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Subject Clarification on Operating Results of the First Quarter of Year 2021
Attention Director and manager, The Stock Exchange of Thailand

TCM Corporation Public Company Limited and its subsidiaries (together referred to as "Corporate Group") would like to clarify the operating result and financial statement of the first quarter of the year 2021 compared to the first quarter of year 2020 as follows.

The Corporate Group has net loss of Baht 15.29 million at the end of the first quarter of year 2021 compared to net loss of Baht 26.47 million at the same period of year 2020. The net loss was decreased by Baht 11.18 million or 42.23 percent. Details of the changes are described in the Management Discussion and Analysis as attached herewith.

Please be informed accordingly.

Your faithfully,
For and on behalf of TCM Corporation Public Company Limited

A handwritten signature in blue ink, reading "Noppaporn A.".

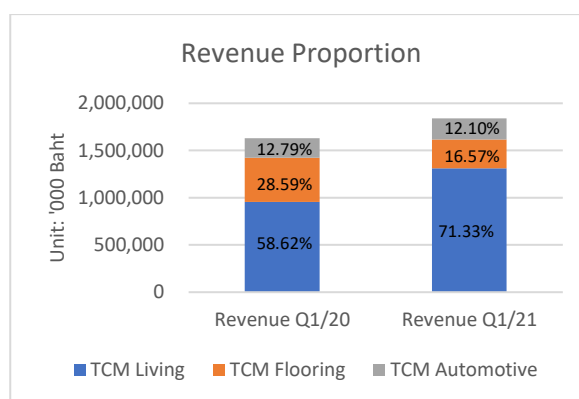
(Mrs.Noppaporn Aphiwatthanakul)
Financial Director

Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") announced revenue from sales and services of THB 1,838.69 million for the first quarter of year 2021, increased from THB 1,630.39 million or by 12.78 percent in the same period of the previous year. EBITDA was THB 95.95 million, decreased from the same period of the previous year by 0.50 percent. Net loss was THB 15.29 million, lower than the previous year, which had net loss THB 26.47, as result of costs and expenses management to reduce impact from COVID-19. Net loss attributable to owners of the parent was THB 34.11 million.

Q1/2021 Performance

The Covid-19 pandemic still had a significant impact on the Company's businesses in the first quarter of 2021. Revenue contribution from TCM Living was 71.33% increased from 58.62% in the previous year. Revenue contribution from TCM Flooring was 16.57% decreased from 28.59% in the previous year. Whereas, revenue contribution from TCM Automotive was 12.10% slightly decreased from 12.79% in the same period of the previous year.



Highlight from each business

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> - Revenue increased by 37.23% from the previous year as a result of overwhelming demand continued from the previous year. Nevertheless, the costs control was not quite satisfactory, due to the whole UK lockdown in the first quarter of the year, the international supply chain crisis, and the increase of raw material costs, those were the main issues which have been prolonged since last year. - The selling and administrative expenses were under control. Added up by the fund support by UK government at 80% of employees' salaries and wages. As a result, the administrative expenses reduced by 35.01% compared to the same period of the previous year. - After taking out the inter-company expenses, financial costs, taxes, and exchange rates related, the Group reported a net profit of THB 7.27 million.
TCM Flooring	<ul style="list-style-type: none"> - Revenue decreased by 34.65% from the same period of the year 2020 as a result of COVID-19 impact to tourism industry. Many businesses had continued to reserve their cash for working capital fund and liquidity despite the upward trend in world economy as a benefit from the vaccination throughout the US and most parts of Europe. - Cost of goods sold was recorded at 63.93, despite the lower incoming orders. Selling and administrative expenses were decreased by 59.47% and 2.81% respectively, as a result of the reorganization and implementation of costs & expenses control.

Business Group	Highlights
	<ul style="list-style-type: none"> - After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 49.28 million, 24.31% improved from those recorded in the same period of the previous year.
TCM Automotive	<ul style="list-style-type: none"> - Revenue increased by 6.69% from the same period of the previous year, as a result of the continuing recovery in automobile industry since end of last year. - Costs improved to 77.01% from the higher volume of sales orders. - Total selling and administrative expenses decreased due to overall efficiency improvement and budget control. Therefore, the Group reported net profit of THB 26.72 million. - However, the uprise of Covid situation in Thailand recently needs to be monitored closely. This may cause the domestic automotive industry to slow down again.

Performance by Group of Business

TCM Living

Unit THB million

Details	Q1/2021	Q1/2020	Change	% of sales	% of sales
			% YoY	Q1/2021	Q1/2020
Revenue from Sales and Services	1,311.62	955.76	37.23%	100.00%	100.00%
Cost of Sales and Services	(1,098.99)	(686.53)	60.08%	83.79%	71.83%
Gross Profit	212.63	269.23	-21.02%	16.21%	28.17%
Other incomes	0.00	7.70	-99.94%	0.00%	0.81%
Selling expenses	(94.95)	(91.69)	3.55%	7.24%	9.59%
Administrative expenses	(89.39)	(137.54)	-35.01%	6.82%	14.39%
Fair value adjustments to derivatives	(1.52)	4.59	-133.08%	0.12%	0.48%
Operating income	26.78	52.29	-48.79%	2.04%	5.47%
Corporate expenses (Shared)	(4.12)	(3.39)	21.47%	0.31%	0.35%
Financial cost	(10.12)	(12.51)	-19.07%	0.77%	1.31%
Tax income (expense)	(5.27)	(13.01)	-59.51%	0.40%	1.36%
Net profit (loss) for the quarter	7.27	23.38	-68.92%	0.55%	2.45%
EBITDA	53.04	72.37	-26.71%	4.04%	7.57%

TCM Living

The latest rising COVID pandemic in the UK in late 2020 had led to the closure of non-essential retail businesses. According to the UK government, all those non-essential retails must cease their operations until the end of first quarter 2021. The reopening of the businesses was just allowed on 12 April 2021. However, the incoming orders from furniture retailers were ongoing by on-line channel even in the lockdown period. As a result, TCM Living delivered sales revenue of THB 1,311.62 million at the end of first quarter, higher than those of THB 955.76 million in the same period of prior year.

Unlike the favorable sales growth, the problem of foam shortage was still remained and unresolved so that the Group had suffered from the increasing foam price. This was in addition to the higher shipping and transportation costs,

the Group's overall cost of sales therefore was substantially high. In Q1 2021, cost of sales was 83.79% compared to 71.83% in the same period of preceding year.

Total Selling and Administrative Expenses was THB 184.34 million, significantly decreased from those in Q1 2020. This was mainly due to the attempt to achieve cost control by the Group, as well as a benefit from government furlough scheme whereby salaries and wages of the employees who were off-work during lockdown were supported by UK government at 80% until the end of September this year.

Accordingly, the Group reported a net profit of THB 7.27 million and EBITDA of THB 53.04 million, decreased by 68.92% and 26.71% from those in the same period of previous year respectively.

TCM Flooring

Unit THB million

Details	Q1/2021	Q1/2020	Change	% of sales	% of sales
			% YoY	Q1/2021	Q1/2020
Revenue from Sales and Services	304.64	466.15	-34.65%	100.00%	100.00%
Cost of Sales and Services	(194.75)	(283.57)	-31.32%	63.93%	60.83%
Gross Profit	109.89	182.58	-39.81%	36.07%	39.17%
Other incomes	1.86	4.47	-58.36%	0.61%	0.96%
Selling expenses	(55.04)	(135.80)	-59.47%	18.07%	29.13%
Administrative expenses	(101.56)	(104.49)	-2.81%	33.34%	22.42%
Profit (Loss) from exchange rate	16.96	19.33	-12.29%	5.57%	4.15%
Fair value adjustments to derivatives	(13.67)	(6.74)	102.68%	4.49%	1.45%
Operating income	(41.56)	(40.66)	2.23%	-13.64%	-8.72%
Corporate expenses (Shared)	(2.53)	(2.67)	-5.46%	0.83%	0.57%
Financial cost	(22.13)	(28.33)	-21.87%	7.27%	6.08%
Tax income (expense)	16.94	6.56	158.36%	5.56%	1.41%
Net profit (loss) for the quarter	(49.28)	(65.10)	-24.31%	-16.18%	-13.97%
EBITDA	(2.10)	(8.72)	-75.95%	-0.69%	-1.87%

TCM Flooring

Hospitality sector still remains highly vulnerable to the impact of COVID-19. It is unexpected that normal business activities of our core customers such as hotels, casinos, movie theatres, entertainment complex, and convention centres, will be back in full recovery in the near term. Given the unfavourable business environment, TCM Flooring reported Revenue from Sales and Services in Q1 2021 of THB 304.64 million, significantly dropped by 34.65% from the same period in prior year.

However, the Group has earned a benefit from cost control exercise and become a lean organization effectively. Cost of Sales stood at 63.93% in Q1 2021, slightly higher than those of previous year provided that many key expenses as well as miscellaneous expenses in 2020 were cut tremendously in tandem with shrinking demand as a result of COVID impact last year. Our gross margin was recorded at 36.07%, quite a good result considering that sales revenue for the respective period decreased by 34.65% from previous year.

In addition to Cost of Sales, TCM Flooring also emphasized on decreasing Selling and Administrative Expenses. Reorganization has taken place in respond to the declining sales order. The Group also put an effort on product development and market expansion in order to focus more on residential market, where purchasing power still remains strong.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 49.28 million, significantly improved when compared to the net loss of THB 65.10 million in Q1 2020 despite the 34.65% drop in sales revenue.

TCM Automotive

Unit THB million

Details	Q1/2021	Q1/2020	Change	% of sales	% of sales
			% YoY	Q1/2021	Q1/2020
Revenue from Sales and Services	222.43	208.49	6.69%	100.00%	100.00%
Cost of Sales and Services	(171.29)	(167.57)	2.22%	-77.01%	-80.37%
Gross Profit	51.14	40.92	24.98%	22.99%	19.63%
Other incomes	1.77	0.21	749.92%	0.80%	0.10%
Selling expenses	(9.11)	(7.51)	21.21%	4.09%	3.60%
Administrative expenses	(10.38)	(12.88)	-19.41%	4.67%	6.18%
Profit (Loss) from exchange rate	0.79	(0.20)	-500.58%	0.35%	-0.09%
Operating income	34.21	20.53	66.59%	15.38%	9.85%
Corporate expenses (Shared)	(0.66)	(0.73)	(0.10)	0.29%	0.35%
Financial cost	(0.11)	(0.18)	(0.38)	0.05%	0.08%
Tax income (expense)	(6.72)	(4.38)	0.53	3.02%	2.10%
Net profit (loss) for the quarter	26.72	15.25	75.21%	12.01%	7.31%
EBITDA	45.01	32.78	37.31%	20.23%	15.72%

TCM Automotive

After slow down business impulse in early 2020, the recovery of automotive industry could be seen in the last quarter of the year. Car production in Q4 was in up trend compared to the same period in 2019. The improving market condition also benefit to TCM Automotive and its upholstery of car seats business. The Group reported Revenue from Sales and Services of THB 222.43 million, an increase by 6.69% compared to the revenue of THB 208.49 million. Cost of sales stood at 77.01% due to the increasing sales order and efficient cost control by all related parties.

Selling expenses moved upward by 21.21% due to market expansion and new product development by the Group to cover a changing in customer's demand. Administrative expenses on the other hand decreased by 19.41% as a result of tight control, cost saving, and implementation of lean organization.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 26.72 million and EBITDA of THB 45.01 million, represent 12.01% of sales and 20.23% of sales respectively.

Consolidated Performance

Unit THB million

Consolidated Statement	Q1/2021	Q1/2020	Change
			% YoY
Revenue			
Revenue from Sales and Services	1,838.69	1,630.39	12.78%
Other Incomes	3.63	12.38	-70.63%
Gain (loss) from exchange rate	17.74	19.13	-7.28%
Total revenue	1,860.07	1,661.90	11.92%
Expenses			
Cost of sales and services	(1,465.03)	(1,137.67)	28.77%
Selling expenses	(159.10)	(235.01)	-32.30%
Administrative expenses	(201.33)	(254.91)	-21.02%
Corporate expenses	(7.30)	(6.79)	7.54%
Fair value adjustments to derivatives	(15.18)	(2.15)	-606.60%
Financial costs	(32.37)	(41.02)	21.09%
Total expenses	(1,880.30)	(1,677.54)	-12.09%
Net profit before TAX	(20.24)	(15.63)	29.48%
Tax expenses	4.95	(10.83)	-145.74%
Profit (loss) for the quarter	(15.29)	(26.47)	-42.23%
Profit (loss) for TCMC	(34.11)	(42.77)	20.24%
EBITDA	95.95	96.43	-0.50%
Weighted average number of ordinary shares (shares)	763,201,125	763,188,975	
Basic earnings per share (Baht)	(0.04)	(0.06)	

Other Incomes

The Corporate Group had other incomes of THB 3.63 million, compared to THB 12.38 million in the same period of the previous year. The other incomes were from interests, rental fees, assets selling, and scrap selling etc.

Financial Costs

The Corporate Group had financial cost of THB 32.37 million in the first quarter of 2021, decreased from THB 41.02 million in the same period of the previous year, resulted from the loan repayments and financial adjustment according to the Thai Financial Reporting Standards.

Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 31 March, 2021	As of 31 December, 2020	Change	
			Million Baht	%
Total Assets	8,104.00	7,970.57	133.43	1.67%
Total Liabilities	5,325.22	5,239.74	85.48	1.63%
Shareholders' Equity	2,778.78	2,730.83	47.95	1.76%
D/E Ratio	1.92:1	1.92:1		

The Corporate Group's total assets as of 31 March 2021 were higher than the total assets as of 31 December 2020 by THB 133.43 million or 1.67 percent. Total liabilities as of 31 March 2021 were higher than the total liabilities as of 31 December 2020 by THB 85.48 million or 1.63 percent. Shareholders' equity as of 31 March 2021 was higher than that as of 31 December 2020 by THB 47.95 million or 1.76 percent, due to the profit of differences on translating financial statements and actuarial gain arising from post employee benefit. As a result, D/E ratio at the end of the period was at 1.92:1 compared to year end 2020 at 1.92:1.

Key Financial Ratios

Key Financial Ratios	Q1/2021	Q1/2021
Current ratio (times)	1.51	1.29
Quick ratio (times)	1.09	0.84
Account Receivable Turnover (times)	5.40	4.64
Account Payable Turnover (times)	4.29	3.73
Inventory turnover (times)	7.23	4.93
D/E ratio (times)	1.92	1.96
Return on equity (%)	(0.42)	(1.72)
Return on assets (%)	(0.19)	(0.31)
Assets turnover (times)	0.23	0.19

Although the overall businesses of the Group have been impacted by Covid-19, the company's liquidity remained relatively strong. The sale proceeds from the disposal of land at Don Muang was mainly used for loan partial repayment, resulting in the decrease of D/E ratio in the fourth quarter of the year 2020. The Group also paid attention to cash on hand to ensure that working capital fund was sufficient. Inventory stock was at minimum level. Reorganization had been completed so that the company would be prompt to respond to rapid change in business environment.