



ANNUAL REPORT 2022

(Form 56-1 One Report)

For the Year Ended 31 December 2022



TCM Corporation Public Company Limited

**Stock Code:
TCMC**



Alstons
Sofas for Living

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Messages from the Chairman

Dear Shareholders,

I am pleased to report on another year of progress and success for our company. Despite the unprecedented challenges in 2022, we have continued to make significant progress as a company. Thanks to the hard work and dedication of our management team and employees, we have been able to overcome obstacles and achieve satisfactory results.

The challenges of the past year have also presented us with new opportunities. We have entered new market segments and launched new production lines, which have contributed to our growth and success. Our focus on improving efficiency has yielded positive results in the TCM Surface business, and we are confident that this strategy will extend to TCM Living in the upcoming year.

Looking ahead, we are committed to enhancing our customers' experience as **a living-related company** through innovation, technology, and a deep understanding of their changing behaviors. Our goal is to offer excellent products and services that cater to our customers' needs, while also elevating their lifestyles. We are constantly developing new products to introduce to the market, with the aim of providing convenient solutions that strengthen our core business. We recognize that our success depends on providing exceptional value and service to our customers, and we are dedicated to continuously improving in this area.

Over the past year, we have made significant progress in enhancing our business through improvements in our corporate culture and the people we work with. We have also forged meaningful collaborations with diverse partners. These efforts are part of our goal to become a sustainable organization. Our commitment to responsible business practices is unwavering, and we have set our sights on achieving the Net-Zero goal. This is to ensure that our operations have a positive impact on the communities and environment in which we operate.

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 sincere appreciation to our leadership and employees for their dedication and hard work, which has been instrumental in our success. We are proud of what we have achieved together and remain committed to building on this momentum in the years to come.



Pimol Srivikorn
Chairman of the Board

Messages from the Chief Executive Officer

Dear shareholders and stakeholders,

I am delighted to share with you that 2022 was a momentous year for TCMC as we achieved a significant milestone in our performance. Despite the challenges presented by the world economic crisis and various industry obstacles, we managed to surpass pre-covid revenue levels. This remarkable achievement was largely due to the outstanding efforts of our team and the contributions of our business units, TCM Living and TCM Flooring.

I want to extend my heartfelt appreciation to every single person who worked tirelessly to make this possible. Your dedication, creativity, and perseverance have been truly remarkable, and I am immensely grateful for your contribution.

In 2022, TCM Living achieved over 10% revenue growth and improved its bottom line, despite the challenges faced. Meanwhile, TCM Flooring emerged as a good performer of the year. Taking the crisis as an opportunity, TCM Flooring reinvented itself by improving its efficiency and creating an agile culture that emphasized innovation and new market development. This year, TCM Flooring redefined its corporate purpose and transformed itself into TCM Surface to welcome a new product line acoustic panel. TCM Surface was behind our impressive turnaround with a 47% revenue increase and significant bottom line improvement. Our TCM Automotive business, TCH Suminoe, performed consistently and as well as usual.

At TCMC, our people are at the core of our business in all business units. We strive to work as partners to share in success and provide opportunities for everyone to reveal their full potential, regardless of gender, ethnicity, or background. We recognize that our people are key to our agility and ability to adapt amid the rapidly changing new normal. Their work would be meaningful and justify our reasons to exist, as well as make our team proud of their contribution to society.

Sustainability has been close to our heart since 2005, and in 2022, we announced our net zero goal by 2050. This will continue to be our core practice in every process from cradle to grave of product cycle. Sustainability integrates into our product design, R&D, choices of materials, and every process through people development, new skills, and new tools. We have used over 900 million recycled plastic bottles in our carpets, recycled fishing nets as carpet material, and launched green sofas under our Alstons brand. This is just the beginning of our long journey.

In 2023, we will continue to drive efficiency while balancing the need to strengthen our long-term competitiveness through innovation, agility, and in-depth understanding of our customers. Technology is emerging as a crucial part of our lives, enabling us to enhance the customer experience. Moreover, the geopolitical and economic situation presents challenging times, and our priority is liquidity.

However, TCMC will continue to support necessary investment and improvement to strengthen the company's competitiveness in the medium to long term. We aim to empower people's living with inspiration, innovation through trust, and excellent services with a sustainability mindset.

I would like to extend my heartfelt gratitude to our valued shareholders and stakeholders. Your unwavering support has been the driving force behind our success and has enabled us to embark on this remarkable journey of growth and transformation. With your steadfast commitment to our mission and vision, we have been able to achieve incredible results and make a meaningful impact on the lives of our customers, employees, and society at large. On behalf of the entire TCMC team, thank you for your continued trust and confidence.

Sincerely,



Miss Piyaporn 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 instilinstill a shared vision among employees, stakeholders, customers, and partners that will drive our businesses towards long-term success.

TCMC Business purpose

To empower people’s living with inspiration, innovation through trust and excellent services with sustainability mindset.

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 enables 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 organization 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	Holding shares in other businesses and distributing carpets and floor coverings in both domestic and international markets.
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



Carpets Inter[®]

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 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.

The company became one of the biggest manufacturers and distributors of sofas in England after acquiring DMM GROUP, along with the previous year's acquisition of ALSTONS GROUP

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 changed the company’s address to 2044/24 New-Petchburi Road, Bangkapi, Huaykwang, Bangkok 10310. For the convenience of managing all business groups.

In 2022, the company changed the name of its subsidiary from TCM Flooring to TCM Surface to align with the goal of being a leader in decorative surface materials for living space.

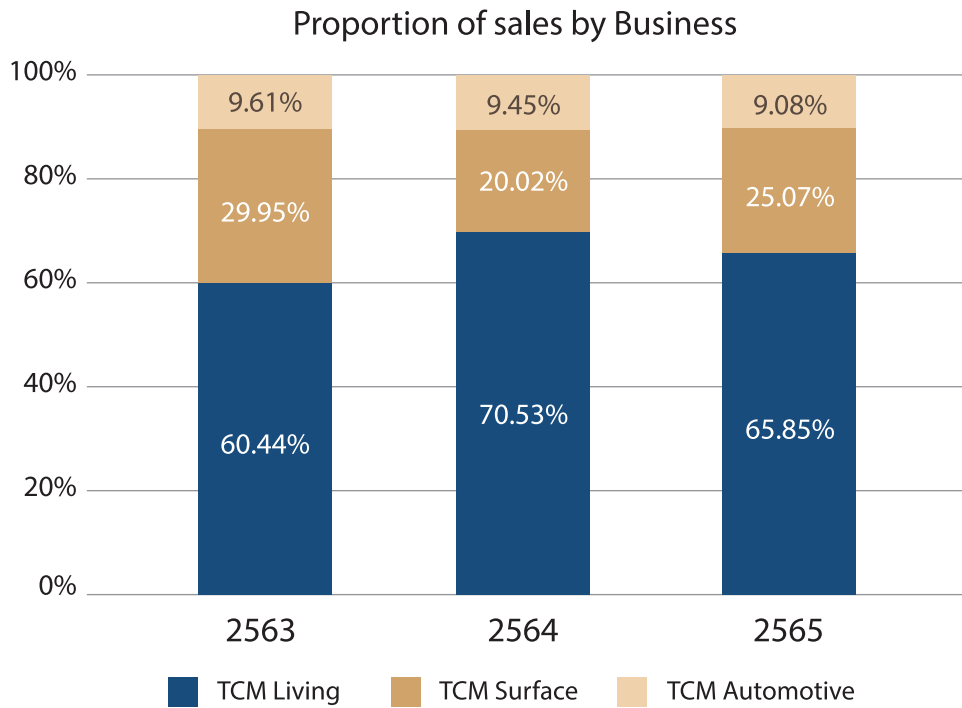
Nature of Business, Product and Services

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

- TCM LIVING
- TCM SURFACE
- TCM AUTOMOTIVE

Ratio of Income from Business Operations

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



	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
TCM Living	4,105.04	60.44	5,462.46	70.53	5,970.14	65.85
TCM Surface	2,034.41	29.95	1,550.22	20.02	2,273.37	25.07
TCM Automotive	652.96	9.61	731.75	9.45	823.05	9.08
Total	6,792.40	100.00	7,744.42	100.00	9,066.56	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 advance.

Distribution Channels

Customer groups can be divided into the two following groups:

- **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.

- 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 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 manufacturer 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.

Up until 2022, the Company still had outstanding orders from the end of 2021, which allowed for higher revenue than ever before in the first half of the year. However, in the latter half of the year, the unfavorable environment as mentioned before, including the economic recession in the UK, the decrease in purchasing power, causing stagnation in the furniture business sector. This has led to a shift in consumer behavior towards traditional in-store purchasing rather than online. However, online sales continue to be important as the number of customers visiting stores has decreased but spending more per transaction. In addition, there was a growing emphasis on ESG, conducting business on socially and environmentally responsible business practices.

To address these challenges, the business group has taken several steps, including increasing operational efficiency, reducing production capacity, implementing lean systems to improve profitability, and leveraging technology to reduce costs across various areas. In addition, product development has been tailored to meet the specific demands of different markets and reach a diverse range of target groups worldwide. Furthermore, data collection has begun to set goals and develop projects to achieve Net Zero emissions.

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 executive committee has agreed to appoint Mr. David Robert as Chief Financial Officer of TCM Living Group in order to enhance the efficiency of financial management.

In the first quarter of 2022, the impact of COVID-19 pandemic prevented Arlo & Jacob from achieving the profit targets and resulted in high operating expenses. The board of directors decided to sell the Company for the flexibility of the main business. In the fourth quarter of 2022, the Company closed the J28 factory and relocated its personnel and machinery to the Dudley factory to improve production efficiency, reduce operating costs, and facilitate management. Currently, the TCM Living business group has two main production factories: Dudley, which mainly produces Ashley Manor brand products, and Colchester, which produces Alstons brand products.

Moreover, the Company has also improved operational systems, upgraded the machines in the existing factories, implementing the ERP system for the entire business group, provided a policy on environmental and human rights protection, Promoting the development of all-level personnel through the **Everyone Matters** project, elevating welfare benefits 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 Surface

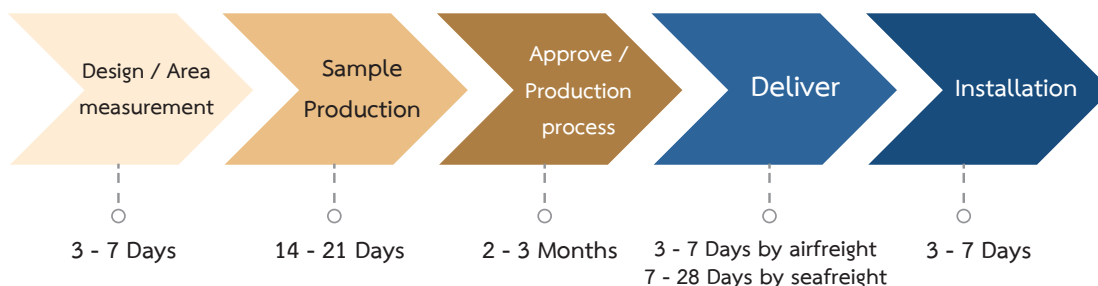
The business includes manufacturing and distribution of carpets and floor coverings under Royal Thai and Carpets Inter Brand globally. The products under each brand are as follow:

Royal Thai

- 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 production.

Example of carpets production period



Carpets Inter Brand

- Carpet Tiles
- Machine tufted / Broadloom carpets
- 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**

- Main 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 are through interior designers, and our extensive global sales representatives.

Market and Competition

In general, sales of carpets and floor coverings are 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 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.

In 2022, the COVID-19 pandemic situation has shown signs of improvement, leading to a gradual recovery of the tourism and hospitality industry. This is a positive sign for the business group. Despite the increased production costs due to inflation, the group has managed to reduce costs throughout the past two years by implementing lean systems in production processes and investing in machinery, resulting in satisfactory profits. However, sales have not yet returned to pre-COVID levels and there are still concerns to be monitored this year, such as inflation, higher cost of living, and the economic recession in many countries, which could have an impact on the business group.

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 our competitiveness.

In 2022, the group of office building customers had higher purchasing volumes due to the market's recovery. Some hospitality customers in the Asia-Pacific region and Thailand have shifted from using Axminster carpets to

carpet tiles or machine tufted carpets, as they are more cost-effective and can be delivered more quickly. This change has prompted the Company to develop new products with better colors and patterns that meet the evolving needs of customers.

Nevertheless, new office building construction and mixed-use building projects continued to grow. While there may be some changes due to new work patterns, the company has attempted to develop new products and increase its range of other flooring products to meet customer demands, such as various soft floor coverings like rugs and carpets, and hard floorings like real wood, engineered wood, Stone Polymer Composite (SPC) flooring etc.

Significant Changes in the Previous Year and Future Projects

The improvement of management system and the implementation of lean organization to increase efficiency in the production process in 2021 has demonstrated the potential for the Company to grow in this direction. The Company has continued to invest in lean processes by installing several machines that increase efficiency and new dyeing machines that reduce water consumption, chemical dye usage, and wastewater discharge. In addition, the Company has installed solar rooftop panels to reduce energy usage and costs simultaneously. Phase 1 of the installation was completed and started operating in 2022, and for Phase 2, the Company signed a contract at the end of 2022 and is expected to be completed in 2023, which will help reduce energy usage and costs continuously.

To enhance the efficiency of financial management, the executive committee board has agreed to appointed Mr. Teerasak Sangprecharat as the Chief Finance Officer for the TCM Surface group. In order to prepare for changes, the Company has implemented a project to develop the workforce, both in terms of professional skills and knowledge, to promote career advancement opportunities. Additionally, the Company promotes Human Rights Policies such as equality in the workplace, acceptance of differences, and respect for individual rights in accordance with the organization's values, SMILE, which will be further detailed in the topic of sustainable business management in social dimensions and sub-topic of human resources management

Due to the global crisis of climate change and its urgent importance, the Company aims to play a role in bettering the world by reducing greenhouse gas emissions and has initiated a project to achieve Net Zero emissions. The Company has hired consultants to collect and analyze current business data, starting with TCM Surface's manufacturing base in Thailand, to plan and execute the project and achieve the goal of becoming a Net Zero organization by 2050.

For future projects, the business group is currently developing new products that can be used as interior decoration materials with sound absorption functions. The target group is buildings and places that are concerned about sound reflection, echo, or need to limit sound within specific areas, such as schools, hospitals, hotels, convention centers, office buildings, residential homes, condominiums, music studios, and others. The Company plans to launch the product in 2023, aiming to provide customers with a Living solution for their future housing needs.

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

Non-woven fabric for upholstery the structure, headliner, and floor of cars. And for non-automotive products, such as needle punch carpets, Geo textile for construction work and felt for shoe soles.

Woven fabric

Woven fabric for upholstery seats.

Knit Fabric

Knit fabric for upholstery seats and side panels.

Poly Urethane / PVC Synthetic Leather

Polyurethane/PVC/S synthetic leather for upholstery seats and interior decoration.

Products are made to order only.

Distribution Channels

Customer groups can be divided into the two following groups:

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

Market and Competition

Due to the easing of the COVID-19 pandemic situation, the economy and tourism are recovering, resulting in increased purchasing and investment. The shortage of semiconductor chips is expected to improve as manufacturers expand their production capacity. It is expected that the chip shortage will end in 2023, and the situation will return to normal.

The automotive industry has been continuously recovering since 2020 until the second half of 2022, and has shown consistent growth in 2023. The Federation of Thai Industries (FTI) has estimated that cars production in 2023 will increase by 6% from 2022 to 1.94 million units, with an expected annual growth rate of 5%.

In 2022, the sales of electric vehicles (EVs) in Thailand reached 63,600 units, representing a +48% YoY increase (including 10,300 battery electric vehicles (BEVs), a +540% YoY increase; 42,300 hybrid electric vehicles (HEVs), an +18% YoY increase; and 11,520 plug-in hybrid electric vehicles (PHEVs), a +106% YoY increase).. In 2023, it is expected that the EV market will start to grow significantly as many car manufacturers has announced plans to use Thailand as a base for EV production, mainly by importing them for initial sales. In 2023, the majority of EV brands are from China, such as Great Wall Motor, BYD, and MG, while Japanese brands, which are the main customers of Thai auto parts manufacturers still focus on hybrid cars and have not yet set a clear timeframe for EV production. It is expected that EV production in Thailand will start in earnest in 2024-2025, which will be the new S-curve of the automotive and auto parts industry. Many auto parts manufacturers are rushing to fully enter the EV market to respond to the government's policy to produce EVs representing 30% of all vehicles by 2030.

There are still risk factors that need to be monitored as follows:

- The global economic trend may enter a recession, especially in the European and US markets, which may affect the automotive production and export in Thailand.
- The ongoing conflict between Russia and Ukraine
- The trend of rising energy and labor costs
- Elections, changes in government, and policies that stimulate the economy from the government.

The automotive soft furnishingscar 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 (Thailand) 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

From the direction of the automotive industry in the transition period to EV cars, there is a demand for materials with better sound absorption technology, whether it is for the floor or headliner of the car. The Company has therefore developed both the product's properties and cost control to maintain competitiveness in the market, resulting in a new project for Toyota cars in Malaysia and carpets for GWM. In addition, the Company has expanded the market for synthetic leather for PVC seats, especially for Toyota cars and Mitsubishi pickup trucks.

Investment in new machinery and upgrading of existing production lines have been carried out as planned, resulting in increased production capacity for automotive headliners and the successful addition of new non-woven products.

In addition to customers in the automotive industry, the Company has planned to develop new products to enter new markets, which has been ongoing since the past year. This includes the production of geotextile products for use in the construction of roads, dams, civil engineering, and for agricultural purposes. This initiative began in 2022, starting with agriculture work and then gradually expanding to sell to customers contracted by the Department of Highways. This is considered as a successful entry into the market in 2023.

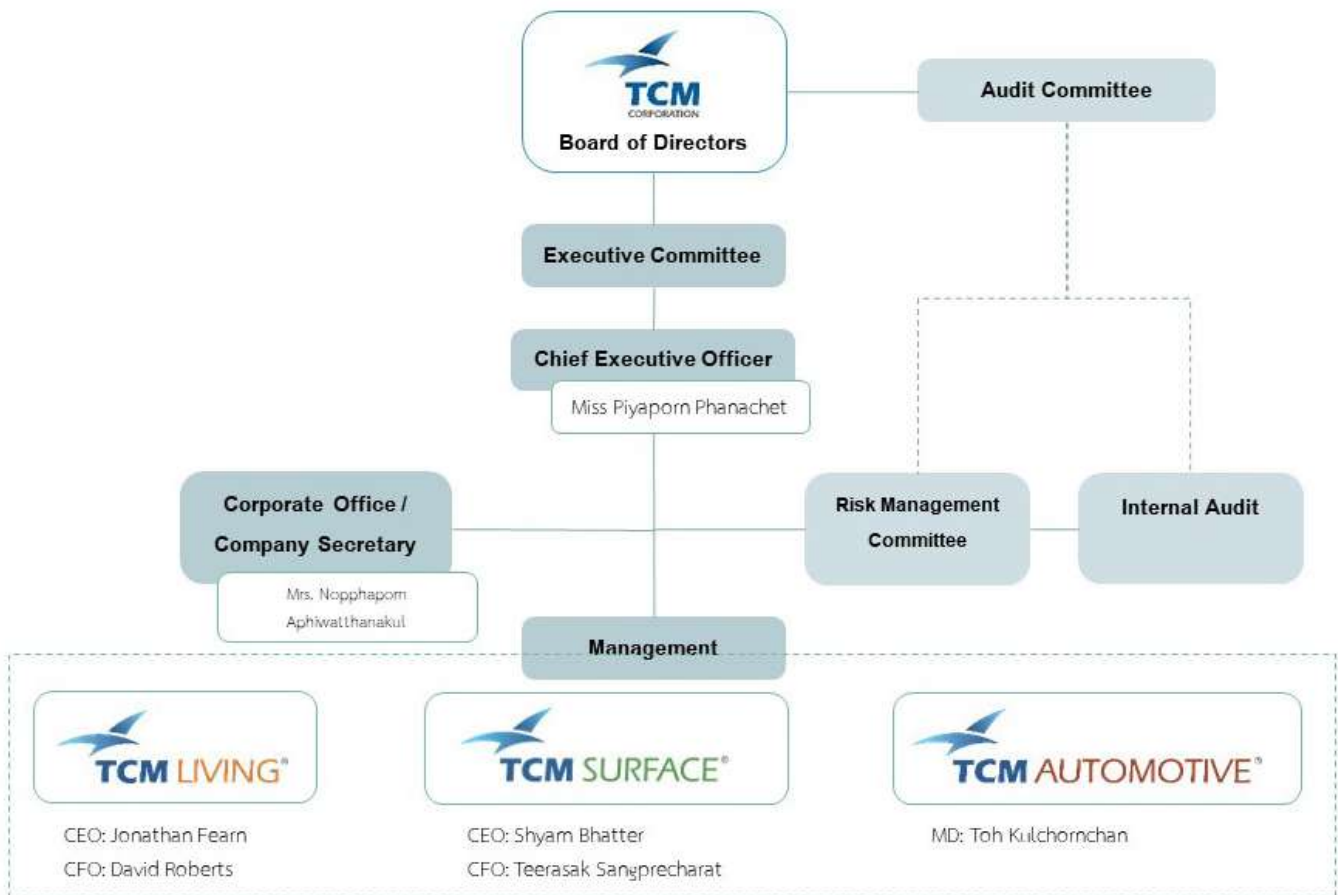
The solar rooftop project for factory performance improvement aims to increase production capacity and reduce environmental impact. After examining the possibilities and completing the installation, the project has been successfully implemented since the end of 2022. The results have been satisfactory.

In addition, the trend and policy of the automotive industry have more tendency to take environmental impact and production costs into consideration when selecting products. The Company has therefore developed a plan to use higher proportion of recycled and biodegradable materials for the seat covers and carpets, by introducing Sumitron and Sumitex brands from the technology of joint venture Company, Suminoe Japan, to automotive companies, such as Toyota and Honda for new projects in the future.



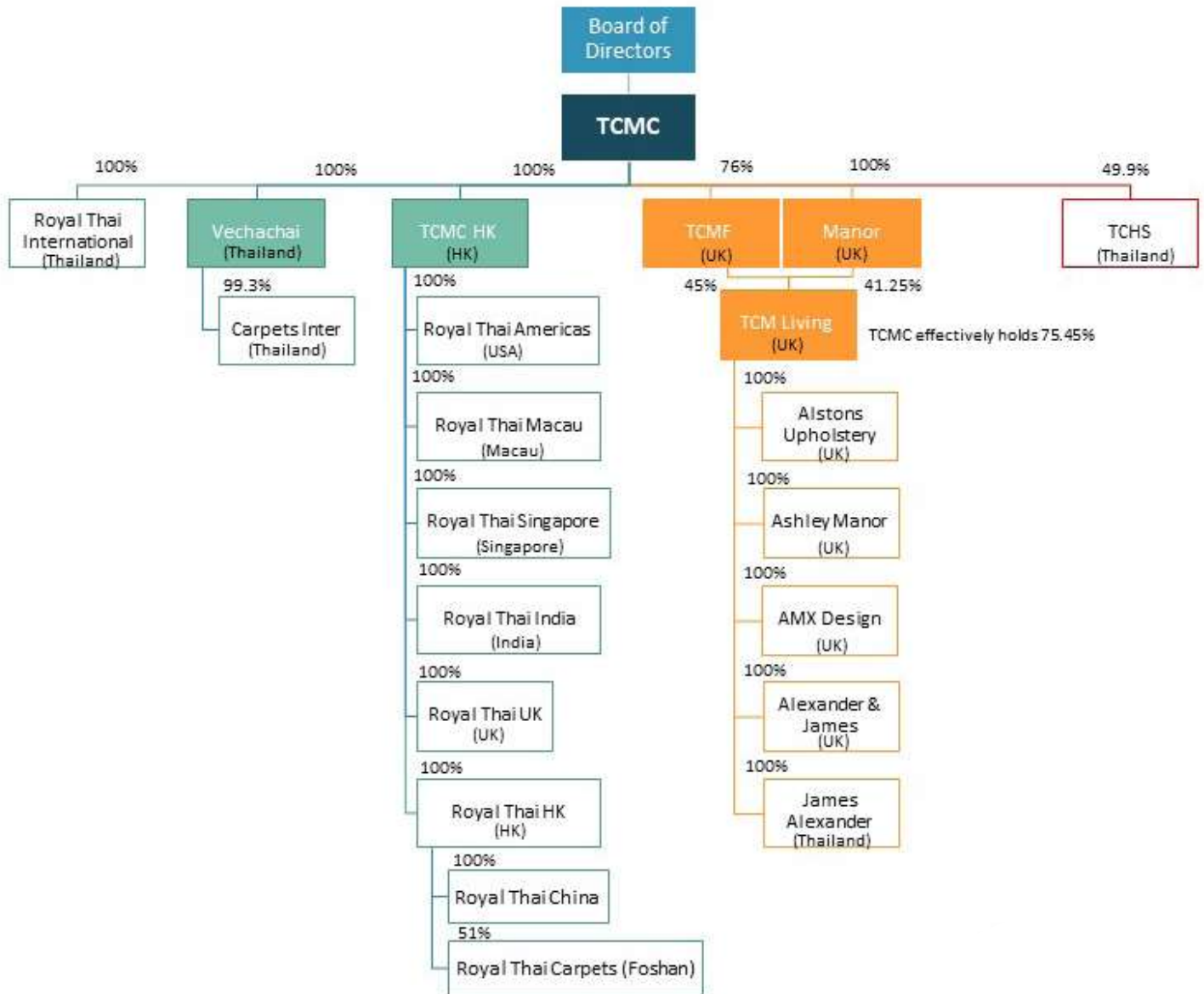
Company's structure

The structure of TCM Corporation Public Company Limited's structure as of December 31, 2022 was as below:



Company's Shareholding Structure

The shareholding structure of TCM Corporation Public Company Limited as of December 31, 2022 was as below:



- Furniture Holding company
- Surface Holding company
- TCM Living operation
- TCM Surface operation
- TCM Automotive operation

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 Surface					
Royal Thai International Co., Ltd. (RTI)	Distributor of carpets and floor coverings	2044/24 New Phetchaburi Rd., Bangkapi, Huaikwang Bangkok 10310	100%	THB 1 million	9,997
Vechachai Company Limited (VC)	Investment in other companies	2054 New Phetchaburi Rd., Bangkapi, Huaikwang Bangkok 10310	99.998%	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., Bangkapi, 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

Company	Type of Business	Location	Percentage Equity Stake	Registered Share Capital	Number of Shares held by the Company
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
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	2,050,000
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

Company	Type of Business	Location	Percentage Equity Stake	Registered Share Capital	Number of Shares held by the Company
TCM Living					
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	45%	GBP 18,181,818	18,181,818
TCMC Furniture Limited (TCMF)	Investment in other companies	Albro Works, Gosbecks Road, Colchester, Essex, CO2 9JU	76%	GBP 1,000,000	1,000,000
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
Alstons (Cabinets) Limited (Invested through TCML)	Manufacturer and distributor of Furniture	Albro Works, Gosbecks Road, Colchester, Essex, CO2 9JU	100%	GBP 153,217	612,868
Manor (2016) Holdings Limited (Manor)	Investment in other companies	Suite E, 2nd Floor, The Octagon, Middleborough, Colchester, Essex, England CO1 1TG	100%	GBP 62,500,000	62,500,000
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
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
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	99.995%	THB 4,000,000	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 April 28, 2022 is as follows:

No.	Name of major shareholders	Number of shares being held	Shareholding ratio
1	Srivikorn Family		
	Mr. Pimol Srivikorn	113,646,600.00	14.89%
	Mr. Vikorn Srivikorn	50,000,000.00	6.55%
	Mr. Chaiyut Srivikorn	47,350,514.00	6.20%
	Khun Ying Sasima Srivikorn	31,183,903.00	4.09%
	Mrs. April Srivikorn	1,100,000.00	0.14%
	Total of Srivikorn Family	243,218,017.00	31.88%
2	Mrs. Taya Teepsuwan	50,242,939.00	6.58%
3	Mr. Kiattinan Denpaisan	19,640,369.00	2.57%
4	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%
5	Chiawsakul Family		
	Miss Piraya Chiawsakul	12,217,200.00	1.60%
	Mr. Suchart Chiawsakul	5,482,500.00	0.72%
	Total of Chiawsakul Family	17,699,700.00	2.32%
6	UBS AG LONDON BRANCH	12,370,000.00	1.62%
7	Mr. Zennarin Likhitcharoen	11,000,000.00	1.44%
8	Miss Thunnathaporn Kraipisitkul	10,908,800.00	1.43%
9	Limatibul Family		
	Mrs. Parada Limatibul	5,452,000.00	0.71%
	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	9,455,400.00	1.24%
10	Mr. Korakot Justin Thadathamrongvech	8,360,000.00	1.10%

Company's Securities

As of December 31, 2022, 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. The company has no record of capital increase/decrease in the past 3 years.

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)

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, and 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.

2022

Due to the additional loan repayment agreement signed by the company with the bank at the end of 2022, which extended the principal payment to ensure liquidity and cash flow in operations, one of the conditions outlined in the agreement is that no dividend payment will be made to shareholders in 2023. Hence, there will be no dividend payment made to the company's shareholders.

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 May 31, 2018, the Board of Directors resolved to appoint the Risk Management Committee, consisting of 5 members which are 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 2022, the Risk Management Committee held two risk management meetings 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 organizational 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 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 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.

The 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 to an acceptable level. In 2022, the following possible risks are assessed and managed.

1. 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.

1.1 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 repay loans regularly and continuously in the form of dividends.

1.2 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 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.

1.3 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 dollars, 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.

1.4 Liquidity Risk

The Company and its subsidiaries have controlled liquidity risk by maintaining a 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.

2. Operational Risks

The Company may have business operational risks that result in failure to achieve the goal.

2.1 Subsidiary Investment Risk

As the Company plans to expand its business 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.

2.2 Customer Related Risks

Risks could arise from the decreased purchasing power due to economic conditions, or from the increasingly diverse needs of customers that the Company may not be following market trends or truly understanding the needs of customers. The Company therefore sets business goals by giving top priority to customers and having the subsidiaries' management team to develop further plans, such as building and positioning product brands clearly, expanding sales channels that customers can easily access, adding different product types that respond to different customer groups, along with operational performance monitoring, after-sales service, and regularly evaluating customer satisfaction.

2.3 Supply Chain Risks

The impact of the COVID-19 pandemic situation has led to an increase in raw material costs, higher land and maritime transportation costs, inflation, and cost of living. Consequently, the Company shall be cautious in procurement, control costs, and improve efficiency. All three business units have control over their expenses and have implemented lean management processes to enhance production efficiency, effectiveness, and performance. They have also sought new suppliers to reduce transportation costs and reviewed product pricing to align with the increased costs.

2.4 Technology Risks

The current advancement of manufacturing technology may lead to the introduction of new machinery or alternative materials that can better meet customer demands. Failure to keep up with these technological advancements may cause companies to lose their competitiveness. Therefore, the business group explores new possibilities in production and constantly monitors the status of competitors. The expert consultants have been appointed to help the Company understand market trends and directions in the industry.

3. Human Resources Risks

Human resources are an important factor in conducting business, especially for industrial manufacturers. The risk of labor shortage, succession planning, and knowledge and skills development for employees to cope with various changes are crucial issues that the Company gives high importance to. Therefore, the Company assesses their potential and develops appropriate human resources development plans suitable for their jobs and responsibilities. In addition, the Company develops knowledge transfer, establishes organizational culture that promotes unity and cooperation among people in the organization, provides appropriate benefits, creates motivation, rewards work achievements, as well as supports their career advancement.

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 an 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. Environmental, Social and Governance (ESG) Risks

Currently, ESG (Environmental, Social, and Governance) is an important issue for everyone around the world, whether they are governments, private companies, or the public. The impact of ESG ignorance in business operations could lead to the loss of the Company's ability to continue operating in the future. Therefore, the Company has analyzed the impact, risks and opportunities, and the needs of stakeholders in order to identify key issues as follows

Corporate Operational Risks

5.1 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). The Company has prepared a risk control plan that aims toward the Net Zero goal. Currently, the Company is in the process of Data collection and roadmap preparation.

5.2 Social Dimensions

The Company strictly complies with labor laws and has established projects to create a healthy living environment for employees and supported the establishment of recreational and sports clubs. The Company has announced Human Rights Policies and opened up various channels for complaints. Safety officers are appointed to be responsible for preventing workplace accidents, ensuring safety, occupational health, and good working environment, and regularly reporting the results to the board of directors.

5.3 Corporate Governance Dimensions

The Company has announced the Anti-Corruption Policy and joined the "Thai Private Sector Collective Action Against Corruption" or CAC, and provided channels for complaints for anyone who encounters corruption, lack of transparency, or misconduct by the board or senior executives. The Audit Committee shall examine the complaints and appoint a fact-finding committee (details of the policy can be found on the website www.tcm-corporation.com under the topic of sustainable development).

External Risks

5.4 ESG Laws and Regulations

The Company is monitoring news and developments related to the implementation of carbon taxation in European countries, which poses a risk to companies that produce goods for export. The Company is keeping track of changes in laws and regulations from various organizations. Included joining SET Sustainable as a member, subscribed to newsletters from environmental organizations, and have consultants to monitor and update the situation regularly.

5.5 Stakeholders Expectations

Stakeholders have expectations that the Company conducts its ESG operations in an ethical manner. These stakeholders include customers who want quality products and services and expect the Company to be responsible for its products. Business partners expect the Company to conform to the corporate governance and conduct ethical and fair business. Shareholders/investors desire good profits with corporate social responsibility. Banks/creditors wish to support the Company that runs sustainable business operations. Government agencies/stock markets/media require the Company to disclose their ESG-related performance to the public for transparency and accountability.

Therefore, the Company has prepared sustainability disclosure and reporting as part of the 56-1 One report that indicates clear objectives and indicators, relevant policies, and activities to make ESG a part of daily life and embedded it in the DNA of employees.

6. Emerging Risks

Apart from the risks associated with operations and the impact of economic conditions, there are many emerging risks from global issues such as climate change and technological disruption. These risks require the Company to monitor news and trends from both the public and private sectors that may affect the direction of change. New policy announcements from the government and new innovations from the private sector can have a significant effect on the Company's future. Therefore, the Company needs to constantly monitor and assess risks. However, many issues do not yet have a clear trend towards significant impact so the following key issues will be introduced.

6.1 Natural Disasters Risk

The Company provides insurance on all of its major assets in case of natural disasters. In addition, the Company realizes the importance of the development of Business Continuity Plan (BCP) in response to natural disaster which may affect the normal course of business of the Company. A special task force shall be established in the event of a serious emergency. The production sources shall be distributed to mitigate risks in case the main factory is unable to produce goods to allow other available factories in different locations to continue business operations.

6.2 Risk of infectious diseases

Although the COVID-19 pandemic situation has improved and the risk of severe impact to the Company has decreased, the Company continues to maintain measures such as social distancing and regular facility cleaning to prevent the outbreak of other new diseases that may impact the delivery of goods.

6.3 Cyber Security Risks

The Company has developed a risk prevention plan in the event of data breaches or illegal use of data by using both domestic and international servers to store data. The Company has engaged with service providers with the highest level of data security systems and trained employees on online data security and the dangers of phishing emails and ransomware to raise awareness and increase caution in the use of technology.

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 Corporation and TCM Surface business. The report covers the period from January 1st to December 31st, 2022.

For the TCM Living business, the sustainability development is still in the process of collecting data and developing plans which will be presented later

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.

Contact Information

For more details or queries, please contact:

TCM Corporation Public Company Limited
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Tel: +66 (0) 2318 3960
Email: info@tcm-corporation.com

1. Sustainability Policy and Goals

To achieve our sustainability goals, we are committed to the following principles:

1. Environmental Responsibility: We are committed to reducing our carbon footprint, conserving natural resources, and minimizing waste in all aspects of our operations. We will continuously seek out and implement innovative technologies and best practices to gear the business toward bio economy, circular economy, and green economy to reach our Net Zero goal in 2050.
2. Social Responsibility: We believe in treating all our stakeholders with fairness, respect, and dignity. We will strive to promote gender equality, diversity, and inclusiveness in our workplace, and we will work to support the communities in which we operate.
3. Economic Responsibility: We understand that sustainable business practices are not only the right thing to do, but they also make good business sense. We will strive to balance our economic and environmental goals, recognizing that the two are interdependent.
4. Transparency and Good Governance: We believe in transparency and accountability in all our operations, and we will work to ensure that our business practices are open, honest, and responsible.

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.

Activities in the value chain of the TCM Surface business group¹


Main Activities

- 1


Inbound Logistics


 - The quality raw material supply with durability, safety, and environmental friendliness
 - Research and development of valuable products with suppliers
- 2


Operations


 - Creative designs and patterns
 - Efficient production with resource efficiency
 - The reduction of pollution and environmental impact
 - Product standard and quality control
 - Safety in manufacturing processes and workplace
- 3


Outbound Logistics


 - Fast, punctual, and accurate delivery service
 - Fast and efficient delivery and installation
- 4


Marketing and Sales


 - Appropriate pricing for products and services
 - User manual and maintenance instruction providing
 - Accessibility to products and services easily, promptly and conveniently.
- 5


After Sale Services


 - Warranty and customer satisfaction guarantee
 - After sales service, consultation, and feedback collection for development product and services.


Support Activities

- 


Procurement



Technological Development



Human Resource Management

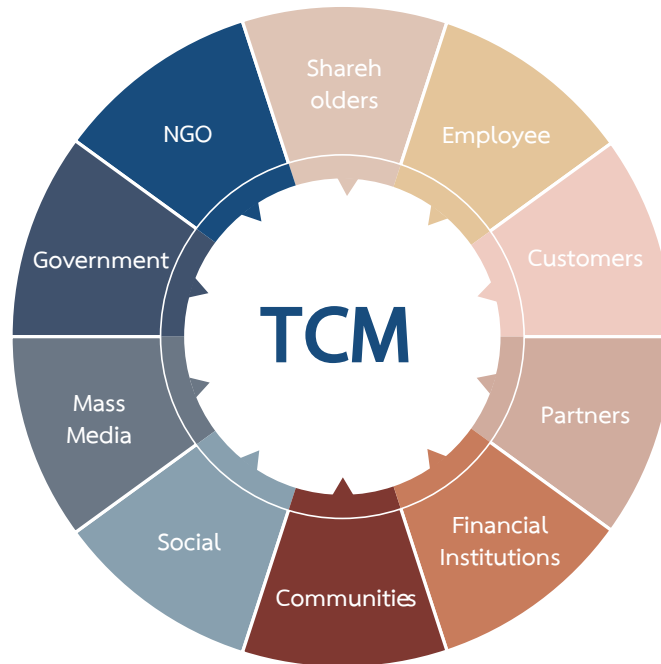


Community Relations

¹ The analysis includes only TCM Surface 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 various channels, then processing the expectations of the stakeholders.

Operation with Stakeholders

Stakeholders	Communication Channel	Expectations	Operations	
Internal Stakeholders				
1	Share holders	<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.

Stakeholders	Communication Channel	Expectations	Operations	
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 • Friendly and professional services • Receiving and resolving complaints 	<ul style="list-style-type: none"> • Create innovations in new products • Certified for international standards for products and processes • Develop distribution channels for products • 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 expectations 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

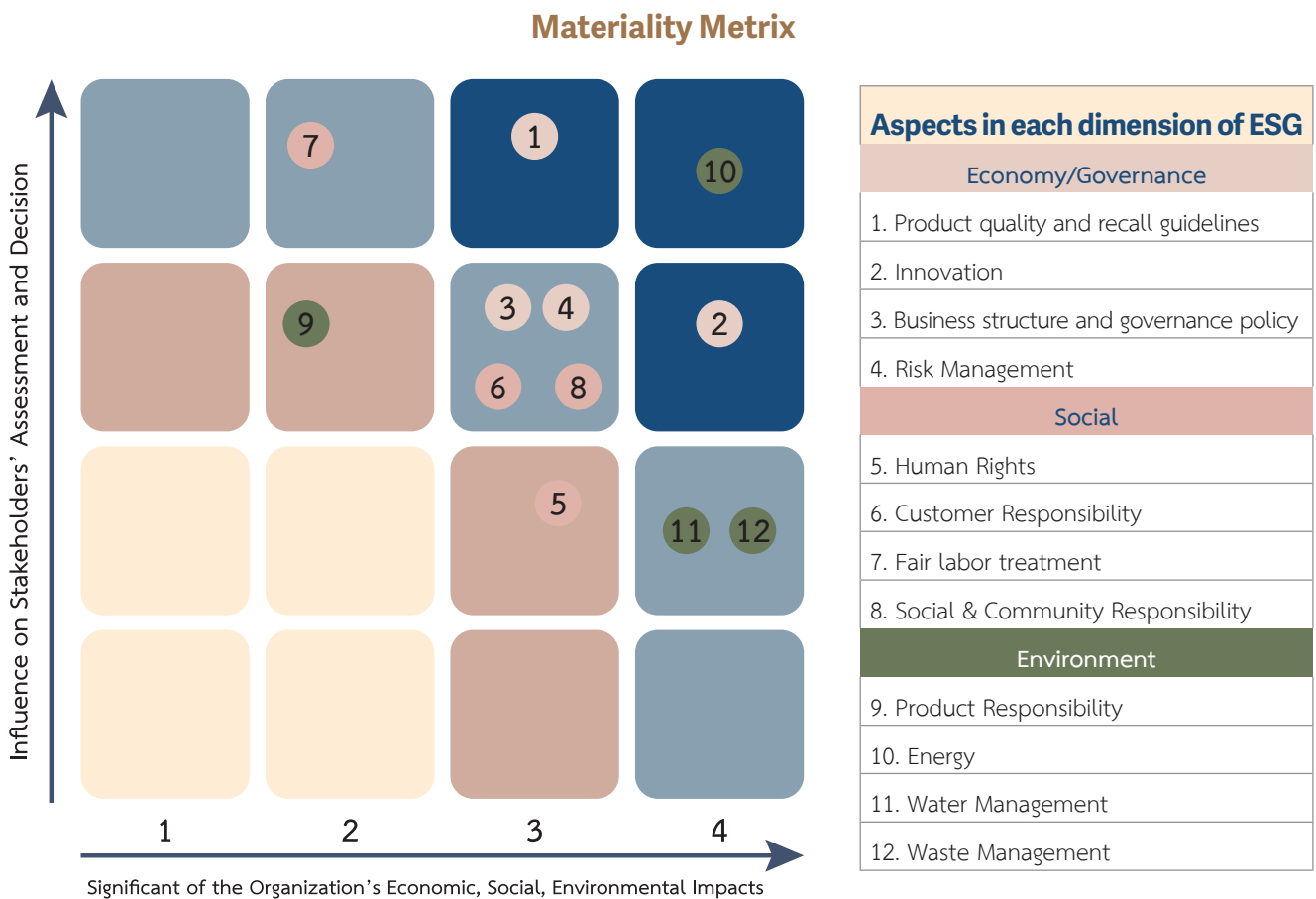
The Company categorizes the selected factors into groups, evaluates and sets the order of priority of the factors that are significant to the business by considering the two dimensions that are the possibility and impacts on the business of the Company, and importance and expectations of the stakeholders.

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.



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.



The sustainable development goals of the United Nations.

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> <div data-bbox="145 965 432 1104">   </div>	<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 hand-tufted carpets that meet the fire retardancy requirements of the International Maritime Organization (IMO) standard. 2. Royal Thai's Ascend collection was awarded by The International Yacht & Aviation Awards (IYA) based on the votes of its members from around the world. 3. Carpets Inter's Breathe collection received a sustainable award from Archiproduct Design Awards. 4. The company has set a customer satisfaction goal of 90% and achieved a rate of 94% last year. 5. The company has been certified for the 2nd time for membership renewal in the "Thai Private Sector, Collective Action Against Corruption" (CAC) Project.
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> <div data-bbox="145 1626 432 1910">    </div>	<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 has reviewed and updated its human rights policy in 2022, along with announcing a personal data protection policy. In the past year, there were no complaints or requests to exercise the right to cancel the provision of personal data 2. Develop a new set of corporate values and promote employee development. 3. The Company accepts used and worn-out carpets to dispose properly by using them as substitute raw materials in cement kilns to be used as co-materials in the cement kiln production process. 83 tons of carpets were sent to the degradation process in 2022. 4. The Company continuously conducts activities with the surrounding communities. In 2022, the Company joined Bang Khu Wat District in a waste sorting activity as a community effort, local culture promotions, etc. 5. The company has continuously supported schools and temples by donating carpets, creating good relationships, helping people in the community, and providing educational scholarships to students. A total of 13 schools have received carpet from this program

Targets in line with SDGs	Projects	Performance Result
Environment		
<p>Promote the use of innovation in the organization to increase production and reduce environmental effects.</p> <p>Promote utilization of natural resources and take part in environmental protection for global sustainability</p> <div data-bbox="172 819 456 1106"> </div>	<ol style="list-style-type: none"> 1. Energy and greenhouse gas management. 2. Water management. 3. Garbage and waste management. 4. Develop products made from materials that are at least 50% recycled by weight and increase the use of products made from natural materials. 	<ol style="list-style-type: none"> 1. The Company has hired consultants to collect data and analyze the amount of greenhouse gas emissions produced by the Company's operations in order to develop a journey to achieve Net Zero emissions by 2050. 2. The Company has chosen to use 100% recycled nylon fibers to replace traditional virgin nylon fibers in the Cropland Capture collection, resulting in products containing up to 61% recycled materials by weight. This product development aligns with the Company's goal of using recycled materials more than 50% of each product. 3. The Company has invested in a second phase of a dyeing machine that enables over 25% energy savings per production unit, resulting in a reduction of 771,327 megajoules of thermal and electrical energy per year. This is equivalent to reducing greenhouse gas emissions by 47,884 kg CO2-equivalent per year. 4. The Company has installed a solar rooftop system with a capacity of 993.6 kilowatts of power generation. The system began operating and supplying electricity to the grid in the second quarter of 2022. Over the period of approximately 10 months, the system has produced 1,050,000 kilowatt-hours of clean energy for the factory, which is equivalent to greenhouse gas emissions reduction of 729,664 kg CO2-equivalent. Additionally, the Company has signed a contract with the contractor to prepare for the installation of Phase 2 in 2023. 5. The Company has 0% factory wastewater discharge to the public by wastewater recycling that has been implemented for 8 years (since 2015). 6. The Company has had 0% landfill waste disposal for 13 years (since 2010). 7. 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, 920 million bottles have been recycled.

Sustainability Management in Economic and Good Governance Dimension

Good Governance Dimension

Fair Business Practices

Commitment & Goal

The Company has set a mission to conduct sustainable business growth based on ethics, morality, trust, and mutual confidence among all stakeholders. Furthermore, the Company's policies and practices regarding good corporate governance are well and clearly defined to ensure that the board of directors, executives, and all employees adhere to these principles and avoid any actions that may lead to conflicts of interest, while respecting the rights of all stakeholders and maximizing mutual benefits for everyone.

1. Fair Competition

Management Guideline

The Company focuses on building business partnerships with partners for mutual growth in the long term, operating within the framework of fair competition in procurement regulations and ISO 9001 quality management systems. The Company has also established practices for attending or hosting welcome receptions, receiving, or providing gifts or hospitality offers in an appropriate manner to avoid any benefits beyond commercial agreements. In addition, the Company maintains the reputation of its competitors and avoids seeking illegitimate business benefits, counterfeiting, or using intellectual property without permission.

Performance Result in 2022

The Company has no complaints or disputes regarding unfair competition.

2. Respecting the Rights of All Stakeholders

Management Guideline

1. Respect the rights of shareholders, take care of their benefits, support and promote equal opportunities for all shareholders. The investor relations department has been established to function as a mediator to provide information to all shareholders and investors. Furthermore, the information disclosure policy has been implemented to ensure that all types of shareholders and investors can equally access information. Therefore, the shareholders and investors have confidence that the Company conducts business with integrity, transparency, and verifiability.

2. Protect consumer rights by producing and selling safe and environmentally friendly products, keeping promises and agreements in the sale of products, taking care of, and responding to customer needs and complaints, having a policy of customer satisfaction guarantees and allowing for product claims to resolve any quality issues. The customer relations department has been established with call center systems to assist customers individually.

3. Respect the dignity and rights of all employees without discrimination based on races, religions, genders, or any other categories.

4. Assure the creditors of the financial status and ability to repay and comply with contracts or other conditions.

5. Respect and avoid infringing intellectual property rights or using the work belonging to others without permission and stop supporting products or actions that violate intellectual property rights. Meanwhile, the Company has inspected, maintained, and taken care of the works that are considered its intellectual property by patenting its innovations and protecting them from infringement or unauthorized use by others.

6. Provide personal data protection for all groups of stakeholders. The Company has developed the Personal Data Protection Policy and Privacy Notice for employees, partners, customers, visitors, board members, and shareholders and posted them on the Company's website. In addition, the Company has established procedures for managing and controlling the processing of personal data in compliance with the law.

Performance Result in 2022

The Company has no complaints or disputes regarding violations of the rights, personal data, or property of others.

3. Anti-Corruption Measures

Management Guideline

1. The Company is committed to conducting business with transparency and fairness. Anti-corruption guidelines have been established along with the promotion of awareness of corporate values, ethics, attitudes, and culture, which could encourage the executives and employees at all levels to comply with relevant laws and regulations and discourage them from achieving any work through corrupt practices.

2. At the Company's 5th board meeting on November 25, 2015, the Anti-Corruption Policy was established in writing. Since then, the policy has been reviewed and revised annually to align with relevant regulations. The latest revision was approved at the Company's 3rd board meeting on May 13, 2022.

In addition, the Company's board of directors has approved measures to report or complain when evidence of corruption occurs in the Company, and established mechanisms to protect and secure justice to whistleblowers or the accused. Furthermore, penalties shall be imposed on those who commit wrongdoing, threaten, or intimidate others, or remain indifferent to such misconduct.

3. The Company voluntarily joined the Thai Private Sector Collective Action Against Corruption (CAC) and was re-certified as a CAC member for the second time in 2022.

4. The Company has established an effective and efficient risk management system along with an internal audit system to prevent the occurrence of corrupt practices. The details are as follows:

4.1 Corruption Risk Assessment Process

The risk management committee has developed an annual risk management plan for the Company's business operations each year, which includes an assessment of corruption risks. The assessment process categorizes risks into various aspects and establishes risk evaluation criteria for both the likelihood of occurrence and potential impact. The plan also identifies control measures that are already in place and those that can be implemented to mitigate potential risks. In addition, appropriate measures are imposed to manage and prevent identified risks, and control measures are put in place to prevent potential corporate corruption.

4.2 Supervision and Control to Prevent and Monitor Corruption Risks

The Company has established an internal audit process by the internal audit office to assess the adequacy of the internal control system and prevent corporate corruption in key business systems, such as sales, procurement, accounting, and payment systems. The Company also provides channels for reporting information or complaints for any incidents that may cause harm to the Company, such as inaccurate financial reports, defective internal control systems, illegal activities, and corruption. The Company has adopted measures to protect whistleblowers and ensure fairness throughout the investigation process, including the procedures for verifying the facts and imposing disciplinary and/or legal penalties. If the complainant allows to be contacted, the Company shall inform him/her of the investigation results in writing.

4.3 Guidelines for Monitoring and Evaluating the Anti-Corruption Policy Implementation

The Company has established an appropriate auditing process. The internal audit office has conducted an audit of the internal control system in accordance with the annual audit plan and reported the results to the audit committee. In the event of corruption or complaint report, the internal audit office shall report what has occurred and the investigation results to the audit committee. The audit committee shall then report to the board of directors, respectively.

5. The subsidiaries and joint ventures are required to adopt the Company's Anti-Corruption Policy and related procedures as their standard business practices and contribute to building an organizational culture with zero tolerance for corruption.

6. The Company has communicated and promoted the Anti-Corruption Policy and relevant regulations to external individuals and its employees through various channels, such as the Company's website, intranet, emails, notice boards, public announcements, and more.

7. The Company has continuously provided training on the Company's Anti-Corruption Policy and relevant regulations to the Company's board of directors, executives, and employees at all levels. This training includes information on providing support, giving and receiving gifts, disciplinary actions, procedures and channels for reporting grievances or complaints, mechanisms for providing protection and fairness to those who report grievances, as well as training on how to address corruption during new employee orientation.

In addition, the Company has promoted and supported the executives and employees involved in the internal control to receive training on anti-corruption and compliance, such as the "Corruption Risk and Control Workshop (CRC)" course, the "Road to Join CAC" course, and the "Road to Certify CAC" course, to apply the knowledge gained to the organization in the future.

8. The Company has established communication channels for reporting complaints or whistleblowing related to corruption with whistleblower protection measures. The person who reports the complaint or whistleblowing shall be protected and their identity shall be kept confidential. The reported issue shall be carefully and thoroughly investigated with fairness and transparency.

Performance Result in 2022

1. Review and revise the Anti-Corruption Policy and relevant regulations, by adding content on hiring government officials. In addition, the guidelines for the Anti-Corruption Policy implementation have been improved and delivered to the Company's personnel so that they can firmly adhere to the guidelines.

2. Provide training and education on Anti-Corruption Policies and regulations to executives and employees in May 2022, and provide anti-corruption knowledge in the orientation course for all new employees.

3. In 2022, the Company communicated the Anti-Corruption Policy to all vendors and customers and announced the No-Gift Policy during the festive seasons, which has been consistently implemented for the past 4 years. In addition, the Company has informed the board members, executives, and employees of the policy and requested their cooperation in refraining from giving and receiving gifts during festive seasons and other special occasions.

4. The Company has not received any complaints or reports of wrongdoing related to corruption through the reporting channels.

Economic Dimension

1. Products and Innovations

Commitment & Goal

TCM Surface is dedicated to developing efficient work processes and services, creating innovative products that can sustainably meet the customers' needs. The executives and employees are committed to stretching the value of "Innovate with Purpose" culture to create a work culture that encourages employees to think and act boldly in new things, advancing ideas to keep up with the global market.

Recognizing the increasing severity of the impact of global warming every year and the Company's commitment to creating balance for the global climate, we are determined to develop more environmentally friendly products. The Company uses reusable materials, alternative materials, or natural materials that can be recycled in our products. Our goal is to develop products that consist of at least 50% recycled materials by weight for one collection, and to increase the use of natural and biobased materials in our products

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 2022

The Company prioritizes product quality and customer demand. Product research and development considers global market conditions, new technologies, and environmental friendliness. In 2022, the Company has developed the following products:

1. Products made up from more than 50% recycled materials by weight

The Croplands Capture and EcoSoft Tiles collections in all colors now use 100% recycled nylon fibers instead of conventional virgin nylon fibers, containing up to 61% recycled content by weight. This product's development meets the Company's goal of having products made up from more than 50% recycled materials.

Not only did the Company achieve the goal of increasing the use of environmentally friendly materials, but the Croplands Capture collection is also the first product to enter the market with the Environmental Product Declaration (EPD) standards.



An Environmental Product Declaration (EPD) is a label that specifies the “composition” of a product and its environmental impact throughout its lifespan. EPD is calculated from the life cycle assessment (LCA) of the product ranging from the selection of raw materials to production processes, transportation, and usage. The EPD report includes details on resource usage and environmental impacts in compliance with the standards certified by independent organizations, providing transparent, accurate, and comprehensive information.

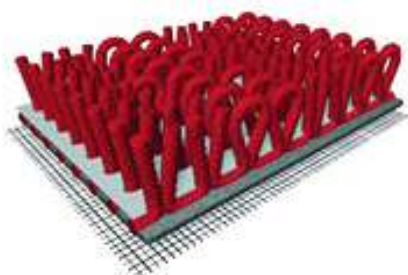
2. Increase products that use natural and biobased materials

The Company has developed and transformed synthetic materials used in hand-woven carpets into natural materials to provide more options for customers in the residential and boutique markets who prioritize environmental concerns. This is another way to help conserve the environment.

Examples of using natural materials include

- Choose natural fibers such as wool, silk, or bamboo
- Choose 100% cotton woven fabric instead of blended polyester fabric
- Choose 100% cotton mesh netting instead of blended polyester mesh
- Choose a natural rubber adhesive formula instead of synthetic formula

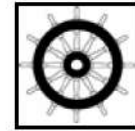
The hand-tufted carpet made from the aforementioned components would have more than 80% natural or biobased materials of the carpet's overall composition.



- ✓ **Natural fiber: Wool, Silk, or Bamboo**
- ✓ **100% Cotton Canvas**
- ✓ **100% Cotton Scrim Mesh**
- ✓ **Natural Rubber compound**

3. Develop hand-tufted carpets that meet the fire retardancy requirements of the International Maritime Organization (IMO) standard.

Since 2005, the Company has developed Axminster carpets with low smoke and low toxicity properties to meet the International Maritime Organization (IMO) FTPC certification, in order to expand and penetrate the ship carpet market for the first time. Currently, the market for carpets in luxury cruises and yachts has grown rapidly, creating a high-end market in which high-quality hand-tufted carpets can meet the demands and satisfaction of customers. The Company has therefore developed and selected high-quality raw materials, developed structures, and tested them to ensure that the quality of our hand-tufted carpets is suitable for passenger ships and luxury yachts with high safety standards and exquisite beauty, promoting the luxurious and prestigious image in any interior design of passenger cabins.



Notified Body
No.: 0575



In addition to the quality that complies with international maritime regulations, the carpet design from the Ascend by Royal Thai collection also won the IYA FLOORING 2022 award.

Royal Thai: The Winners - The World's Best Yacht & Aviation Design 2022



The International Yacht & Aviation Award (IYA) is a global design award presented by Luxe et al, a leading institution in the yacht and aviation market. The product designs are showcased online and open for votes from industry experts in the global maritime and aviation industry

IYA FLOORING 2022 WINNER

ASCEND BY ROYAL THAI



Ascend is a hand-tufted carpet collection from Royal Thai that utilizes premium-grade materials, including the combination of New Zealand wool and Spun Silk to create high-quality carpets that are beautiful and meet the needs of the customer group of private jets. Ascend is inspired by important components of aviation and incorporates clear colors and patterns to enhance the flight experience and impress the passengers even further.

4. The product was successfully launched. Proven by awarded from the Archiproduct Design Awards 2023.



Collection BREATHE
from Carpets Inter



Archiproducts Design Awards is an international design competition, with the aim of recognizing, rewarding, and celebrating design excellence across a broad range of categories. Heartened by the positive association with more than 3,500 companies and with the largest community of Architects and Designers, Archiproducts is the online reference point for over 3.7 million professionals and design lovers worldwide.



Archiproducts Design Awards introduce the recognition for Sustainability, celebrating products that stood out in terms of use of recyclable and biodegradable materials, production techniques that reduce polluting emissions, and minimum environmental impact during the product's entire life cycle. The Sustainability nominees were over 150 by brands worldwide. Each product has been examined and evaluated by a specially selected jury of experts in eco-design and sustainability from the world of architecture and design.

Carpets Inter's Breathe Collection received awards for its originality, design quality, concept, aesthetics, and sustainability in the finishes category. The awards party was held in Milan, Italy on November 23, 2022.

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 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. The goal is "To increase customer satisfaction with the company's products and services".

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 with the management guidelines as follows:

- Establish a department responsible for receiving complaints, coordinating with other departments, and providing advice, information, and recommendations for customers regarding the products at all times.
- Conduct business under the law in accordance with the Consumer Protection Act B.E. 2522 to maintain fairness to customers in case of problems arising from company mistakes.
- Avoid over-advertising of products that can mislead customers to understand important information about the products and services mistakenly.
- Create labels that specify the product's features, usage, maintenance, recommendations, and other necessary information that is beneficial to customers.

In addition, the Company carries out various activities to demonstrate its responsibility for products and services and live up to customer expectations.

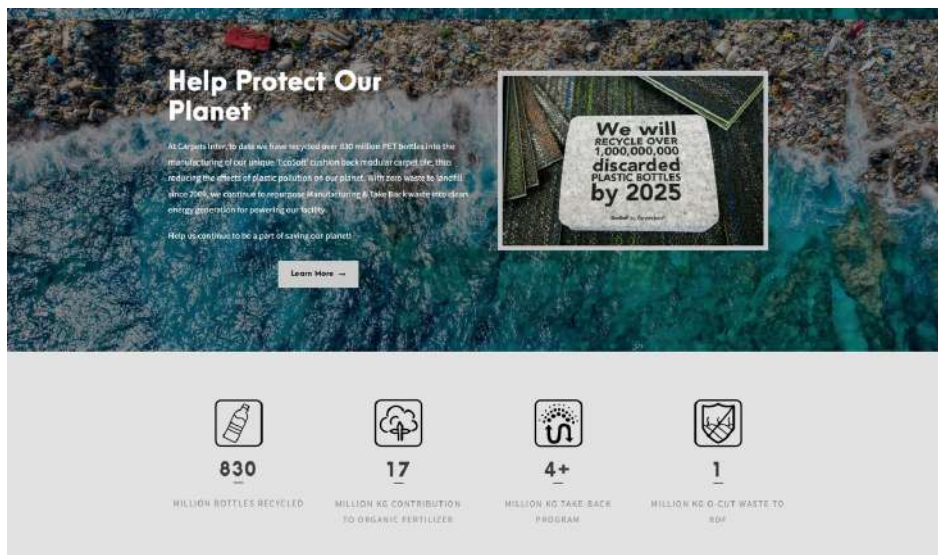
Performance Result in 2022

1. Building Customer Relationships

The Company has conducted various activities and projects to foster strong relationships with customers and promote a positive image for the products and the organization, including:

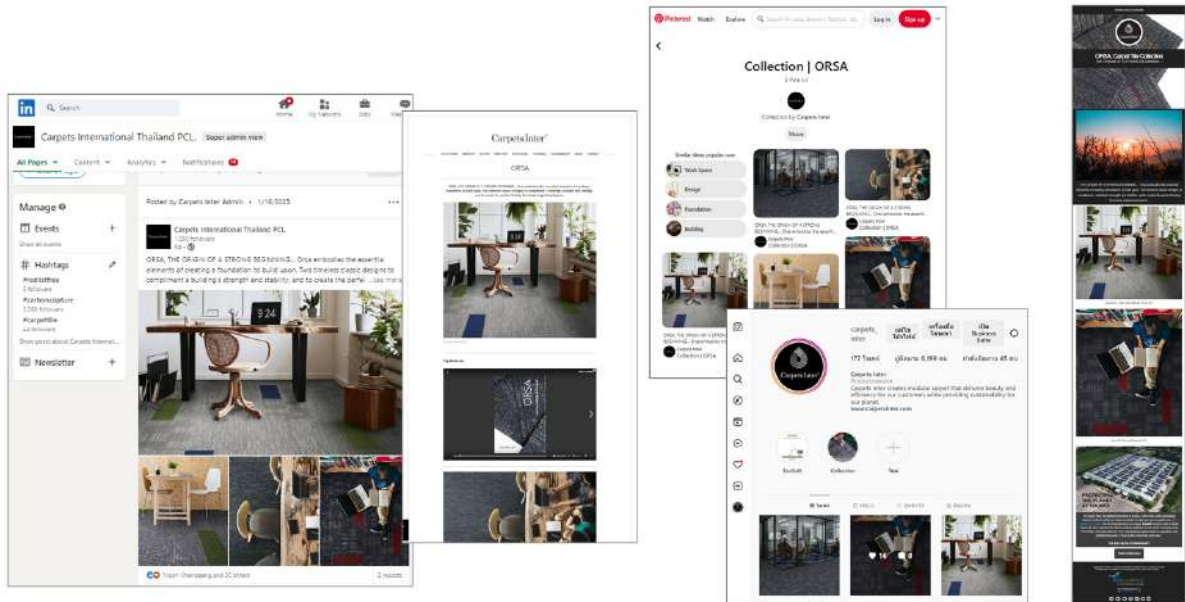
1.1 Website redesign to align with the business

Due to the increase in the variety of products offered by TCM Surface, the Company has updated its website to give a more modern look that aligns with the digital age. The website now features an easy-to-use menu and has been optimized to improve its ranking on Google search results. Additionally, the website can display information faster than before, further supporting the Company's efforts to keep up with the latest technological advancements.



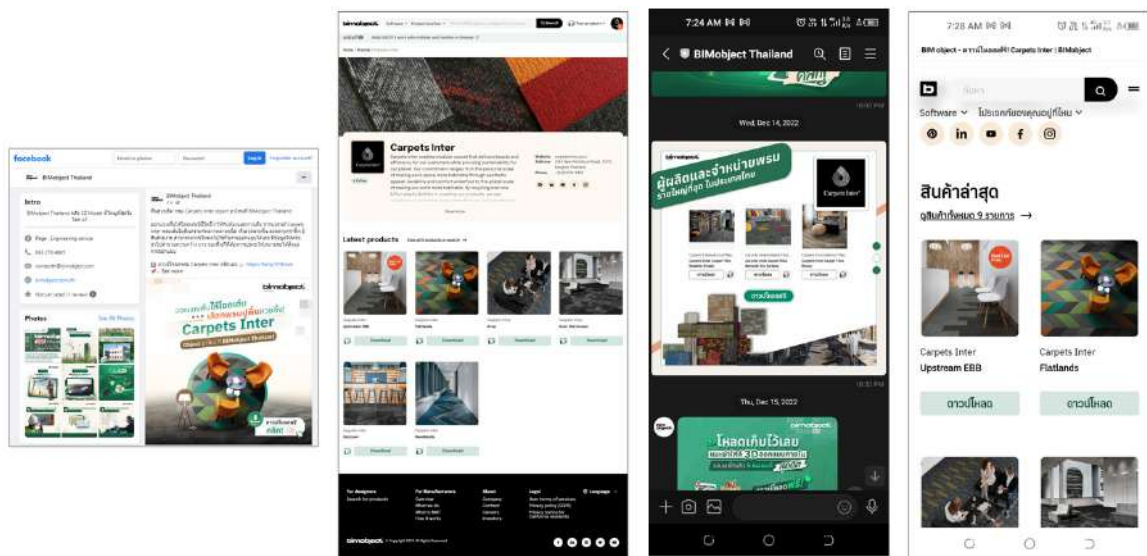
1.2 Social media communication to reach customers

Choosing the appropriate communication channels is crucial for businesses. The Company understands the changing communication behaviors of the target audiences and therefore creates communication channels through various social media platforms to provide options for different customers. These channels also serve to communicate, answer questions, provide additional information, and introduce products, services, and promotions to customers.



1.3 The development of BIM Objects to assist architects and designers through shared models

The purpose is to assist customers in the architect and interior designer group in selecting materials, specifying products, and enhancing building design efficiency, convenience, and ease through the creation of a shared model that can be downloaded into software that specifically helps with architectural design projects, such as Revit, ArchiCAD, or Sketchup, enabling designers to work online 24 hours a day.



2. 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 Management

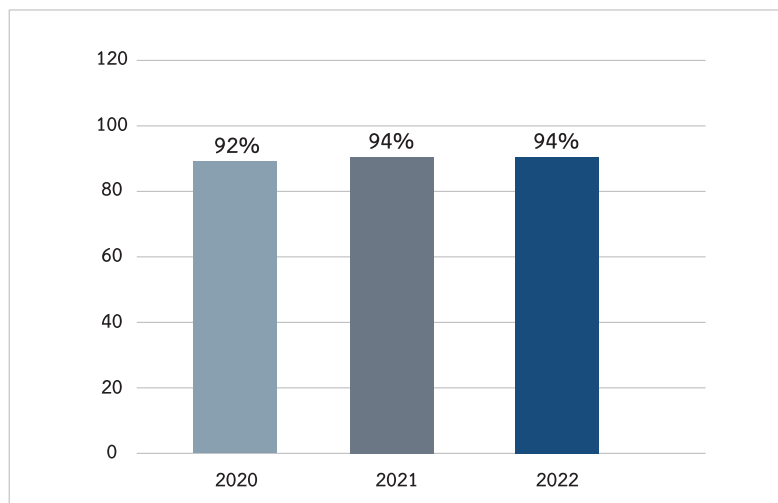
Product & Service Responsibility Management as follows

3.1 Product & Service Complaint Handling

The Company pays very close attention to after-sales 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](https://www.facebook.com/carpetsinter) and [@royalthai](https://www.facebook.com/royalthai).

3.2 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. In 2022, the Company aims to achieve a customer satisfaction rate of 90%, which the result is in line with the target that the customers gave high score for the satisfaction survey on the Company's services.



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.



3. Business Partner Relationship Management

Commitment & Goal

As a leader in the textile industry in the country and region, the Company emphasizes efficient and transparent procurement processes that aim to achieve effective results in maintaining product and service standards. In addition, the Company has established guidelines for partners to use as a standard for screening and strictly monitoring quality, ensuring that the products and services purchased have undergone a standardized procurement process, and demonstrated corporate responsibility for society and the environment. Furthermore, the Company places importance on risk management throughout the supply chain.

Management Guideline

The Company has followed the guidelines for doing business with partners as follows:

1. The Company clearly upholds the policy of compliance with laws and regulations and maintains ethical standards in procurement and sourcing processes with suppliers that are fair and transparent.
2. The Company places great importance on the quality of raw materials and avoids prohibited substances and hazardous pollutants that could have a negative impact on human health and the environment. Therefore, there is a screening process for evaluating the chemical composition of every raw material, and only those that pass the evaluation are used in subsequent trials.
3. Registered suppliers must provide a letter of commitment to follow labor standards.
4. “Safety and Environment” is the main focus of business operations which shall be communicated to contractors through training and evaluation by the department of safety and environment before starting to work.
5. The Company has implemented ethical standards as mandatory requirements for procurement and sourcing processes, regardless of the type of goods, whether they are raw materials, parts, construction works, or even services, which include the following principles:
 - Provide equal opportunities and fair treatment to potential suppliers and contractors regardless of nationality, business size, discriminatory practices, gender, or any form of social status discrimination to create fair and transparent competition.
 - Select suppliers based on the product cost, quality, quantity, and ability to deliver.
 - Consider their stability and technological development potential and allow the use of local products to generate income for the community.
6. The Company recognizes the significance of corporate governance and ethics in business and adheres to the principles of honesty, integrity, transparency, fairness, responsibility, and compliance with the law, regulations, and relevant standards. Furthermore, it is prohibited to seek personal benefits that contradict the Company’s interests.

7. The Company places importance on products that are produced or sourced in the same region to support the use of domestic resources and generate income for the community, helping reduce environmental impacts from product transportation.

Performance Result in 2022

The company has conducted business with its partners with good relationships, as follows

1. Developed raw materials and products together with 13 new partners.
2. Supported environmentally friendly procurement, which could add 7 more environmentally friendly products.
3. Collaborated with partners in developing high-quality raw materials to reduce problems in the production process, and received a raw material quality score of 99.71% in 2022
4. Purchased raw materials from Thai partners, accounting for 35% of the company's total purchases, including the procurement from partners certified with ISO 14001, accounting for 30% of domestic raw material purchases.
5. Evaluated partners selling under the QSEL system on the following criteria:
 - Quality
 - Occupational health, safety, and labor
 - Environment and energy
 - Environmentally friendly procurement
 - Service

In 2022, the Company had an average score of 95%.

6. To reduce the spread of the coronavirus, the Company has developed working standards and communicated with suppliers through electronic medias and emails to ensure mutual understanding among all parties.

Sustainability Management in Social Dimension

The Company has a commitment to produce high-quality products based on the responsibility to business operations. The Company emphasizes transparency, accountability, ethics, and corporate governance, and dedicates to developing its business with sustainable economic, social, and environmental balance. The Company takes responsibility for the impact of operations on all stakeholders, respects human rights, considers the impact on communities and the environment, and complies with relevant laws, regulations, and international practices. The Company also continues to improve and enhance sustainable corporate social responsibility practices for social benefits.

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).

Management Approach

Corporate ethics used as guidelines for operations are as follows:

1. The board of directors, executives, and employees at all levels shall respect human rights, treat each other with respect and equality without discrimination based on physical or mental differences, race, nationality, country of origin, ethnicity, religion, gender, language, age, skin color, education, social status, cultural traditions, or any other matter.
2. Exercise caution in performing duties to prevent the risk of human rights violations in business operations and carefully monitor and respect human rights.
3. Support and promote activities aimed at human rights protection.
4. The Company has communicated, disseminated knowledge, facilitated understanding, provided guidance and support for business partners in the value chain, suppliers, contractors, and joint ventures, to participate in ethical business practices, respect human rights, and act towards everyone in accordance with the principles of human rights.
5. The Company monitors and addresses issues related to respecting human rights and does not overlook or remain indifferent when witnessing actions that violate human rights. The Company shall report such actions to the authorities or officers in charge and cooperate in any investigations. If there are any questions or concerns, individuals can consult with the authorities or officers in charge through the defined channels.
6. The Company shall provide justice and protection for individuals who report human rights violations. The Company shall implement protection measures for complainants or those who cooperate in reporting human rights violations.
7. The Company has continuously developed and implemented a due diligence process to identify issues and assess the risks and impact of human rights violations. The Company has identified groups or individuals affected, planned, and determined preventive and corrective measures to manage and correct problems related to human rights violations and monitor the results. The Company also has appropriate processes to mitigate the impact of human rights violations.
8. The Company shall check, monitor the results of problem solving and disclose the progress of human rights due diligence in the business. The Company shall also support and cooperate in remediating the impact caused by or involved in the business.

Performance Result in 2022

1. Set the meeting schedule of the welfare committee every quarter to receive suggestions and feedback for further improvement. Additionally, the Company has provided a more accessible channel for complaints by setting up a suggestion box in a discreet area for the complainants who wish to remain anonymous.

2. Provided training for all new employees on the Human Rights Policy.

3. Announced the implementation of the Personal Data Protection Policy in May 2022 by developing plans and adjusting work processes to comply with the law. This includes promoting awareness and respect for the privacy rights of individuals for all employees in the organization, both as data owners and data controllers who collect, gather, process, use, and disclose personal information related to the Company's operations.

In 2022, the Company did not receive any complaints about human rights violations both from the Company's activities or business, and throughout the supply chain.

2. Gender Equality and Non-Discrimination

Commitment and Goal

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 being a part of supporting gender equality and promoting acceptance of differences in workplaces, markets, and communities. Emphasis is placed on respecting and accepting differences, 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.

Management Approach

The Company supports Women's Empowerment Principles as below:

1. Establish high-level corporate leadership for gender equality.
2. Treat all women and men fairly at work – Respect and support human rights and non-discrimination.
3. Ensure the health, safety and well-being of all women and men workers.
4. Promote education, training, and professional development for women.
5. Implement enterprise development, supply chain and marketing practices that empower women.
6. Promote equality through community initiatives and advocacy.
7. Measure and publicly report on progress to achieve gender equality.



Performance Result in 2022

1. All employees at every level adhere strictly to the Company’s Human Rights Policy. In 2022, there were no reports of any gender-based inequality or harassment.

2. Position and compensation adjustments are based on work performance and growth potential regardless of any discrimination. In 2022, 55 employees were promoted, consisting of 30 male employees, accounting for 6.44% of all male employees, and 25 female employees, accounting for 3.92% of all female employees.

3. Fair labor practices

Commitment and Goal

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

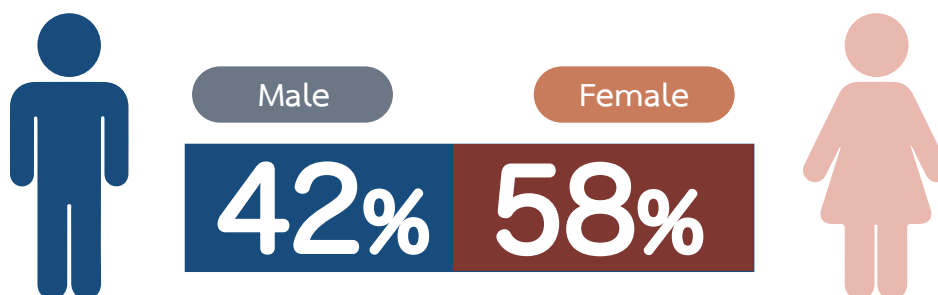
Management Approach

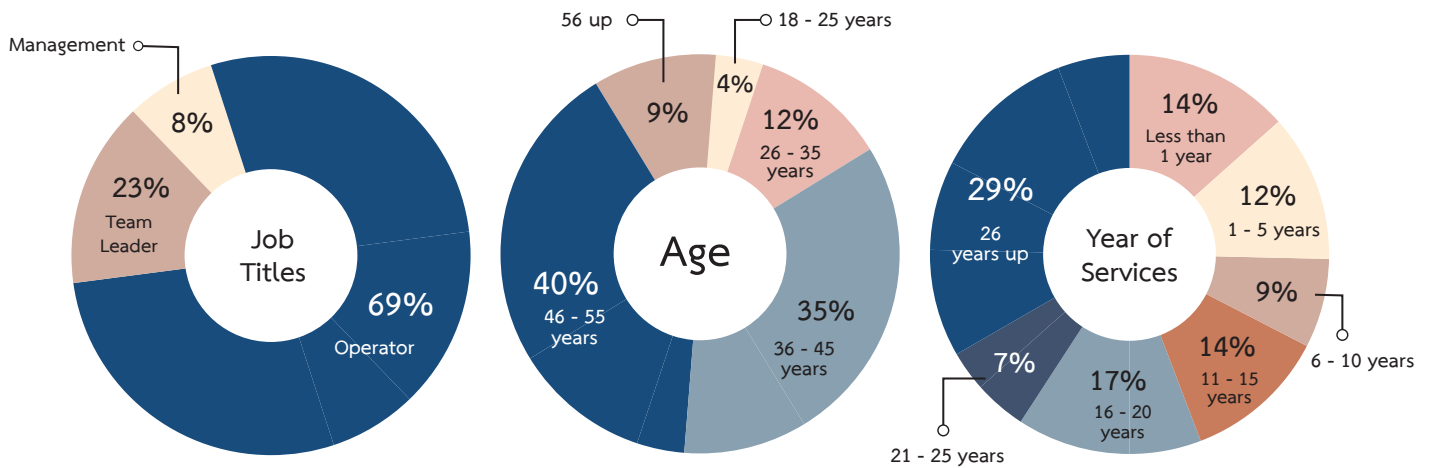
The Company practices in compliance with the Labor Protection Act and Labor Relations Act. This includes protection in working conditions, whether it is employment without discrimination in any way, and upholds equality. Individuals’ political opinions, age, gender, or disability are not considered factors 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. This is a factor in promoting sustainable competitiveness and growth in the future.

Performance Result in 2022

In 2022, the company had a total of 1,103 employees, 466 male and 637 female

Operating Results	2020	2021	2022
Number of employees (person)	1,174	1,022	1,103
Female employees	694	586	637
Male employees	480	436	466
Proportion of female employees to total employees (%)	59	58	58
Proportion of male employees to total employees (%)	41	42	42
Number of employees at operating level (person)	814	703	767
Number of employees at supervisory level / professional (person)	311	274	284
Number of employees at managerial level (person)	49	45	52





4. 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 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.



Performance Result in 2022

1. Manpower Planning and Employment

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.

Workforce planning has been implemented to manage short- and long-term manpower. The requirements are flexible, responding to business situations and employee turnover rates. The plan aligns with strategic goals and departments' needs. Despite the ongoing COVID-19 outbreak, the plan continues to be developed, 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, the selection process is based on social distancing, such as online interviews, organizing space or area for job interviews.

Operating Results	2020	2021	2022
New hire (person)	41	44	348
Employee transfer / Job change within the organization (person)	37	29	31
Outsourcing (person)	7	28	40
Employment of the Elderly	7	9	14
Employment of People with Disabilities	17	12	10

1.1 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.

Number of Post-Retirement Employment 14 Persons

- **Sales Department 6 Persons**
- **Production Department 5 Persons**
- **Management Department 3 Persons**



1.2 Employment of People with Disabilities

The Company recognizes the importance of improving the quality of life for people with disabilities and provides them with opportunities to showcase their abilities, generate income, become self-reliant, and reduce the burden on their families and society. The Company also promotes the empowerment of people with disabilities as a powerful force to strengthen both household and national economies.

In 2022, the Company has complied with the Empowerment and Development of the Quality of Life of Persons with Disabilities Act B.E. 2550, specifically Sections 33 and 35, by employing persons with disabilities in various departments and providing facilities and concessions to 10 employees with disabilities. The Company maintains the ratio of one disabled person to every 100 non-disabled employees (1:100), as required by law. In addition, the Company discloses information on employment opportunities to guarantee equal opportunities for persons with disabilities and other disadvantaged groups.



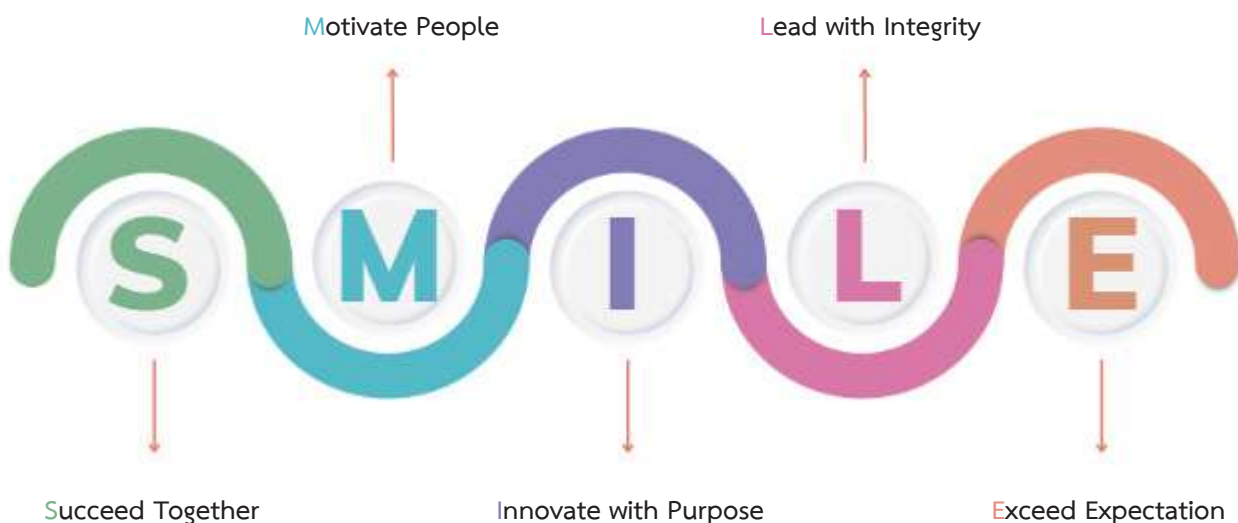
Number of Disability Employment 10 Persons

- Work with the Company 4 Persons
- Employs People with Disabilities (Section 35) 6 Persons

2. Employee Training and Development

Employees are a crucial mechanism in driving the Company's business operations. Therefore, the Company aims to develop the potential of employees to ensure that they can adapt to changes in the business landscape and competition and to instill the values of the organization in them while responding to the needs and expansion of the business.

Core Value "SMILE"

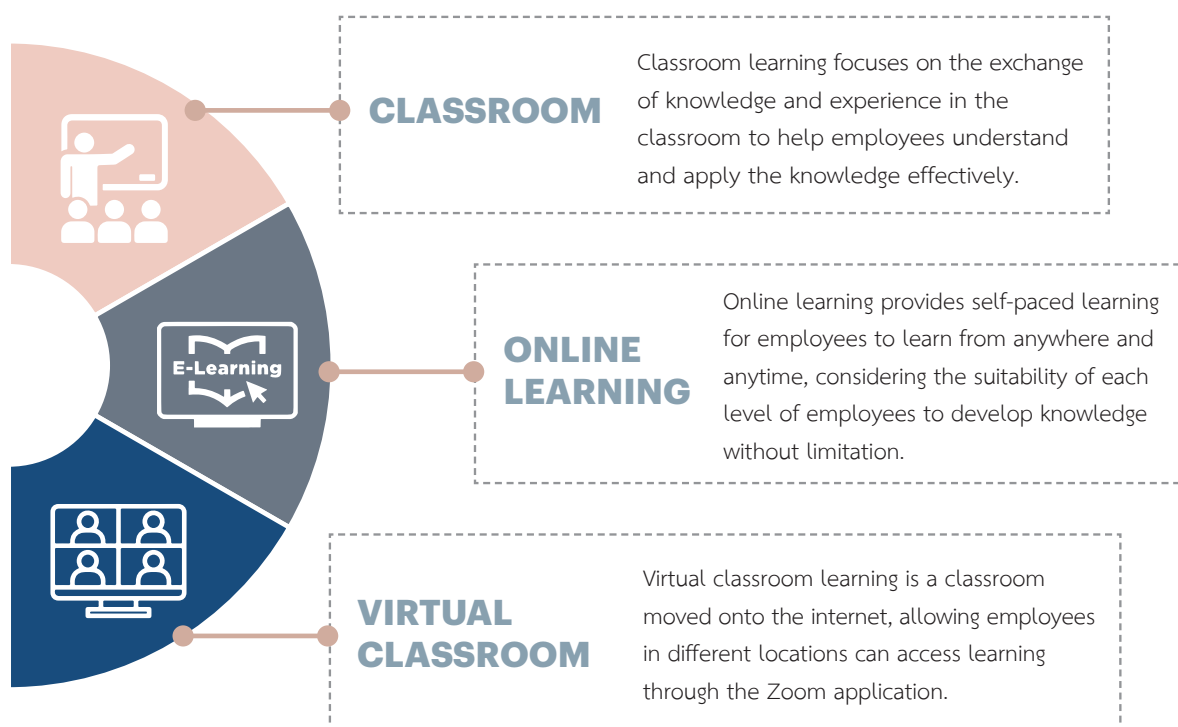


The Company has established guidelines for employee training and development, surveying and analyzing the needs of employees in each group by striving to continually develop the potential and capabilities of employees so that they can work effectively and achieve the set goals. The Company values employee 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.

Furthermore, the Company believes that employee skills development through the culture of work experience, learning from superiors, and training would help promote their sustainable development and 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. The Company provides three learning channels for all employees as follows:

2.1 The program for training and developing employee skills

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.



2.1.1 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 are 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.

2.1.2 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.

2.1.3 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 organizational development such as Business Transformation Workshop, Brand Synergy Workshop, New Product Training, Digital Marketing etc.

In 2022, there were 25 training courses with 35 batches. Including External training 26 training courses with 26 batches. This covers employees at the operational level, supervisors, and executives, averaging 16.51 hours per person, divided into operational level 18.35 hours per person, supervisor level 12.42 hours per person, and executive level 14.55 hours per person and training courses expenses amounting to Baht 1,045,941

Operating Result	2020	2021	2022
Number of Training Hours			
Average training hours for all employees (per person)	19.07	11.99	16.51
Average training hours for operational level (per person)	19.44	11.07	18.35
Average training hours for superior level (per person)	17.72	11.91	12.42
Average training hours for managerial level (per person)	20.49	25.90	14.55
Type of Training			
Internal Training (Courses)	19	24	25
External Training (Courses)	12	19	26

2.2 Employee Potential Development Program

2.2.1 Leadership Development Program

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



2.2.2 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.

In 2022 the company has a new product, it is necessary to develop employees' skills and knowledge to understand the products, including the installation process. 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.



2.2.3 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.

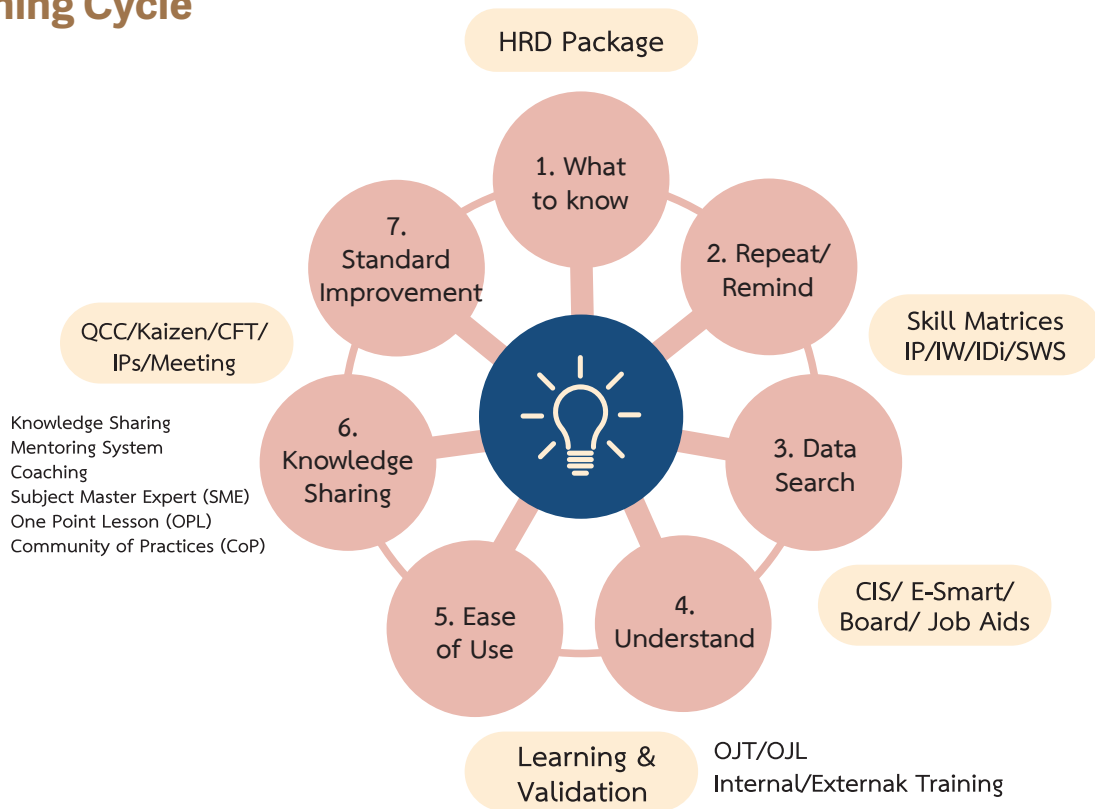


2.3 Organizational Knowledge Management

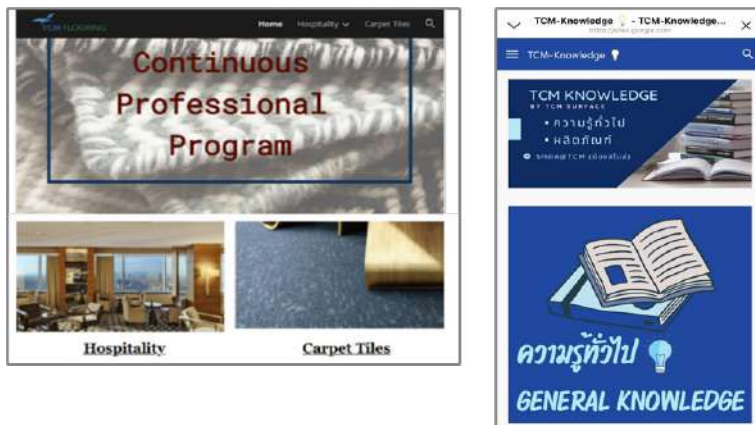
The human resource development policy is committed to employee development and promotes it as a learning organization. Therefore, it established the Learning Center as a hub for information, news, and internal training with training and development plans for employees to maximize their potential.

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.



3. Employee Retention

“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 and to attract employees with capabilities to work for the organization by the following actions:

3.1 Management of compensation, welfare, and other benefits

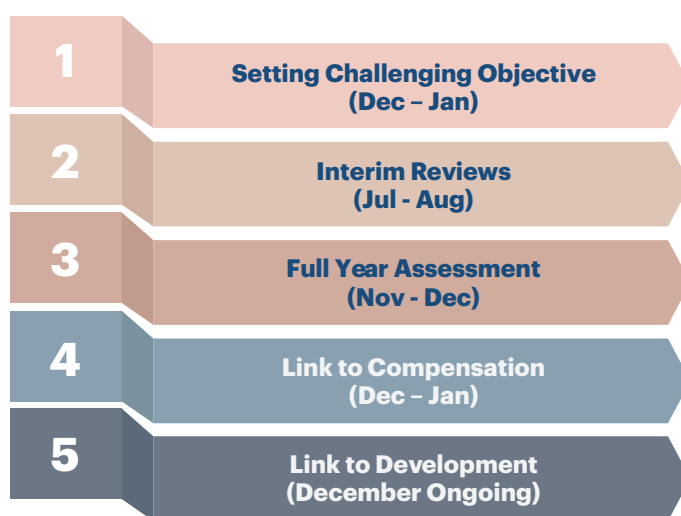
The Company determines employees’ compensation fairly according to their job conditions, qualifications, professions, knowledge, capabilities, and performance as the important factors. Employees will receive monetary compensation and other compensation, such as salary, and other income, such as overtime 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 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.

3.2 Employee Performance Evaluation

The Company has a performance management system which is a systematic process to drive employees to achieve their 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 to incentivize employees with good performance, such as salary increases and annual bonuses.
- Connecting to employee development plans to develop employees to their full potential.



3.3 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 their 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 to bring this knowledge to the next level of development.
- Employees can use their knowledge to develop and extend their knowledge, skills, and capabilities 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.

In 2022 there was the development and promotion of career advancement for the group of initial management level and supervisor level, total 51 people

Operating Result	2020	2021	2022
Number of operational level (person)	0	4	28
Number of superior level (person)	0	2	20
Number of management level (person)	0	2	3

3.4 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.

In 2022, the Company 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 and Line etc. so that employees are thoroughly informed.
- Adjust/add employee benefits to meet the needs of employees at all levels, such as adding one extra day of special leave during their birth month, half-day of vacation leaves, and so on.
- Support health promotion activities for employees by approving the establishment of 6 sport clubs.
- Conduct an annual survey on employee engagement via a Google Form sent to all employees. For the Company to acknowledge their work expectations and level of engagement within the Company.



In 2022, The company got the Employee Engagement Score 70.20% and the turnover rate was 1.36%,

Operating Result	2020	2021	2022
Employee Engagement Score (%)	78.60	71.76	70.20
Turnover rate (%)	1.26	1.07	1.36

3.5 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 with 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.
- 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.
- Conduct proactive testing to screen 100% of employees for COVID-19 infection, provided by staff from outside agencies for accurate results.



3.6 Working Environment Improvement

The Company promotes and supports the development and improvement of the working environment and safety practices by providing sufficient safety tools and equipment for any working conditions. The Company encourages employees to be aware of potential risks and dangers and improves the internal environment, such as lighting improvement in the workplace, regular cleaning, and working area improvement to create a co-working space that fosters creativity. The Company also emphasizes social distancing measures to reduce overcrowding and has designated areas for exercise and relaxation along with adequate facilities to meet the needs of employees.

3.7 Internal Communication

Internal communication within the organization is an essential tool for building understanding, love, and unity towards the common goal, especially during times of crisis. Therefore, internal communication channels have been established to enhance efficiency and ensure that all employees at all levels have access to information and keep themselves up to date.

- Build relationships between senior executives, supervisors, employees at all levels, and committees, such as the welfare committee, safety committee, occupational health, and environment committee through monthly or quarterly meetings to receive the directions and organization's goals as well as exchange opinions on operations together.
- Provide channels for receiving feedback and giving information to employees, such as Executive Talk articles, intranet bulletin boards, feedback boxes, phones, emails, letters, campaigns through various activities as well as Facebook and Line groups to promote news and updates of the Company's activities and benefits. These channels enable employees to receive information and ask questions more quickly, regardless of whether they work in the office or outside the Company in other provinces.

3.8 Promoting Participation in Management and Teamwork

The Company has established elected committees and appointed the Company's representatives to assist in driving policies, managing operations, and offering opinions on operations to achieve the organization's goals. Examples of these committees include the welfare committee in the workplace, personal data protection committee, anti-corruption committee, the 5Ss committee, the occupational safety, health, and environment committee.

5. Community Relationship Management and Social Responsibility

The Company has a policy to encourage employees, executives, customers, and business partners to participate in corporate social and community responsibility through continuous social and environmental activities to enhance the living standards and quality of life of people and to promote sustainable development and self-reliance in the community.

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. The Company discloses information about plans to promote public participation and develop communities and societies involved in the business.




Performance in 2022

1. 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:

1.1 Community-based waste management project with Bang Khu Wat Municipality

The company cooperates with Bang Khu Wat Municipality, with the community, schools, enterprises, and the general public to promote knowledge on recycling waste segregation in the categories of UHT milk cartons, aluminum, and clean stretchable plastics for social benefits separation and bring them into the recycling process with the proper knowledge and understanding to reduce waste and increase the recycling rate and established a long-term cooperative relationship between organizations, communities, and municipalities in environmental and natural resources conservation. In 2022, the Company has collected and delivered recyclable waste to the Bang Khu Wat municipality, with a total weight of 94.90 kilograms, including 25 kilograms of UHT milk boxes, 3 kilograms of aluminum, and 66.90 kilograms of clean and stretchable plastic.

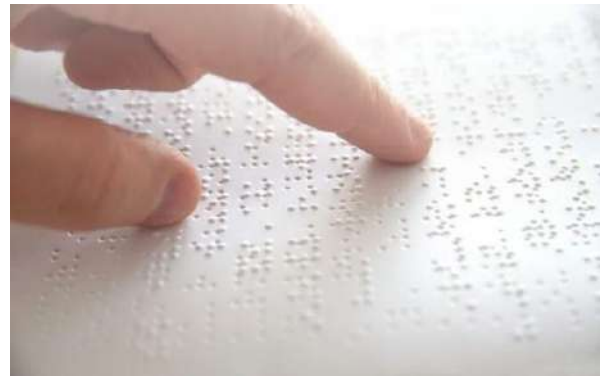
	2021	2022
 Clean stretchable plastics	69 kg.	66.9 kg.
 Aluminium	12 kg.	3 kg.
 UHT milk cartons	15.7 kg.	25 kg.



1.2 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 Fourteen years.

Year	Quantity of paper (Kg. /Year)
2020	112
2021	80
2022	80



1.3 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.

Year	2020	2021	2022
Quantity (Time)	7	4	3



1.4 Support and donate carpets to School

The Company has donated 6,570 square meters of carpet to 13 schools in Bangkok and other provinces, which can be used for flooring decoration and reduce the risk of injury to children.



2. 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.

2.1 Candle Festival

Due to the Covid situation, the Company reduced risks by sending the representatives of employees to offer Buddhist Lent candles and 5,000 Baht at Wat Talad Tai, Pathum Thani Province, on July 15, 2022.

2.2 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 to Wat Khao Kaew, Wat Thong Noppakhun and scholarships to students at Baan Bung Toey School, Nakornratchasima Province totaling 27,500 Baht on November 18, 2022



6. 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 at 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 2022

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 minimize 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 2022, 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)	
2020	21	12	6	3
2021	14	6	4	4
2022	8	4	1	3

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)
2020	6.4	31.8	1.1
2021	4.7	40.6	1.9
2022	2.1	7.7	1.4

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’s 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



- Firefighting and Evacuation fire drill



- Flood drill



4. Working Environment Inspection and Analysis

The Company provides inspection and analysis of the working environment to identify sources of pollution and the quantity of pollutants to control the quality of the environment, ensuring a safe working environment. This information is essential for monitoring and preventing work-related illnesses or diseases caused by work. In 2022, the Company did not receive any reports regarding the risks of work-related illness or diseases within any of its units.

5. Safety Equipment Inspection

The Company conducts regular inspections of safety equipment and systems to prevent accidents. For instance, monthly inspections are conducted on fire suppression tanks, fire hoses, fire detection and alarm systems, and emergency evacuation and exit routes in buildings to ensure they are always in good working condition.

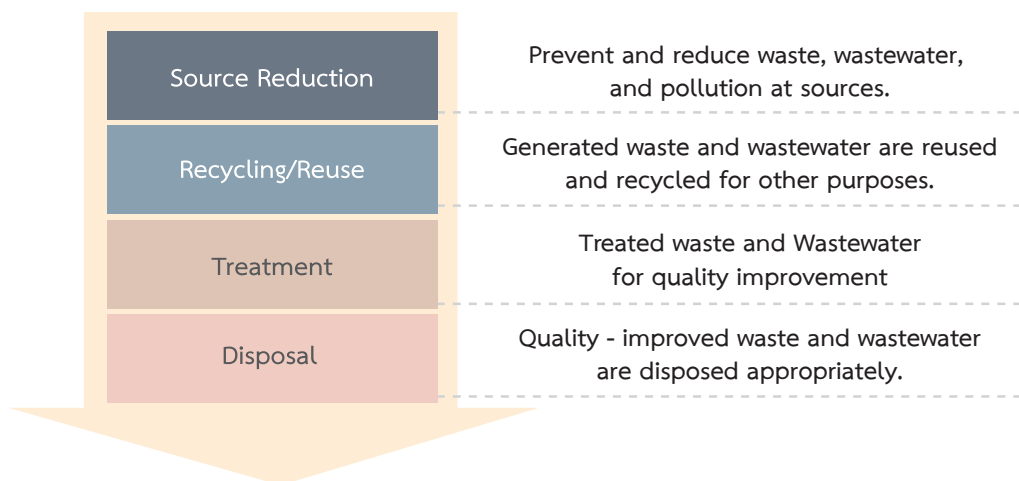
6. Substance Abuse Prevention Campaigns

The Company ensures that the workplaces are free from alcohol, drugs, and other addictive substances that may impair the performance and safety of employees. The Company continuously promotes substance abuse prevention campaigns at work and collaborates with the Bang Kho Laem District Office to perform random drug testing for employees annually to prevent substance abuse issues in the workplace.

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 applying the principles of clean technology to reduce the use of natural resources and the impact on the environment.



1. Water Resources Management

1.1 Water 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. At the same time, the Company controls and prevents the potential impact on water resources by avoiding wastewater discharges into natural water sources and reducing the use of natural water sources as much as possible. The Company has set a target to reduce the rate of water intake per unit of production (water index) by 10%, compared to 2021.

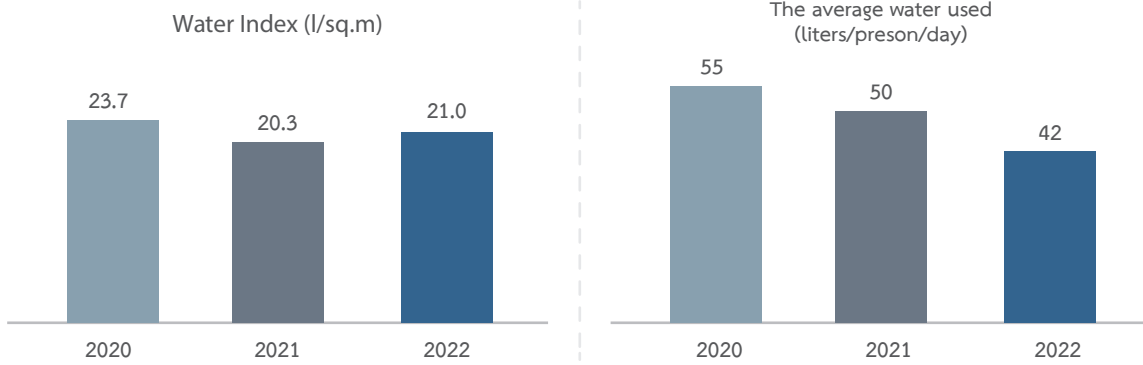
Management Approach

The Company has an efficient and systematic water management throughout the organization, starting from campaigns to raise awareness among employees at all levels about the use of water for worthiness and maximum benefits, both for consumption and product manufacture, especially in the dyeing process, which accounts for up to 80% of total water consumption. The Company is striving to find innovative technologies that minimize water usage in the dyeing process. Wastewater generated by the Company’s activities shall be collected and treated to improve its quality until it can be reused in the production process, this helps reduce water usage from natural sources and eliminates wastewater discharge outside the company (Zero discharge).

Performance in 2022

In 2022, the Company expanded its recycled water production capacity by increasing the maximum RO (Reverse Osmosis) water filtration rate to maximize the reuse of wastewater in the production process and reduce the usage of natural water sources. Although the Company increased its recycled water production rate, it was unable to reduce water usage rate, as the water index had still increased from 20.3 liters/square meter in 2021 to 21.0 liters/square meter in 2022 due to the fluctuation of the COVID-19 pandemic situation, which also affected the continuity of production rate. In terms of the water usage rate for consumption, it has decreased from 50 liters/person/day in 2021 to 42 liters/person/day in 2022, accounting for a 16% decrease.

The company can recycle 100% of its wastewater generated from its activities by treating and improving its quality until it can be reused in the production process. The company has been able to maintain zero wastewater discharge outside the company for 8 consecutive years.



1.2 Wastewater Management

Commitment and Goal

The Company has established zero discharge policy and target since 2007 and has continuously improved the water management system until it was successfully implemented in 2015 and has been implemented regularly until now. In addition, the Company continues to provide environmental monitoring plans to monitor water pollution contamination, such as surface water quality monitoring, groundwater contamination in the soil, both inside and around the factory, on regular basis at least once a year to ensure that the Company’s activities do not pollute and affect water resources, aquatic ecosystems, and communities.

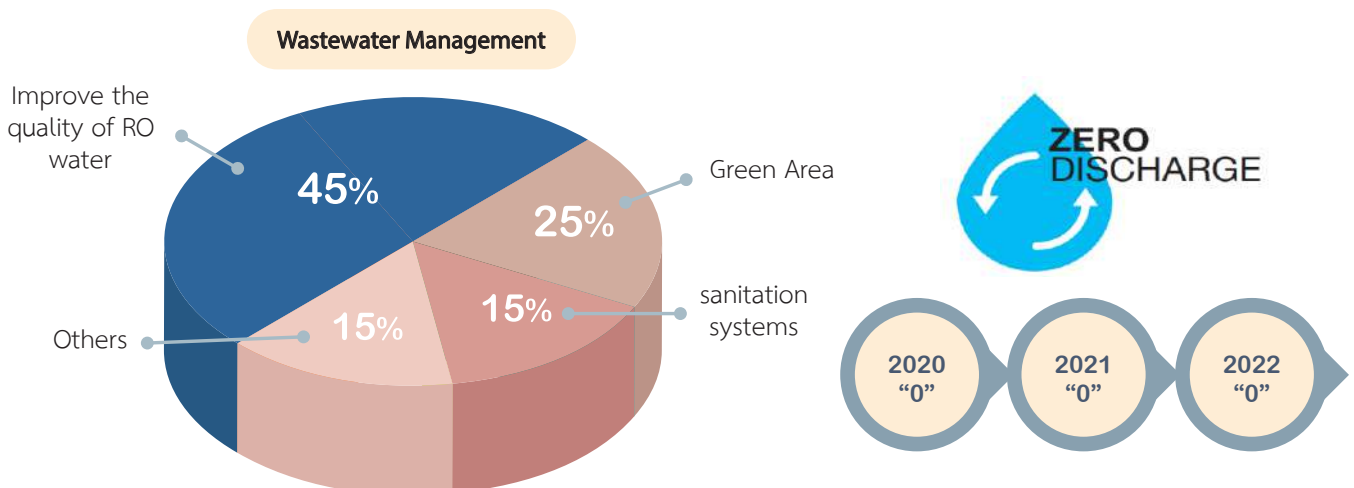
Management Approach

Wastewater from the production processes and other activities shall be collected into the activated sludge wastewater treatment system until it meets the industrial wastewater quality standards. The treated water shall then undergo further quality improvement using a reverse osmosis (RO) system until it exceeds the water quality standards. The water shall be reused in the production process, for the boiler, sanitary systems, and for green space management within the factory. The implementation of this efficient wastewater management system ensures that there shall be no discharge of wastewater outside the factory area, which could build up confidence in the communities and stakeholders.

Performance in 2022

The Company monitors the quality of treated water through daily analysis in an internal laboratory. Furthermore, an external laboratory registered with the Department of Industrial Works conducts monthly analyses. The Company also monitors the quality of groundwater and surface water around the Company twice a year to meet legal requirements.

In addition, the Company has consistently refrained from discharging any wastewater beyond the factory premises for the past 8 consecutive years, starting from 2015 until the present. In 2022, 132,882 cubic meters of wastewater generated by the Company’s activities were treated to comply with the industrial wastewater quality standards. The management of the treated wastewater was as follows: 45% was purified into RO water for reuse, 25% was utilized for green space management within the Company, 15% was employed for sanitary systems, and 15% was allocated for other purposes, such as natural evaporation.



2. Waste Management and Pollution

Commitment and Goal

The problem of waste management and pollution has become more and more intense due to the economic growth, rapid technological changes, and industrial competition. The impact of increasing waste and pollutants can have serious implications for waste management. If there is no appropriate waste management in place, it can have negative effects on the environment in several aspects, including soil, water, air, and public health. The Company is aware of the importance of this issue and has set targets for waste and pollution management, including achieving zero waste to landfill and increasing the proportion of industrial waste reused and recycled 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.

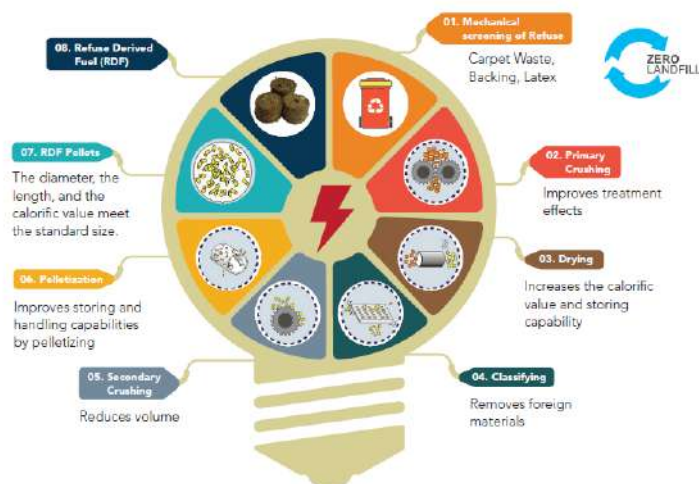
Management Approach

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 2022

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

- Process development and improvement both in production and support (Productivity improvement: OEE) to reduce the use of resources and minimize waste generation. In 2022, the Company has a total of 1,468 Tons of garbage and waste. When compared to the total amount of garbage and waste in 2021, equal to 1,333 Tons, it was found that the amount of garbage and waste has increased by 10%. Due to the business recovery after the COVID pandemic situation, there has been an increase in production of goods.
- Reuse/recycle both materials and packaging by reusing more than 12,185 paper tubes, bales, pallets, and cartons in the process and being able to reuse 16,000 kilograms of wasted yarn and fiber.
- The Company has reused waste material according to its potential and benefits rather than simply disposing of it as useless waste. In 2022, 265 tons of waste were utilized as renewable fuel, 292 tons were used as alternative raw material for cement kilns, and 164 tons of biological sludge from wastewater treatment were used to produce organic fertilizer.
- According to the principles of holistic waste management, the Company has been able to successfully implement the zero-landfill policy since 2010 by maximizing resource utilization, reducing waste at the source, promoting circular economy, reusing waste, and utilizing waste.
- In terms of air pollution management, the Company measures the environmental quality in the office and surrounding areas at least once a year. In 2022, the air quality, odor, noise, and light met the standards as required by law, and there were no cases of chemical leaks due to business operations.



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

year	production of electricity (Tons per year)
2020	290
2021	242
2022	265



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

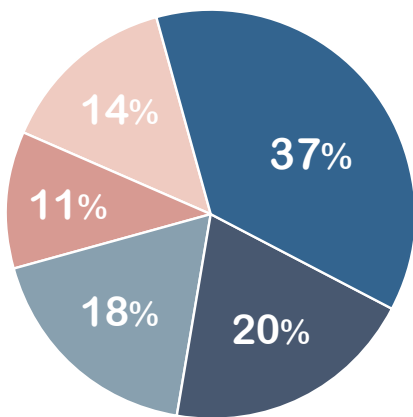
year	Co-material (Tons/ year)
2020	310
2021	258
2022	292

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

year	biological compost, (Tons per year)
2020	350
2021	183
2022	164



Waste Management



- Reuse/Recycle
- Co-material in Cement Kiln
- Refuse Derived Fuel (RDF)
- a component of biological compost
- Incineration

Zero waste Disposal



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 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 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.

Performance in 2022

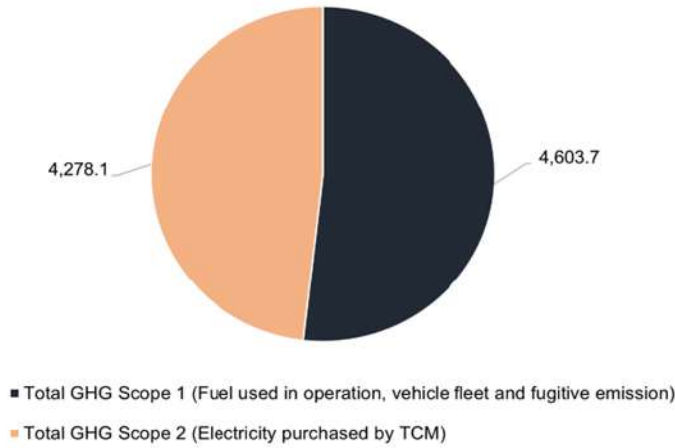
In 2022, the Company has started a study to develop a Net Zero roadmap by defining the study plan into 5 steps as follows:

1. Raise awareness and understanding throughout the organization to ensure that all employees are aware of the global climate change situation, the impact of climate change, the organization's commitment to making change, and the role of each person in mitigating problems to generate internal drive for social and environmental change.
2. Assess and prepare direct and indirect greenhouse gas emissions accounting (Scope 1-3) from the activities throughout the organization's value chain. (Carbon Footprint Organization, CFO) to identify significant emission sources that will lead to the determination of management guidelines to effectively reduce greenhouse gas emissions.
3. Set greenhouse gas reduction targets in accordance with the goals of the Paris Agreement based on Climate Science and develop a roadmap to achieve net-zero greenhouse gas emissions by 2050.
4. Establish a team to implement the plan, regulations, and necessary resources to support the plan's execution, including establishing a clear roadmap to achieve short-term goals in 2030.
5. Communicate organizational commitment, goals, plans, and success to external stakeholders.



The Company has achieved stage 2 of the Net Zero Roadmap, which involves compiling a greenhouse gas emissions inventory for the organization in Scope 1 (direct emissions) and Scope 2 (indirect emissions) from energy consumption. The estimated emissions released in 2021 are as follows: Scope 1 equals 4,603.7 tons of CO₂-equivalent (tCO₂e) and Scope 2 equals 4,278.1 tCO₂e. The combined amount of Scope 1 and 2 is 8,881.9 tCO₂e. From this estimate, 96% of these emissions are generated by energy consumption in the Company's activities. (The number of scopes 1+2 represents TCM Surface and Head Office only)

TCM Surface: Scope 1&2 emissions (tonCO2e)



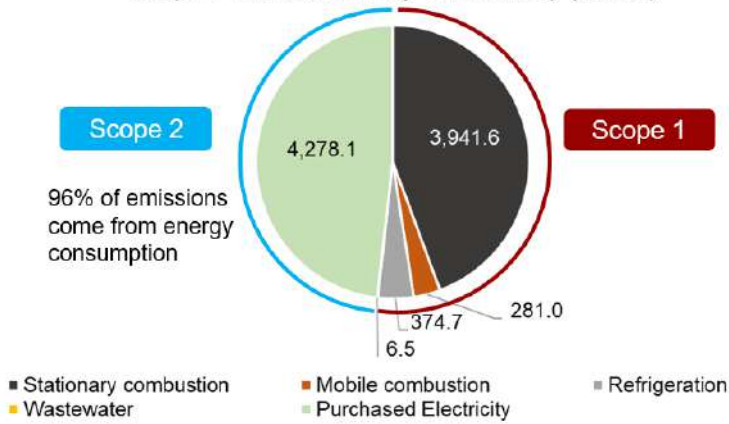
Scope 1

- Stationary combustion = 3,941.6 tCO2e
- Mobile Combustion = 281 tCO2e
- Fugitive Emission = 381.1 tCO2e

Scope 2

- Purchased Grid Electricity = 4,259.1 tCO2e
- Electricity purchased directly from supplier = 18.95 tCO2e

Scope 1+2 breakdown by GHG activity (tCO2e)



Stationary Combustion (44.38 %)

- LPG gas 44.27 %
- Acetylene 0.006 %
- Diesel B10 0.04 %
- Natural gas 0.08 %

Mobile Combustion (3.2 %)

Purchased Electricity (48.17 %)

- Purchased Grid Electricity 48.17 %
- Purchased Hydro Electricity 0 %
- Purchased Nuclear Electricity 0 %

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 2022 was to reduce energy consumption by 1% compared to 2021 for the manufacturing segment and maintain electricity consumption of the head office to be the same level as last year, which the Company defines as an indicator of the organization's energy performance.

Management Approach

1. Operate under legal requirements and international standards

Operate under legal requirements and international standards

The Company is committed to producing carpets with the least possible environmental impact in terms of energy use during production processes. In addition to compliance with laws and regulations, the Company has established an energy management system task force to operate and follow energy conservation policies. This includes setting targets, planning, implementing plans, and monitoring and evaluating performance according to the international energy management system standard ISO 50001. The Company has been certified to this standard since 2014 to promote efficient energy conservation and continuous improvement every year.

2. Increase energy efficiency and continuous improvement

The Company is committed to maintaining energy conservation efforts through the implementation of control measures, promotion, and support to achieve higher energy efficiency. The Company places importance on energy conservation projects, whether they require investment or not, and actively explores energy-saving technologies for the benefit of the Company.

3. Instill energy conservation awareness among employees in the organization

The Company provides annual training for employees, with a training course on “Energy Conservation Awareness for New Employees” being organized in 2022 to promote and develop knowledge and awareness of energy conservation among employees. The objective is to create a positive organizational culture that values energy conservation.

4. Enhance the capabilities of personnel in energy conservation

The Company places importance on developing the potential and enhancing the capabilities of employees to have excellent skills and knowledge in specific tasks, enabling them to perform their work with expertise and keep up with the times. This can also be used as guidelines in their work and applied to the Company’s energy management system.

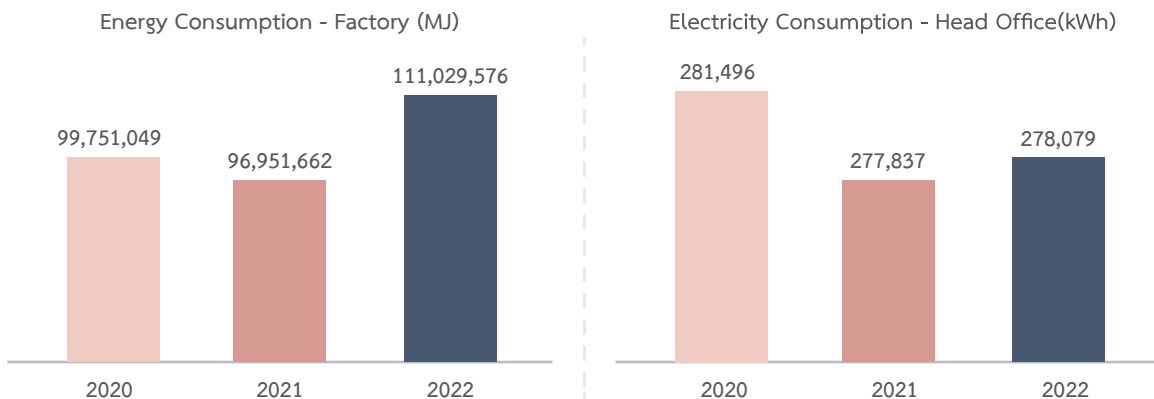
5. Preventive Operations

The Company has implemented plans to proactively maintain machinery and equipment, with a particular emphasis on those that consume high levels of energy, such as utility machines. The emphasis is on conducting preventive maintenance to ensure that they are always prepared for use, well-maintained, and safeguarded against damage. Furthermore, the Company conducts efficiency control measures and performance assessments of key efficiency parameters for the machinery and equipment, selecting the most efficient machines to be used first. This allows the Company to efficiently manage its operations, ensuring safe work practices, reducing energy losses, and minimizing environmental impacts.

Performance in 2022

The Company uses energy for its manufacturing plants, which is energy from electricity and energy from fuel. In 2022, the Company’s total energy consumption was 111,029,576 megajoules (MJ). Compared to the total energy consumption in 2021, which was 96,951,662 megajoules, the total energy consumption was increased by 14.52%. But considering the total energy consumption per product unit in 2022, it was 17.14% compared to 2021, it was 17.19%. It was found that the total energy consumption per unit of product decreased by 0.29% due to the economic recovery after the COVID-19 pandemic situation, which led to increasing orders and higher overall energy consumption. However, the decrease in total energy consumption per unit of product was caused by operating at full production capacity, which helped to make energy usage more efficient.

The Company uses secondary energy in the head office, which is indirect energy from the Metropolitan Electricity Authority. In 2022, the Company’s electricity consumption was 278,079 kWh. Compared to the year 2021 of 277,837 kWh, a 0.08% increase in energy consumption was found which is consistent with the improving COVID-19 pandemic situation in the country, which has resulted in an increase in employees returning to work at the office.



For energy conservation implemented in 2022, there are four main projects to improve energy efficiency, which consist of the following projects:

1. High efficiency dyeing machine installation project Phase 2

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 771,327 megajoules per year which is equivalent to a reduction of greenhouse gas emissions by 47,884 kg CO₂-equivalent per year.

2. Installing a solar power generation system on the roof project Phase 1

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 993.6 kilowatts. The system will activate and start supplying electricity to the system in the second quarter of 2022, which in a period about 10 months can generate approximately 1,050,000 kilowatt-hours of electricity per year, which is equivalent to a reduction of greenhouse gas emissions by 729,664 kg CO₂-equivalent per year.



3. Air Conditioning Systems Replacement Project

The project to replace air conditioning systems in the office aims to increase energy efficiency. The air conditioning systems were switched to high energy efficiency label No.5 in the fourth quarter of 2022. Based on evaluations, it is expected to increase electricity energy efficiency by 30,830 kilowatt-hours per year, which is equivalent to a reduction of greenhouse gas emissions by 21,368 kg CO₂-equivalent per year.

4. Water reuse project in the steam generator by Reverse Osmosis

The project involves water reuse in the factory’s steam generator through reverse osmosis process to improve water and LPG energy efficiency. Pure water is utilized in the steam generator to decrease the accumulation of scale and enable less heat to be discharged from the generator. As a result, energy consumption from LPG fuel in the steam generator is reduced by 9,986,288 megajoules per year, which is equivalent to a reduction of greenhouse gas emissions by 619,951 kg CO₂-equivalent per year.

Summary of Energy Management and Greenhouse Gases

Energy and Greenhouse Gas data	Unit	2020	2021	2022
Energy consumed throughout the organization	Megajoules (MJ)	99,751,049	96,951,662	111,029,576
Energy Efficiency index	Megajoules – m ²	16.13	17.19	17.14
Electricity reduction from the project	kilowatt-hours	78,164	136,040	-
Reduced heat energy from the project	Megajoules (MJ)	37,526	861,077	10,757,615
Amount of GHG emissions	*Ton of CO ₂	10,639	10,329	11,149
Amount of GHG emissions Reduction	*Ton of CO ₂	57	960	1,397

* (CO₂ equivalent; CO₂e)

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 Labor Management System in Plant in 2006 - 2012
- TLS 8001 : 2010 : Thai Labor 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 Livable 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 being 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 15th 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

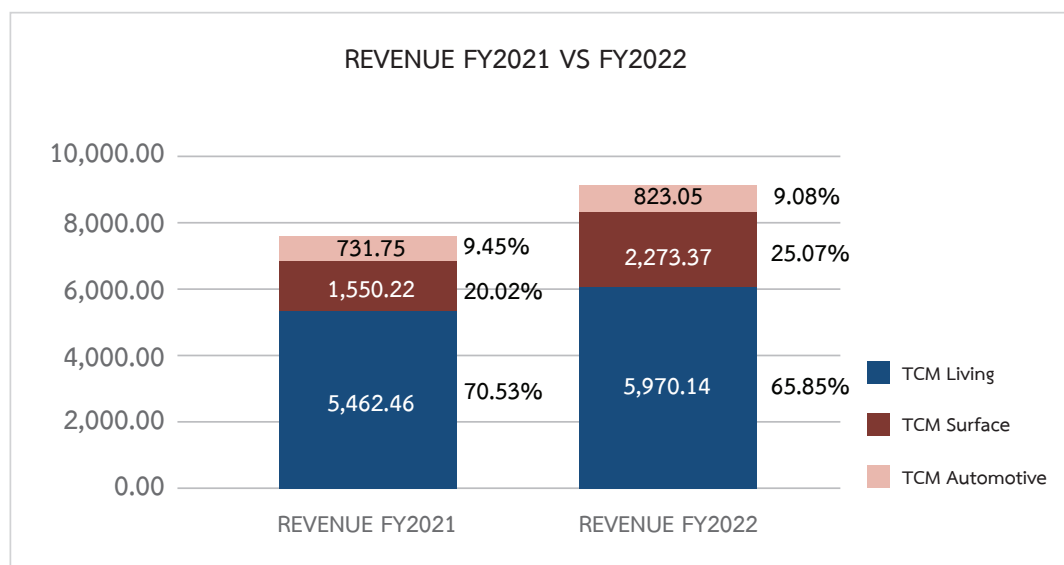
Management Discussion and Analysis

Overview

In FY2022, TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the “Corporate Group”) has delivered a strong financial result obviously. The Group announced revenue from sales and services of 9,066.57 million baht for the year 2022, increased from 7,744.42 million baht or by 17.07 percent from the year earlier. EBITDA was 490.78 million baht, an increase of 64.10 percent from the year 2021. Net profit was recorded at 174.52 million baht, compared to the net loss of 120.11 million baht in the preceding year. Net profit attributable to owners of the parent recorded at 106.16 million baht. This resulted mainly from the recovery of Surface business in which market environment became more favorable after COVID situation. In addition, the other factors also played key roles including efficiency improvement, new market expansion, extension of new product lines for new customers, and effort in cost saving of all businesses.

FY2022 Performance

For FY2022, revenue contribution from TCM Surface was in uptrend as increased from 20.02 percent in previous year to 25.07 percent at the end of 2022. This was largely due to the recovery in the hospitality industry which has led to a substantial sales growth. TCM Living accounted for 65.85 percent, a slight decrease from 70.53 percent in the previous year. Whereas revenue contribution from TCM Automotive remained stable at 9.08 percent, compared to 9.45 percent in the year 2021.



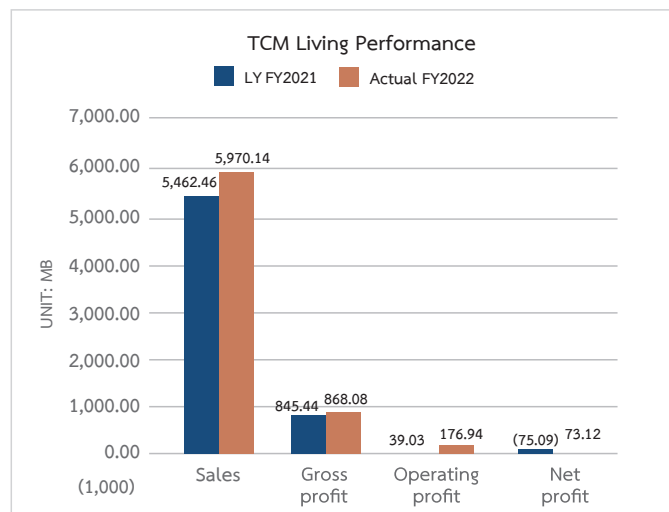
Highlight from each business

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> • Positive growth continued despite challenging market environment • Revenue increased by 9.29% over the previous year due to the unwinding of a very healthy Q1/2022 order book reflecting the increased demand and shipping delays experienced in the latter part of 2021 post the pandemic. • Gross profit improved but the related margin continued to be challenged by higher container prices in the year affecting the import side of the business along with the rising cost of living in the UK impacting raw material prices and salary costs. • Selling and administrative expenses reduced after the selling of the former business unit Arlo & Jacob in Q1/2022. • The group benefited from group tax management which generated income 43.45 million baht. Hence, after the deduction of inter-company expenses, financial costs, taxes and exchange rate movements, the Group returned to profitability recording a net profit of 73.12 million baht.
TCM Surface	<ul style="list-style-type: none"> • Market has shown a substantial recovery, Performance is getting back on track. • Revenue increased by 46.65% due to the recovery in the tourism industry and travelling overseas. The release of lock down measure in China has played a major role and causing higher volume of incoming sales orders. • The cost of goods sold ratio was improved from growing sales and selling prices adjustment. Product pricing was adjusted to reflect increasing raw material prices and higher transportation costs. The Group also benefited from efficiency improvements internally, and favorable exchange rate of THB against USD. • The percentage of selling and administrative expenses to sales also decreased compared to the previous year, due to an expenses control policy and the effort to reserve cash flow. • After the deduction of the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 27.42 million baht.
TCM Automotive	<ul style="list-style-type: none"> • Business is growing gradually in line with industry growth. • Revenue increased by 12.48% as a result of the recovery in automotive industry in late 2021. However, business still suffered from uncontrollable factors such as shortage of semi-conductors and raw materials supply which still remained throughout the year 2022. • The cost ratio was slightly increased than last year as product with lower margin represented higher volume in sales mix. • Overall selling and administrative expenses were lower than last year from internal management. • After the deduction of the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 73.98 million baht, 0.39% increase from the previous year.

TCM Living

Unit: MB

Details	Actual FY2565	Last Year FY2564	Diff % YoY	% of sales FY2565	% of sales FY2564
Revenue from Sales and Services	5,970.14	5,462.46	9.29%	100.00%	100.00%
Cost of Sales and Services	(5,102.06)	(4,617.02)		-85.46%	-84.52%
Gross Profit	868.08	845.44	2.68%	14.54%	15.48%
Other incomes	29.97	0.20	14644.26%	0.50%	0.00%
Selling expenses	(416.93)	(413.14)	-0.92%	-6.98%	-7.56%
Administrative expenses	(332.70)	(393.46)	15.44%	-5.57%	-7.20%
Profit (Loss) from Exchange Rate	0.00	0.00	0.00%	0.00%	0.00%
Operating Income (EBIT)	148.42	39.03	280.22%	2.49%	0.71%
EBITDA	187.32	97.85	91.43%	3.14%	1.79%
Amortization – Intangible Assets	(45.33)	(46.13)	1.74%	-0.76%	-0.84%
Fair Value Adjustments to Derivatives (Forex)	7.59	37.47	-79.75%	0.13%	0.69%
Financial Costs from Operation	(30.83)	(20.29)	-51.94%	-0.52%	-0.37%
Tax Income (Expenses)	43.45	(24.94)	274.21%	0.73%	-0.46%
Corporate Expenses (Shared)	(21.46)	(33.56)	36.05%	-0.36%	-0.61%
Financial Costs (Non-Operation)	(28.72)	(26.67)	-7.67%	-0.48%	-0.49%
Net Profit (Loss) for the Period	73.12	(75.09)	197.37%	1.22%	-1.37%



TCM Living

The Group benefitted from an end to the international shipping crisis in Q1/2022 which led to increased revenue in the first half of the year. Despite a raw material supply challenge in Q4/2022 the Group recorded an 9.29 percent increase in revenue for the full year.

The UK also experienced a return to traditional buying patterns from its furniture customer base throughout 2022 with the customer's discretionary spend being challenged by the cost-of-living crisis plus a wider choice of options including summer holidays

for the first time since pre-pandemic times. However, the order intake of the group remained resilient and strong in the latter part of the year.

The gross profit contribution improved over prior year, however container prices remained high and the rising cost of living crisis in the UK led to higher raw material, road transportation and labor costs which resulted in the Group recording lower gross margins than the previous year.

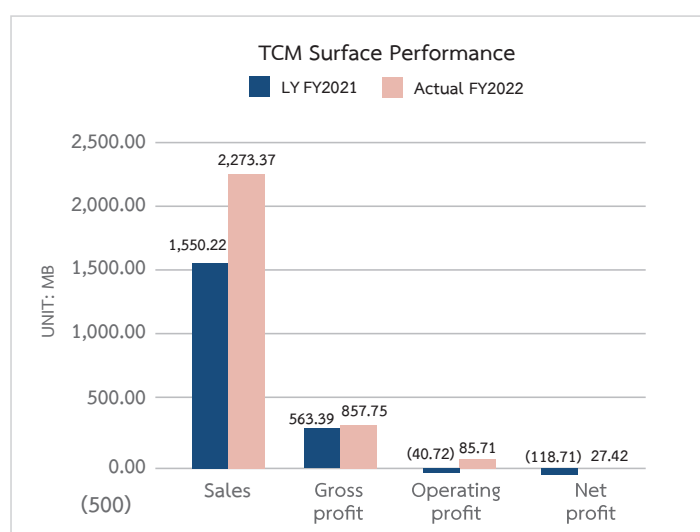
The Group had other income of 29.97 million baht. Total selling and administrative expenses were 749.63 million baht, decreased from those in 2020, resulted from well controlled of the expenses. This also reflected the disposal of the Arlo & Jacob business in Q1/2022 resulting in lower selling and administration costs for the group.

After the deduction of inter-company expenses, financial costs, and 43.45 million baht of Taxes income, the Group returned to profitability recording a 73.12 million baht net profit, higher than previous year, which reflected a 75.09 net loss, or 197.37 percent. EBITDA improved to 187.32 million baht, increasing by 91.43 percent on the prior year.

TCM Surface

Unit: MB

Details	Actual FY2565	Last Year FY2564	Diff % YoY	% of sales FY2565	% of sales FY2564
Revenue from Sales and Services	2,273.37	1,550.22	46.65%	100.00%	100.00%
Cost of Sales and Services	(1,415.61)	(986.83)		-62.27%	-63.66%
Gross Profit	857.75	563.39	52.25%	37.73%	36.34%
Other incomes	6.23	28.51	-78.17%	0.27%	1.84%
Selling expenses	(332.54)	(255.54)	-30.13%	-14.63%	-16.48%
Administrative expenses	(420.09)	(398.06)	-5.54%	-18.48%	-25.68%
Profit (Loss) from Exchange Rate	(25.65)	20.98	-222.27%	-1.13%	1.35%
Operating Income (EBIT)	85.71	(40.72)	310.47%	3.77%	-2.63%
EBITDA	179.59	56.23	219.36%	7.90%	3.63%
Amortization – Intangible Assets	(18.31)	(18.31)	0.00%	-0.81%	-1.18%
Fair Value Adjustments to Derivatives (Forex)	22.94	(12.00)	291.16%	1.01%	-0.77%
Financial Costs from Operation	(3.56)	(3.84)	7.20%	-0.16%	-0.25%
Tax Income (Expenses)	23.50	46.15	-49.08%	1.03%	2.98%
Corporate Expenses (Shared)	(11.58)	(6.32)	-83.19%	-0.51%	-0.41%
Financial Costs (Non-Operation)	(71.27)	(83.67)	14.82%	-3.13%	-5.40%
Net Profit (Loss) for the Period	27.42	(118.71)	123.10%	1.21%	-7.66%



TCM Surface

The hospitality market gradually recovered in 2022 since many countries open for travelling normally. As a result, the Group's sales were 46.65 percent higher than last year, both from existing and new customers.

Although the business group has been affected by transportation costs, labor costs and raw material prices which were all on the rise, our profitability improved favorably. This reflected our effort in achieving cost control and production efficiency during the past 2 years. The Group has

invested in new machinery and installed solar panels on factory roof top, mainly to achieve energy saving, lower water consumption, and reduction of raw material usage. Moreover, the group also benefited from favorable movements of the exchange rate of THB against USD. As a result, our gross profit margin improved to 37.73 percent, compared to 36.34 percent in the prior year.

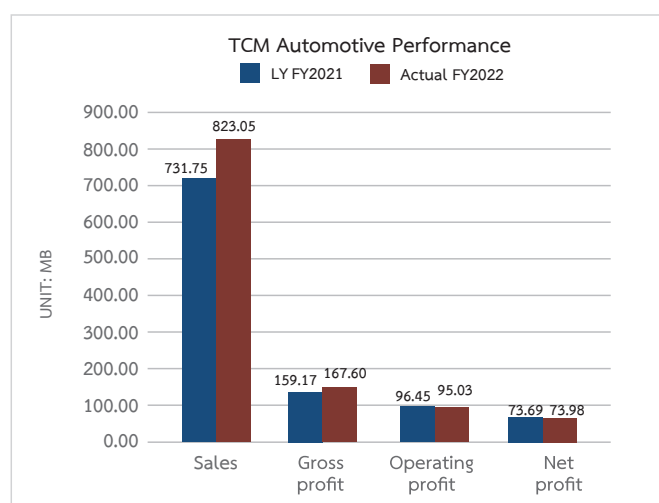
Total selling and administrative expenses were 752.63 million baht, or 33.11 percent of sales, significantly decreased from those in 2021 which was recorded at 42.16 percent of sales. This resulted from the restructuring of the company and adoption of new technologies to increase efficiency and reduce operating expenses.

After deduction of the inter-company expenses, financial costs, and taxes income of 23.50 million baht, the Group reported a net profit of 27.42 million baht, significantly improved from the net loss of 118.71 million baht in 2021. The EBITDA was 179.59 million baht, increased by 219.36 percent compared to 2021.

TCM Automotive

Unit: MB

Details	Actual FY2565	Last Year FY2564	Diff % YoY	% of sales FY2565	% of sales FY2564
Revenue from Sales and Services	823.05	731.75	12.48%	100.00%	100.00%
Cost of Sales and Services	(655.46)	(572.58)		-79.64%	-78.25%
Gross Profit	167.60	159.17	5.30%	20.36%	21.75%
Other incomes	7.02	21.61	-67.50%	0.85%	2.95%
Selling expenses	(30.50)	(32.14)	5.11%	-3.71%	-4.39%
Administrative expenses	(51.23)	(53.56)	4.36%	-6.22%	-7.32%
Profit (Loss) from Exchange Rate	2.14	1.39	53.89%	0.26%	0.19%
Operating Income (EBIT)	95.03	96.45	-1.47%	11.55%	13.18%
EBITDA	123.88	145.00	-14.57%	15.05%	19.81%
Financial Costs from Operation	(0.87)	(0.72)	-21.08%	-0.11%	-0.10%
Tax Income (Expenses)	(16.40)	(19.15)	14.369%	-1.99%	-2.62%
Corporate Expenses (Shared)	(3.79)	(2.90)	-30.77%	-0.46%	-0.40%
Net Profit (Loss) for the Period	73.98	73.69	0.39%	8.99%	10.07%



TCM Automotive

Automotive industry in domestic and global market has shown the positive growth in the year 2022 despite the on-going Ukraine-Russia battle, material supply problem, and semiconductor shortage. The Group's revenue from sales and services in 2022 grew by 12.48 percent compared to those in prior year. However, gross profit margin decreased slightly to 20.36 percent, due to the increase in raw material prices and transportation cost as well as the higher sales volume of products with lower gross margin.

Selling and Administrative expenses decreased compared to the previous year, resulting from well managed overhead expenses control.

After deduction of the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 73.98 million baht or 8.99 percent net profit margin. The EBITDA was 123.88 million baht, or 15.05 percent of the revenue from sales and services.

Consolidated Performance

Unit: million baht

Consolidated Statement	FY2565	FY2564	Diff % YoY
Revenue			
Revenue from Sales and Services	9,066.57	7,744.42	17.07%
Other Incomes	43.21	50.32	100.00%
Gain from exchange rate	0.00	22.37	-100.00%
Gain from fair value adjustments to derivatives	30.53	25.47	36.49%
Total revenue	9,140.31	7,842.58	16.55%
Expenses			
Cost of sales and services	(7,173.13)	(6,176.43)	-16.14%
Selling expenses	(779.97)	(700.83)	-11.29%
Administrative & Corporate expenses	(904.48)	(952.30)	5.02%
Loss from exchange rate	(23.51)	0.00	-100.00%
Loss from fair value adjustments to derivatives	0.00	0.00	0.00%
Total expenses	(8,881.09)	(7,829.56)	-13.43%
Net profit before TAX	259.21	13.02	1890.95%
Financial costs	(135.25)	(135.19)	-0.04%
Tax expenses	50.56	2.06	2352.55%
Profit (loss) for the quarter	174.52	(120.11)	245.30%
Profit (loss) for TCMC	106.16	(152.85)	169.46%
EBITDA	490.78	299.08	64.10%
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125	
Basic earnings per share (Baht)	0.14	(0.20)	

Other Incomes

In 2022, the Corporate Group reported other incomes of 43.21 million baht from interests, rental fees, sale of assets, and scrap selling etc. including the income received from selling of Arlo & Jacob in Q1/2022 and the fair value adjustments to derivatives gain of 30.53 million baht, recorded by TCM Surface and TCM Living.

Financial Costs

The Corporate Group had financial costs of 135.25 million baht in 2022, similar to those of 135.20 million in the year 2021. The amount of 135.25 million baht was divided into financial costs from normal operations at 35.27 million baht and costs arising from acquisitions of 99.98 million baht respectively. The acquisition cost was recorded at 110.34 million baht in 2021 and decreased to 99.98 million baht in 2022 as a result of the repayment of bank loan during the year.

Statement of Financial Position

Unit: million baht

Statement of consolidated financial position	As of 31 December, 2022	As of 31 December, 2021	Change	
			Million Baht	%
Total Assets	8,318.84	8,531.74	(212.89)	-2.50%
Total Liabilities	5,661.38	5,844.36	(182.98)	-3.13%
Shareholders' Equity	2,657.47	2,687.38	(29.91)	-1.11%
D/E Ratio	2.13:1	2.17:1		

The Corporate Group's total assets as of 31 December 2022 stood at 8,318.84 million baht, decreased by 212.89 million baht or 2.50 percent from those in the preceding year. Similarly, total liabilities decreased to 5,661.38 million baht as of 31 December 2022, which is 182.98 million baht or 3.13 percent lower. Shareholders' equity slightly decreased as recorded at 2,657.47 million baht on 31 December 2022 or lower by 29.91 million baht or 1.11 percent decrease. As a result, D/E ratio at the end of the period was at 2.13:1 lower than 2.17:1 as of the year end 2021.

Key Financial Ratios

Key Financial Ratios	FY 2022	FY 2021
Current ratio (times)	1.09	1.25
Quick ratio (times)	0.72	0.89
Account Receivable Turnover (times)	6.41	5.63
Account Payable Turnover (times)	4.75	4.46
Inventory turnover (times)	7.29	7.12
D/E ratio (times)	2.13	2.17
Return on equity (%)	4.64	(6.57)
Return on assets (%)	2.10	(1.41)
Assets turnover (times)	1.46	0.91

The Group recorded a current ratio at 1.09x and quick ratio at 0.72x as of 31 December 2022, decreased from 1.25x and 0.89x in FY2021 respectively. However, the Group's liquidity and cash cycle remain healthy as account receivable turnover stood at 6.41, improved from 5.63 in prior year. This reflected the Group's efficiency in debt collection and the higher ability to repay debt by customers as a result of economic recovery.

The Group's ability to meet payments to suppliers remained strong as can be seen from the account payable turnover of 4.75x as of 31 December 2022 compared to those of 4.46x in the previous year. Finished products in stock were lower with the effort to decrease inventory stock. Inventory turnover improved from 7.12 in FY2021 to 7.29 in FY 2022.

Debt to equity ratio was at 2.13x in FY 2022, slightly improved from those of 2.17x in the previous year. Repayment of bank loan was made promptly during the year, which was mainly supported by the improved cash collection and shortened cash cycle of the Group.

Return on equity, return on assets, and asset turnover were improved as well as the Group's financial result after the end of COVID situation.

Factors that may have a significant impact on operating results

1. Consequences after the COVID-19 situation caused many countries inflations, higher costs of living, and global economic recession, which may reduce purchasing power and increase raw materials costs.
2. Prolongation of the conflict between Russia and Ukraine affected oil prices and transportation around the world, resulting in a shortage of raw materials and shipping costs remained high.
3. The exchange rate volatility from economic stimulus policies of various countries.
4. Changing of consumer behavior, causing the Company to find new distribution channels, or new products to respond to the needs of customers.
5. 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 must 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 Highlights

FINANCIAL POSITION AT YEARS ENDED

(Unit: Thousand Baht)

	2022	2021	2020
Total Revenues	9,140,307	7,842,582	6,866,432
Sales	9,066,565	7,744,420	6,792,401
Gross Profit	1,893,432	1,567,986	1,591,607
Net Profit (Loss)	174,519	(120,113)	(110)
Net Profit (Loss) (The Parent)	106,164	(152,848)	(41,028)
Total Assets	8,318,843	8,509,941	7,970,565
Total Liabilities	5,661,376	5,822,564	5,239,737
Equity	2,657,468	2,687,377	2,730,828
Equity (The Parent)	2,329,842	2,327,699	2,359,399
Weighted Average number of Ordinary shares	763,201,125	763,201,125	763,201,125

	Unit	2022	2021	2020
FINANCIAL RATIOS				
Earning per shares (Baht)	(Baht)	0.14	(0.20)	(0.05)
Book Value per Share (Baht)	(Baht)	3.05	3.05	3.09
Liquidity Ratios				
Current Ratio	(times)	1.09	1.25	1.57
Quick Ratio	(times)	0.72	0.89	1.14
Account receivable turnover	(times)	6.41	5.63	4.95
Average collection period	(days)	56.93	64.83	73.74
Inventory turnover	(times)	7.29	7.12	6.15
Days sales of inventory	(days)	50.07	51.29	59.35
Account payable turnover	(times)	4.75	4.46	3.97
Payment days	(days)	76.90	81.81	91.94
Profitability Ratios				
Gross profit margin	(%)	20.88	20.25	23.43
Net profit margin	(%)	1.92	(1.55)	(0.00)
Return on equity	(%)	4.56	(6.57)	(1.74)
Efficiency Ratios				
Return on assets	(%)	2.10	(1.41)	(0.00)
Assets turnover	(times)	1.46	0.91	0.85
Financial Policy Ratio				
Debt to equity ratio	(times)	2.13	2.17	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, 2022, 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.



Alexander & James

GREAT BRITISH SOFA DESIGN

Part 2 Corporate Governance

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. Therefore, the company has imposed corporate governance policies to act as a guideline for directors, executives, and employees at all levels, and review the policies annually to ensure consistency with changing environment. 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 attended the Collective Action Coalition Against Corruption (CAC), with the declaration of intent to combat corruption since 3 September 2014. In order to obtain membership approval, the company proceeded to comply with CAC's regulations and then met the requirements and received membership approval in 2022, the company applied for CAC re-certification and obtained a re-certificate from the Private Sector Collective Action Coalition Against Corruption Council.

The Company has communicated and published this guideline on the corporate website 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"

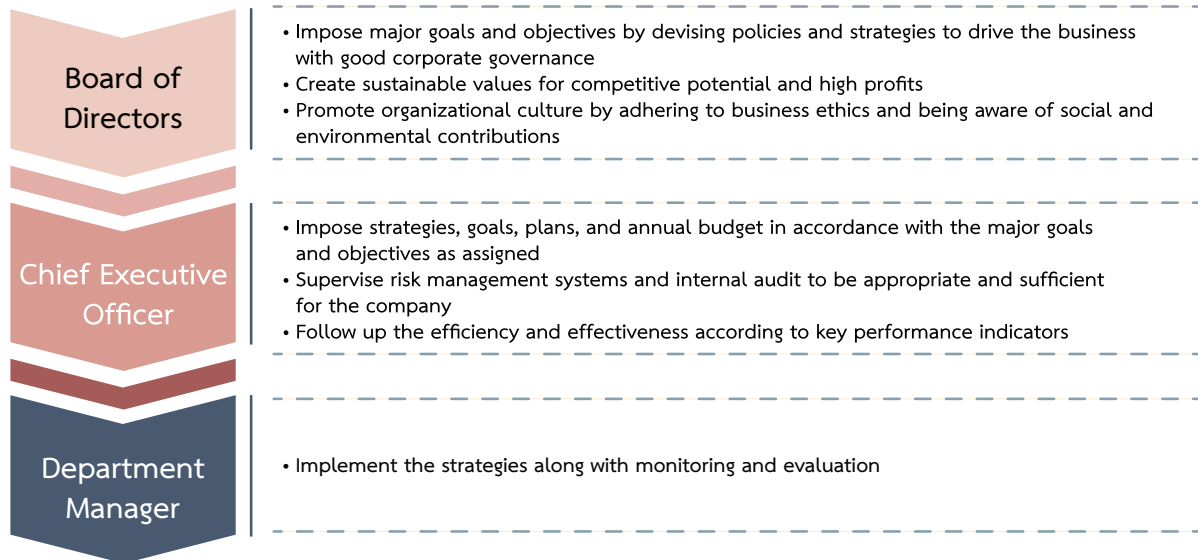
7. Corporate Governance Structure and Information about Board of Director, Sub – Committee, Management team, Employee and other.

Corporate Governance Structure

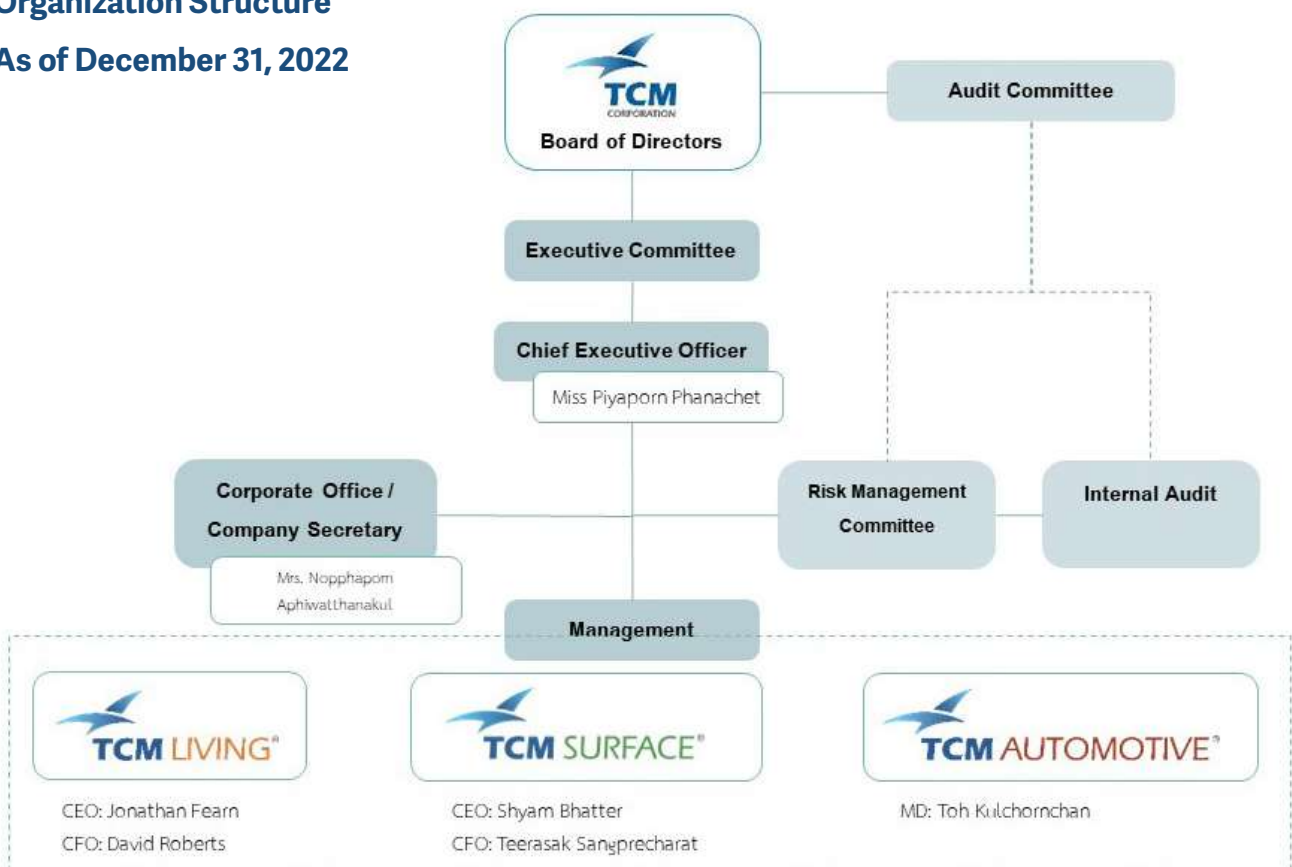


The Board of Directors is responsible for corporate governance at the policy level and the determination of organizational direction by imposing the goals and objectives of the company together with corporate vision, missions, and organizational culture. The review of the guideline shall be conducted 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 December 31, 2022



Board of Directors

The Board of Directors has the 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 the 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 the 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 nine 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. Isareit Chirathivat | Independent Director |
| 6. Mr. Sumate Suwanvongkij | Director |
| 7. Miss Piyaporn Phanachet | Chief Executive Officer |
| 8. M.L. Walliwan Varavarn | Executive Director |
| 9. Mrs. Noppaporn Aphiwatthanakul | Group Finance Director |

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

No.	Name	Position	Organi- zation manage- ment	Business and marketing	Interna- tional trade	Account- ing and finance	Economics and banking	Industry expertise	Law
1	Mr. Pimol Srivikorn	Chairman of the Board	√	√	√	-	√	√	-
2	Mr. Soravis Krairiksh	Chairman of Audit Committee and Independent Director	√	√	√	√	√	-	-
3	Mrs. Duangjai Lorlertwit	Member of Audit Committee and Independent Director	√	√	√	√	-	-	-
4	Mr. Suvitcha Nativivat	Member of Audit Committee and Independent Director	√	√	√	-	-	-	√
5	Mr. Isareit Chirathivat	Independent Director	√	√	√	-	-	-	-
6	Mr. Sumate Suwanvongkij	Director	√	√	√	-	-	√	-
7	Miss Piyaporn Phanachet	Chief Executive Officer	√	√	√	√	√	√	-
8	M.L. Walliwan Varavarn	Executive Director	√	√	√	√	√	√	-
9	Mrs. Noppaporn Aphiwatthanakul	Group Finance Director	√	√	√	√	√	√	-

Signing method in binding the Company

Name or number of director(s) who is/are authorized to sign on behalf of the Company is/are as follows(s): - Mr. Pimol Srivikorn or M.L.Walliwan Varavarn or Miss Piyaporn Phanachet, two out of these three directors jointly sign and affix the Company seal, or Mr. Pimol Srivikorn or M.L.Walliwan Varavarn or Miss Piyaporn Phanachet, and one other director jointly sign and affix the Company seal

Executive Board

In 2022, the Company has four members in its Executive Board 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 |

Audit Committee

In 2022, the Company's Audit Committee consists of three members as follows:

- | | |
|-----------------------------|-----------------------------|
| 1. Mr. Soravis Krairiksh | Chairman of Audit Committee |
| 2. Mrs. Duangjai Lorlertwit | Member of Audit Committee |
| 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 2022, 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 and Secretary of Risk Management Committee |
| 4. Mr. Sompope Werawittayanukoon | Member of Risk Management Committee |
| 5. Miss Sikarin Sangchaypiengpen | Member of Risk Management Committee |

Management Committee

At December 31, 2022, 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. Shyam Sunder Bhattar | CEO, TCM Surface |
| 6. Mr. Teerasak Sangprecharat | CFO, TCM Surface |
| 7. Mr. Jonathan Fearn | CEO, TCM Living |
| 8. Mr. David Roberts | 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 conduct 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 an 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, Bangkapi Sub-district, Huaykwang District, Bangkok 10310

E-mail: ir@tcm-corporation.com

Website: www.tcm-corporation.com/en/ir-home

Tel: 02-318-3960 ext.412

Remuneration of Directors

The shareholders' ordinary meeting of 2022 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 2022, the Company convened Board of Directors' meetings 5 times and paid meeting allowance and bonus as follows:

Name of Directors	Position	Number of meetings being attended	Meeting Allowance	Bonus*
1. Mr. Pimol Srivikorn	Chairman of the Board of Directors	4/5	100,000	200,000
2. Miss Piyaporn Phanachet	Chief Executive Officer	5/5	-	-
3. Mr. Soravis Krairiksh	Chairman of Audit Committee	5/5	100,000	200,000
4. Mr. Suvitcha Nativivat	and Independent Director	5/5	100,000	150,000
5. Mrs. Duangjai Lorlertwit	Member of Audit Committee	5/5	100,000	150,000
6. Mr. Isareit Chirathivat	and Independent Director	5/5	100,000	100,000
7. Mr. Sumate Suwanvongkij	Member of Audit Committee	5/5	100,000	100,000
8. M.L. Walliwan Varavarn	and Independent Director	5/5	-	-
9. Mrs. Noppaporn Aphiwatthanakul	Independent Director	5/5	-	-

*The other form of compensation is the annual bonus for the year 2021, which was approved at the annual general meeting of shareholders on April 28, 2022, in which a resolution was passed to pay the annual bonus for the year 2021 to the Company's board of directors within a limit of 1,000,000 baht.

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 ensure that the Company complies with applicable laws and criteria, the shareholders' ordinary meeting of year 2022 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 2022, 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. Suvitcha Nativivat	Member of Audit Committee	4/4	120,000
3. Mrs. Duangjai Lorlertwit	Member of Audit Committee	4/4	120,000

This shall be effective from the date of approval of 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 2022 in which 9 members were assessed accounted for 96.41 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 2022 in which 9 members were assessed accounted for 96.68 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 2022 in which 3 members were assessed accounted for 97.92 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 2022 in which 3 members were assessed accounted for 98.33 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 2022 in which 5 members were assessed accounted for 87.50 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 2022 in which 5 members were assessed accounted for 85.50 percent.

7. 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 2022 was assessed accounted for 96.30 percent.

Knowledge Enhancement of the Board of Directors

In 2022, the Company provided in-house training on the topic of “ESG Trend and Impact to Business Strategies” to the entire board of directors, conducted by an expert from ERM - Siam Co., Ltd., Mr. Nat Vanitchyangkul. The training aimed to raise awareness and understanding among the board of directors regarding ESG trends and its impact on businesses. The training was held on September 6, 2022, from 2:00 pm to 4:00 pm via MS Teams.

And board members also participated in seminars and training courses with the Thai Institute of Directors Association (IOD) on courses that are essential for the performance of their duties as board members, as follows:

Names of Directors	Position	Training
Mr. Pimol Srivikorn	Chairman	ROLE OF THE CHAIRMAN PROGRAM (RCP) Class 51/2021
M.L. Walliwan Varavarn	Executive Director	DIRECTOR LEADERSHIP CERTIFICATION PROGRAM (DLCP) Class 8/2022
Mr. Suvitcha Nativivat	Audit Committee	ROLE OF THE CHAIRMAN PROGRAM (RCP) Class 49/2021
Mrs. Noppaporn Aphiwatthanakul	Group Finance Director	DIRECTOR CERTIFICATION PROGRAM (DCP) Class 328/2022

And there are board members who participated in other beneficial training courses for job performance, as follows:

Names of Directors	Position	Training
Ms. Piyaporn Phanachet	CEO	Sustainable Business Strategy, Harvard Business School Online, June 2022

Remuneration of Management and Employees

Remuneration of Management team

As of December 31, 2022, 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 the year 2022 amounting to THB 17.66 million and non-financial benefits, which are 2 company cars, group life Insurance and Directors & Officers Liability Insurance.

Remuneration of Employees

As of December 31, 2022, the Company has employees 84 people, and the Company has paid salary, wage, overtime, living expenses, social security contributions, provident fund contributions, and others for year 2022 amounting to Baht 62.15 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	51	57.95
Carpets International (Thailand) Public Company Limited	273	26.90
T.C.H. Suminoe Company Limited	75	47.47

Human Resources Development

In 2022, the company had training courses to develop the knowledge and skills of employees. There were 25 training courses with 35 batches, and 26 courses with 26 batches of external training. This included operational level, superior level, and managerial level, at average of 16.51 hours per person, separated into operational level 18.35 hours per person, superior level 12.42 hours per person and managerial level 14.55 hours per person. Total training expense amounted to THB 1,045,941 (The details of the Human Resources Development are in page 58 – Under topic 2. Employee Training and Development)

Remuneration of the Company and Subsidiaries' s Auditor 2022

The auditor of the company and subsidiaries for the year ended December 31, 2022 is Miss. Sulalit Ardsawang, Certified Public Accountant Registration No. 7517 of Dharmniti Auditing Co., Ltd., The Company has paid auditor's remuneration for year 2022 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) 2022, issued by the Thai Institute of Directors Association (IOD). In 2022, 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 of 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 exists 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 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. 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 levels 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 the 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 94)

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 the 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 a 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 offices at only 3 (three) listed companies to ensure that the Board of Directors can fully dedicate their time to the Company. Any directors holding directorship or executive position at other companies shall always notify the positions to the Board of Directors.

6. The Board of Directors shall appoint a qualified person to be the Company Secretary. If it is deemed appropriate, Assistant Company Secretary may also be appointed. The 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 95)

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 96)

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 97)

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 99)

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 and must be approved by the Board of Directors of the Company before it is implemented.

13. The Company has scheduled and set the agenda for the board of directors' meetings in advance every year to allow the board members to plan their time accordingly and consistently attend the meetings. The Company secretary is responsible for preparing the schedule and sending it to the board of directors for their consideration before sending an appointment notice via email. In the event of any additional special meetings, the Company secretary shall notify all board members at least 5 business days prior to the meeting.

14. To ensure the quorum of the board of directors' meeting, at least 2 out of 3 of the total number of board members must attend. During the meeting, a minimum of 2 out of 3 board members must be present to vote. The official resolution of the meeting will be determined by the majority decision.

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 and the database of directors of the Thai Institute of Directors Association (IOD) are also taken into consideration.

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 99)

3. Performance assessment of the top management shall be assessed based on 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 the Chief Executive Officer. The 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.

The Human Resources Manager shall summarize the performance to be proposed to the Chief Executive Officer for consideration of a 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 the 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 based on 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 potential by making annual training programs in advance. (The details of Personnel development are in page 58)

(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 conditions, 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 62)

(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 68)

(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 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 in 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 socially 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 the 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. The Risk Management Committee shall perform the assigned tasks to manage and minimize risks. Risks shall be assessed regularly and controlled to an 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 was established to manage risks in each division with regular monitoring process.

3. The 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, including securities trading, 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.

All board members participate in the annual review of the Company’s disclosure policy, and the company secretary shall inform relevant individuals of the silent period via email each quarter. In 2022, there was no evidence of any board member, executive or employee involved in securities trading during the Company’s designated trading blackout period.

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.

In 2022, there were a total of 60 securities trading transactions made by board members and executives. According to examination, it was found that none of these transactions violated the Company’s policy.

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 based on 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 levels 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.)

The company has attended the Collective Action Coalition Against Corruption (CAC), with the declaration of intent to combat corruption since 3 September 2014. In order to obtain membership approval, the company proceeded to comply with CAC’s regulations and then met the requirements and received membership approval in 2022, the company applied for CAC re-certification and obtained a re-certificate from the Private Sector Collective Action Coalition Against Corruption Council.

10. The Company determines 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, Bangkapi Sub-district, Huaykwang District, Bangkok 10310
E-mail: auditcom@tcm-corporation.com

In 2022, the company had no 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 prepare and disclose financial information. Persons who are authorized to disclose financial information include the 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 by sending emails 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 after the end date of the Company’s accounting period. In 2022, The 2022 Annual General Meeting of shareholder was held on 28 April 2022, 10.00 – 12.00 via Electronics (E-AGM). 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 on 1 December 2021 to 1 February 2022, no shareholder had proposed the meeting agendas and nominated new directors

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 2022, 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 its 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 questions equitably.

6. The Company arranges a factory visit at least once a year to provide shareholders or analysts with opportunities to visit the Company's business. In 2022, 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 2022, there were issues that the company had not implemented as follows:

1. The company should establish a recruitment committee, compensation committee, corporate governance committee and sustainability 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 have consistently considered, reviewed, and evaluated the results. The subsidiary businesses have currently established committees and hold regular meetings for the corporate sustainability committee. They report on their progress to the Company's board of directors every quarter.

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 can 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 2022, 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 2022	Outstanding as of December 31,2022	
1	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	753,764,469	410,208,481	The normal business operation and general trading condition.
2	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	9,132,431	2,874,184	The normal business operation and general trading condition.
3	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	96,595,123	220,771,724	The normal business operation and general trading condition.
4	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	350,023,353	291,389,905	The normal business operation and general trading condition.
5	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	84,145,717	9,614,738	The normal business operation and general trading condition.
6	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.
7	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	7,807,444	1,037,997	The normal business operation and general trading condition.

No.	Company	Relationship Related	Nature of transaction	Amount (THB)		Reasons and necessity
				The value of carpets and materials for installation in year 2022	Outstanding as of December 31,2022	
8	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	17,835,052	24,205,795	The normal business operation and general trading condition.
9	RT Carpet India 2017 Private Limited (RTIN) – (Buyer)	- TCMC (Seller) hold 100% of issued and fully paid-up share capital of TCMC HK and TCMC HK hold 100% of RTIN' share	Purchase and sell carpets	19,322,430	13,781,785	The normal business operation and general trading condition.

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 2022	Outstanding as of December 31,2022	
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	42,251,268	22,206,183	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	23,765,599	7,394,641	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	5,603,591	8,613,485	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	13,944,547	7,603,028	The normal business operation

No.	Company	Relationship Related	Nature of transaction	Amount (THB)		Reasons and necessity
				The value of service fee in year 2022	Outstanding as of December 31,2022	
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	-	961,500	The normal business operation

3. Support in finance

No.	Company	Relationship Related	Nature of transaction	Amount (THB)			Reasons and necessity
				Loan in year 2022	Outstanding as of December 31,2022	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	-	156,272,081	6,423,390	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	29,065,247	49,678,897	540,158	Advance Payment for subsidiary

The shareholders and/or investors can examine the three-year comparative statement from the annual report disclosed on the Company's website.

Report of the Board's Responsibility for Financial Statements

Report of the Board's Responsibility for Financial Statements

The consolidated financial statements Year 2022 of TCM Corporation Public company Limited and its subsidiaries have been prepared in accordance with the Notification of the Department of Business Development, regarding to the condensed transactions of the financial statements, effective under the Accounting Act B.E. 2543 (2000) and in compliance with the accounting standard established in the Accounting Profession Act B.E. 2547 (2004).

The Board of Directors is responsible for the preparation of the financial report of TCM Corporation Public company Limited and its subsidiaries, assuring that the report of the financial status, operating results, and cash flows are presented in truth and fairness by having established a correct and complete keeping of the financial records. These financial statements have been prepared in accordance to the generally accepted accounting standard by using accounting policies that are appropriate and corresponding to the business operation, which are undertaken on a regular basis. The Company also considers and maintains adequate provisions for uncertainty items or items that may have significant effect on future operation, by disclosing important information in the Notes to Financial Statement with certified accountant's opinions in the Report of Independent Auditor.

Accordingly, the Board of Directors has appointed the Audit Committee, comprising of independent and non-executive directors with complete qualifications as established by the Securities and Exchange Commission (SEC), to review the financial statements for compliance with the accounting standard; to review the internal control, internal audit system and risk management for appropriateness and efficiency; to review that the business operation has been conducted in accordance with the Company's regulations and relevant laws and regulations; and to oversee that there are no conflict of interest; as well as to consider the propose for the appointment of the Company's auditors. The opinions of the Audit Committee are expressed in the Report of the Audit Committee which has been included within the 56-1 One Report 2022.

27 February 2023

On behalf of the Board of Directors of TCM Corporation PLC



(Mr. Pimol Srivikorn)
Chairman



(Miss Piyaporn Phanachet)
Chief Executive Officer

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 Lorlertwit 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 2022 with significant contents summarized as follows:

(1) Reviewed quarterly and annual financial statements for the fiscal year 2022 in consultation with the auditor and executives in order to verify the accuracy of the financial statements and the adequacy of information disclosure. Acknowledged the observations and comments of the auditor, as well as the impact of changes in Thai Financial Reporting Standards (TFRS) on the Company's financial statements. The Audit Committee concluded that the financial statements were correctly prepared in accordance with generally accepted accounting principles. Additionally, the committee acknowledged the impact of changes in accounting standards on the financial statements.

(2) Reviewed the adequacy of the internal control system for the fiscal year 2022 by the Internal Audit Department to control and audit the important work system and the internal control system of the Company. Including the approval of hiring P&L Internal Audit to assist in reviewing the expenditure cycle, which was completed in 2022, and the long-term asset management system that will be audited in early 2023. The internal auditor and P&L Internal Audit did not find any significant issues and recommended that management improve various systems to ensure they are more efficient and appropriate for the Company's requirements.

(3) Reviewed the risk management system by defined the policy and the risk management framework which included 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 2022. 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 2022, 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 2022.

(6) Reviewed management in compliance with good governance in 2022 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 2022 from various channels in compliance with the corporate governance measures and the guidelines of the Thai Private Sector Collective Action Coalition Against Corruption. In 2022, no corruption complaints were found.

(8) Consider, select, and propose the appointment of auditors and audit fee determination for the year 2023 to the Board of Directors for approval from the Annual General Meeting of Shareholders of the year 2023. 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.7517 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 2023 with the proposed yearly audit fee of 3,305,000.- baht (In 2022, auditor fee is 3,090,000.- baht)

(9) The audit committee had appointed the criteria and self-assessment of the audit committee, both individual and group, for the fiscal year 2022. 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 effectively in the next year.

(10) During the fiscal year 2022, 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 2022
(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	4 / 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 2022.

27 February 2023

On behalf of the Audit Committee



Mr. Soravis Krairiksh
Chairman of the Audit Committee

ASHLEYMANOR

a new design language



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, 2022, 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, 2022, 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 consolidated 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, 2022, 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, 2022, 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 Code of Ethics for Professional Accountants including Independence Standards issued by 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 the Code of Ethics for Professional Accountants 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 12 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, 2022 amounting to Baht 2,231.70 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.

Related parties transactions

As stated in Note 4.2 to the financial statements, the Company has material amount of certain transactions with several the subsidiaries and related parties in the financial statements which comprise trade receivables, trade payables, revenue from sales and rendering services and trading transactions. The Company has determined the methodology for gathering information in order to record and disclose in notes to financial statements correctly and completely in conformity with the pricing policy as determined.

I have understood the gathering information control system and indication of related parties as disclosed, considering the determination of reasonable pricing policy with related parties approved by the suitable authorized person, the inter-company confirmation letter requirement, sample tested trading transactions incurred during the year compared with the pricing policy of the Company and compare the same related transactions with related parties as deal with other parties, checked supporting documents the recording of selling, purchasing, receipt and payment transactions by considering the adequacy and suitability of such documents, checked the accounting record and reclassification including the completeness of disclosure of information with related parties.

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.



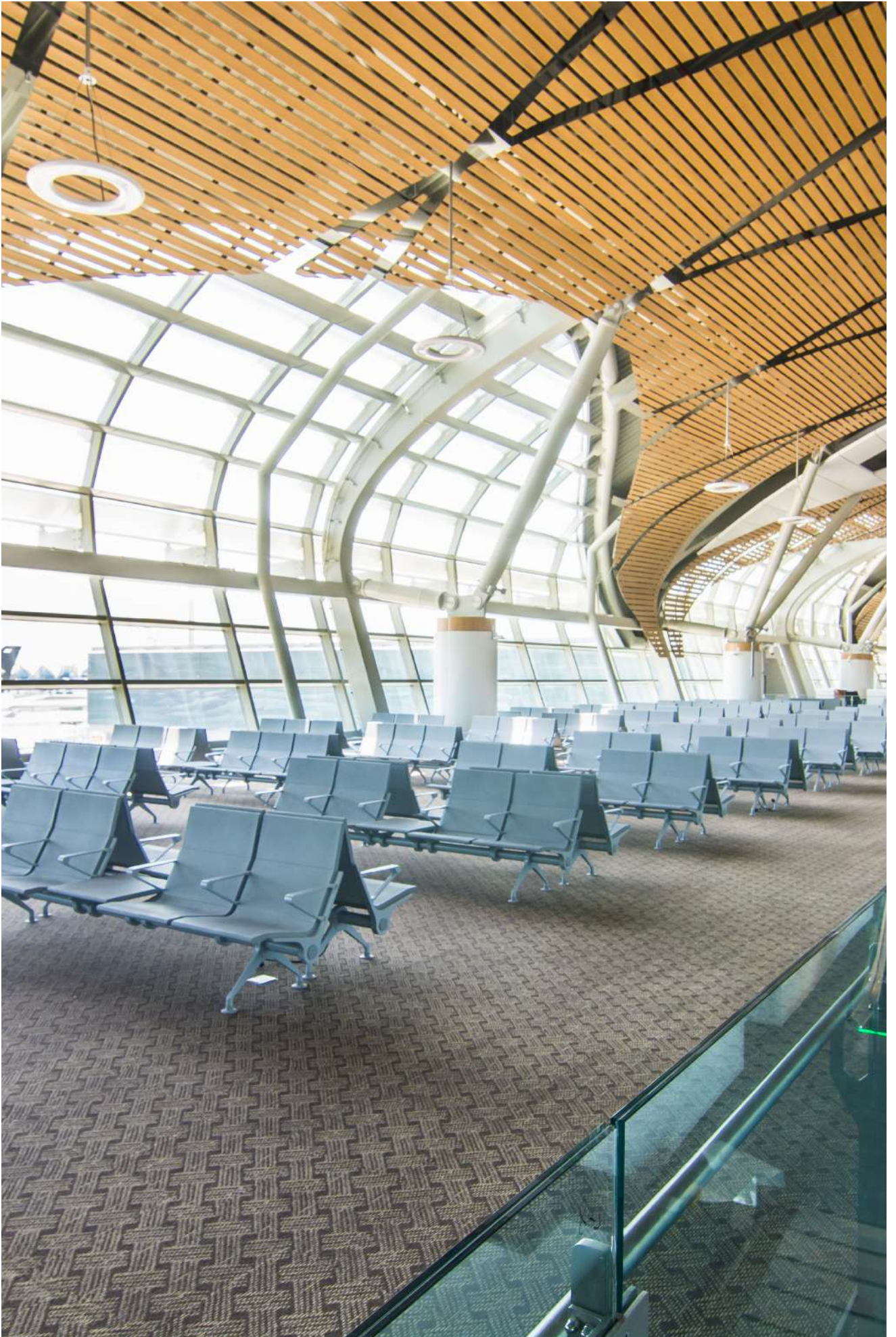
(Miss Sulalit Ardsawang)

Certified Public Accountant Registration No. 7517

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 27, 2023



Financial Statement 2022

Statement of Financial position

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

ASSETS

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Current assets					
Cash and cash equivalents	5	615,060,255.40	480,143,129.55	51,612,564.93	93,513,824.85
Trade and other current receivables	4, 6	1,412,091,428.25	1,416,586,740.39	682,786,394.20	484,498,022.20
Short-term loans to subsidiaries	4	-	-	29,065,246.50	133,942,800.00
Current portion of long-term loans to subsidiaries	4	-	-	-	41,671,033.80
Inventories	7	1,036,211,309.67	931,603,700.76	14,508,608.48	12,049,516.69
Other current financial assets	8	24,221,558.97	7,875,474.15	22,166,824.28	187,411.01
Other current assets		20,275,103.36	20,035,666.20	-	-
Disposal asset group classified as held for sales	9.1	-	386,600,757.49	-	-
Total current assets		3,107,859,655.65	3,242,845,468.54	800,139,638.39	765,862,608.55
Non-current assets					
Other non-current financial assets	8	11,068,223.35	2,960,935.45	-	-
Investments in subsidiaries	9.1	-	-	3,950,195,526.76	3,950,195,526.76
Long-term loans to subsidiaries	4	-	-	173,402,826.62	169,544,551.68
Investment property		5,991,477.14	6,485,375.41	-	-
Property, plant and equipment	10	1,987,080,799.74	1,962,457,568.29	4,304,758.50	4,694,990.75
Right-of-use assets	11	222,356,844.82	179,412,216.38	32,655,238.05	31,724,157.04
Goodwill	12	2,231,696,453.59	2,333,752,807.35	-	-
Other intangible assets	13	462,762,252.60	549,602,434.12	41,443,281.13	47,040,750.25
Deferred tax assets	14	221,536,823.67	192,738,701.12	-	4,196,062.34
Other non-current assets		68,490,778.50	61,699,166.70	18,961,595.96	21,203,459.93
Total non-current assets		5,210,983,653.41	5,289,109,204.82	4,220,963,227.02	4,228,599,498.75
Total assets		8,318,843,309.06	8,531,954,673.36	5,021,102,865.41	4,994,462,107.30

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2022

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Current liabilities					
Short-term loans from financial institutions	15	769,461,248.90	411,824,175.35	-	-
Trade and other current payables	4, 16	1,595,677,904.04	1,426,771,420.18	544,537,341.52	470,494,653.70
Current portion of long-term loans from financial institutions	17	380,130,149.80	259,523,661.39	225,332,360.89	90,270,965.55
Current portion of lease liabilities	18	58,514,781.39	65,916,839.13	3,029,626.64	2,968,081.40
Income tax payables		32,359,701.29	33,621,344.81	-	-
Other current financial liabilities	8	21,586,843.62	14,269,425.24	160,000.51	6,346,853.46
Liabilities included in disposal asset group classified as held for sales	9.1	-	409,323,721.62	-	-
Total current liabilities		2,857,730,629.04	2,621,250,587.72	773,059,329.56	570,080,554.11
Non-current liabilities					
Long-term loans from financial institutions	17	2,160,842,499.83	2,583,075,519.45	1,751,276,811.74	1,979,268,393.80
Long-term loans from related person	4	-	1,172,558.40	-	-
Lease liabilities	18	174,914,545.37	145,701,494.02	27,865,198.19	28,084,889.06
Other non current payables		7,614,060.69	7,962,389.36	2,568,954.46	2,501,397.50
Deferred tax liabilities	14	223,930,701.81	257,984,618.43	2,017,716.98	-
Provisions for employee benefit	19	236,343,210.14	227,430,033.27	28,029,714.99	27,365,603.00
Total non-current liabilities		2,803,645,017.84	3,223,326,612.93	1,811,758,396.36	2,037,220,283.36
Total liabilities		5,661,375,646.88	5,844,577,200.65	2,584,817,725.92	2,607,300,837.47

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2022

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2022	2021	2022	2021
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	48,341,410.33	47,516,048.23	48,341,410.33	47,516,048.23
	Unappropriated	1,003,044,288.84	887,632,031.67	915,134,370.16	866,835,862.60
	Other components of equity	(199,911,861.70)	(85,817,315.47)	-	-
	Total equity attributable to owners of the parent	2,329,842,327.46	2,327,699,254.42	2,436,285,139.49	2,387,161,269.83
	Non-controlling interests	327,625,334.72	359,678,218.29	-	-
	Total shareholders' equity	2,657,467,662.18	2,687,377,472.71	2,436,285,139.49	2,387,161,269.83
	Total liabilities and shareholders' equity	8,318,843,309.06	8,531,954,673.36	5,021,102,865.41	4,994,462,107.30

Statement of profit or loss and other comprehensive income

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

		Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2022	2021	2022	2021	
Revenues						
	Revenue from sales and rendering services	4	9,066,565,163.07	7,744,420,416.85	1,050,555,034.13	692,946,619.41
	Dividend income	4, 9.1	-	-	32,528,188.00	38,561,104.00
	Gain on exchange rate		-	22,366,605.14	-	39,494,810.04
	Gain on fair value adjustment to derivatives		30,527,121.03	25,472,136.25	28,166,266.21	-
	Other income	4	43,214,595.22	50,323,067.03	51,649,406.44	44,361,088.67
	Total revenues		9,140,306,879.32	7,842,582,225.27	1,162,898,894.78	815,363,622.12
Expenses						
	Cost of sales and rendering services	4	7,173,133,295.07	6,176,433,977.72	800,243,939.00	541,073,670.10
	Distribution costs	4	779,966,006.25	700,828,139.41	70,837,703.12	56,858,397.96
	Administrative expenses	4	904,483,982.93	952,300,442.32	116,116,846.11	102,623,801.88
	Loss on exchange rate		23,508,685.79	-	49,381,536.70	-
	Loss on fair value adjustment to derivatives		-	-	-	13,193,261.60
	Total expenses		8,881,091,970.04	7,829,562,559.45	1,036,580,024.93	713,749,131.54
	Profit from operations		259,214,909.28	13,019,665.82	126,318,869.85	101,614,490.58
	Finance costs		(135,253,544.79)	(135,194,514.05)	(72,884,234.49)	(84,551,104.47)
	Profit (loss) before income tax (expenses)		123,961,364.49	(122,174,848.23)	53,434,635.36	17,063,386.11
	Income tax (expenses)	24	50,557,915.57	2,061,445.24	(6,255,105.70)	(556,144.06)
	Profit (loss) for the year		174,519,280.06	(120,113,402.99)	47,179,529.66	16,507,242.05
Other comprehensive income :						
Item that may be reclassified subsequently to profit or loss						
	Loss on cash flow hedges, net of income tax		(17,386,845.44)	-	-	-
	Differences on transtating financial statements		(100,513,628.37)	97,653,901.18	-	-
			(117,900,473.81)	97,653,901.18	-	-

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2022

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes	2022	2021	2022	2021	
Item that will not be reclassified to profit or loss					
Actuarial gain arising from post employee benefit, net of income tax					
	10,129,785.56	23,433,590.40	1,944,340.00	1,446,108.80	
	10,129,785.56	23,433,590.40	1,944,340.00	1,446,108.80	
Other comprehensive income (loss) for the year, net of income tax					
	(107,770,688.25)	121,087,491.58	1,944,340.00	1,446,108.80	
Total comprehensive income for the year					
	66,748,591.81	974,088.59	49,123,869.66	17,953,350.85	
Profit (loss) attributable to					
Owners of the parent					
	106,163,935.12	(152,848,166.27)	47,179,529.66	16,507,242.05	
Non-controlling interests					
	68,355,344.94	32,734,763.28	-	-	
	174,519,280.06	(120,113,402.99)	47,179,529.66	16,507,242.05	
Total comprehensive income (loss) attributable to					
Owners of the parent					
	2,143,073.04	(31,699,487.40)	49,123,869.66	17,953,350.85	
Non-controlling interests					
	64,605,518.77	32,673,575.99	-	-	
	66,748,591.81	974,088.59	49,123,869.66	17,953,350.85	
Basic earnings (loss) per share					
25					
Owners of the parent					
	0.14	(0.20)	0.06	0.02	
Weighted average number of ordinary shares (shares)					
	763,201,125	763,201,125	763,201,125	763,201,125	

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT DECEMBER 31, 2022

Baht

		Consolidated financial statements										
		Equity attributable to owners of the parent										
		Retained earnings		Other components of equity				Total equity attributable to owners of the parent		Total shareholders' equity		
		Surplus from the changes in the ownership interests in subsidiaries	Appropriated Legal reserve	Unappropriated	Gain on cash flow hedges	Differences on translating financial statements	Total other components of equity		Total equity attributable to owners of the parent	Total shareholders' equity		
		Premium on share capital	Legal reserve	Unappropriated	Gain on cash flow hedges	Differences on translating financial statements	Total other components of equity		Total equity attributable to owners of the parent	Total shareholders' equity		
		Ordinary shares, issued and paid-up	Legal reserve	Unappropriated	Gain on cash flow hedges	Differences on translating financial statements	Total other components of equity		Total equity attributable to owners of the parent	Total shareholders' equity		
	Beginning balance, as at January 1, 2021	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)	(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	-	-	-	-	-	-	-	-	-	(44,906,434.75)	(44,906,434.75)
	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	-	-	-	-	(152,848,166.27)	-	-	(152,848,166.27)	-	32,734,763.28	(120,113,402.99)
	Other comprehensive income for the year - net of income tax	-	-	-	-	23,280,693.89	-	97,867,984.99	97,867,984.99	121,148,678.88	(61,187.25)	121,087,491.63
	Ending balance, as at December 31, 2021	-	-	-	-	(129,567,472.38)	-	97,867,984.99	(31,699,487.39)	32,673,576.03	974,088.64	974,088.64
	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	-	(85,817,315.47)	(85,817,315.47)	2,327,699,254.42	359,678,218.29	2,687,377,472.71
	Legal reserve	-	-	-	825,362.10	(825,362.10)	-	-	-	-	-	-
	Dividend	-	-	-	-	-	-	-	-	-	(43,344,862.65)	(43,344,862.65)
	Transferred in shares of portion of non-controlling interests in subsidiary	-	-	-	-	-	-	-	-	-	(53,313,539.68)	(53,313,539.68)
	Total comprehensive income for the year	-	-	-	-	106,163,935.12	-	-	106,163,935.12	-	68,355,344.94	174,519,280.06
	Profit for the year	-	-	-	-	106,163,935.12	-	-	106,163,935.12	-	68,355,344.94	174,519,280.06
	Other comprehensive income (loss) for the year - net of income tax	-	-	-	-	-	-	(101,138,237.32)	(101,138,237.32)	(104,020,862.08)	(3,749,826.18)	(107,770,688.26)
	Ending balance, as at December 31, 2022	839,521,237.50	633,288,121.50	5,559,130.99	48,341,410.33	1,003,044,288.84	(12,956,308.91)	(186,955,552.79)	(199,911,861.70)	2,329,842,327.46	327,625,334.72	2,657,467,662.18

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
AS AT DECEMBER 31, 2022

		Baht				
		Separate financial statements				
	Notes	Ordinary shares, issued and paid-up	Premium on share capital	Retained earnings		Total shareholders' equity
				Appropriated - Legal reserve	Unappropriated	
Beginning balance, as at January 1, 2021		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		-	-	-	-	-
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
Legal reserve	20	-	-	825,362.10	(825,362.10)	-
Total comprehensive income for the year		-	-	-	47,179,529.66	47,179,529.66
Profit for the year		-	-	-	1,944,340.00	1,944,340.00
Other comprehensive income for the year - net of income tax		-	-	-	-	-
Ending balance, as at December 31, 2022		839,521,237.50	633,288,121.50	48,341,410.33	915,134,370.16	2,436,285,139.49

Statement of Cash flows

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

AS AT DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit (loss) for the year	174,519,280.07	(120,113,402.99)	47,179,529.66	16,507,242.05
Reconciliations of profit (loss) for the year to net cash provided				
by (used in) operating activities:				
Bad debt	423,810.93	417,441.94	5,204,273.35	417,441.94
Allowance for expected credit losses (reversal)	(16,305,116.96)	(225,344.97)	1,785,701.47	(10,453,058.00)
Allowance for decline in value of inventories	10,163,044.93	8,258,596.16	-	-
Allowance for impairment of other current assets	1,461,893.80	158,350.69	-	-
Transfer of fixed assets to expenses	370,564.96	455,360.00	-	-
Depreciation and amortization	261,426,812.53	264,331,879.45	10,696,353.80	9,168,641.69
Gain on sales of investments in subsidiaries	(31,220,188.77)	-	-	-
(Gain) loss on disposal of fixed assets	(2,072,573.53)	8,872,643.97	-	207.00
Gain from cancellation finance leases	(377,607.87)	-	-	(255,128.16)
Unrealized (gain) loss on exchange rate	9,040,126.61	(12,934,991.16)	17,638,276.68	(39,787,801.48)
(Gain) loss on fair value adjustments to derivatives	(30,527,121.06)	(25,472,136.25)	(28,166,266.21)	13,193,261.60
Dividend income	-	-	(32,528,188.00)	(38,561,104.00)
Provision from claim on defected goods (reversal)	2,635,851.05	(1,952,814.23)	-	-
Interest income	(505,497.41)	(634,539.02)	(8,086,668.94)	(4,275,418.55)
Employee benefit expenses	27,875,122.45	36,143,153.70	3,686,407.99	7,205,750.36
Finance costs	135,253,544.79	135,194,514.05	72,884,234.49	84,551,104.47
Income tax (expenses)	(50,557,915.57)	(2,061,445.24)	6,255,105.70	556,144.06
Profit provided by operating activities before changes in operating assets and liabilities	491,604,030.95	290,437,266.10	96,548,759.99	38,267,282.98

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
AS AT DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
(Increase) decrease in operating assets				
Trade and other current receivables	47,894,738.00	(151,065,978.34)	(229,079,312.06)	(78,772,046.39)
Inventories	(115,095,400.03)	(169,986,043.70)	(2,459,091.79)	(7,701,905.10)
Other current assets	(492,270.20)	3,903,220.35	-	-
Other non-current assets	(9,071,724.05)	(2,547,066.29)	964,663.00	(432,111.11)
Increase (decrease) in operating liabilities				
Trade and other current payables	115,923,497.13	107,775,155.76	75,349,052.64	42,122,757.38
Other non-current payables	(348,328.67)	520,145.11	67,556.96	(19,688.83)
Cash receipts (paid) from operations	530,414,543.13	79,036,698.99	(58,608,371.26)	(6,535,711.07)
Cash payment for employee benefit	(14,352,563.81)	(55,550,366.61)	(591,871.00)	(1,702,734.48)
Cash receipts from income tax return	32,575,545.30	79,547,727.39	32,337,460.17	79,032,777.10
Cash payment for income tax	(6,641,314.56)	(43,702,962.42)	(1,800,221.05)	(1,515,993.67)
Net cash provided by (used in) operating activities	541,996,210.06	59,331,097.35	(28,663,003.14)	69,278,337.88
Cash flows from investing activities				
Cash receipt from short-term loans to subsidiary	-	-	131,670,000.00	-
Cash payment for short-term to subsidiaries	-	-	(31,132,800.00)	(135,300,000.00)
Cash receipts from long-term to subsidiaries	-	-	24,437,500.00	18,500,988.00
Cash payment for purchase of other financial assets	(8,744,860.00)	-	-	-
Cash receipts from other financial assets	6,376,574.75	86,101,131.87	-	-
Cash payment for purchase of fixed assets	(159,432,324.87)	(139,271,548.97)	(863,738.24)	(3,132,686.29)
Cash receipts from disposal of fixed assets	8,653,618.68	2,710,786.25	-	-
Cash payment for purchase of other intangible assets	(439,913.16)	(1,684,017.16)	(58,995.20)	(30,037.32)
Dividend received	-	-	32,528,188.00	38,561,104.00
Interest received	505,497.41	634,539.02	1,266,223.98	5,210,368.42
Net cash provided by (used in) investing activities	(153,081,407.19)	(51,509,108.99)	157,846,378.54	(76,190,263.19)

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
AS AT DECEMBER 31, 2022

	Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Increase in short-term loans form financial institutions	357,637,073.55	115,780,160.24	-	-
Cash receipts from sale of investment in subsidiary	2,623,458.00	-	-	-
Cash payment for long-term loans from related person	(1,172,558.40)	(16,642,202.85)	(91,000,000.00)	-
Cash payment for long-term loan from financial institutions	(257,351,293.23)	(97,024,036.69)	-	-
Cash payment for lease liabilities	(53,658,285.60)	(56,609,028.71)	(4,875,145.63)	(1,933,296.15)
Dividend payment	(43,344,862.65)	(44,906,434.71)	-	-
Interest payment	(138,240,418.68)	(131,206,522.92)	(75,209,489.69)	(76,986,086.82)
Net cash used in financing activities	<u>(133,506,887.01)</u>	<u>(230,608,065.64)</u>	<u>(171,084,635.32)</u>	<u>(78,919,382.97)</u>
Net increase (decrease) in cash and cash equivalents	255,407,915.86	(222,786,077.28)	(41,901,259.92)	(85,831,308.28)
Differences on translating financial statements	(120,490,790.01)	30,709,363.92	-	-
Cash and cash equivalents - beginning of year	480,143,129.55	672,219,842.91	93,513,824.85	179,345,133.13
Cash and cash equivalents - ending of year	<u>615,060,255.40</u>	<u>480,143,129.55</u>	<u>51,612,564.93</u>	<u>93,513,824.85</u>
Supplemental disclosures of cash flow information				
Transaction non-cash				
Increase in payable for purchase of fixed assets	48,554,103.56	1,397,901.87	-	-
Decrease in accrued employee benefits expenses	(8,548,461.89)	(28,501,535.87)	-	(30,167.12)
Increase in lease liabilities	4,055,534.87	40,692,959.29	3,217,000.00	27,393,532.47

Notes to the Financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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, Bangkok, Huaykwang, Bangkok, 10310 Thailand

The major shareholder of the Company is Srivikorn Family.

1.2 Nature of the Company’s business and major shareholder

The Company and its two local subsidiaries, Royal Thai International Co., Ltd. and a group of the local subsidiary, Vechachai Co., Ltd. Group (Commercial Carpet Business) manufacture, distribute and/or sell various types of rugs and install carpet for flooring and sound absorbing products, including the Axminster Carpet, and hand carpet to decorate hotels, theaters, airports, palaces, and homes, and sell flooring products including a group of the an overseas subsidiary, TCMC HK (2017) Limited (TCM Flooring). In 2022, the Company has rebranded to TCM Surface to cover new business practices. To expand customers and products into the market for sound absorbing products that can be used both on walls and ceilings).

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).

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
		2022	2021	
Direct subsidiaries held by the Company				
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*				
TCMC Living Limited	Holding Company	75.45	75.45	England
Alstons (Upholstery) Limited	Manufacturer and distributor of sofa chair	75.45	75.45	England
Alstons (Cabinet) Limited	Manufacturer of wooden flame for sofa chair	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

Company name	Type of business	Percentage of holding (% of share capital)		Head office location
		2022	2021	
Indirect subsidiaries held by TCMC HK (2017) Limited				
Costigan Limited	Holding Company	100.00	100.00	British Virgin Islands
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 surface	100.00	100.00	Hong Kong
Royal Thai Americas (2017) Inc.	Sale of surface	100.00	100.00	USA
Royal Thai Singapore (2017) Pte. Ltd.	Sale of surface	100.00	100.00	Singapore
Royal Thai Macau (2017) Limited	Sale of surface	100.00	100.00	Macau
Royal Thai India (2017) Limited	Sale of surface	100.00	100.00	India
RT UK (2017) Limited	Sale of surface	100.00	100.00	England
Royal Thai China Trading Limited	Sale of surface	100.00	100.00	China
Royal Thai Carpets (Foshan) Co., Ltd.	Manufacturer and distributor of carpet	51.00	51.00	China
Indirect subsidiaries held by Vechachai Co., Ltd.				
Carpets International Thailand Plc.	Manufacturer and distributor of surface	99.31	99.31	Thailand

* On January 17, 2022, TCM Living Limited sold all of the ordinary shares of Arlo Living Limited at a price of Pound 0.4 million.

- 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 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 year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards, 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 practices, accounting guidance and disclosures in the notes to the financial statements and, for some standards, providing temporary reliefs or temporary exemptions to 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 Revised Financial Reporting Standards that will become effective for the financial statements with the accounting period beginning on or after January 1, 2023

The Federation of Accounting Professions has announced to apply several revised financial reporting standards in the Royal Gazette. This will become effective for the financial statements with the accounting period beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards adopted before 2023.

The management of the Company and its subsidiaries believe that this revision of the standards will not significantly affect the financial statements.

2.5 New Financial Reporting Standards

The Federation of Accounting Professions has announced to apply the Financial Reporting Standard No.17 on “Insurance Contract” in the Royal Gazette. This standard requires to comply with the defined criteria of the international reporting standards including various related improvements. The effective date is to apply on the financial statements for the accounting period beginning on or after January 1, 2025.

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 of 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 3.6.

3.5 Contract assets/Contract liabilities

Contract assets means the right that the Company and its subsidiaries will receive compensation in exchange for to transfer goods or services to the customer. Such right will arise according to certain conditions that are not a matter of time elapsed.

Contract liabilities means 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.

3.6 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

- Hedge accounting

At inception of designated hedging relationships, the subsidiaries documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

- Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

For cash flow hedges, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

The hedge accounting is discontinued prospectively when the hedge is expired, sold or terminated or when the hedge no longer meets the criteria for hedge accounting or no longer expects to occur. The Company and its subsidiaries will transfer hedging reserve in other comprehensive income to profit or loss for terminated hedging relationships. If cash flow that is hedged is expected to occur, accumulated in hedging reserve will not reclassify until cash flow that is hedged affect to profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

- 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.

3.7 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.

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

3.9 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 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 its subsidiaries will provide an independent expert to revalue such assets every 5years. However, in case there is any factor which materially effects to the asset value, the Company and its 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:-

	Useful life (year)
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.

3.10 Goodwill

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.

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 Other intangible assets and amortization

Other 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.

After initial recognition, other intangible assets are stated at cost less accumulated amortization and allowance for impairment of assets (if any).

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

Amortization of the other intangible assets is calculated by cost on the straight-line basis over the following estimated with finite useful life is as follows:

	Useful life (year)
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.

3.12 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 investment property, right of use assets and other intangible assets 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 and its subsidiaries could obtain from the disposal of the asset after deducting the costs of disposal.

An impairment loss is recognized in profit or loss.

3.13 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.

3.14 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 “Differences on translating financial statements” as a separate component of shareholders’ equity until the disposal of the foreign operation.

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.

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 receivables

In determining an allowance for expected credit losses of 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 decline in value of inventory

Allowances for decline in value of inventory 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 decline 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.

- Other intangible assets and amortization

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

In recording the initial recognition and measurement of other 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.

- Goodwill

The initial recognition and measurement of goodwill and subsequent impairment testing, require management 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
Direct 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

Name of related parties	Type of business	Nature of relationship
Direct subsidiaries		
Manor (2016) Holdings Limited	Holding company in sofa business	Subsidiaries
TCMC HK (2017) Limited	Holding company in surface business	Subsidiaries
Vechachai Co., Ltd.	Holding company in surface business	Subsidiaries
Indirect subsidiaries		
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 flame 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
Costigan Limited	Holding company in surface business	A subsidiary of TCMC HK (2017) Limited
Anderry Limited	Holding company in surface business	A subsidiary of Costigan Limited
Onsen Limited	Holding company in surface business	A subsidiary of Costigan Limited
Royal Thai HK (2017) Limited	Surface distributors	A subsidiary of Costigan Limited
Royal Thai Americas (2017) Inc.	Surface distributors	A subsidiary of Costigan Limited
Royal Thai Singapore (2017) Pte. Ltd.	Surface distributors	A subsidiary of Costigan Limited

Name of related parties	Type of business	Nature of relationship
Indirect subsidiaries		
Royal Thai Macau (2017) Limited	Surface distributors	A subsidiary of Costigan Limited
Royal Thai India (2017) Limited	Surface distributors	A subsidiary of Costigan Limited
RT UK (2017) Limited	Surface distributors	A subsidiary of TCMC HK (2017) Limited
Royal Thai China Trading Limited	Surface 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 surface	A subsidiary of Vechachai Co., Ltd.
Related companies		
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
SPM Automotive Textile Co., Ltd.	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
PT. Suminoe Surya Techno	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
Suminoe Teijin Techno Krisha India Pvt. Ltd.	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
Srivikorn Group Holding Co., Ltd.	Holding company	The same director
Related persons		
Key management personnel		Persons having authority and responsibility for management
Shareholder		Shareholder of the Company and its 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 general trade practice and approximate to market price
Revenue from hiring and services	According to agree upon rate and approximate to market price
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 and approximate to market price
Service cost	According to agree upon rate and approximate to market price
Marketing expenses	According to agree upon rate and approximate to market price
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, 2022 and 2021 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Transactions with subsidiary companies				
Revenue from sales and rendering services	-	-	584,998	387,174
Dividend income	-	-	32,528	38,561
Management fee income	-	-	43,314	38,876
Other incomes	-	-	6,423	3,900
Cost of sale (purchase of goods)	-	-	750,068	519,413
Distribution cost and administrative expenses	-	-	49,312	39,281
Related parties				
Revenue from sales and rendering services	267	209	-	-
Cost of sale (purchase of goods)	16,072	15,729	-	-
Distribution cost and administrative expenses	20,473	24,759	-	-
Directors and key managements remuneration				
Short-term benefits	222,978	205,813	20,795	15,058
Long-term benefits	6,586	7,540	797	3,793
	229,564	213,353	21,592	18,851

Balance with the related parties as at December 31, 2022 and 2021 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Assets				
Trade and other current receivables				
Subsidiaries - net	-	-	590,630	424,585
	-	-	590,630	424,585
Short-term loans to				
Subsidiary				
Beginning balance	-	-	133,943	-
Add Additional loans during the year	-	-	31,133	135,300
Less Repayment during the year	-	-	(133,943)	-
Exchange rate difference	-	-	(2,068)	(1,357)
Ending balance	-	-	29,065	133,943
Other non-current receivables				
Subsidiary				
	-	-	560	560
	-	-	560	560
Right-of-use assets				
Subsidiary				
	-	-	27,251	29,976
	-	-	27,251	29,976
Long-term loans to				
Subsidiary				
Beginning balance	-	-	211,215	206,508
Less : Repayment during the year	-	-	(24,437)	(18,501)
Add : Interest income	-	-	1,491	6,537
Exchange rate difference	-	-	(14,866)	16,671
Ending balance	-	-	173,403	211,215
Less :	-	-	-	(41,671)
Current portion due within 1 year				
Ending balance - net	-	-	173,403	169,544

The Company has short-term loans to the two subsidiaries as used for circulation the business inform promissory notes, term of 3 months to 1 year with the interest rate of 3.50% - 4.00% per annum. The interest is to repayment with the principal.

As at December 31, 2022 and 2021 the balances outstanding were Pound 0.71 million and Pound 3 million, respectively.

The Company entered into an agreement to provide a long-term loan to and interest receivables 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 is recognized by using an effective interest 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. And from January 1, 2022 charge the fixed interest rate at 3.50% per annum (Income interest is recognized by using an effective interest rate of 3.39% per annum).

As at December 31, 2022 and 2021, the balances outstanding on such loan were Pound 3.79 million and Pound 4.35 million, respectively. This loan is unsecured.

As at December 31, 2022 and 2021, 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.

The Company has loans to the two subsidiaries charged an interest at the rate less than the market rate. The Company recorded the difference between the loans amount and the fair value of such loans as investment in subsidiaries in the separate financial statements.

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Liabilities				
Trade and other current payables				
Subsidiaries	-	-	432,641	376,137
Related parties	1,794	1,901	-	-
	<u>1,794</u>	<u>1,901</u>	<u>432,641</u>	<u>376,137</u>
Long-term loans from				
Related person				
Beginning balance	1,172	17,698	-	-
Less : Repayment during the year	(1,172)	(16,642)	-	-
Differences on translating financial statements	-	116	-	-
Ending balance	<u>-</u>	<u>1,172</u>	<u>-</u>	<u>-</u>
Lease liabilities - net	-	-	30,369	30,369
Subsidiary	<u>-</u>	<u>-</u>	<u>30,369</u>	<u>30,369</u>

As at December 31, 2021, the subsidiary, TCMC Furniture Limited has loans from its shareholders in the amount of Pound 0.40 million. These loans bear a fixed interest rate of 2% per annum. The abovementioned loan is not secured. During 2022, the said subsidiary has repaid the loans in full amount.

The Company has entered into an office lease agreement with Carpets International Thailand Public Limited, the lease term of 2 - 3 years and the rental rate of Baht 280,000 per month.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash on hand	492	486	27	40
Cash at banks - current account	423,045	288,315	636	7,539
Cash at banks - savings account	191,523	191,342	50,950	85,935
Total	615,060	480,143	51,613	93,514

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables (Note 6.1)	1,122,846	1,109,551	632,258	454,083
Other current receivables (Note 6.2)	306,641	340,568	61,585	39,686
	1,429,487	1,450,119	693,843	493,769
Less Allowance for expected credit losses	(17,395)	(33,532)	(11,057)	(9,271)
Net	1,412,092	1,416,587	682,786	484,498

Movement of the change in the allowance for expected credit losses were summarized as follows :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance of the year	33,533	32,440	9,271	19,724
Additional during the year	14,554	10,676	1,786	1,014
Deduction during the year	(25,120)	(10,901)	-	(11,467)
Bad debt during the year	(5,739)	-	-	-
Differences on translating financial statements	167	1,317	-	-
Ending balance at end of the year	17,395	33,532	11,057	9,271

6.1 Trade receivables

Trade receivables classified by ages of accounts consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables - related parties				
Not over due	-	-	177,834	111,952
Overdue 1 months to 3 months	-	-	135,995	85,441
Overdue 3 months to 6 months	-	-	97,221	107,564
Overdue 6 months to 12 months	-	-	39,827	73,191
Overdue more than 12 months	-	-	112,799	23,095
Total trade receivables - related parties	-	-	563,676	401,243
Trade receivables - other parties				
Not over due	722,945	476,337	39,453	41,195
Overdue 1 months to 3 months	332,094	328,901	27,029	10,539
Overdue 3 months to 6 months	22,068	216,167	836	349
Overdue 6 months to 12 months	38,355	12,734	1,225	66
Overdue more than 12 months	7,384	75,412	39	691
Total trade receivables - other parties	1,122,846	1,109,551	68,582	52,840
Total	1,122,846	1,109,551	632,258	454,083

6.2 Other current receivables

Other current receivables consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Other receivables related parties	-	3,404	36,836	24,166
Contract assets-current	48,723	-	-	-
Refundable import duty	5,339	5,232	1,273	-
Value added tax	12,898	9,905	12,941	8,036
Advance payment	10,076	5,366	4,079	3,981
Prepaid expenses	118,251	157,412	2,989	2,468
Deposit for inventories	19,430	10,495	1,761	934
Retentions	1,690	1,477	1,690	-
Other	90,234	147,277	16	101
Total	306,641	340,568	61,585	39,686

7. INVENTORIES

Inventories consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Finished goods	500,568	572,771	7,530	8,625
Raw materials	403,691	303,648	-	-
Work in process and installation	165,566	106,627	9,359	5,804
Maintenance and factory supplies	1,373	1,679	-	-
Goods in transit	58,981	30,943	-	-
	1,130,179	1,015,668	16,889	14,429
Less Allowance for decline in value of inventories	(93,968)	(84,064)	(2,380)	(2,380)
Net	1,036,211	931,604	14,509	12,049

Movement of the change in the allowance for decline in value of inventories were as follows :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance of the year	84,064	75,398	2,380	2,380
Additional during the year	14,410	18,283	-	-
Deduction during the year	(4,247)	(10,024)	-	-
Differences on translating financial statements	(259)	407	-	-
Ending balance at end of the year	93,968	84,064	2,380	2,380

8. OTHER FINANCIAL ASSETS/LIABILITIES

Other financial assets/liabilities consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Other current financial assets				
Financial assets at FVPL				
- Mutual fund	1,282	7,659	-	-
- Derivative	22,939	216	22,167	22,167
Total other current financial assets	24,221	7,875	22,167	22,167
Other non-current financial assets				
Financial assets at FVOCI				
- Common stock, Harrington Factory	2,735	2,961	-	-
- Common stock, Dial House Hotel (Bourton) Limited	8,333	-	-	-
Total other non-current financial assets	11,068	2,961	-	-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Other current financial liabilities				
Financial liabilities at FVPL				
- Derivative	21,587	14,269	160	6,159
Total other current financial liabilities	21,587	14,269	160	6,159

9. INVESTMENTS IN SUBSIDIARIES

9.1 Investments in subsidiaries consisted of :

	Type of business	Separate financial statements							
		Percentage of ownership (%)		Paid up shares		At cost method		Dividend	
		2022	2021	2022	2021	2022	2021	2022	2021
Local subsidiaries companies									
Royal Thai International Co., Ltd.	Sale of carpet	99.99	99.99	1,000	1,000	1,000	1,000	-	-
Less : 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	32,528	38,561
Vechachai Co., Ltd.	Holding company (Manufacturing and Sale of surface)	100.00	100.00	1,000	1,000	1,748,278	1,748,278	-	-
Overseas subsidiary company									
TCMC Furniture Limited	Holding company in business - TCM Living group 45%	76.00	76.00	48,366 (1million Pound)	48,366 (1million Pound)	66,127*	66,127*	-	-
Manor (2016) Holdings Limited	Holding company in business - TCM Living group 41.25%	100.00	100.00	310,528 (6.25 million Pound)	310,528 (6.25 million Pound)	314,992*	314,992*	-	-
TCMC HK (2017) Limited	Holding company in surface business (Carpet distributors)	100.00	100.00	1,620,054 7 million Hong Kong Dollar)	1,620,054 7 million Hong Kong Dollar)	1,658,623	1,658,623	-	-
Total						3,950,195	3,950,195	32,528	38,561

*The Company has loans to the two subsidiaries charged an interest at the rate less than the market rate. The company, therefore, recorded 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 TCM 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.

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 was 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
Right-of-uses assets	242,935
Intangible assets	105,223
Disposal asset group classified as held for sales	386,601
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	409,324
Net disposal asset group classified as held for sales	(22,723)

The above disposal of investment, as result in TCM Living Limited gaining profit from disposal of investment in Arlo amounted Pound 0.70 million or Baht 3.22 million which presented in the consolidated financial statements under “other income”

9.2 Investments in subsidiaries that have material non-controlling interests consisted of :

Name of Company	Place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests (%)		Thousand Baht					
		2022	2021	Profit (loss) allocated to non-controlling interests		non-controlling interest for the year		Accumulated non-controlling interest	
		2022	2021	2022	2021	2022	2021	2022	2021
T.C.H. Suminoe Co., Ltd.	Thailand	50.10	50.10	38,961	38,370	32,659	38,715	223,317	217,015
TCMC Furniture Limited	England	24.00	24.00	(2,496)	(1,844)	-	-	(55,018)	(52,522)
TCM Living Limited Group	England	24.55	24.55	14,129	(1,935)	10,686	6,191	187,395	183,952
Other				1,228	(1,374)	-	62	12,461	11,233
Total				51,822	33,217	43,345	44,968	368,155	359,678

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

	Thousand Baht	
	2022	2021
Statement of financial position		
Current assets	387,520	341,981
Non-current assets	113,664	252,855
Current liabilities	114,416	105,682
Non-current liabilities	30,989	54,740
Statement of comprehensive income		
Revenues	830,075	754,745
Profit attributable to non-controlling interests	38,961	38,370
Statement of cash flows		
Net cash provided by operating activities	110,893	94,371
Net cash used in investing activities	(10,894)	(31,483)
Net cash used in financing activities	(70,679)	(83,860)
Net cash increase (decrease) in cash and cash equivalents	29,320	(20,972)
Dividend paid to non-controlling interest	32,659	38,715

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

	Thousand Baht	
	2022	2021
Statement of financial position		
Current assets	1,175	5,128
Non-current assets	1,029,181	1,114,020
Current liabilities	82,816	65,964
Non-current liabilities	185,147	265,923
Statement of comprehensive income		
Revenues	46,705	20,261
Profit attributable to non-controlling interests	2,496	1,844
Other comprehensive income to non-controlling interests	51	92

	Thousand Baht	
	2022	2021
Statement of cash flows		
Net cash provided by operating activities	18,266	20,006
Net cash provided by investing activities	44,997	20,261
Net cash used in financing activities	(66,825)	(98,606)
Net cash increase (decrease) in cash and cash equivalents	(3,562)	(58,339)
Differences on translating financial statements	(54,410)	11,350

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

	Thousand Baht	
	2022	2021
Statement of financial position		
Current assets	1,506,929	1,449,347
Non-current assets	2,340,911	2,803,315
Current liabilities	1,557,005	1,539,873
Non-current liabilities	211,835	411,616
Statement of comprehensive income		
Revenues	6,000,622	5,462,660
Profit (loss) attributable to non-controlling interests	17,934	(2,113)
Other comprehensive income (loss) to non-controlling interests	(3,806)	123
Statement of cash flows		
Net cash provided by operating activities	32,618	192,346
Net cash used in investing activities	(119,145)	(210,796)
Net cash provided by financing activities	133,122	22,843
Net cash increase in cash and cash equivalents	46,595	4,393
Differences on translating financial statements	(12,500)	(28,823)
Dividend paid to non-controlling interest	10,686	6,191

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, 2022	Transactions during the year			Differences on translating the financial statements	Balance per book as at December 31, 2022
		Increase	Decrease	Transfer-in (Transfer-out)		
At cost						
Land	526,918	-	-	-	-	526,918
Building	1,208,039	-	(1,458)	-	(7,663)	1,198,918
Building improvements	64,777	-	(54)	-	273	64,996
Machinery and equipment	3,086,853	82,951	(94,597)	41,391	(22,553)	3,094,045
Furniture fixture and office equipment	297,170	2,588	(822)	257	836	300,029
Vehicles	155,034	20,090	(1,398)	1,816	(8,809)	166,733
Assets under installation	32,232	8,470	-	(40,152)	-	550
Machinery under installation	2,553	93,888	-	(1,426)	-	95,015
Total	5,373,576	207,987	(98,329)	1,886	(37,916)	5,447,204
Less						
Accumulated depreciation						
Building	(517,976)	(11,982)	1,458	-	1,652	(526,848)
Building improvements	(52,105)	(3,615)	55	-	(159)	(55,824)
Machinery and equipment	(2,477,865)	(123,216)	86,807	-	10,644	(2,503,630)
Furniture fixture and office equipment	(245,365)	(4,874)	788	(58)	(566)	(250,075)
Vehicles	(111,330)	(12,663)	1,398	(1,419)	5,502	(118,512)
Total	(3,404,641)	(156,350)	90,506	(1,477)	17,073	(3,454,889)
Less Allowance for impairment	(6,477)	-	1,243	-	-	(5,234)
Property, plant and equipment, net	1,962,458					1,987,081

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)		
At cost						
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
Less 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)
Less Allowance for impairment						
Property, plant and equipment, net	(5,234)	(1,243)	-	-	-	(6,477)
Total	1,969,244					1,962,458

	Thousand Baht				Balance per book as at December 31, 2022
	Separate financial statements				
	Balance per book as at January 1, 2022	Transactions during the year		Transfer-in (Transfer-out)	
	Increase	Decrease			
At cost					
Furniture and office equipment	9,188	864	-	185	10,237
Construction in process	185	-	-	(185)	-
Total	9,373	864	-	-	10,237
Less Accumulated depreciation					
Furniture and office equipment	(4,678)	(1,254)	-	-	(5,932)
Total	(4,678)	(1,254)	-	-	(5,932)
Property, plant and equipment, net	<u>4,695</u>				<u>4,305</u>

	Thousand Baht				Balance per book as at December 31, 2021
	Separate financial statements				
	Balance per book as at January 1, 2021	Transactions during the year		Transfer-in (Transfer-out)	
	Increase	Decrease			
At cost					
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
Less 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>

As at December 31, 2022 and 2021, 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 2,731.77 million and Baht 2,107.41 million, respectively (the separate amounting to Baht 2.90 million and Baht 2.55 million, respectively).

A subsidiary pledged its land together with the construction and machinery total book value amount of Baht 274.19 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 flatting 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				Balance per book as at December 31, 2022
	Consolidated financial statements				
	Balance per book as at January 1, 2022	Transactions during the year		Differences on translating the financial statements	
	Increase	Decrease			
At cost					
Building	189,025	3,670	(2,599)	69,222	259,318
Machinery and equipment	14,403	-	-	(1,096)	13,307
Furniture and office equipment	1,359	-	(71)	-	1,288
Vehicle	35,620	4,717	(5,110)	(1,110)	34,117
Total	240,407	8,387	(7,780)	67,016	308,030
Less					
Accumulated depreciation					
Building	(37,131)	(26,500)	2,543	301	(60,787)
Machinery and equipment	(2,530)	(1,027)	-	230	(3,327)
Furniture and office equipment	(1,068)	(268)	58	-	(1,278)
Vehicle	(20,266)	(5,083)	4,399	669	(20,281)
Total	(60,995)	(32,878)	7,000	1,200	(85,673)
Right of use assets, net	179,412				222,357

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		
At cost					
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	193,108	39,838	(11,207)	18,668	240,407
Less					
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	(36,964)	(30,931)	10,093	(3,193)	(60,995)
Right of use assets, net	156,144				179,412

	Thousand Baht			
	Consolidated financial statements			
	Balance per book as at January 1, 2022	Transactions during the year		Balance per book as at December 31, 2022
	Increase	Decrease		
At cost				
Building	31,955	-	-	31,955
Vehicle	3,588	4,717	-	8,305
Total	35,543	4,717	-	40,260
Less Accumulated depreciation				
Building	(1,980)	(2,725)	-	(4,705)
Vehicle	(1,839)	(1,061)	-	(2,900)
Total	(3,819)	(3,786)	-	(7,605)
Right of use assets, net	31,724			32,655

	Thousand Baht			
	Consolidated financial statements			
	Balance per book as at January 1, 2022	Transactions during the year		Balance per book as at December 31, 2022
	Increase	Decrease		
At cost				
Building	14,731	27,393	(10,169)	31,955
Vehicle	3,588	-	-	3,588
Total	18,319	27,393	(10,169)	35,543
Less Accumulated depreciation				
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

12. GOODWILL

Goodwill consisted of :

	Thousand Baht	
	Consolidated financial statements	
	2022	2021
TCM Living	1,238,045	1,340,102
Commercial Carpet Business	993,651	993,651
Total	2,231,696	2,333,753

TCM Living consisted of :

	Consolidated financial statements			
	Foreign currency (Thousand GBP)		Thousand Baht	
	2022	2021	2022	2021
- Sofa Business - Alstons Group	6,157	6,157	277,672	250,223
- Sofa Business - DMMH Group	23,558	23,558	1,062,430	957,406
	29,715	29,715	1,340,102	1,207,629
Differences on translating financial statements	-	-	(102,057)	132,473
Total	29,715	29,715	1,238,045	1,340,102

The Company 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 summarized below:

	TCM Living		Commercial carpet business
	Alstons business	DMMH business	
Long-term growth rate (%)	1	1	2
Discount rate before tax (%)	14.26	14.26	10

13. OTHER INTANGIBLE ASSETS

Other intangible assets consisted of:

Thousand Baht						
Consolidated financial statements						
	Balance per book as at January 1, 2022	Transactions during the year			Differences on translating the financial statements	Balance per book as at December 31, 2022
		Increase	Decrease	Transfer-in (Transfer-out)		
At cost						
Software	124,199	407	(7,664)	-	-	116,942
Customer relationship	630,309	-	-	-	(40,139)	590,170
Trademark	192,425	33	-	-	(4,441)	188,017
Design	69,316	-	-	-	(5,279)	64,037
Programs and license in development	55,418	-	-	-	5,446	60,864
Total	1,071,667	440	(7,664)	-	(44,413)	1,020,030
Less Accumulated amortization						
Software	(63,381)	(8,557)	7,664	-	-	(64,274)
Customer relationship	(314,211)	(58,049)	-	-	20,960	(351,300)
Trademark	(75,157)	(5,591)	-	-	3,091	(77,657)
Design	(69,316)	-	-	-	5,279	(64,037)
Total	(522,065)	(72,197)	7,664	-	29,330	(557,268)
Other intangible assets, net	549,602					462,762

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)		
At cost						
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
Less 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)
Other intangible assets, net	558,091					549,602

	Thousand Baht			
	Consolidated financial statements			
	Balance per book as at January 1, 2022	Transactions during the year		Balance per book as at December 31, 2022
	Increase	Decrease		
At cost				
Software	62,712	26	-	62,738
Programs and license in development	827	33	-	860
Total	63,539	59	-	63,598
Less Accumulated amortization				
Software	(16,498)	(5,657)	-	(22,155)
Total	(16,498)	(5,657)	-	(22,155)
Other intangible assets, net	47,041			41,443

	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		
At cost					
Software	62,987	20	-	(295)	62,712
Programs and license in development	817	10	-	-	827
Total	63,804	30	-	(295)	63,539
Less Accumulated amortization					
Software	(11,187)	(5,606)	-	295	(16,498)
Total	(11,187)	(5,606)	-	295	(16,498)
Other intangible assets, net	52,617				47,041

14. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities as follows :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	221,537	192,739	8,510	9,893
Deferred tax liabilities	(223,931)	(257,985)	(10,528)	(5,697)
	(2,394)	(65,246)	(2,018)	4,196

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2022 and 2021, were summarized as follows :

	Thousand Baht				
	Consolidated financial statements				
	Balance per book as at January 1, 2022	Income (expense) during the year		Differences on translating financial statements	Balance per book as at December 31, 2022
	In profit or loss	In other comprehensive income			
Deferred tax assets :					
Allowance for expected credit losses	3,867	(2,014)	-	92	1,945
Effect of elimination from related transactions	1,829	2,309	-	-	4,138
Allowance for decline in value of inventories	16,420	2,320	-	17	18,757
Gain from sales of fixed asset to related party	71	(71)	-	-	-
Allowance for impairment of assets	864	(269)	-	-	595
Derivative contracts	2,735	4,267	4,303	(591)	10,714
Accrued expenses	1,949	5,858	-	(29)	7,778
Employee benefit obligations	41,932	4,261	(2,532)	-	43,661
Other provision	53	-	-	-	53
Trade discount	7,246	-	-	(551)	6,695
Deferred financing cost	1,908	(386)	-	-	1,522
Tax loss	187,174	17,059	-	2,606	206,839
Total	266,048	33,334	1,771	1,544	302,697
Deferred tax liabilities :					
Lease liabilities	(725)	632	-	2	(91)
The difference from the fair value adjustment of assets from business combination	(309,347)	18,604	-	4,979	(285,764)
Accumulated depreciation-the age extension	(21,222)	1,986	-	-	(19,236)
Total	(331,294)	21,222	-	4,981	(305,091)

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 comprehensive 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 inventories	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 contracts	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 cost	389	1,519	-	-	1,908
Tax loss	135,736	35,582	-	15,856	187,174
Total	219,309	35,098	(5,858)	17,499	266,048
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-the age extension	(19,677)	(1,545)	-	-	(21,222)
Derivative contracts	(1,224)	1,224	-	-	-
Total	(326,609)	3,092	-	(7,777)	(331,294)

	Thousand Baht			Balance per book as at December 31, 2022
	Separate financial statements			
	Balance per book as at January 1, 2022	Income (expense) during the year		
	In profit or loss	In other comprehensive income		
Deferred tax assets :				
Allowance for expected credit losses	193	(103)	-	90
Allowance for decline in value of inventories	476	-	-	476
Derivative contracts	1,232	(1,232)	-	-
Accrued expenses	450	366	-	816
Employee benefit obligations	5,473	619	(486)	5,606
Deferred financing service fee	1,908	(386)	-	1,522
Lease liabilities	161	(161)	-	-
Total	9,893	(897)	(486)	8,510
Deferred tax liabilities :				
Lease liabilities	-	(4,401)	-	(4,401)
Interest difference the effective interest rate	(5,697)	(373)	-	(6,070)
Lease liabilities	-	(57)	-	(57)
Total	(5,697)	(4,831)	-	(10,528)

	Thousand Baht			Balance per book as at December 31, 2021
	Separate financial statements			
	Balance per book as at January 1, 2021	Income (expense) during the year		
	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 inventories	476	-	-	476
Derivative contracts	-	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
Total	7,748	(7,748)	-	-
Deferred tax liabilities :				
Lease liabilities	11,764	(1,509)	(362)	9,893
Interest difference the effective interest rate	(1,406)	1,406	-	-
Lease liabilities	(5,311)	(386)	-	(5,697)
Total	(6,717)	1,020	-	(5,697)

15. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trust receipts	23,690	6,034	-	-
Promissory note	70,000	-	-	-
Short - term loans	675,771	405,790	-	-
Total	769,461	411,824	-	-

As at December 31, 2022 and 2021, the subsidiary has short-term credit facilities from commercial bank in the total amount of Baht 1,242 million and GBP 17 million, and credit facilities in the total amount of Baht 1,242 million and GBP 11 million, respectively, as follows :

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

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables				
Trade payables - other parties	590,291	528,555	2,200	948
Trade payables - related parties	1,794	1,901	410,384	350,136
Total trade payables	592,085	530,456	412,584	351,084
Other current payables				
Other payables - related parties	3,763	4,066	22,256	26,001
Other payables - other parties	166,439	141,886	6,763	2,542
Accrued expenses - other parties	330,714	375,542	3,807	10,102
Provision from claim on defected goods	1,455	651	-	-
Contract liabilities - advance received for goods	332,277	262,532	91,503	75,364
Accrued dividend	1,954	1,982	196	203
Accrued employee compensation	174	9,336	-	613
Accrued bonus	18,467	8,464	3,150	-
Accrued commission	9,493	5,302	4,080	2,249
The revenue department payables	128,998	73,808	163	160
Other	9,859	12,746	35	2,177
Total other current payables	1,003,593	896,315	131,953	119,411
Total trade and other current payables	1,595,678	1,426,771	544,537	470,495

17. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Long-term loans (principle)	2,585,168	2,868,135	1,969,000	2,060,000
Less : Deferred financial cost	(54,500)	(38,499)	(2,695)	(3,424)
Add : Accrued interest	10,304	12,963	10,304	12,963
	2,540,972	2,842,599	1,976,609	2,069,539
Less : Current portion due within 1 year	(380,130)	(259,524)	(225,332)	(90,271)
Long-term loans from financial institutions, net	2,160,842	2,583,075	1,751,277	1,979,268

Movement of long-term loans from a financial institutions for the years ended December 31, 2022 and 2021 were summarized as follows :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance of the year	2,842,599	2,857,128	2,069,539	2,061,946
Less Repayment during the year	(257,351)	(97,024)	(91,000)	-
Less Interest expenses	(2,659)	6,861	(2,659)	6,861
Add Amortization of deferred financial cost	2,921	2,484	729	732
Differences on translating financial statements	(44,538)	73,150	-	-
Ending balance ended of the year	2,540,972	2,842,599	1,976,609	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:

The Company shall proceed to have Srivikorn family members hold aggregate shares in lender in a proportion of not less than 30% of the issued and paid-up share capital.

The Company shall maintain the debt-to-equity ratio for the year 2018 to not exceed 3 : 1, from the year 2019 to 2020 to not exceed 2.75 and for the year 2021 onwards to not exceed 2 : 1.

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, 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 SONIA+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:

Installment	Amount per installment (Baht)
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 SONIA+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 in a total of 18 periods, amount of Pound 233,333 per installment 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 amounts:

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 SONIA+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:

Installment	Amount per installment (Baht)
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 2021 onwards not less than 3:1, and has to maintain the debt to equity ratio 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 in Manor (2016) Holding 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.

18. LEASE LIABILITIES

Lease liabilities consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease liabilities	236,565	215,179	36,948	37,727
Less Deferred interest	(3,136)	(3,561)	(6,053)	(6,674)
	233,429	211,618	30,895	31,053
Less Current portion due within 1 year	(58,515)	(65,917)	(3,030)	(2,968)
Lease liabilities, net	174,914	145,701	27,865	28,085

Movement of lease liabilities account for the years ended December 31, 2022 and 2021 summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net book value beginning balance	211,618	160,243	31,053	15,012
Reduction of lease contracts	(378)	-	-	(9,419)
Increase during the year	85,238	40,693	4,717	27,393
Payments for the year	(53,658)	(56,610)	(4,875)	(1,933)
Differences on translating financial statements	(9,391)	67,292	-	-
Net book value ending balance	233,429	211,618	30,895	31,053

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

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation of right-of-use assets	32,878	30,946	3,786	2,511
Interest expenses on lease liabilities	6,191	1,755	1,341	974
Total	39,069	32,701	5,127	3,485

19. PROVISION FOR EMPLOYEE BENEFIT

The statements of financial position :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Provision for employee benefit at beginning balance	227,430	247,161	27,366	9,339
Transfer in of employee from subsidiaries	-	-	-	14,301
Current service costs and interest	27,757	29,919	3,681	6,162
Loss on settlement of benefits	118	6,224	5	1,044
Actuarial gains	(12,662)	(29,292)	(2,430)	(1,808)
Benefits paid	(5,804)	(27,049)	(592)	(1,672)
Differences on translating financial statements	(496)	467	-	-
Provision for employee benefit at ending balance	236,343	227,430	28,030	27,366

Expense recognized in the statements of comprehensive income :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current service costs and interest	14,830	13,614	1,230	189
Cost of sales	12,927	16,305	2,451	5,973
Selling and administrative expenses	27,757	29,919	3,681	6,162
Loss on settlement of employee benefits	118	6,224	5	1,044
Total	27,875	36,143	3,686	7,206

Expense recognized in other comprehensive income :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Actuarial gain				
Demographic assumptions changes	(660)	(12,620)	(683)	-
Financial assumptions changes	3,299	(4,374)	165	(31)
Experience adjustments	(15,301)	(12,298)	(1,912)	(1,777)
Total	(12,662)	(29,292)	(2,430)	(1,808)

Principal actuarial assumptions :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	0.93 - 2.60	0.93 - 1.86	2.23	1.46
Salary increase rate	4.00 - 5.00	4.00 - 5.00	5.00	4.00
Employee turnover rate	0.00 - 49.00	0.00 - 49.00	0.00 - 30.00	0.00 - 36.00
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, 2022 and 2021, are summarized below:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate				
1% increase	(17,561)	(18,726)	(718)	(784)
1% decrease	19,958	21,405	790	866
Salary increase rate				
1% increase	20,362	21,690	763	848
1% decrease	(18,157)	(19,241)	(710)	(787)

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Employee turnover rate				
1% increase	(18,312)	(19,554)	(769)	(829)
1% decrease	12,351	13,637	373	446

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 2022 and 2021, it had a resolution to appropriated the legal reserve amounted Baht 0.83 million and Baht 1.91 million, respectively.

21. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2022 and 2021 were as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Changed in inventories of finished goods and work in process	(41,580)	(120,159)	(2,459)	(5,659)
Raw materials and consumables used	1,114,822	1,013,780	-	-
Purchase of finished goods	853,268	620,011	767,802	530,920
Depreciation and amortization	261,425	264,332	10,696	9,169
Salaries, wage and other employee benefits	1,080,106	1,031,013	80,846	68,679
Management compensation	229,564	213,353	21,592	18,851
Management and technical fees	15,371	15,216	41,251	35,921

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.

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.

And since January 1, 2022, the Company and subsidiaries returned to send for their employees and recognized as expense in the statements of comprehensive income for the year ended December 31, 2022 amounting to Baht 7.12 million.

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 Surface	- Hand-woven and machine-woven carpet for indoor decoration including the flooring materials and sound absorbing product
TCM Automotive	- Sofa chair for interior decoration
TCM Living	- 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, 2022 and 2021 were as follows :

Thousand Baht								
Consolidated financial statements								
	TCM Surface		TCM Automotive		TCM Living		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from sales and services	2,273,367	1,550,216	823,054	731,748	5,970,144	5,462,456	9,066,565	7,744,420
Cost of sales and services	(1,415,613)	(986,831)	(655,455)	(572,583)	(5,102,065)	(4,617,020)	(7,173,133)	(6,176,434)
Gross profit	857,754	563,385	167,599	159,165	868,079	845,436	1,893,432	1,567,986
Other income	6,226	28,513	7,021	21,607	29,967	203	43,214	50,323
Distribution costs	(332,536)	(255,542)	(30,500)	(32,144)	(416,930)	(413,142)	(779,966)	(700,828)
Administrative expenses	(438,399)	(416,366)	(51,227)	(53,564)	(378,030)	(439,596)	(867,656)	(909,526)
Sharing expenses	(11,580)	(6,321)	(3,787)	(2,896)	(21,461)	(33,557)	(36,828)	(42,774)
Gain (loss) on exchange rate	(25,648)	20,977	2,139	1,390	-	-	(23,509)	22,367
Gain (loss) on fair value adjustments to derivatives	22,938	(11,999)	-	-	7,589	37,471	30,527	25,472
Finance costs	(74,832)	(87,511)	(870)	(718)	(59,551)	(46,965)	(135,253)	(135,194)
Income tax (expenses)	23,501	46,151	(16,396)	(19,148)	43,453	(24,942)	50,558	2,061
Profit (loss) for the year	27,424	(118,713)	73,979	73,692	73,116	(75,092)	174,519	(120,113)

Information about geographical areas

The Company and its subsidiaries' revenue from sales separated by geographical area for the years ended December 31, 2022 and 2021 were summarized as follows :

Thousand Baht		
Consolidated financial statements		
	2022	2021
Thailand	912,239	832,563
United Kingdom	5,946,658	5,432,013
Other	2,207,668	1,479,844
Total	9,066,565	7,744,420

Non-current assets of the Company and its subsidiaries separated by geographical area as at December 31, 2022 and 2021 were as follows :

	Thousand Baht							
	Consolidated financial statements							
	Thailand				Overseas			
	TCM Surface		TCM Automotive		TCM Surface		TCM Living	
	2022	2021	2022	2021	2022	2021	2022	2021
Property, plant and equipment	1,489,823	1,467,432	201,892	225,690	6,817	9,831	288,549	259,505
Right-of-use assets	9,750	9,421	15,545	17,063	14,269	20,817	182,793	132,111
Intangible assets	169,842	194,376	7,411	9,303	-	-	285,509	345,923
Total	1,669,415	1,671,229	224,848	252,056	21,086	30,648	756,851	737,539

Information about major customers

For the years ended December 31, 2022 and 2021, 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 1,108.42 million and Baht 1,860.09 million, respectively.

24. INCOME TAX (EXPENSES)

24.1 Major components of income tax (expenses) for the years ended December 31, 2022 and 2021 consisted of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Income tax (expenses) shown in profit or loss :				
Current income tax (expenses) :				
Income tax for the year	(1,046)	(36,129)	(527)	(67)
Deferred income tax (expenses) :				
Changes in temporary differences relating to the original recognition and reversal	51,604	38,190	(5,728)	(489)
Total	50,558	2,061	(6,255)	(556)
Income tax relating to components of other comprehensive income :				
Loss from measured of derivative	4,303	-	-	-
Actuarial gain	(2,532)	5,858	486	362
Total	1,771	5,858	486	362

24.2 The reconciliation between the accounting profit and income tax expenses for the years ended December 31, 2022 and 2021 are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit for the year	123,961	(122,175)	53,435	17,063
The applicable tax rate (%)	16 19 and 20	16 19 and 20	20	20
(Income) tax expenses at the applicable tax rate	29,015	55,390	10,687	3,412
Reconciliation items:				
Tax effect of additional income assessments	-	603	-	603
Tax effect of expenses that are not deductible and income that are not required in determining tax profit	(33,419)	(61,340)	2,074	4,253
Tax effect of income or profit that are not required in determining taxable profit :				
- Exemption of non-taxable dividend income	-	-	(6,506)	(7,712)
- Exemption of income non-taxable	4,477	1,348	-	-
- Expense indeterminant tax	(951)	(884)	-	-
Unrecognized tax losses on deferred tax assets	(49,495)	2,996	-	-
Others	(185)	(174)	-	-
Total reconciliation items	(79,573)	(57,451)	(4,432)	(2,856)
Total (income) tax expenses	(50,558)	(2,061)	6,255	556

As at December 31, 2021, 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, 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	
	2022	2021	2022	2021
Profit (loss) for the year (Thousand Baht)				
- attributable to equity holders of the parent	106,164	(152,848)	47,180	16,507
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)	0.14	(0.20)	0.06	0.02

26. FAIR VALUE OF HIERARCHY

As at December 31, 2022, 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				
- Mutual fund	-	1,282	-	1,282
- Foreign currency forward contracts	-	22,939	-	22,939
Financial assets at FVOCI				
- Common stock	11,068	-	-	11,068
Liabilities measured at fair value				
Financial assets at FVPL				
- Foreign currency forward contracts	-	21,587	-	21,587

	Thousand Baht			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets at FVPL				
- Foreign currency forward contracts	-	22,167	-	22,167
Liabilities measured at fair value				
Financial assets at FVPL				
- Foreign currency forward contracts	-	160	-	160

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, 2022 and 2021, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

Thousand Baht					
Consolidated financial statements as at December 31, 2022					Effective interest rate (% per annum)
Floating interest rate	Fixed interest rates	Non-interest bearing	Total		
Financial assets					
Cash and cash equivalents	192,244	-	422,816	615,060	0.25 - 1.30
Trade and other current receivables	-	-	1,412,091	1,412,091	-
Other current financial assets	-	-	24,221	24,221	-
Other non-current financial assets	-	-	11,068	11,068	-
Financial liabilities					
Short-term loans from financial institutions	-	769,461	-	769,461	2.00 - 3.00
Trade and other current payables	-	-	1,595,678	1,595,678	-
Other current financial liabilities	-	-	21,587	21,587	-
Long-term loans from financial institutions	-	2,540,973	-	2,540,973	3.00 - 4.07
Lease liabilities	-	233,429	-	233,429	2.00 - 5.25

Thousand Baht					
Consolidated financial statements as at December 31, 2021					Effective interest rate (% per annum)
Floating interest rate	Fixed interest rates	Non-interest bearing	Total		
Financial assets					
Cash and cash equivalents	195,396	-	284,747	480,143	1.10 - 1.30
Trade and other current receivables	-	-	1,416,587	1,416,587	-
Other current financial assets	-	-	7,659	7,659	-
Other non-current financial assets	-	-	2,961	2,961	-
Financial liabilities					
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					
Separate financial statements as at December 31, 2022					Effective interest rate (% per annum)
Floating interest rate	Fixed interest rates	Non-interest bearing	Total		
Financial assets					
Cash and cash equivalents	51,574	-	39	51,613	1.10 - 1.30
Trade and other current receivables	-	-	683,314	683,314	-
Other current financial assets	-	-	22,167	22,167	-
Short-term loans to subsidiaries	-	29,065	-	29,065	4.00
Long-term loans to subsidiaries	-	173,403	-	173,403	3.91
Financial liabilities					
Trade and other current payables	-	-	544,537	544,537	-
Other current financial liabilities	-	-	160	160	-
Long-term loans from financial institutions	-	1,976,609	-	1,976,609	3.56
Lease liabilities	-	30,895	-	30,895	3.50 - 9.35

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		
Financial assets					
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	2.69
Financial liabilities					
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	3.56
Lease liabilities	-	31,053	-	31,053	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, 2022, the Company and its subsidiaries primarily utilized forward exchange contracts and foreign exchange option to hedge exchange rate as follows:

	Maturity date	Foreign currency	Applicable exchange rates
Selling contracts	January 20, 2023 - June 28, 2023	USD 16,008,978	TH 33.90 - 37.72 B
Purchase contracts	March 1, 2023 - January 31, 2024	USD 15,500,000	GBP 1.09 - 1.23
Purchase contracts	April 3, 2023 - July 3, 2023	USD 3,267,722	THB 34.06 - 37.91
Purchase contracts	January 3, 2023 - March 31, 2023	EUR 1,350,000	GBP 1.15 - 1.17

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, 2022, 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, 2022, the Company and its subsidiaries had the following commitments on capital expenditure :

	Thousand Baht	
	Consolidated financial statements	
	2022	2021
Machinery and equipment purchase	46,174	-
Total	46,174	-

28.3 As at December 31, 2022, 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 financial statements	
	2022	2021
Within 1 year	10,045	-
Over 1 year but not over 5 years	4,739	-
Total	14,784	-

29. CONTINGENT LIABILITIES

29.1 As at December 31, 2022, 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 67.24 million (the separate : Baht 42.83 million).

29.2 As at December 31, 2022, 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	1,242.00	(208.77)	1,033.23	415.00	(42.83)	372.17
2) GBP	17.00	(16.22)	0.78	-	-	-

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, 2022 the Company's and its subsidiaries' debt to equity ratio was 2.130 : 1 (as of December 31, 2021, was 2.286 : 1) and the Company's debt to equity ratio was 1.061 : 1 (as of December 31, 202, was 1.092: 1)

31. RECLASSIFICATION

The Company and its subsidiaries had reclassified certain of accounting transactions in the financial statements for the year 2021 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		
	Before Reclassification	Reclassification	After Reclassification
Statement of financial position			
As at December 31, 2021			
Assets			
Trade and other current receivables	1,406,741	9,846	1,416,587
Other current financial assets	7,659	216	7,875
Other current assets	35,498	(15,462)	20,036
Other non-current assets	34,286	27,413	61,699
Liabilities			
Income tax payables	11,824	21,797	33,621
Other current financial liabilities	14,053	216	14,269

	Thousand Baht		
	Separate financial statements		
	Before Reclassification	Reclassification	After Reclassification
Statement of financial position			
As at December 31, 2021			
Assets			
Trade and other current receivables	487,511	(3,013)	484,498
Other non-current assets	18,190	3,013	21,203
Other current financial assets	-	187	187
Liabilities			
Other current financial liabilities	6,159	187	6,346

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 27, 2023.



ROYAL THAI



Attachment

Attachment 1 Information on Directors, Management, Persons with Power and Company Secretary

(Information as of 31 December 2022)



Details on Directors



1. Asst.prof. Pimol Srivikorn

Current Position:	Chairman of the Board and Chairman of Executive Board
Nationality:	Thai
Age:	58 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 Role of the Chairman Program (RCP) Class 51/2022
Period of Directorship:	Holding Positions since 29 April 2004 until 2022 for total 18 years
Meeting Attendance of the Past Year:	Attended 4 of 5 of Board of Directors' Meetings
Shareholding in the Company:	31 December 2022, 153,500,000 shares
Shareholding for spouse and child in the Company:	31 December 2022 - 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	-	3 Companies	None

Work Experiences

Subsidiaries

2017 – Present :	Chairman – TCMC HK (2017), HK and subsidiaries
2017 – Present :	Chairman – Vechachai Company Limited and subsidiaries
2016 – Present :	Chairman – TCM Living Limited, UK and subsidiaries
2015 – Present :	Chairman - Manor (2016) Holdings Limited, UK
2015 – Present :	Chairman - TCMC Furniture Limited, UK

Other companies

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.

Details on Directors



2. Mr. Soravis Krairiksh

Current Position: Chairman of Audit Committee and Independent Director

Nationality: Thai

Age: 50 years

Address: 11/16 Narasiri Bangna Moo 14, 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 (AAP) Class 31/2018

Period of Directorship: Holding Positions since 29 November 2006 until 2022 for total 17 years

Meeting Attendance of the Past Year: Attended 5 of 5 of Board of Directors' Meetings
Attended 4 of 4 of Audit Committee's Meetings

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - 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	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.

Details on Directors



3. Mr. Suvitcha Nativivat

Current Position: Member of Audit Committee and Independent Director

Nationality: Thai

Age: 41 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 (AAP) Class 30/2018
Director Leadership Certification Program (DLCP) Class 1/2021
Role of the Chairman Program (RCP) Class 49/2022

Period of Directorship: Holding Positions since 29 April 2013 until 2022 for total 10 years

Meeting Attendance of the Past Year: Attended 5 of 5 of Board of Directors' Meetings
Attended 4 of 4 of Audit Committee's Meetings

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - 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.

Details on Directors



4. Mrs. Duangjai Lorlertwit

Current Position: Member of Audit Committee and Independent Director

Nationality: Thai

Age: 61 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 (AAP) Class 30/2018
 Director Leadership Certification Program (DLCP) Class 1/2021

Period of Directorship: Holding Positions since 1 March 2018 until 2022 for total 5 years

Meeting Attendance of the Past Year: Attended 5 of 5 of Board of Directors' Meetings
 Attended 4 of 4 of Audit Committee's Meetings

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - 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.

Details on Directors



5. Mr. Isareit Chirathivat

Current Position: Independent Director
Nationality: Thai
Age: 44 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 2022 for total 10 years

Meeting Attendance of the Past Year: Attended 5 of 5 of Board of Directors' Meetings

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - 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	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

Details on Directors



6. Miss Piyaporn Phanachet

- Current Position:** Chief Executive Officer
- Nationality:** Thai
- Age:** 55 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
- Other Training Course:** Sustainable Business Strategy (A22-101 ESG Scholarship 2022), Harvard Business School Online
Executive Coaching Certification & Leadership Intensive, Berkeley Executive Coaching Institute, UC Berkeley
- Period of Directorship:** Holding Positions since 17 July 2020 until 2022 for total 3 years
- Meeting Attendance of the Past Year:** Attended 5 of 5 of Board of Directors' Meetings
- Shareholding in the Company:** 31 December 2022, 1,500,000 shares
- Shareholding for spouse and child in the Company:** 31 December 2022 - 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		
2 Companies	1) Independent Director and Audit Committee Member – Humanica PCL. 2) Independent Director and Audit Committee Member – Dusit Thani PCL.	2 Companies	None

Work Experiences

Subsidiaries

- 2021 - Present: Director – Vechachai Company Limited and subsidiaries
2021 - Present: Director – TCMC HK (2017) Limited, Hong Kong and subsidiaries
2021 - Present: Director – Manor (2016) Holdings Limited, UK
2020 - Present: Director – TCM Living Limited, UK and subsidiaries
2020 - Present: Director - T.C.H. Suminoe Co., Ltd.

Other Companies

- 2022 - Present: Chairperson of IOD Community of Practices – Sustainability Community, Thai Institute of Directors (IOD)
2022 - Present: Independent Director and Audit Committee Member – Dusit Thani PCL.
2021 - Present: Independent Director and Audit Committee Member – Humanica PCL.
2008 - Present: Chairperson of CPMG - Thailand Management Association
2020 - 2021: Advisor - U city Public Company Limited
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: Chairperson of the Corporate Governance Committee – Vienna House Hotel Management Company Limited
2010 - 2017: Managing Director Asset Management - Soneva Resort (Formerly Six Senses Resort and Spa)
2013 - 2016: Advisor - Office of Property Management, Chulalongkorn University

Details on Directors



7. M.L. Walliwan Varavarn

Current Position: Executive Director
Nationality: Thai
Age: 65 years
Address: 1056/3 Nakorn Chaisri Rd., Thanon Nakornchaisri, Dusit, Bangkok Thailand 10300
Education: Master's 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
 Director Leadership Certification Program (DLCP) Class 8/2022

Period of Directorship: Holding Positions since 29 April 2003 until 2022 for total 20 years

Meeting Attendance of the Past Year: Attended 5 of 5 of Board of Directors' Meetings

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - 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	-	4 Companies	None

Work Experiences

Subsidiaries

2017 - Present: Director – Carpets International (Thailand) PCL.
 2016 - Present: Director – TCM Living Limited, UK
 2010 - Present: Director - T.C.H. Suminoe Co., Ltd.

Other Companies

2019 - Present: Director – Rugby School Thailand
 2012 – Present: Director - President Hotel and Tower Co., Ltd.
 2003 - Present: Director - Global Utilities Services Co., Ltd.
 2001 – Present: Chief executive officer and director - Srivikorn Group Holding Co., Ltd.

Details on Directors



8. Mr. Sumate Suwanvongkij

Current Position: Director
Nationality: Thai
Age: 63 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 2022 for total 10 years
Meeting Attendance of the Past Year: Attended 5 of 5 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2022 – 270 Shares
Shareholding for spouse and child in the Company: 31 December 2022 - 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.)

Details on Directors



9. Mrs. Noppaporn Aphiwatthanakul

Current Position: Group Finance Director and Company Secretary

Nationality: Thai

Age: 63 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
Director Certification Program (DCP) Class 328/2022

Period of Directorship: Holding Positions since 27 April 2018 until 2022 for total 5 years

Meeting Attendance of the Past Year: Attended 5 of 5 of Board of Directors' Meetings

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - 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

Subsidiaries

2019 - Present: Director – Vechachai Company Limited and subsidiaries

2018 – Present: Director of the Corporate office – TCM Corporation PLC.

2017 - Present: Director - T.C.H. Suminoe Co., Ltd.

1981 – Present: Accounting and Finance Manager - TCM Corporation PLC.

Management Team

- Name and Surname:** Asst. prof. Pimol Srivikorn
Age: 58 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 :

Subsidiaries

 - 2017 – Present : Chairman – TCMC HK (2017), HK and subsidiaries
 - 2017 – Present : Director – Vechachai Company Limited and subsidiaries
 - 2016 – Present : Chairman – TCM Living Limited, UK and subsidiaries
 - 2015 – Present : Chairman - Manor (2016) Holdings Limited, UK
 - 2015 – Present : Chairman - TCMC Furniture Limited, UK

Other companies

 - 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.

Shareholding in the Company: 31 December 2022 - 153,500,000 shares
Shareholding for spouse and child in the Company: 31 December 2022 - None
Relationship between the board and the management: None
- Name and Surname:** Miss Piyaporn Phanachet
Age: 55 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:

Subsidiaries

 - 2021 - Present: Director – Vechachai Company Limited and subsidiaries
 - 2021 - Present: Director – TCMC HK (2017) Limited, Hong Kong and subsidiaries
 - 2021 - Present: Director – Manor (2016) Holdings Limited, UK
 - 2020 - Present: Director – TCM Living Limited, UK and subsidiaries
 - 2020 - Present: Director - T.C.H. Suminoe Co., Ltd.

Other Companies

2022 - Present:	Chairperson of IOD Community of Practices – Sustainability Community, Thai Institute of Directors (IOD)
2022 - Present:	Independent Director and Audit Committee Member – Dusit Thani PCL.
2021 - Present:	Independent Director and Audit Committee Member – Humanica PCL.
2008 - Present:	Chairperson of CPMG - Thailand Management Association
2020 - 2021:	Advisor - U city Public Company Limited
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:	Chairperson of the Corporate Governance Committee – Vienna House Hotel Management Company Limited
2010 - 2017:	Managing Director Asset Management - Soneva Resort (Formerly Six Senses Resort and Spa)
2013 - 2016:	Advisor - Office of Property Management, Chulalongkorn University

Shareholding in the Company: 31 December 2022, 1,500,000 Shares

Shareholding for spouse and child in the Company: 31 December 2022 - None

Relationship between the board and the management: None

3. **Name and Surname:** M.L. Walliwan Varavarn

Age: 65 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 :

Subsidiaries

2017 - Present:	Director – Carpets International (Thailand) PCL.
2016 - Present:	Director – TCM Living Limited, UK
2010 - Present:	Director - T.C.H. Suminoe Co., Ltd.

Other Companies

2019 - Present:	Director – Rugby School Thailand
2012 – Present:	Director - President Hotel and Tower Co., Ltd.
2003 - Present:	Director - Global Utilities Services Co., Ltd.
2001 – Present:	Chief executive officer and director - Srivikorn Group Holding Co., Ltd.

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - None

Relationship between the board and the management: None

4. **Name and Surname:** Mrs. Noppaporn Aphiwatthanakul
Age: 63 Years
Nationality: Thai
Position: Group Finance Director
Education: Master's Degree, Accounting, Sripatum University, Thailand
Bachelor's Degree, Accounting, Chulalongkorn University, Thailand

Experience :
Subsidiaries

2019 - Present: Director – Vechachai Company Limited and subsidiaries
2018 – Present: Director of the Corporate office – TCM Corporation PLC.
2017 - Present: Director - T.C.H. Suminoe Co., Ltd.
1981 – Present: Accounting and Finance Manager - TCM Corporation PLC.

Shareholding in the Company: 31 December 2022 - None
Shareholding for spouse and child in the Company: 31 December 2022 - None
Relationship between the board and the management: None

5. **Name and Surname:** Mr. Shyam Sunder Bhattar
Age: 55 Years
Nationality: American
Position: Chief Executive Officer, TCM Surface Group
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

6. **Name and Surname:** Mr. Teerasak Sangprecharat
Age: 56 Years
Nationality: Thai
Position: Chief Financial Officer, TCM Surface Group
Education: Certified Public Accountant (Thailand)
Management Development Certification Program - Solihull College, England
MBA - Thammasat Business School
BBA - Accounting Thammasat University

Experience :

2018 – 2020:	AMENA Global Finance Shared Services Senior Manager - PepsiCo Services Asia Ltd.
2008 – 2018:	Thailand Financial Controller - Pepsi-Cola Thai Trading Co., Ltd.
2006 – 2008:	Thailand Country Controller – BJ Services International (Thailand) Ltd.
2002 – 2006:	Senior Manager Accounting & Budgeting - Philip Morris (Thailand) Limited
1992-2001:	Financial Controller - Commercial Union Assurance Thailand

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - None

Relationship between the board and the management: None

7. **Name and Surname:** Mr. Jonathan Fearn

Age: 48 Years

Nationality: British

Position: Chief Executive Officer, TCM Living Group

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 2022 - None

Shareholding for spouse and child in the company: as at 31 December 2022 - None

Relationship between Board of directors and management: None

8. **Name and Surname:** Mr. David Roberts

Age: 53 Years

Nationality: British

Position: Chief Financial Officer, TCM, TCM Living

Education: The Association of Chartered Certified Accountants Qualified: ACCA 1998
Fellow Member of the Association of Chartered Certified Accountants:
FCCA current status

Work Experience :

2018 – 2022: Financial Director - MSC Industrial
2013 – 2018: Financial Director - Komfort
1999 – 2013: Director of Operations & Finance – GD Itronix
1996 – 1999: Assistant Accountant - Valeo
1991 – 1996: Self Employed
1987 – 1991: Trainee Accountant – KPG&CO.

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the company: as at 31 December 2022 - None

Relationship between Board of directors and management: None

9. **Name and Surname:** Toh Kulchornchan

Age: 60 Years

Nationality: Thai

Position: Managing Director, TCM Automotive

Education: MBA in Operation management, Memphis University, USA
Bachelor degree of Chemical Engineering, King Mongkut's Institute of
Technology Thonburi

Work Experience :

2010 - Present: Managing Director – T.C.H. Suminoe Co., Ltd.
2001 – 2010: Deputy Managing Director – Texchem – Pack (Thailand) Co., Ltd.
1995 – 2001: Production Manager and Engineering Manager (Washing Machine)
Toshiba Consumer Product (Thailand)
1991 – 1992: Production Manager - Thai Present Co., Ltd
1986 – 1991: Production Manager (Medical Supplies) – Kawasumi Laboratory
(Thailand) Co.,Ltd.

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the company: as at 31 December 2022 - 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 01/01/22	As at 31/12/22	As at 01/01/22	As at 31/12/22		
1	Mr. Pimol Srivikorn	111,000,000	153,500,000	-	-	42,500,000	38.29
2	Miss Piyaporn Phanachet	-	1,500,000	-	-	1,500,000	100
3	Mr. Soravis Krairiksh	-	-	-	-	-	-
4	Mr. Suvitcha Nativivat	-	-	-	-	-	-
5	Mrs. Duangjai Lorlertwit	-	-	-	-	-	-
6	Mr. Isareit Chirathivat	-	-	-	-	-	-
7	Mr. Sumate Suwanvongkij	270	270	-	-	0	0
8	M.L. Walliwan Varavarn	-	-	-	-	-	-
9	Mrs. Noppaporn Aphiwatthanakul	-	-	-	-	-	-

Details of the Board of Directors in Subsidiaries, Associated company and Related Companies

(Information as of 31 December 2022)

Name of Directors	TCM Corporation Public Company Limited	Subsidiaries							Associated company	Related company
		1	2	3	4	5	6	7		
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. Isareit Chirathivat	/	-	-	-	-	-	-	-	-	-
6 Mr. Sumate Suwanvongkij	/	-	-	-	-	-	-	-	-	-
7 Miss Piyaporn Phanachet	/, //	-	/, //	-	/, //	/, //	/, //	/, //	-	-
8 M.L. Walliwan Varavarn	/, //	-	/, //	-	-	/	-	/	-	-
9 Mrs. Noppaporn Aphiwatthanakul	/, //	/, //	/	-	-	-	-	/	-	-

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

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

Attachment 2

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. Noppaporn Aphiwatthanakul	/, //	/	-	-	-	-	/	-
9 Mr. Chaicut 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. Jonathan Fearn	-	-	-	-	/, //	-	-	-
24 Mr. David Roberts	-	-	-	-	/, //	-	-	-

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
: TFAC COSO 2017 Enterprise Risk Management Program

Shareholding in the Company: 31 December 2022 - None

Shareholding for spouse and child in the Company: 31 December 2022 - 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 2022 (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 2022 (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	1,263.91	-	582.67	681.24	5-50
Machinery Equipment	3,094.05	-	2,503.63	590.42	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, Bangkapi 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 2022 (Separate)

List	At cost	Accumulated Amortization	Net Book Value	Useful life (years)
Software	62.74	22.16	40.58	5-10
Programs and licenses during development	0.86	-	0.86	

Intangible Assets as of 31 December 2022 (of Company and subsidiaries)

List	At cost	Accumulated Amortization	Net Book Value	Useful life (years)
Software	116.94	64.27	52.67	5-10
Customer list	590.17	351.30	238.87	7-12
Trademark	188.02	77.66	110.36	10
Design	64.04	64.04	-	5
Programs and licenses during development	60.86	-	60.86	

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_220525081206.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

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

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

Anti-Corruption Policy

Investors can learn more about Anti-Corruption Policy at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or
Click: https://www.tcm-corporation.com/upload/sustainability/filee_220308145844.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

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

Sustainable Development Policy

Investors can learn more about Sustainable Development Policy at the company's website, www.tcm-corporation.com, under topic "Sustainability Development" or
Click: https://www.tcm-corporation.com/upload/sustainability/filee_230228161658.pdf



A modern living room interior featuring a large blue textured sofa in the foreground, a yellow tufted armchair, and a brown leather sofa in the background. The room has large windows, a white wall with a framed abstract artwork, and several decorative pendant lights. The floor is covered with a dark grey carpet and a light-colored rug.

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