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

The Corporate Group has net loss of Baht 120.11 million at the end of year 2021 compared to net loss of Baht 0.11 million of year 2020. The performance was reduced by Baht 120 million. 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

(Mrs.Noppaporn Aphiwatthanakul)
Finance Director

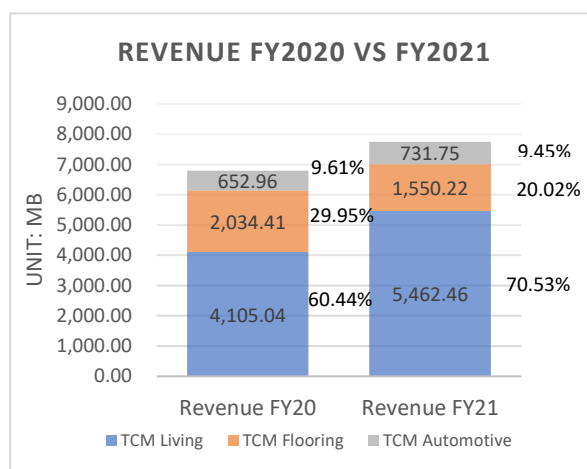
Overview

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

FY2021 Performance

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

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



Highlight from each business

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> - Continuously expanding, Impact from costs rising, Profits are not satisfactory - Revenue increased by 33.07% from the continuous increase of demand, as a result of lifestyle changes due to the COVID-19 pandemic, and the rise of home own trend in the UK. Nevertheless, the costs control of the business group was not quite satisfactory, due to the continuing international supply chain crisis, increase in raw material prices, inflation and labor shortage. - Selling and administrative expenses were increased after incorporating the operating expenses of Arlo & Jacob, a retail business that the Company acquired in Q2/2021. Added up by the disruption from the Covid-19, the overall selling and administrative expenses was higher when compared to the previous year. - After taking out the inter-company expenses, financial costs, taxes, and exchange rates related, the Group reported a net loss of THB 75.09 million.
TCM Flooring	<ul style="list-style-type: none"> - Efficient cost control, But the market has not been recovered - Revenue decreased by 23.80% from 2020 as tourism industry was significantly interrupted by the COVID-19. There were order backlogs in the pipeline which were carried forward from 2020 and scheduled to deliver in 2021. On the other hand, new orders received in 2021 were minimal and inadequate to support sales growth for the year.

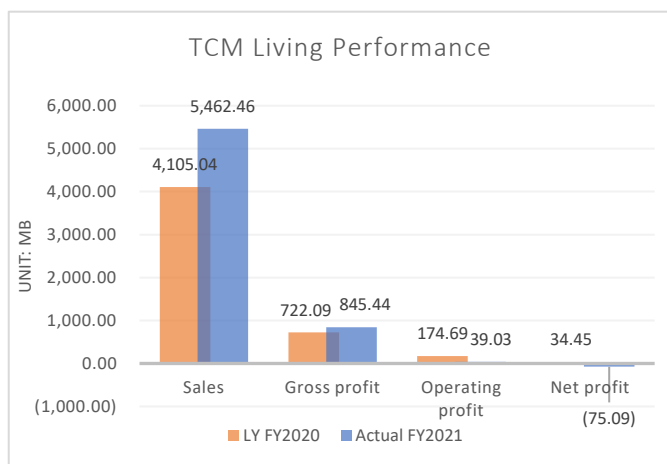
Business Group	Highlights
	<ul style="list-style-type: none"> Cost of goods sold ratio was recorded nearly the same rate as the previous year. Although, the reduction of manpower to align with existing production capacity and efficiency improvements in the past year helped to improve the cost ratio, but the surge of raw material prices and transportation costs caused the cost ratio to be increased and ended up to the same rate as the previous year. Selling and administrative expenses were decreased compared to the previous year, as a result of strictly expenses control to reserve cash flow. After taking out the inter-company expenses, financial costs, and taxes, the Group reported a net loss of THB 118.71 million.
TCM Automotive	<ul style="list-style-type: none"> Business recovered, Revenue and profit increased apparently Revenue increased by 12.07% from the previous year, mainly due to the continuing recovery in automobile industry since end of last year. However, the COVID-19 still has impact to the business. There were overseas car manufacturers temporary cease their operations in Q2-Q3/2021, adding up by the global semiconductor shortage, which the operator estimated that the situation may be prolonged until the end of 2023. Cost ratio improved to 78.25% from 80.85% of the previous year, from the higher volume of sales orders. Total selling and administrative expenses increased aligned with the higher sales volume. Therefore, the Group reported net profit of THB 73.69 million, higher than that reported in the same period of the previous year by 71.35%

Performance by Group of Business

TCM Living

Unit: MB

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



TCM Living

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

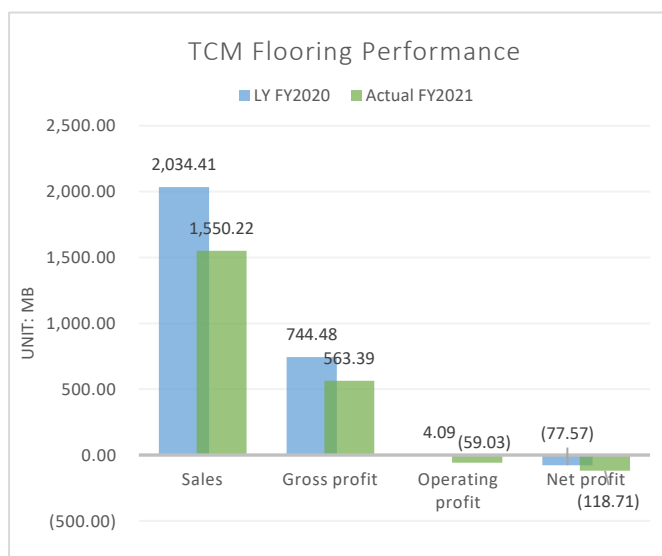
Total selling and administrative expenses were THB 852.74 million, increased from those in 2020, which was under the UK lockdown, and the Group had benefit from government furlough. For 2021, the Group had suffered from unfavorable factors including the additional operating expenses of Arlo & Jacob;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

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

TCM Flooring

Unit: MB

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



TCM Flooring

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

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

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

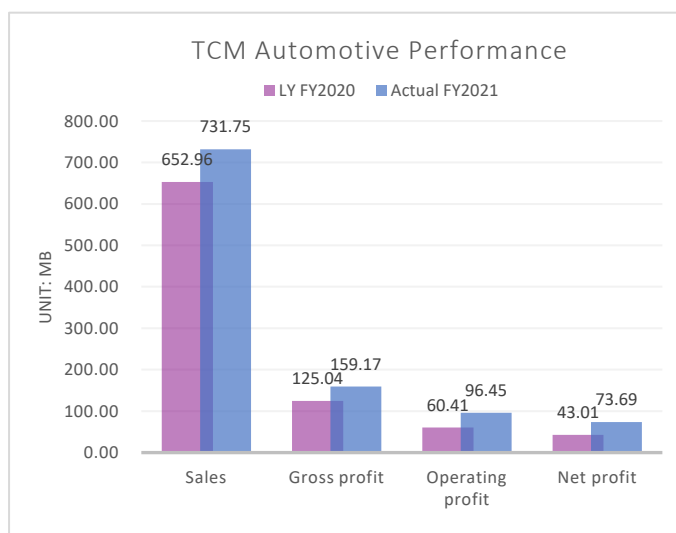
Total Selling and Administrative Expenses was THB 671.91 million, decreased from those in 2020 which was recorded at THB 813.46 million, resulted from the restructuring of the company and the reduction of manpower to align with existing production capacity, including strictly expenses control to reserve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

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

TCM Automotive

Unit: MB

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



TCM Automotive

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

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

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

Consolidated Performance

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

Other Incomes

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

Financial Costs

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

Statement of Financial Position

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

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

Key Financial Ratios

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

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

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



Management Discussion and Analysis

FY2021

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