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13 August 2021

Subject Clarification on Operating Results of the Second 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 second quarter of the year 2021 compared to the second quarter of year 2020 as follows.

The Corporate Group has net loss of Baht 37.70 million at the end of the second quarter of year 2021 compared to net loss of Baht 64.87 million at the same period of year 2020. The performance was improved by Baht 27.18 million or 41.89 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 that reads "Noppaporn A.".

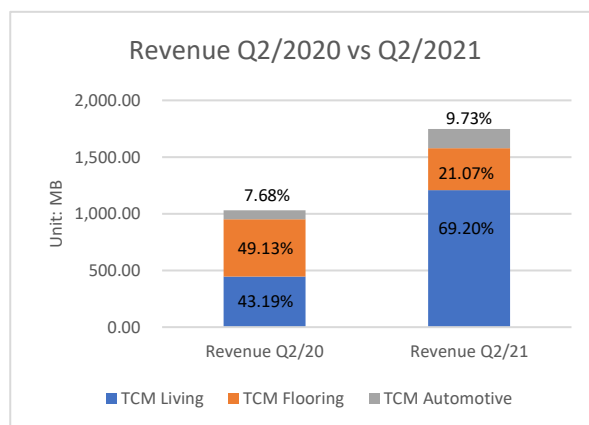
(Mrs.Noppaporn Aphiwatthanakul)
Financial Director

Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") announced revenue from sales and services of THB 1,746.99 million for the second quarter of year 2021, increased from THB 1,031.44 million or by 69.37 percent in the same period of the previous year. EBITDA was THB 81.39 million, increased from the same period of the previous year by 265.98 percent. Net loss was THB 35.04 million, relatively improved than those of the previous year, which had net loss THB 64.87 million. The improvement was mainly as a result of costs and expenses management to reduce impact from COVID-19. Net loss attributable to owners of the parent was THB 49.85 million.

Q2/2021 Performance

The Covid-19 pandemic still had a significant impact on the Company's businesses in the second quarter of 2021. Revenue contribution from TCM Living was 69.20% increased from 43.19% in the previous year. Revenue contribution from TCM Flooring was 21.07% decreased from 49.13% in the previous year. Whereas, revenue contribution from TCM Automotive was 9.73% slightly increased from 7.68% 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 171.36% from the previous year as a result of the lockdown release announced by the UK government, which has led to the recovery of economy. Nevertheless, the costs control was not quite satisfactory, due to 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 increased due to the reopening of retails stores. In addition, the group has acquired a retails business of Arlo & Jacob in June, in which there were a lot of investment required for operation and people. Added up by the disruption from the Covid-19, the selling and administrative expenses was increased as a result when 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 loss of THB 18.09 million.
TCM Flooring	<ul style="list-style-type: none"> - Revenue decreased by 27.37% from the same period of the year 2020 as tourism industry was significantly interrupted by COVID-19. The economic situation in Thailand has not been recovered, 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 62.49%, despite the lower incoming orders. Selling and administrative expenses were decreased compared to the same period of

Business Group	Highlights
	<p>the previous year, as a result of lean organization implementation and costs control. In 2020, there was extra fund which was supported by the US government to our subsidiary at amount of THB 44.05 million.</p> <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 37.66 million, higher than a net loss of THB 2.49 million those recorded in the same period of the previous year.
TCM Automotive	<ul style="list-style-type: none"> - Revenue increased by 114.70% from the same period of the previous year, mainly due to the continuing recovery in automobile industry since end of last year. - Costs improved to 78.46% from the higher volume of sales orders. - Total selling and administrative expenses increased aligned with the higher sales volume. Therefore, the Group reported net profit of THB 11.64 million.

Performance by Group of Business

TCM Living

Unit: MB

Details	Actual Q2/2021	Last Year Q2/2020	Diff % YoY	Actual 6M/2021	Last Year 6M/2020	Diff % YoY
Revenue from Sales and Services	1,208.86	445.48	171.36%	2,520.48	1,337.73	88.42%
Cost of Sales and Services	(1,036.32)	(408.92)	-153.43%	(2,135.31)	(1,112.43)	-91.95%
Gross Profit	172.54	36.56	371.90%	385.17	225.30	70.96%
% Margin	14.27%	8.21%		15.28%	16.84%	
Other incomes	0.00	(4.53)	100.09%	0.01	(0.10)	108.68%
Selling expenses	(79.81)	(34.71)	-129.95%	(174.76)	(118.41)	-47.59%
Administrative expenses	(95.90)	(50.05)	-91.60%	(185.29)	(115.84)	-59.95%
Profit (Loss) from Exchange Rate	(2.63)	4.57	-157.65%	(2.63)	4.57	-157.65%
Operating Income (EBIT)	(5.81)	(48.16)	87.94%	22.49	(4.48)	601.53%
% EBIT to Total Sales	-0.48%	-10.81%		0.89%	-0.34%	
EBITDA	25.71	(23.36)	210.07%	78.57	45.00	74.61%
Fair Value Adjustments to Derivatives (Forex)	11.83	0.35	3276.97%	10.31	4.94	108.51%
Financial Costs	(12.19)	(10.75)	-13.36%	(22.31)	(23.03)	3.14%
Tax Income (Expenses)	(8.55)	13.50	-163.28%	(13.81)	1.22	-1233.71%
Corporate Expenses (Shared)	(3.38)	(5.68)	40.49%	(7.50)	(9.08)	17.33%
Net Profit (Loss) for the Period	(18.09)	(50.74)	64.34%	(10.83)	(30.43)	64.42%
% to Total Sales	-1.50%	-11.39%		-0.43%	-2.27%	

TCM Living

After the release of the lockdown measure in the UK in April 2020, the retail businesses were reopening and received a large number of orders. As a result, the revenue was recorded higher than those in the same period of the previous year. However, the costs control was not quite satisfactory, due to the shortage of raw materials supply and the availability of shipping capacity internationally, those were the main issues which have been prolonged since last year. In addition, business operations of some overseas suppliers, especially in Asia were also interrupted by Covid-19 as they could not ship the products as planned, causing the higher cost in the business group record.

Total Selling and Administrative Expenses was THB 175.72 million, increased from those in Q2/2020, which was under the UK lockdown. During the lockdown period, there was a benefit from government furlough scheme whereby

salaries and wages of the employees who were off-work were supported by UK government. However, the total expenses in Q2/2021 were still in line with Q1/2021.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 18.09 million, significantly improved when compared to the net loss of THB 50.74 million in the same period of the previous year. The EBITDA was THB 25.71 million, increased by 210.07% compared to Q2/2020.

TCM Flooring

Unit: MB

Details	Actual Q2/2021	Last Year Q2/2020	Diff % YoY	Actual 6M/2021	Last Year 6M/2020	Diff % YoY
Revenue from Sales and Services	368.06	506.74	-27.37%	672.70	972.89	-30.86%
Cost of Sales and Services	(230.00)	(299.00)	23.08%	(424.75)	(582.57)	27.09%
Gross Profit	138.07	207.74	-33.54%	247.96	390.32	-36.47%
% Margin	37.51%	41.00%		36.86%	40.12%	
Other incomes	9.72	49.49	-80.37%	11.57	53.96	-78.56%
Selling expenses	(59.31)	(31.94)	-85.72%	(114.35)	(167.74)	31.83%
Administrative expenses	(106.89)	(172.28)	37.95%	(208.45)	(276.77)	24.68%
Profit (Loss) from Exchange Rate	8.04	(34.40)	123.37%	25.00	(15.07)	265.84%
Operating Income (EBIT)	(10.38)	18.61	-155.79%	(38.28)	(15.30)	-150.15%
% EBIT to Total Sales	-2.82%	3.67%		-5.69%	-1.57%	
EBITDA	18.22	45.84	-60.25%	19.52	38.78	-49.65%
Fair Value Adjustments to Derivatives (Forex)	(2.35)	10.98	-121.40%	(16.02)	4.24	-477.51%
Financial Costs	(23.51)	(23.69)	0.79%	(45.64)	(52.02)	12.27%
Tax Income (Expenses)	1.93	1.47	31.32%	18.88	8.03	135.08%
Corporate Expenses (Shared)	(3.35)	(9.87)	66.07%	(5.87)	(12.54)	53.16%
Net Profit (Loss) for the Period	(37.66)	(2.49)	-1409.69%	(86.93)	(67.59)	-28.61%
% to Total Sales	-10.23%	-0.49%		-12.92%	-6.95%	

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. TCM Flooring therefore expanded the target market to the others those were less affected, such as residential and corporate office customers. The Group reported Revenue from Sales and Services at THB 368.06 million, dropped from the same period in prior year given that the Group had backlog orders in hand carried from last quarter of 2019.

However, the Group has earned a benefit from cost control exercise and become a lean organization effectively. Cost of Sales stood at 62.49% in Q2/2021, 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 37.51%, quite a good result considering that sales revenue for the respective period decreased by 27.37% from previous year.

Total Selling and Administrative Expenses was THB 166.21 million, decreased from those in Q2/2020 which was recorded at THB 204.22 million. There were THB 9.09 million supported fund from the US government to the group in Q2/2021, and THB 44.05 million in Q2/2020.

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 37.66 million, increased from the net loss of THB 2.49 million in Q2/2020. The EBITDA was THB 18.22 million, decreased by 60.25% compared to Q2/2020.

TCM Automotive

Unit: MB

Details	Actual Q2/2021	Last Year Q2/2020	Diff % YoY	Actual 6M/2021	Last Year 6M/2020	Diff % YoY
Revenue from Sales and Services	170.07	79.21	114.70%	392.50	287.70	36.43%
Cost of Sales and Services	(133.44)	(80.30)	-66.18%	(304.72)	(247.86)	-22.94%
Gross Profit	36.63	(1.09)	3469.67%	87.77	39.83	120.36%
% Margin	21.54%	-1.37%		22.36%	13.85%	
Other incomes	4.64	0.61	663.18%	6.41	0.82	685.30%
Selling expenses	(7.31)	(3.36)	-117.92%	(16.42)	(10.87)	-51.06%
Administrative expenses	(10.82)	(9.57)	-13.12%	(21.20)	(22.45)	5.55%
Profit (Loss) from Exchange Rate	0.26	0.26	-0.10%	1.04	0.06	1579.31%
Operating Income (EBIT)	23.40	(13.14)	278.07%	57.61	7.39	679.12%
% EBIT to Total Sales	13.76%	-16.59%		14.68%	2.57%	
EBITDA	36.46	(0.25)	14851.29%	83.63	32.89	154.30%
Financial Costs	(0.11)	(0.15)	25.12%	(0.22)	(0.33)	31.88%
Tax Income (Expenses)	(4.69)	2.88	-263.101%	(11.42)	(1.50)	-658.791%
Corporate Expenses (Shared)	(0.54)	(1.23)	56.11%	(1.19)	(1.95)	38.86%
Net Profit (Loss) for the Period	18.05	(11.64)	255.11%	44.78	3.61	1140.04%
% to Total Sales	10.62%	-14.69%		11.41%	1.26%	

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 Thailand was in uptrend compared to the same period in 2020. The Group reported Revenue from Sales and Services of THB 170.07 million, an increase by 114.70% compared to the revenue of THB 79.21 million. Cost of sales stood at 78.16% due to the increasing sales order.

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

After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net profit of THB 18.05 million or 10.62% of the revenue from sales and services. The EBITDA was THB 36.46 million, or 21.44% of the revenue from sales and services.

Consolidated Performance

Unit: THB million

Consolidated Statement	Q2/2021	Q2/2020	Diff	6M/2021	6M/2020	Diff
			% YoY			% YoY
Revenue						
Revenue from Sales and Services	1,746.99	1,031.44	0.69	3,585.68	2,598.32	0.38
Other Incomes	14.36	45.57	(0.68)	17.99	54.68	1.00
Gain from exchange rate	5.66	0.00	1.00	23.41	0.00	(0.57)
Gain from fair value adjustments to derivatives	9.48	11.33	(0.16)	0.00	9.19	0.00
Total revenue	1,776.49	1,088.34	0.63	3,627.08	2,662.18	0.36
Expenses						
Cost of sales and services	(1,399.75)	(788.22)	(0.78)	(2,864.78)	(1,942.87)	(0.47)
Selling expenses	(146.44)	(70.00)	(1.09)	(305.53)	(297.02)	(0.03)
Administrative & Corporate expenses	(220.89)	(248.68)	0.11	(429.52)	(438.63)	0.02
Loss from exchange rate	0.00	(29.57)	1.00	0.00	(10.44)	1.00
Loss from fair value adjustments to derivatives	0.00	0.00	0.00	(5.71)	0.00	(1.00)
Total expenses	(1,767.08)	(1,136.47)	(0.55)	(3,605.53)	(2,688.96)	(0.34)
Net profit before TAX	9.42	(48.13)	1.20	21.54	(26.77)	1.80
Financial costs	(35.81)	(34.59)	(0.04)	(68.17)	(75.38)	0.10
Tax expenses	(11.31)	17.85	(1.63)	(6.35)	7.74	(1.82)
Profit (loss) for the quarter	(37.70)	(64.87)	0.42	(52.99)	(94.41)	0.44
Profit (loss) for TCMC	(49.85)	(45.71)	(0.09)	(83.96)	(91.55)	0.08
EBITDA	80.39	22.24	2.62	181.72	116.66	0.56
Weighted average number of ordinary shares (shares)	763,201,125	763,201,125		763,201,125	763,201,125	
Basic earnings per share (Baht)	(0.07)	(0.06)		(0.11)	(0.12)	

Other Incomes

The Corporate Group had other incomes of THB 14.36 million from interests, rental fees, assets selling, and scrap selling etc. Compared to THB 45.57 million in the same period of the previous year. There were supported fund from the US government to the business operating in the USA at the amount of THB 9.09 million in Q2/2021 and THB 44.05 million in Q2/2020.

Financial Costs

The Corporate Group had financial cost of THB 35.81 million in the second quarter of 2021, increased from THB 34.59 million in the same period of the previous year, resulted from the acquisition of Arlo & Jacob during the second quarter of 2021.

Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 30 June, 2021	As of 31 December, 2020	Change	
			Million Baht	%
Total Assets	8,553.34	7,970.57	582.77	7.31%
Total Liabilities	5,780.56	5,239.74	540.82	10.32%
Shareholders' Equity	2,772.77	2,730.83	41.95	1.54%
D/E Ratio	2.08:1	1.92:1		

The Corporate Group's total assets as of 30 June 2021 were higher than the total assets as of 31 December 2020 by THB 582.77 million or 7.31 percent. Total liabilities as of 30 June 2021 were higher than the total liabilities as of 31 December 2020 by THB 540.82 million or 10.32 percent. Shareholders' equity as of 30 June 2021 was higher than that as

of 31 December 2020 by THB 41.95 million or 1.54 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 2.08:1 higher than 1.92:1 as of the year end 2020.

Key Financial Ratios

Key Financial Ratios	Q2/2021	FY 2020
Current ratio (times)	1.38	1.57
Quick ratio (times)	0.95	1.14
Account Receivable Turnover (times)	5.37	4.95
Account Payable Turnover (times)	4.03	3.97
Inventory turnover (times)	6.56	6.15
D/E ratio (times)	2.08	1.96
Return on equity (%)	(3.51)	(1.74)
Return on assets (%)	(0.62)	(0.00)
Assets turnover (times)	0.42	0.85

The Group recorded a current ratio at 1.38x and quick ratio at 0.95x as at 30 June 2021, slightly decreased from 1.57x and 1.14x in FY 2020 respectively. However, the Group's liquidity and cash cycle still remain healthy as account receivable turnover stood at 5.37, improved from 4.95 in prior year. During the pandemic disruption, the extension of credit term to customers was taken into consideration thoroughly.

Similarly, the Group's ability to meet payments to suppliers still remained strong as can be seen from the account payable turnover of 4.03 as at 30 June 2021 compared to those of 3.97 in previous year. Finished products in stock were lower with the effort to decrease inventory stock. Inventory turnover improved from 6.15 in FY 2020 to 6.56 in Q2 2021.

Debt to equity ratio was at 2.08 in Q2 2021, slightly increased from 1.96 in FY 2020 since the Group still remains under loan repayment grace period as granted from the bank. Return on equity, return on assets, and asset turnover were reportedly unfavourable as well as the Group's financial result as adversely caused by COVID-19 disruption.