand) Co.,Ltd.

Shareholding : as at 31 December 2021 - None

Shareholding for spouse and child in the company: as at 31 December 2021 - None

Relationship between Board of directors and management: None

Shareholding of Director and Management

Changes in Securities Holding of directors and Management as follows:

No.	Name of Directors	Ordinary Shares (shares)				Change	
		Director and Executives		Spouse		Increase / Decrease	%
		As at 01/01/21	As at 31/12/21	As at 01/01/21	As at 31/12/21		
1	Mr. Pimol Srivikorn	104,042,400	111,000,000	-	-	6,957,600	6.69
2	Miss Piyaporn Phanachet	-	-	-	-	-	-
3	Mr. Soravis Krairiksh	-	-	-	-	-	-
4	Mr. Suvitcha Nativivat	-	-	-	-	-	-
5	Mrs. Duangjai Lorlertwit	-	-	-	-	-	-
6	Mr. Uthayan Uthayanaka	-	-	-	-	-	-
7	Mr. Isareit Chirathivat	-	-	-	-	-	-
8	Mr. Sumate Suwanvongkij	270	270	-	-	0	0.00
9	M.L. Waliwan Varavarn	-	-	-	-	-	-
10	Mrs. Noppaporn Aphiwatthanakul	-	-	-	-	-	-

Details of the Board of Directors in Subsidiaries, Associated company and Related Companies

(Information as of 31 December 2021)

Name of Directors	TCM Corporation Public	Subsidiaries								Associated company	Related company
	Company Limited	1	2	3	4	5	6	7	8		
1 Mr. Pimol Srivikorn	/, x, xx	/	/, x	-	/, x	/, x	/, x	/	/	-	-
2 Mr. Soravis Krairiksh	/, xxx	-	-	-	-	-	-	-	-	-	-
3 Mrs. Duangjai Lorlertwit	/, ///	-	-	-	-	-	-	-	-	-	-
4 Mr. Suvitcha Nativivat	/, ///	-	-	-	-	-	-	-	-	-	-
5 Mr. Uthayan Uthayanaka	/	-	-	-	-	-	-	-	-	-	-
6 Mr. Isareit Chirathivat	/	-	-	-	-	-	-	-	-	-	-
7 Mr. Sumate Suwanvongkij	/	-	-	-	-	-	-	-	-	-	-
8 Miss Piyaporn Phanachet	/, //	-	-	-	-	-	-	-	-	-	-
9 M.L. Waliwan Varavarn	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/, //	-	-
10 Mrs. Noppaporn Aphiwatthanakul	/, //	/, //	/, //	/	-	-	-	-	/	-	-

Subsidiaries	1 = United Carpets Manufacturing Co., Ltd.	5 = Manor(2016)Holding Limited (UK)
	2 = Royal Thai International Co., Ltd.	6 = TCM Living Limited (UK)
	3 = T.C.H. Suminoe Co.,Ltd.	7 = TCMC HK (2017) Limited
	4 = TCMC Furniture Limited (UK)	8 = Vechachai Limited

Mark : x = Chairman of the Board , /x = Vice-Chairman of the Board, / = Director

xx = Chairman of the Executive, // = Executive Director

xxx = Chairman of Audit Committee , /// = Member of Audit Committee

Attachment 2 Information of Subsidiaries' Director

Details of Directors and Executives in Subsidiaries, Associated company and Related Companies

Name of Directors	Subsidiaries							Associated company
	1	2	3	4	5	6	7	
1 Mr. Pimol Srivikorn	-	-	/, x	/, x	/, x	/, x	/	-
2 M.L. Walliwan Varavarn	-	/, //	-	-	/, //	-	/, //	-
3 Miss Piyaporn Phanachet	-	/, //	-	/, //	/, //	/, //	/, //	-
4 Mrs. Nopphaporn Aphiwatthanakul	/, //	/	-	-	-	-	/	-
9 Mr. Chaiyut Srivikorn	-	/, //	/	-	-	-	-	-
10 Mr. Hiroaki Uzuki	-	/	-	-	-	-	-	-
11 Mr. Taro Hattori	-	/	-	-	-	-	-	-
12 Mr. Doshiro Maruyama	-	/	-	-	-	-	-	-
13 Mr. Chanchai Tipmanee	-	/	-	-	-	-	-	-
14 Mr. Ichizo Yoshikawa	-	/	-	-	-	-	-	-
15 Mr. Tor Kulchornchan	-	/, //	-	-	-	-	-	-
16 Mr. Tomonori Watabe	-	/	-	-	-	-	-	-
17 Mr. Kazuhiko Taguchi	-	/	-	-	-	-	-	-
18 Mr. Mark Robert Johnson	-	-	-	-	-	-	/, //	-
19 Mr. Philip Grindrod	-	-	/	-	/	-	-	-
20 Mr. Terry Cramphorn	-	-	/, //	-	-	-	-	-
21 Mr. Andy Kennaugh	-	-	/, //	-	-	-	-	-
22 Ms. Caroline Dickens	-	-	/, //	/, //	/	-	-	-
23 Mr. Mark Smith	-	-	-	-	/, //	-	-	-
24 Mr. Jonathan Fearn	-	-	/, //	-	/, //	-	-	-

Subsidiaries	1 =Royal Thai International Co., Ltd.	5 =TCM Living Limited (UK)
	2 = T.C.H. Suminoe Co.,Ltd.	6 = TCMC HK (2017) Limited
	3 = TCMC Furniture Limited (UK)	7 = Vechachai Limited
	4 = Manor(2016)Holding Limited (UK)	

Mark : x = Chairman of the Board , /x = Vice-Chairman of the Board, / = Director

xx = Chairman of the Executive, // = Executive Director

Attachment 3 Details of Internal Audit Head

The Audit Committee has approved the appointment of Mr. Viritphol Ngampailin as the Internal Audit Supervisor thanks to his educational and experience qualifications to perform the job duties and responsibilities with efficiency and effectiveness. His background and information are provided as follows:

Name and Surname : Mr. Viritphol Ngampailin
Position : Internal Audit Manager
Age : 44 Years
Nationality : Thai
Education : Bachelor's Degree, Accounting, Thammasat University, Thailand
Training Course : Internal Audit ISO 9001:2015, ISO 50001:2019
: Anti-Corruption Working Paper Course
: Enterprise Risk management (IOD)
: Techniques for fraud audit and prevention
: Working Paper for Better Corruption Prevention Class 3/2021

Shareholding in the Company: 31 December 2021 - None

Shareholding for spouse and child in the Company: 31 December 2021 - None

Relationship between the board and the management: None

Experience

2014 – Now : Internal Audit Manager at TCM Corporation Public Co., Ltd.
2010 - 2013 : Senior Internal Audit at Ford operation (Thailand) Co., Ltd.
2009 - 2010 : Internal Audit at MSD (Thailand) Ltd.
2006 - 2008 : Internal Audit at Padaeng Industry Public Co., Ltd.

Attachment 4 Assets in business operations and asset appraisal values

Assets in business operations

Land Plant and Machinery as of 31 December 2021 (Separate)

(THB: Million)

List	At cost	Revaluation surplus	Accumulated Depreciation	Net Book Value	Useful life (years)
Land + Land Improvements	-	-	-	-	
*Mark - Waste land sales					
Building + Leasehold	-	-	-	-	
*Mark – Leftover building materials sales					
Machinery Equipment	-	-	-	-	
*Mark – Scrap machinery sales					

Land, Plant and Machinery as of 31 December 2021 (of Company and subsidiaries)

(THB: Million)

List	At cost	Revaluation surplus	Accumulated Depreciation	Net Book Value	Useful life (years)
Land + Land Improvements	526.92	-	-	526.92	5-10
Building + Leasehold Improvements	1,272.82	-	570.08	702.74	5-50
Machinery Equipment	3,086.85	-	2,477.86	608.99	3-40

Land consists of; -

1. Land of T.C.H. Suminoe Co., Ltd.
Area 10 rais 36.4 square wah. Located at 157 Moo 16, Bang Pa-in Industrial Estate, Bang Krasan sub district, Bang Pa-in district, Phra Nakhon Sri Ayutthaya
2. Land of Carpets International (Thailand) Public Company Limited
Area 94-1-88.8 rais. Located at 80 Moo 1 Pathum-Bang Buathong Road, Bang Khu Wat sub district, Mueang Pathumthani district, Pathumthani
3. Land of Carpets International (Thailand) Public Company Limited
Area 0-2-65.1 rais. Located at 2044/24, 2054, Soi Carpets International, New-Petchburi Road, Bangkokapi sub district, Huaykwang district, Bangkok
4. Land of Carpets International (Thailand) Public Company Limited
Area 0-2-10 rais. Located at 1/19 Mahidol Road, Pahdad sub district, Mueang Chiangmai district, Chiangmai

Intangible Assets as of 31 December 2021 (Separate)

List	At cost	Accumulated Amortization	Net Book Value	Useful life (years)
Software	62.71	16.50	46.21	5-10
Programs and licenses during development	0.82	-	0.82	

Intangible Assets as of 31 December 2021 (of Company and subsidiaries)

List	At cost	Accumulated Amortization	Net Book Value	Useful life (years)
Software	124.20	63.38	60.82	5-10
Customer list	630.31	314.21	316.10	7-12
Trademark	192.43	75.16	117.27	10
Design	69.32	69.32	-	5
Programs and licenses during development	55.42	-	55.42	

Customer list

According to the appraisal to determine the fair market value of assets after the acquisition, the intangible assets regarding the customer lists belong to T.C.H. Suminoe Co., Ltd., amounting to 23.84 million baht, Alstons Group, amounting to 386.75 million baht, and Commercial Carpet Business, amounting to 219.72 million baht.

Trademark

According to the appraisal to determine the fair market value of assets after the acquisition, the intangible assets regarding the trademarks belong to Alstons Group, amounting to 63.32 million baht and DMM Group, amounting to 129.11 million baht.

Design

According to the appraisal to determine the fair market value of assets after the acquisition, the intangible assets regarding the designs belong to Alstons Group, amounting to 69.32 million baht.

Attachment 5 Corporate governance policy and practices and code of conduct

Corporate Governance Report

Investors can learn more about Corporate Governance Report at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://www.tcm-corporation.com/upload/sustainability/filee_220308144310.pdf

Ethics and Code of Conduct

Investors can learn more about Ethics and Code of Conduct at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://www.tcm-corporation.com/upload/sustainability/filee_220308152043.pdf

Charter of the Board of Directors

Investors can learn more about Charter of the Board of Directors at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://www.tcm-corporation.com/upload/sustainability/filee_210406140936.pdf

Charter of the Executive Directors

Investors can learn more about Charter of the Executive Directors at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://www.tcm-corporation.com/upload/sustainability/filee_220308151640.pdf

Charter of the Audit Committee

Investors can learn more about Charter of the Audit Committee at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://www.tcm-corporation.com/upload/sustainability/filee_220308151810.pdf

Charter of the Risk Management Committee

Investors can learn more about Charter of the Risk Management Committee at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://www.tcm-corporation.com/upload/sustainability/filee_220308151919.pdf

Human Rights policy

Investors can learn more about Human Rights Policy at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://tcm-corporation.com/upload/sustainability/filee_210914110500.pdf

Personal Data Protection Policy

Investors can learn more about Personal Data Protection Policy at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://tcm-corporation.com/upload/sustainability/filee_220308145647.pdf

Global Whistleblower Policy

Investors can learn more about Global Whistle Blower Policy at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://tcm-corporation.com/upload/sustainability/filee_220318144025.pdf

Privacy Policy

Investors can learn more about Privacy Policy at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://tcm-corporation.com/upload/sustainability/filee_220308145553.pdf

Communication and Disclosure Policy

Investors can learn more about Communication and Disclosure Policy at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or

Click: https://tcm-corporation.com/upload/sustainability/filee_220308145054.pdf

Attachment 6 Report from Audit Committee

The Audit Committee of TCM Corporation Public Company Limited is appointed by the Company's Board of Directors and is composed of three independent directors with Mr. Soravis Krairiksh as the Audit Committee Chairman while Mrs. Duangjai Lorlerwit and Mr. Suvitcha Nativivat are directors.

The Audit Committee performed duties according to the authority, duties and responsibilities assigned by the Company's Board of Directors by attending meetings with executives and auditors along with reporting performance to the Company's Board of Directors to regularly acknowledge and consider every quarter by requesting performance reports for 2021 with significant contents summarized as follows:

1) Reviewed the financial statements quarterly and annually for the fiscal year 2021 by conferring with the auditor and executives in order to verify the correctness of the financial statements and adequacy of information disclosure, including to acknowledge the observations and comments of the auditor, which the Audit Committee is of the opinion that the said financial statements are appropriately correct under the accounting standard as required under generally accepted accounting principles.

(2) Reviewed the adequacy of the internal control system for the fiscal year 2021 by the Internal Audit Department to control and audit the important work system and the internal control system of the Company which no significant mistakes were found by recommending the executives to adjust and change any work system to be more careful and appropriate

(3) Reviewed the risk management system by defined the policy and the risk management framework which including the assessments of internal and external risk factors that might occur now and future. The risk management committee manage overall risk of the organization and report to the Board of Directors and Audit committee on a regular basis as specified in the Charter which it will make the Audit Committee confident that the Company can control and reduce the effects that will be an obstacle to achieve the company's objectives in order to keep it within an acceptable level.

(4) Reviewed compliance with laws on securities and stock exchanges, including regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission in addition to laws involving the Company's business in 2021. The Audit Committee advised the Management Department to complete all legal requirements.

(5) Reviewed related transactions or transactions with potential conflicts of interest and acquisition and distribution of assets in 2021, including disclosure of information on the aforementioned transactions as per specifications of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee checked and found transactions with significant contents already disclosed and displayed on the financial statement and remarks accompanying financial statements of 2021.

(6) Reviewed management in compliance with good governance in 2021 by recommending the Management Department to place importance on management in line with good governance with consistency in addition to supporting executives and employees at every level to adhere to and comply with business rules, regulations and ethics in order to create transparency, acceptance and increase confidence among customers and all related parties.

(7) Investigate corruption complaints in 2021 from various channels in compliance with the corporate governance measures and the guidelines of the Thai Private Sector Collective Action Coalition Against Corruption. In 2021, no corruption complaints were found.

(8) Consider, select, and propose the appointment of auditors and audit fee determination for the year 2022 to the Board of Directors for approval from the Annual General Meeting of Shareholders of the year 2022. According to the consideration of performance, independence, and appropriateness of audit fees, it is deemed appropriate to propose the meeting to consider and approve the appointment of Ms. Sulalit Ardsawang, Certified Public Accountant Registration No.7 5 17 or Ms. Nannaphat Wannasomboon, Certified Public Accountant

Registration No.7793 or Mr. Peeradate Pongsathainsak, Certified Public Accountant Registration No.4752 or Ms. Soraya Tintasuwan, Certified Public Accountant Registration No.8658 of the Dharmniti Auditing Co., Ltd., to be the Company's auditor for the year 2022 with the proposed yearly audit fee of 3,090,000.- baht same as year 2021.

(9) The audit committee had appointed the criteria and self-assessment of the audit committee, both individual and group for the fiscal year 2021. The assessors identified strengths, weaknesses, and the issues that need to be improved. The audit committee will jointly consider the evaluation results and determine ways to improve work more effective in the next year.

(10) During the fiscal year 2021, the Audit Committee Meeting was held 4 times, there were attendees as follows: -

List of the Audit Committee	Position	No. of times to attend meeting in 2021
(1) Mr. Soravis Krairiksh	Chairman of the Audit Committee	4 / 4 times
(2) Mrs. Duangjai Lorlertwit	Audit Committee Member	4 / 4 times
(3) Mr. Suvitcha Nativivat	Audit Committee Member	3 / 4 times

The Audit Committee has the independence in the performance of the work as assigned by the Board of Directors of the Company by conferring with the relevant executives from time to time and meeting with the auditor every quarter in order to review and acknowledge the observations in relation to the financial statements and the internal control system of accounting and finance, which no significant abnormalities were found for the fiscal year 2021.

24 February 2022

On behalf of the Audit Committee

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Mr. Soravis Krairiksh
Chairman of the Audit Committee

TCM Corporation Public Company Limited

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