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27 February 2023

Subject        Clarification on Operating Results of the Year 2022  
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 2022 compared to the year 2021 as follows.

The Corporate Group has net profit of 174.52 million baht at the end of year 2022 compared to net loss of 120.11 million baht of year 2021. The performance was increased by 294.63 million baht or 245.30%. 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.".

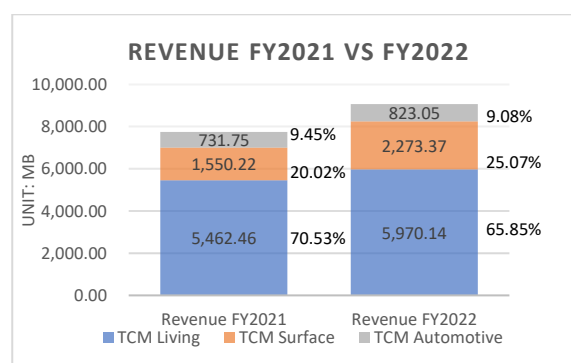
(Mrs.Noppaporn Aphiwatthanakul)  
Finance Director

## 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 by 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 hospitality industry which has led to a substantial sales growth. TCM Living accounted for 65.85 percent, slightly 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"> <li><b>Positive growth continued despite challenging market environment</b></li> <li>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.</li> <li>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.</li> <li>Selling and administrative expenses reduced after the selling of the former business unit Arlo &amp; Jacob in Q1/2022.</li> <li>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.</li> </ul>
TCM Surface	<ul style="list-style-type: none"> <li><b>Market has shown a substantial recovery, Performance is getting back on track.</b></li> <li>Revenue increased by 46.65% due to the recovery in 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.</li> </ul>

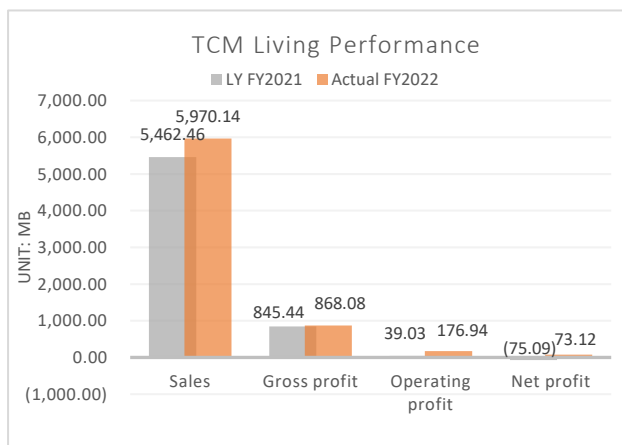
Business Group	Highlights
	<ul style="list-style-type: none"> <li>- The cost of goods sold ratio was improved from growing sales and selling prices adjustment. Product pricing was adjusted to reflect increasing raw material prices and higher transportation costs. The Group also benefited from efficiency improvements internally, and favorable exchange rate of THB against USD.</li> <li>- The percentage of selling and administrative expenses to sales also decreased compared to the previous year, due to expenses control policy and the effort to reserve cash flow.</li> <li>- After the deduction of the inter-company expenses, financial costs, and taxes, the Group reported a net profit of 27.42 million baht.</li> </ul>
TCM Automotive	<ul style="list-style-type: none"> <li>- <b>Business growing gradually in line with industry growth.</b></li> <li>- 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.</li> <li>- The cost ratio was slightly increased than last year as product with lower margin represented higher volume is sales mix.</li> <li>- Overall selling and administrative expenses were lower than last year from internal management.</li> <li>- 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% increased from the previous year.</li> </ul>

## Performance by Group of Business

### TCM Living

Unit: MB

Details	Actual FY2022	Last Year FY2021	Diff % YoY	% of sales FY2022	% of sales FY2021
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%
<b>Gross Profit</b>	<b>868.08</b>	<b>845.44</b>	<b>2.68%</b>	<b>14.54%</b>	<b>15.48%</b>
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%
<b>Operating Income (EBIT)</b>	<b>148.42</b>	<b>39.03</b>	<b>280.22%</b>	<b>2.49%</b>	<b>0.71%</b>
<b>EBITDA</b>	<b>187.32</b>	<b>97.85</b>	<b>91.43%</b>	<b>3.14%</b>	<b>1.79%</b>
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%
<b>Net Profit (Loss) for the Period</b>	<b>73.12</b>	<b>(75.09)</b>	<b>197.37%</b>	<b>1.22%</b>	<b>-1.37%</b>



## 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 labour costs which resulted in the Group recording lower gross margins than the previous year.

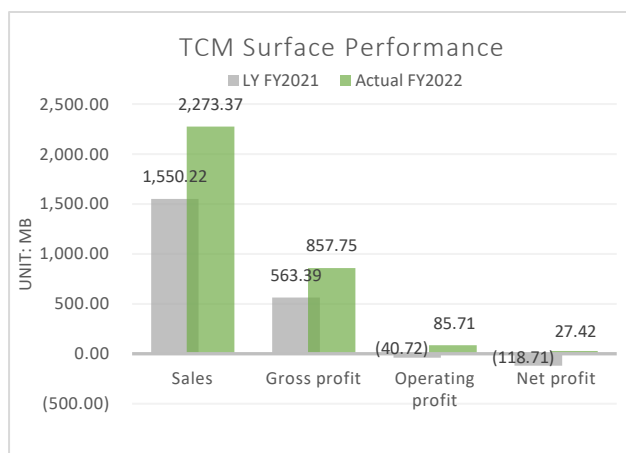
The Group had other income 29.97 million baht. Total selling and administrative expenses were 749.63 million baht, decreased from those in 2020, resulted from well controlled of the expenses. This also reflected the disposal of the Arlo & Jacob business in Q1/2022 resulting in lower selling and administration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

## TCM Surface

Unit: MB

Details	Actual FY2022	Last Year FY2021	Diff % YoY	% of sales FY2022	% of sales FY2021
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%
<b>Gross Profit</b>	<b>857.75</b>	<b>563.39</b>	<b>52.25%</b>	<b>37.73%</b>	<b>36.34%</b>
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%
<b>Operating Income (EBIT)</b>	<b>85.71</b>	<b>(40.72)</b>	<b>310.47%</b>	<b>3.77%</b>	<b>-2.63%</b>
<b>EBITDA</b>	<b>179.59</b>	<b>56.23</b>	<b>219.36%</b>	<b>7.90%</b>	<b>3.63%</b>
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%
<b>Net Profit (Loss) for the Period</b>	<b>27.42</b>	<b>(118.71)</b>	<b>123.10%</b>	<b>1.21%</b>	<b>-7.66%</b>



## TCM Surface

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

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

machineries 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 favourable movements of exchange rate of THB against USD. As a result, our gross profit margin improved to 37.73 percent, compared to 36.34 percent in prior year.

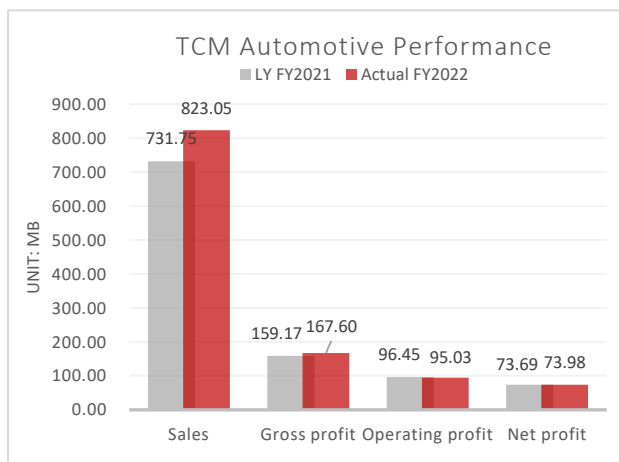
Total selling and administrative expenses were 752.63 million baht, or 33.11 percent of sales, significantly decreased from those in 2021 which was recorded at 42.16 percent of sales. This was resulted from the restructuring of the company and adoption of new technologies to increase efficiency and reduce 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 FY2022	Last Year FY2021	Diff % YoY	% of sales FY2022	% of sales FY2021
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%
<b>Gross Profit</b>	<b>167.60</b>	<b>159.17</b>	<b>5.30%</b>	<b>20.36%</b>	<b>21.75%</b>
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%
<b>Operating Income (EBIT)</b>	<b>95.03</b>	<b>96.45</b>	<b>-1.47%</b>	<b>11.55%</b>	<b>13.18%</b>
<b>EBITDA</b>	<b>123.88</b>	<b>145.00</b>	<b>-14.57%</b>	<b>15.05%</b>	<b>19.81%</b>
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%
<b>Net Profit (Loss) for the Period</b>	<b>73.98</b>	<b>73.69</b>	<b>0.39%</b>	<b>8.99%</b>	<b>10.07%</b>



## 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 slightly decreased 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	FY2022	FY2021	Diff
			% YoY
<b>Revenue</b>			
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%
<b>Total revenue</b>	<b>9,140.31</b>	<b>7,842.58</b>	<b>16.55%</b>
<b>Expenses</b>			
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%
<b>Total expenses</b>	<b>(8,881.09)</b>	<b>(7,829.56)</b>	<b>-13.43%</b>
<b>Net profit before TAX</b>	<b>259.21</b>	<b>13.02</b>	<b>1890.95%</b>
Financial costs	(135.25)	(135.19)	-0.04%
Tax expenses	50.56	2.06	2352.55%
<b>Profit (loss) for the quarter</b>	<b>174.52</b>	<b>(120.11)</b>	<b>245.30%</b>
<b>Profit (loss) for TCMC</b>	<b>106.16</b>	<b>(152.85)</b>	<b>169.46%</b>
<b>EBITDA</b>	<b>490.78</b>	<b>299.08</b>	<b>64.10%</b>
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 THB million

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 at 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 at 31 December 2022, decreased from 1.25x and 0.89x in FY2021 respectively. However, the Group's liquidity and cash cycle still 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 still 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 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 previous year. Repayment of bank loan was made promptly during the year, which 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.