

ANNUAL REPORT 2020
TCM CORPORATION
PUBLIC COMPANY LIMITED

STOCK CODE : TCMC



**ANNUAL
REPORT**

Alexander & James
GREAT BRITISH SOFA DESIGN

TCM LIVING®
A MEMBER OF TCM CORP. PLC.






CONTENTS

Contents

Messages from the Chairman	6
Messages from the Chief Executive Officer	8
Part 1 Business Operation and Performance	10
1. Structure and Operations of the Corporate Group	10
Vision, Mission, and Corporate Culture	10
Business Mission and Strategy	11
Company Profile	13
Others Reference	13
History and Background	14
Nature of Business	16
Company's shareholding structure	23
Juristic person's shares of which the company holds more than 10%	24
Information of Securities and Shareholders	27
2. Risk Management	28
Report from Risk Management Committee	28
Risk Factors	30
3. Driving business towards the sustainable development goals	33
Sustainability Policy and Goals	33
Stakeholder impacts management in the value chain	34
Dimensions of Sustainability Management	35
4. Management Discussion and Analysis	70
Management Discussion and Analysis	70
Financial Highlights	80
5. General Information / Other Information	81
Other Information	81
Legal Disputes	81

Part 2 Corporate Governance	82
6. Corporate Governance Policy	82
7. Corporate Governance Structure and Information about Board of Director,	83
Sub – Committee, Management team, Employee and other.	
Corporate Governance Structure	83
The Roles of Leaders in Corporate Governance and Sustainable Business Drive	84
Organization Structure	84
Remuneration of Directors	87
Remuneration of Audit Committee (Subcommittees)	88
Self-evaluation of the Board of Directors and Sub-committees in group and individually	88
Knowledge enhancement of the Board of Directors	90
Remuneration of Management and Employees	90
Human Resources Development	90
Remuneration of the Company and Subsidiaries' s Auditor 2020	91
8. Corporate Governance Report	92
Compliance with the Principles of Good Corporate Governance	92
9. Transaction with related parties	103
Part 3 Financial Statement	105
Independent Auditor's Report	105
Financial Statement 2020	109
Statement of Financial position	109
Statement of profit or loss and other comprehensive income	111
Statement of Cash flows	115
Notes to the Financial statements	118
Part 4 Confirmation of Information Accuracy	178
Confirmation of Information Accuracy	178
Attachment	182
Attachment 1 Information on Directors, Management,	182
Persons with Power and Company Secretary	
Details on Directors	182
Management Team	192
Shareholding of Director and Management	196
Details of the Board of Directors in Subsidiaries, Associated company and Related Companies	196
Attachment 2 Information of Subsidiaries's Director	197
Details of Directors and Executives in Subsidiaries, Associated company and Related Companies	197
Attachment 3 Details of Internal Audit Head	198
Attachment 4 Assets in business operations and asset appraisal values	199
Assets in business operations	199
Attachment 5 Corporate governance policy and practices and code of conduct	201
Corporate Governance Report	201
Ethics and Code of Conduct	202
Charter of the Board of Directors	203
Charter of the Executive Directors	204
Charter of the Audit Committee	205
Charter of the Risk Management Committee	206
Attachment 6 Report from Audit Committee	207

A close-up photograph of a magnifying glass with a dark handle. The lens is focused on a white rectangular sign with blue text that reads "THINK OUTSIDE THE BOX". The sign is held in place by two white horizontal bands. The background is dark and out of focus.

THINK
OUTSIDE
THE BOX

Messages from the Chairman

Dear Shareholders,

2020 was a year of great change in the company. Due to the COVID-19 pandemic, we have altered our strategy, size, and day-to-day operations to cope with the “new normal.” From the beginning when the pandemic had only begun to seep into our lives, we have strictly enforced all the necessary precautions to protect health and safety. On the business side, we have cut costs, leaned production, prohibited travel, and halted non-urgent expenses to maintain liquidity in preparation for any short or long term impact. Despite the net loss, we have done significantly better than anticipated at the start of the outbreak and we aim to manage our costs even more efficiently in the future.

Out of all the companies in the group, TCM Flooring was most impacted by the pandemic. Its main customer base consists of hotels, casinos, cinemas, convention centers, and cruises, which are all primarily reliant on travel and tourism. When international travel was restricted, these businesses ground to a halt, so many of their orders were postponed and sales decreased by 35.79%. Consequently, the Board of Directors and management decided to restructure the business once more which allowed us to maintain a 36.59% gross profit in spite of the drop in sales. The negotiated debt payment moratorium and sale of the Don Mueng factory in the fourth quarter also contributed to the company’s favourable financial status. I believe we are set to expand and reach our initial goal as the situation improves in 2021.

As for TCM Living, the initial outbreak caused the United Kingdom to impose a lockdown, prohibiting all operations for two months. The company planned for the worst, but the pandemic actually became a blessing in disguise. After the lockdown was lifted, we received record-high orders which prevailed into the new year. We had to purchase other manufacturers that went out of business because of COVID-19 to keep up with the overwhelming demand, but we have not been able to achieve maximum production capacity as the

purchased factories still need refurbishment. TCM Living has achieved extremely high sales figures, but we have not yet been able to maximize our profit growth. We see many avenues to streamline costs to suit our strategy for future growth.

TCM Automotive has been affected by the declining automotive industry since mid-2018, which caused a decrease in sales matching the trajectory of the rest of the industry. With the addition of the pandemic, this has caused many automobile manufacturers to cease their operations temporarily. We followed our policy to reduce spending which allowed us to maintain our profit through the third quarter in the face of reduced sales. In the fourth quarter, the industry bounced back and our sales numbers returned to values comparable to the fourth quarter in 2019. Thus we were able to keep our 2020 annual profit at 6.59%.

Looking forward, I am convinced that the aforementioned internal restructuring in all three cases has turned crisis into opportunity. We have built a stronger and more efficient organization which will lead to great success once we return to normal in the coming years.

As everyone may know, the Board of Directors has appointed Ms. Piyaporn Phanachet as Chief Executive Officer, effective 1st January 2021. She has been working with us as an Executive Director since mid-2020 and she has been involved in goal setting and strategic planning for 2021. I believe that her valuable skills and experience will help us adapt to the rapidly-changing world economy with innovative solutions. Of course, I also offer my sincerest gratitude to M.L. Walliwan Varavarn, our former Chief Executive Officer, for her tireless work in restructuring our organization since its acquisitions and her skillful navigation of this unprecedented crisis.

Our successes in this past year would be impossible without the enduring support of our shareholders and associates. From our Board of Directors, business partners, and customers, who have placed their trust in our hands to our executives and employees in our group who offer their unending cooperation and dedication, I would like to take this opportunity to personally thank you all and I hope to continue receiving your support in the years to come.



Pimol Srivikorn

Chairman of the Board



Messages from the Chief Executive Officer

Dear Shareholders,

2021 will be my first year in my full capacity as Chief Executive Officer of TCM Corporation Public Company Limited. Since July 2020, I have joined the Board of Directors, helping shape corporate policies and plans. It has been a challenging task as the many unanticipated challenges brought on by the COVID-19 pandemic has prompted us to undergo extensive corporate restructuring. However, we were also extremely lucky to benefit from our former CEO M.L. Walliwan Varavarn's careful management, which gave our organization the flexibility and resilience to adapt to the sudden economic impacts of the pandemic.

This year, our biggest goal is to rapidly build a resilient organization that is ready for the post-pandemic world. We want to embrace new innovations to strengthen our competitiveness by deeply understanding our consumers. From the start, I plan to put emphasis on people development, encouraging creativity, and fostering innovation. We will open the floor for anyone to propose new initiatives, test out new ideas, and help build our new corporate culture. Employees at every level will then understand the value and importance of their work in greater context and be ready to adapt to any changes that may arise. Corporate unity will allow for stable, sustainable growth and corporate strategy shifts to address new business opportunities arising from the various changes in the business landscape.

Additionally, we also see the importance of improving our operating system efficiency. In TCM Flooring, we plan to develop and complete the new ERP system, implement the "Lean" policy, as well as invest in new machines to reduce cost and increase productivity. As for TCM Living, with our growing market share and distinguished designs, we are positioned as the leader of the British A- grade sofa market. In 2021, we aim to increase our production capacity to keep up with the massive increase in demand and boost efficiency through design and operations development. Moreover, the company will also begin expanding the online

side of our business. Within TCM Automotive we will focus on product development and improvements to machinery. This will allow us to improve efficiency, better address the needs of our customers, and expand our customer base.

The numerous changes in the past year gives us a golden opportunity for strategic improvement and adaptability. These challenges have inoculated us against adversity and we are ready to return stronger than ever. I sincerely hope that everyone will give the same unfaltering support that has helped us get where we are today.

|||||

Miss Piyaporn Phanachet

Chief Executive Officer



Business Operation and Performance

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

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 grow each acquired business to its full potential and sustainably increase competitive capability through creating synergies and offering strategic direction.

The Company intends to invest in businesses with clear competitive advantages. This includes companies that are market leaders in manufacturing; have unique, new innovations; and/or can meet rapidly evolving consumer needs. In pursuit of sustainable growth, our goals for those businesses are:

1. Competitiveness

The business must clearly define a clear and sustainable strategic plan. It should also have a quality team and/or a corporate culture that fosters transformation, growth, and creativity within a promising industry. Furthermore, the business should have synergy with other businesses in the residential sector so it can benefit from the strengths of other TCMC ventures.

2. Manufacturing

The business should emphasize efficient production, have clear targets and goals, use the Key Performance Indicator (KPI) to control expenses and maintain appropriate costs, and design manufacturing plans in relation with sales strategy. The business should cooperate with other companies in the group to increase production capability and bargaining power for procurement of raw materials. Innovation should be used to enhance existing products, as well as expand product variety in terms of size, pattern, and colour to better serve customer needs.

3. Human Resources Development

The business should support personnel development at all levels and fields of work to enhance capabilities and open perspectives. The emphasis should be on training through actual operations under the instruction and guidance of their managers in order to enhance employee's knowledge and operating skills along with organizing training workshops and seminars. Moreover, the business should focus on fostering integrity and transparency among employees, as well as enhancing safety and quality of life for employees. This ensures that they are ready to join the Company to achieve excellence in both our domestic and international growth.

4. 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 organisation can increase profit while maintaining good corporate governance.

5. Reducing 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	Manufacturer and distributor of carpets to Domestic and International market /Invest in related businesses
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	Mr. Sathien Vongsnan - Certified Public Accountant Registration No. 3495 ANS Audit Co., Ltd. 100/72, 22 nd Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok, 10320 Thailand Tel: +66 (0) 2 645 0109
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
Financial Advisory:	None

History and Background

TCM Corporation Public Company Limited was formerly named "Thailand Carpet Manufacturing Public Company Limited" was established on 21 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 2008, the board meeting passed a resolution to joint-invest in United Carpet Manufacturing Co., Ltd., a company with similar nature focusing on exporting the hand-tufted carpet, holding 51% of shares. The Company and its subsidiaries have made an agreement on not to compete in price dealing with the same clients.

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 October 2011, the Company was affected by flood crisis, but was able to resume normal operation in the second quarter of 2012.

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.

When the acquisition of DMM Group's business is combined with the acquisition of Alstons Group in the previous year, the Company became the number-one sofa manufacturer and distributor in England.

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 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.

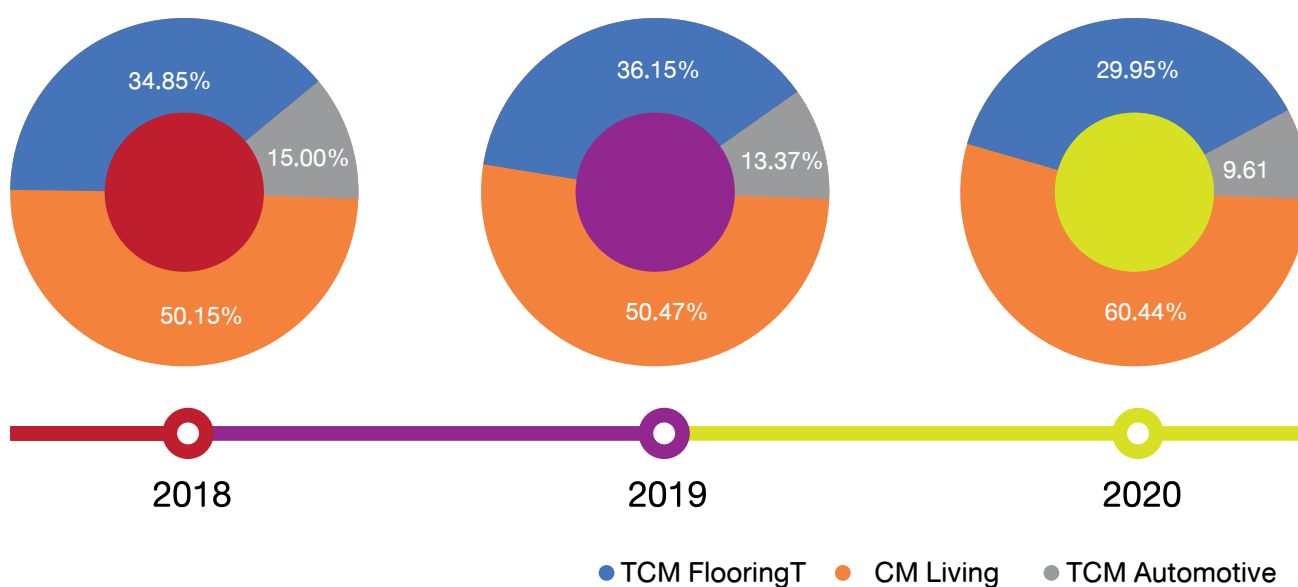
Nature of Business

A holding company investing 3 businesses lines as follows

- TCM FLOORING
- TCM LIVING
- TCM AUTOMOTIVE

Ratio of Income from Business Operations

Income from all of the Company's business groups can be divided into the following:



	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
TCM Living	4,787.73	50.15	4,424.10	50.47	4,105.04	60.44
TCM Flooring	3,327.05	34.85	3,168.60	36.15	2,034.41	29.95
TCM Automotive	1,431.78	15.00	1,172.31	13.37	652.96	9.61
Total	9,546.56	100.00	8,765.01	100.00	6,792.40	100.00

TCM FLOORING

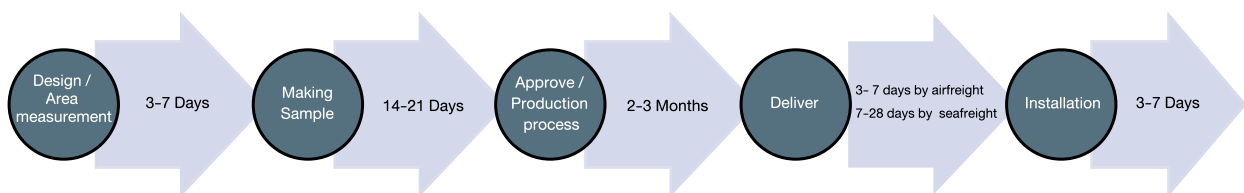
The business includes manufacturing and distribution of carpets and floor coverings under **Royal Thai** and **Carpets Inter** Brand globally. The products under each brand are as follow:

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 the production.

Example of carpets production period



Carpets Inter Brand

- Carpet tiles
- Needle punch carpets

Production and distribution: Customers can either buy products from the stock or order a customized design carpet tiles, which takes 2-6 months from design to production.

Distribution Channels

Customers can be grouped as follow:

- Residential Sector
 - Products are high-quality hand tufted carpets and pass tufted carpets.
 - Customers are home owners and palaces
 - Distribution channels is through interior designers, and our extensive global sales representatives
- Commercial Sector
 - 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.

Market and Competition

In general, sales of carpets and floor coverings is 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 centres, 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 the 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.

As the COVID - 19 pandemic has disrupted the tourism industry, the hotel business experienced a decrease in revenue. Consequently, many hotels reconsidered their budget for new hotel construction and renovations, resulting in a decrease in orders during the past year. Nonetheless, the Company strongly believes that when the pandemic is over, international travel and tourism will return back to normal, and the number of orders will return to normal as well. Brand-name products and high-end carpets in the residential market, however, were less impacted by the pandemic. Therefore, in the next 1 - 2 years, the Company will focus on promoting marketing in these target markets while also exploring new markets to prepare for short and long term pandemic impacts.

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 the competitiveness.

Customers in the office building sector were also affected by the pandemic. Although the impact was not as severe as the hospitality industry, many orders were disrupted for a period of time due to lock-down measures in various areas, especially in Australia, where a major distributor of the Company is located.

Nevertheless, new office building construction and mixed-use building projects continued to grow. While there may be some changes due to new work patterns, carpets are still necessary due to their sound

absorbing properties. The carpet sales in this industry are expected to recover after the end of COVID-19 pandemic.

In the domestic and Asia-Pacific hotel and resort markets, carpets are still required in common space, such as lobbies, corridors, and banquet halls because they absorb sound well and enhance hotel image. On the other hand, hotel room floors tend to be made from other forms of material that are durable and easy to clean, especially during the pandemic. Instead of machine- or hand-woven carpets, the Company has, offered other types of flooring materials, including solid wood floorings, laminate floorings, luxury vinyl tiles, flat weave carpets and stone polymer composite (SPC) in order to meet regional customer demands.

Significant Changes in the Previous Year

After relocating the factories to the same place since the beginning of 2019, the Company had restructured the operations and improved business processes to optimize efficiency. The results of such improvement were originally expected to be seen clearly in 2020.

The COVID-19 pandemic struck the Company since the first quarter, however, resulting in a decrease in orders. The Company has adjusted production plans to account for both the decrease in order volume and the measures implemented to combat the spread of COVID-19. In the second quarter, the management team made an important decision to restructure operations once again in both production and sales department at domestic and international levels. Expenses were reduced with restrictions on travel, cuts on the sales and marketing budget, halts to investment in machinery, including maintenance, and salary reduction, with layoffs reserved as the last resort. The organization's workforce dropped from approximately 1,750 in early 2020 to 1,200 at the end of the year. While revenue decreased by 35 percent, the Company was able to significantly reduce costs overall.

Cost and expense reduction is merely an action to mitigate the unexpected impact. However, there are additional costs and expenses that will return in the long run as we return to normal, such as machine maintenance and repair costs, overtime pay for manufacturing workers, sales and marketing costs, and travel expenses. The Company will continue to control these expenses in an effort to continue being a lean organization.

In addition, the Company has promoted a new product, SPC (Stone Polymer Composite), which is able to overcome the disadvantages of laminate flooring and luxury vinyl tiles (LVT). The new product is scratch-resistant, waterproof, dampproof, sunlight and heat resistant, durable, and easy to clean, a quality that is especially important in the pandemic. Furthermore, the installation process is easy, fast, and convenient with the click-lock system.

Future Projects

The Company aims to maintain a lean organisation by becoming small, flexible, and well-prepared for any situation. New technologies and innovations will be utilised to both increase productivity and reduce costs, as well as reduce resource consumption and other environmental impacts.

In addition to introducing new products to existing customers, the sales and marketing department will focus on expanding into new sectors and widening the customer base. The Company aims to promote luxury hand-woven carpets (Royal Thai Private Label), which previously had a limited number of customers based mainly in Europe. The Company plans to expand into the North American market and the residential market, which was less affected by the COVID-19 pandemic than the hospitality market.

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 advanced.

Distribution Channels

Customer groups can be divided into the two following groups:

- o 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.
- o 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 located 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 industry 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. The COVID-19 pandemic caused the UK to issue lockdown measures in the second quarter of 2020 for about two months, causing some competitors to go out of business. When lockdown measures eased, the demand for furniture was extremely high. Despite a larger market, there were fewer competitors, resulting in a high quantity of orders until the end of the year. It is still uncertain whether the higher order volumes will remain after the COVID-19 pandemic. However, the Company is prepared for either situation by increasing production capacity, expanding online sales channels in line with current market trends, and developing product designs to suit the needs of each market and reach diverse target groups around the world.

Significant Changes in the Previous Year

In January, the Company combined the entire British furniture business group under a single holding company before changing its name from DM Midlands Holdings Ltd. to TCM Living Ltd. After combining, the Company restructured the standard operating procedures into a single system, including common accounting standards and shared support units. This simplifies organization management and reduces operating costs in

order to achieve the goals set by the corporate strategy. Furthermore, this prepares the Company for getting listed on the UK Stock Exchange when the Company is ready, and the market situation allows.

After the lockdown eased in early June, there had been orders in large quantities. The Company therefore needed to increase production capacity by acquiring J28, a factory that had shut down because of the COVID-19 crisis. This acquisition still requires investment to improve machines and hire more production workers before it can reach its full production capacity. In the third quarter, the Company was able to increase its production capacity by approximately 400 SEU (Suite Equivalent Unit) per week.

Future Projects

The Company plans to improve the J28 factory in terms of machinery, equipment, and employees to reach production capacity target of approximately 650 SEU (Suite Equivalent Unit) per week by 2022. In addition, the Company has a project to improve the efficiency of the production process in the existing factories to reduce costs, increase productivity, and explore investments in other businesses that would be suitable to join the group

In terms of sales and marketing, the Company aims to attract retail customers and expand online distribution channels in addition to innovating new products for strategically advantageous markets.

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 for upholstery the structure, roof and floor.
- Woven fabric for upholstery seats.
- Knit fabric for upholstery seats and side walls.
- Polyurethane/PVC 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:

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

Market and Competition

In 2020, the domestic automotive market was severely impacted by the COVID-19 outbreak. Domestic car sales declined by more than 23% compared to 2019. The market has shown a steady decline since 2018, which is consistent with the industry trends.

However, it is estimated that domestic car sales will rise again in 2021. Domestic car sales are expected to be 7-10% higher than in 2020, and exports are expected to rise by 4-5% as the economy gradually

recovers. Furthermore, it is forecasted that electric vehicles will have a dramatic increase in sales. Nonetheless, this forecast depends on investment incentives and economic stimulus measures from the government.

The car 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 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 and use various technologies to differentiate our products from competitors' and control cost.

Significant Changes in the Previous Year

As the Company is highly dependent on the automotive industry, the lower car sales in both domestic and international markets in 2020 and the shutdown of some automotive plants in the second quarter had a significant impact on TCM Automotive. Domestic car production dropped from 2 million in 2019 to 1.4 million in 2020 and some manufacturers delayed the production of new models. This caused the Company to temporarily close the factory, stop investing or improving machinery, and cut all costs as much as possible. In the fourth quarter, sales began to increase due to the initial domestic economic recovery and the launch of new car models at the end of the year that were well-received in the domestic market.

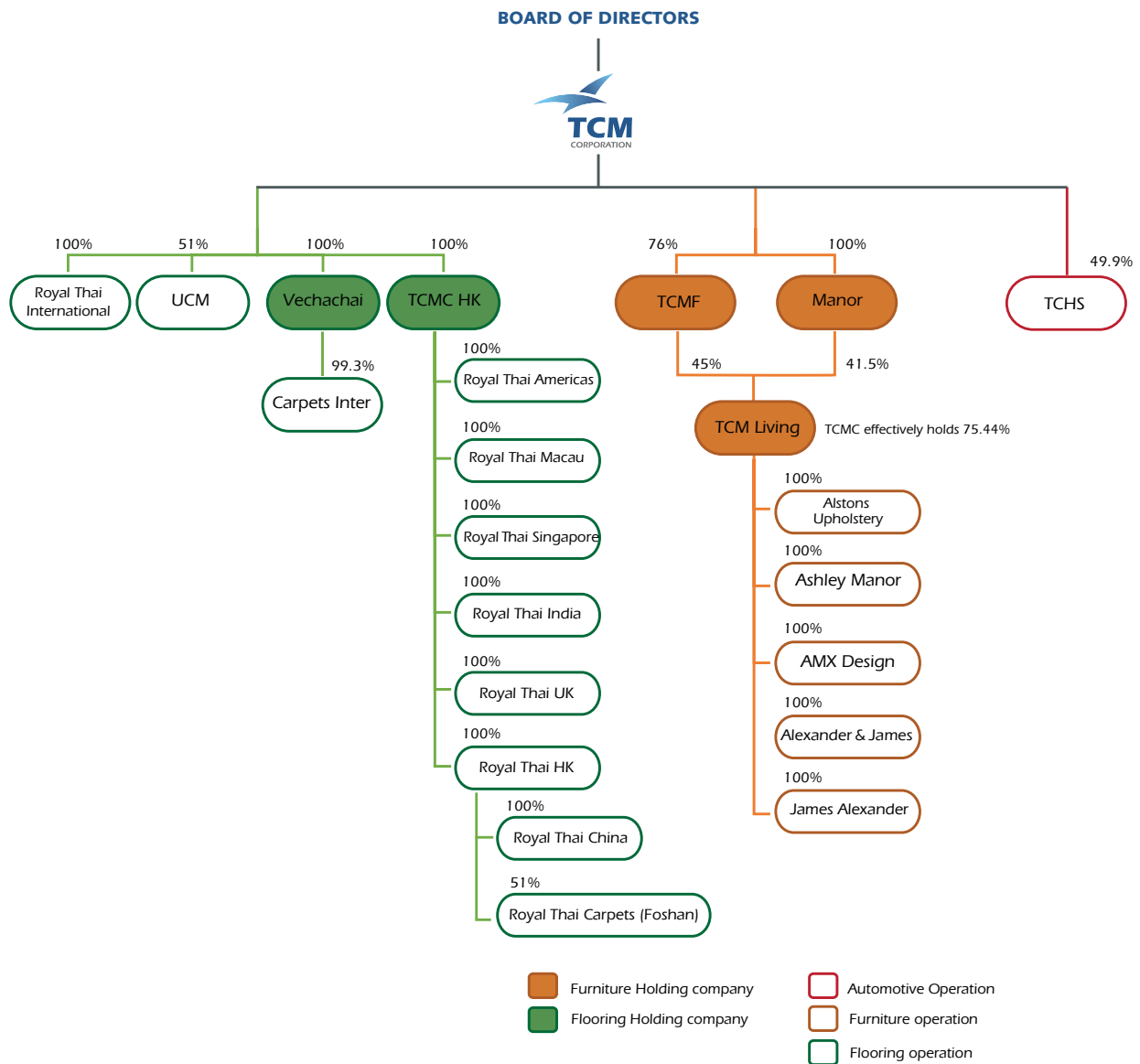
Future Projects

In 2021, the Company expects to fully return to normal operations. The Company plans to invest in new machinery to replace the old production line that has been in use for more than 20 years. Moreover, the company will resume investment in a new headliner production line and launch a market study to find new market opportunities, projects that were both suspended in 2020.

In addition, the Company has started taking jobs outside the automotive industry to fully utilize the machine capacity, such as woven geotextiles for construction and felt soles for shoes etc.

Company's shareholding structure

TCM Corporation Public Company Limited's shareholding structure in 2020 was as below:



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 Share held by the Company
TCM Flooring					
Royal Thai International Co., Ltd. ("RTI")	Distributor of carpets and floor coverings	2044/24 New Phetchaburi Rd., Bangkok, Huaikwang Bangkok 10310	100%	THB 1 million	9,997
United Carpet Manufacturing Ltd. ("UCM") - In the process of closing	Manufacturer and distributor of carpets	1/4 Moo.3 Ladsawai, Lumlukka, Pathumthani 12150	51%	THB 20 million	102,000
Vechachai Company Limited ("VC")	Investment in other companies	2054 New Phetchaburi Rd., Bangkok, Huaikwang Bangkok 10310	100%	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., Bangkok, 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
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	50,000

Company	Type of Business	Location	Percentage Equity Stake	Registered Share Capital	Number of Share held by the Company
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
TCM Living					
Manor (2016) Holdings Limited (Manor)	Investment in other companies	Suite E, 2nd Floor, The Octagon, Middleborough, Colchester, Essex, England CO1 1TG	100%	GBP 6.25 million	62,500,000
TCMC Furniture Limited (TCMF)	Investment in other companies	Albro Works, Gosbecks Road, Colchester, Essex, CO2 9JU	76%	GBP 1 million	1,000,000
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	75.45%	GBP 1.82 million	18,181,818
Alstons (Upholstery) Limited (Invested through TCML and TCMF)	Manufacturer and distributor of Furniture	Albro Works, Gosbecks Road, Colchester, Essex, CO2 9JU	100%	GBP 5,133.20	5,133,200
Ashley Manor Upholstery Limited (Invested through TCML and TCMF)	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

Company	Type of Business	Location	Percentage Equity Stake	Registered Share Capital	Number of Share held by the Company
Alexander and James 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 1.00	1
James Alexander Co., Ltd. (Invested through TCML and TCMF)	Retailer, Exporter and distributor of Furniture	999/99 Moo 20, Soi Boonmeesub, Bangplee – Tumru Rd., Bangplee Yai, Bangplee, Samutprakarn 10540	100%	THB 4 million	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 16 July 2020 is as follows:

No.	Name of major shareholders	Number of shares being held	Shareholding ratio
1	Srivikorn Family		
	Mr. Pimol Srivikorn	102,082,700.00	13.38%
	Mr. Vikorn Srivikorn	51,750,000.00	6.78%
	Mr. Chaiyut Srivikorn	47,705,714.00	6.25%
	Khun Ying Sasima Srivikorn	31,183,903.00	4.09%
	Mrs. April Srivikorn	1,100,000.00	0.14%
	Total of Srivikorn Family	233,822,317.00	30.64%
2	BBL Asset Management Co., Ltd.	50,242,939.00	6.58%
3	Chiawsakul Family		
	Miss Piraya Chiawsakul	16,327,000.00	2.14%
	Mr. Suchart Chiawsakul	5,482,500.00	0.72%
	Total of Chiawsakul Family	21,809,500.00	2.86%
4	Mr. Kiattinan Denpaisan	19,640,369.00	2.57%
5	Kraipisitkul Family		
	Miss Thantaporn Kraipisitkul	13,900,000.00	1.82%
	Mr. Piyawat Kraipisitkul	5,264,900.00	0.69%
	Total of Kraipisitkul Family	19,164,900.00	2.51%
6	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	2.36%
7	Mr. Sompon Roekwibunsi	11,001,000.00	1.44%
8	Mr. Nipun Jittavoravanich	10,000,000.00	1.31%
9	Limatibul Family		
	Mrs. Parada Limatibul	5,467,800.00	0.72%
	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	9,471,200.00	1.24%
10	Udompornpruet Family		
	Mr. Jirayu Udompornpruet	6,000,000.00	0.79%
	Mr. Jetrin Udompornpruet	1,970,000.00	0.26%
	Mr. Somchai Udompornpruet	508,600.00	0.07%
	Total of Udompornpruet	8,478,600.00	1.11%



02

Risk Management

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 31 May 2018, the Board of Directors resolved to appoint the Risk Management Committee, consisting of 4 chief executive officers and high-level executives.

In 2020, Miss Piyaporn Phanachet was appointed as the Chairman of the Risk Management Committee to replace the former Chairman, M.L. Walliwan Varavarn.

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 2020, the Risk Management Committee held two risk management meetings in order 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 organisational 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 in order 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 the 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.

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 at acceptable level. In 2020, the following possible risks are assessed and managed.

1. Raw Material Risk

If the Company relies on one supplier for essential raw materials like wool threads, the company may experience disruptions to the production process and increases in cost as the Company has very little bargaining power to demand lower prices or quick delivery. At present, the Company has multiple suppliers for all essential raw materials. Purchase orders are made to all suppliers to gauge the market and redistribute pricing power. In the case where any one supplier increases raw material prices, the Company will be able to check the market prices from other suppliers. Nonetheless, the prices of essential raw materials usually do not fluctuate. However, if a change occurs, every supplier will raise prices at the same time and notify the Company in advance, thereby enabling the Company to notify customers of product price changes in advance if necessary. The Company notifies the supplier of the amount to be purchased and negotiates the contract at least 6 months to 1 year in advance, but delivery times remain flexible depending on order volume.

2. Substitute Product Risk

Nowadays, consumers have many types of flooring materials with a variety of properties to choose from. Which type of flooring they use often depends on their particular needs and the functionality of the material. For this reason, the Company implemented policies to minimize the risk of substitutes, which are: (1) studying market demands and types of substitutes to decide on the best products to sell, (2) seeking appropriate suppliers, (3) determining distribution plans, (4) providing training for sales representatives, and (5) monitoring the change in substitutes over time for necessary product adjustments.

3. Labor Shortage Risk

Another risk is labour shortage, as skilled labours are needed to produce hand-made woven carpet. It takes time to train any replacements; thus, the Company attempts to retain this important group by increasing benefits and offering more compensations. Nevertheless, the Company has implemented risk management procedure to keep risks at an acceptable level. Labour capacity surveys will be implemented at least once a year. Employee selection will not emphasize the merit system but instead, focus on mentoring system. This will ensure that a mentor takes responsibility for the employee's learning and career development. The Company also plans to invest in machinery that can increase production capacity without reliance on increasing skilled labourers.

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 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. Environment Risk

The Company's manufacturing process does lend itself to some environmental risks. The Company creates a great deal of wastewater each day in the yarn-dyeing process. The wastewater treatment system must be carefully managed to prevent environmental pollution both inside and outside the factory. The Company has established wastewater treatment tanks that have passed quality inspections as well as regular equipment and system checks. The treated water is recycled back to be used again in the factory. In addition, the Zero Discharge project was launched to prevent pollution from getting into the environment. The project involves regular monitoring of surface water, groundwater and soil for quality and potential contamination in the factory and surrounding environments at least annually. So far, the measurement results have met the standards.

In terms of waste management, the company will follow the 3Rs (Reduce, Reuse, Recycle) principle, with priority given to reducing resource use and waste production. In past years, the company has improved the manufacturing process and supported the reduction of new wool fiber use by reusing wool remains. Meanwhile, the company has repurposed old carpet scraps and non-reusable wool remains into alternative fuels to generate electricity and secondary raw materials for cement manufacturing. The sludge disposal from wastewater treatment has been utilized as a component for bio-organic fertilizer. This process has been performed to ensure that the company has disposed the least amount of waste for elimination. As a consequence, the industrial sector and the community can live happily together.

6. Natural Disasters Risk

The Company insurances on all of its major assets in case of natural disaster. In addition, the Company realizes the importance of development of Business Continuity Plan (BCP) in response to natural disaster which may affect the normal course of business of the Company. The units which require business continuity including Manufacturing, Financial, IT, and Building Management Division have been assigned to prepare emergency plans for immediate implementation and to prevent a risk of production, the company has already established joint venture company in China as a back-up factory for any event affecting in the production process in Thailand.

7. Subsidiary Investment Risk

As the Company plans to expand its business in 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.

8. 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.

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

8.2 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 of 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.

8.3 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 dollar, 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.

8.4 Liquidity Risk

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

9. Risk of infectious diseases

The COVID-19 pandemic has caused several new risks to emerge. First of all, if an employee is infected by COVID-19, the Company has to cease operations for sanitisation and other employees must be quarantined for symptom monitoring. This will interrupt production and delay delivery. The Company has reduced the risk by implementing social distancing measures and disinfecting all areas in accordance with the standards of the Ministry of Public Health. Furthermore, workspaces have also been separated by departments to limit the scope of an outbreak. The Company also risks failure to deliver products if the factory or customer is in an area of strict lockdown.



**We will
RECYCLE OVER
1,000,000,000
discarded
PLASTIC BOTTLES
by 2025**

EcoSoft® by Carpets Inter®

03

Sustainability Policy and Goals

* EcoSoft® is made from 80% post-consumer material reengineered from millions of discarded drinking water bottles. We will recycle over 1,000,000,000 discarded plastic bottles by 2025.

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.

Sustainability Policy and Goals

The Company has created a sustainability policy and goals by taking into account all stakeholders as follows:

1. Operate business with fairness, ethics, and commitment to work against all forms of corruption together with being responsible to business partners, communities, society, and all stakeholders.
2. Respect human rights with no discrimination or other unreasonable treatment regardless of gender, race, religion and promote a peaceful and inclusive society within the organisation and the surrounding communities.
3. Promote the use of innovation and technology to enhance productivity and reduce environmental impact.
4. Promote cost-effective management of natural resources and contribute to environmental conservation for global sustainability.

In 2021, the Company plans to review policies and analyse sustainability management plans by participating in a workshop on corporate sustainability strategy provided by the Sustainable Capital Market Development Centre, the Stock Exchange of Thailand. The workshop participation aims to verify materiality

which affecting corporate sustainability and to update business policies and plans in order to meet the international standards.

Stakeholder impacts management in the value chain

Activities in the value chain of the TCM Flooring business group¹

	Value Chain				
Primary Activities	Inbound Logistics	Operations	Outbound Logistics	Marketing and Sales	Services
	<ul style="list-style-type: none"> - The quality raw material supply with durability, safety, and environmental friendliness - Research and development of valuable products in response to the market demand 	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - Fast, punctual, and accurate delivery service - Fast and efficient delivery and installation 	<ul style="list-style-type: none"> - Appropriate pricing for products and services - User manual and maintenance information - Healthy relationship with customers and distributors 	<ul style="list-style-type: none"> - Warranty and customer satisfaction guarantee - After sales service, consultation, and feedback collection
Support Activities	Principle Units: factories, sales, marketing, finance, accounting, IT, production planning, logistics Human Resource Management: recruitment, training, human resource development Procurement: raw material, machinery, partners Technological Development: product research and development, manufacturing system and process improvement				

Stakeholder analysis in the value chain of the company

		Expectations	Response	Communication Channel
Internal Stakeholders				
1	Shareholders	1) High returns 2) Non-discrimination 3) Accurate and timely information 4) Corporate sustainability	- Operate business with transparency, fairness, and communicate with shareholders to inform operating approach, strategy, and performance via online platforms such as the Company's website and the Stock Exchange of Thailand's website.	- General meeting of shareholders - Annual report - Investor relations on the website - Stock market news report
2	Employees	1) Appropriate salary and welfare benefits 2) Non-discrimination	- Perform efficient human resource management and encourage employees to develop their potential in various aspects. - Create an appropriate and fair pay and welfare system.	- Director of each unit - Internal communications such as

¹ The analysis includes only TCM Flooring business as it is primarily based in Thailand

		3) Opportunities for career advancement and skills training	- Create a comfortable work environment.	announcement, email, and public address system
External Stakeholders				
3	Customers	1) Quality products and services in a timely manner 2) Friendly and professional services from the Company	- Deliver quality products and services in a timely manner and follow up with excellent service both before and after sales. - Regularly keep contact with customers and provide product and service guidelines when needed.	- Direct and indirect communications via online and offline platforms - Other forms of media
4	Partners	1) Purchase/sell with reasonable prices and receive high returns in both parties 2) Reliable partners	- Build a healthy relationship with customers in accordance with the integrity and trade agreement. - Establish criteria for business partner selection with transparent and auditable operating procedures.	- Partner meeting - Business partner visit
5	Financial Institutions	1) Financial benefits in compliance with the agreement 2) Reliable business alliance	- Build trust in financial institutions by strictly complying with their conditions and agreements.	- Bank branches and their managers
6	Surrounding Communities	1) Pollution prevention for communities 2) Healthy relationship 3) Employment and income generation	- Hire employees from local people. - Launch community projects for better relationship with local people. - Perform wastewater treatment and waste disposal.	- Community projects
7	Government Agencies	1) The Company complies with the law. 2) Reliability	- Strictly abide by the law and work against all forms of corruption.	- Direct contact to the agency or websites
8	Mass Media	1) Accurate and fast news 2) Favourable treatment from the Company and employees	- Build a strong relationship with the press and give true and accurate information.	- Press conference

Dimensions of Sustainability Management

Environment dimension of sustainability management

The Company has established policies of energy conservation, natural resource and environmental management, and innovation for environmental sustainability as follows

1. Environmental Care and Management

The Company realizes the importance of environmental conservation and effective use of resources along with business operation. Therefore, environmental practices are determined as part of its business code of conducts as guidelines for practice as follows:

- (1) The Company shall not cause any damage to natural resources and environment.

- (2) The Company shall ensure compliance with the law and environmental regulations.
- (3) The Company shall not promote or make transactions with any persons causing damage to the overall environment.
- (4) The Company shall effectively use the resources and enforce energy and resources conservation by applying technology to save energy at the Company.
- (5) Inculcate social responsibility awareness among employees at all levels.

The company which operates as an industrial factory has the process of yarn dyeing, requiring a large amount of wastewater discharging. The company has therefore implemented standardized wastewater treatment systems by improving the production process and applying the principles of clean technology to reduce the use of natural resources that may affects the environment and surrounding communities.



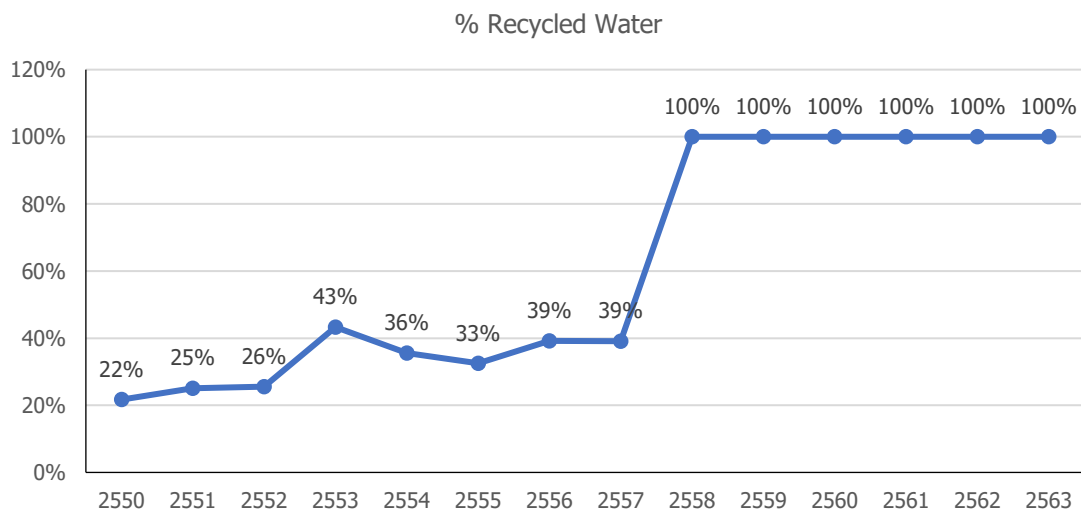
From 2004 to 2020, the company has consistently implemented the environmental management system along with regular monitoring, evaluation, and development review with the following actions:

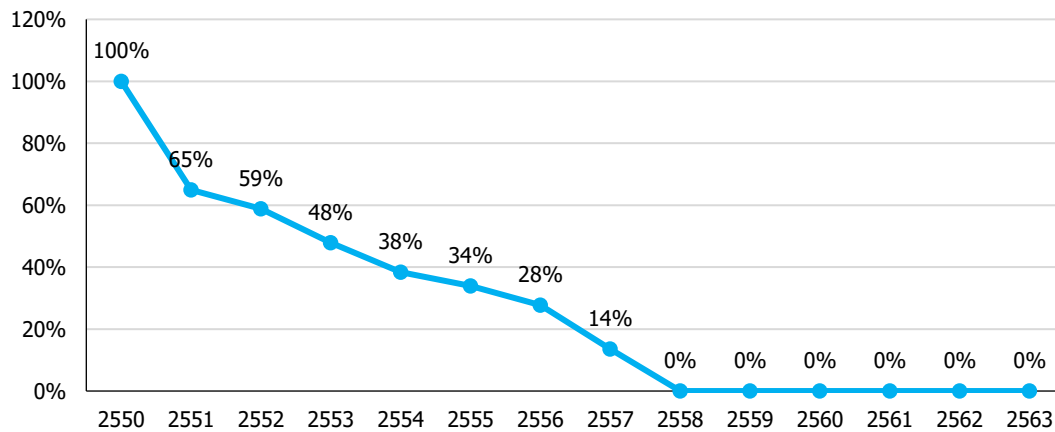
1) Water Resources Management

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. Meanwhile, the company monitors and mitigates the negative effects that may deteriorate water resources by not discharging environmental pollution from corporate operations to natural water resources. The ongoing operation results from 2004 to 2020 are as follows:

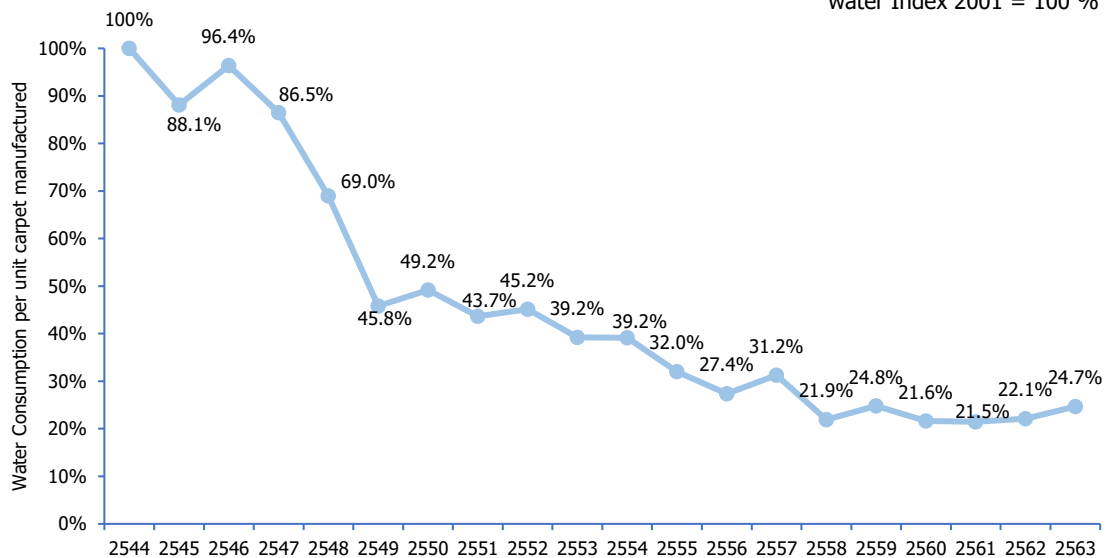
2004 - 2005	> Water Recycle System Phase I (For dyehouse)
2005	> Water Recycle System Phase II
2006	> Water Conservation Participation Program
2007	> Process Water Metering
2008	> Improve Water Supply System & Equipment in Toilet
2009	> Small group Activity for Water Conservation
2010	> Recycled Water used in Toilet
2011	> Water injection Controlled by Computer
2012	> Waste Water Discharge Control
2013	> Dyehouse Water, Recycled Water and Waste Water Control
2014 - 2015	> Zero discharge project

2016	> Auto softener System
2017	> Ultrasonic for Algae Control
2018	> Recycled Water used for green area
2019	> Improve the effectiveness of the sedimentation system of the sewerage system and soft water system to enhance the quality of treated wastewater for reuse by an increase of 20%.
2020	> Operations: <ol style="list-style-type: none"> (1) Enhance efficiency of dyeing process to save water and reduce sewage discharges. (2) Reduce water consumption in the production process by waterless textile-dyeing technologies which can reduce water consumption by 40%. (3) Monitor pollution and mitigate environmental impact on natural resources. Although the Company has followed Zero Discharge policy, it is essential to provide environmental monitoring plans to measure water pollution, such as regular quality tests of surface water and groundwater within and around the factory at least once a year. It is reported that the Company has been able to achieve water quality standards. (4) Encourage employees to be aware of water resource conservation by training and campaigns, such as environment day activity, planting activity, waste reduction activity, and shift talks.



% Water Effluent

water Index 2001 = 100 %

**2) Waste Management**

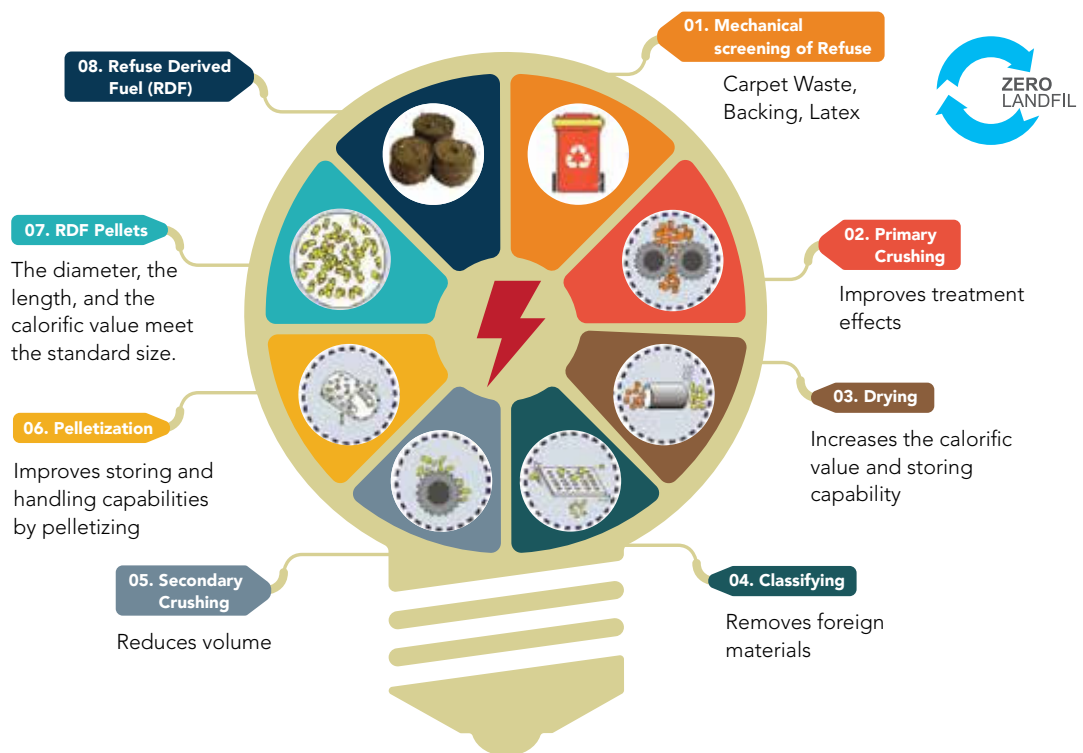
The problem of waste management has become more and more intense due to the economic growth, rapid technological changes, and industrial competition. The company is aware of the importance of the problem. Therefore, it has established a concrete and sustainable waste management approach in accordance with the policy of the Ministry of Industry that promotes the development of eco-industry 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.

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.

In 2020, the company has implemented waste management plan, covering from resources utilization to waste disposal in order to achieve the highest efficiency as follows:

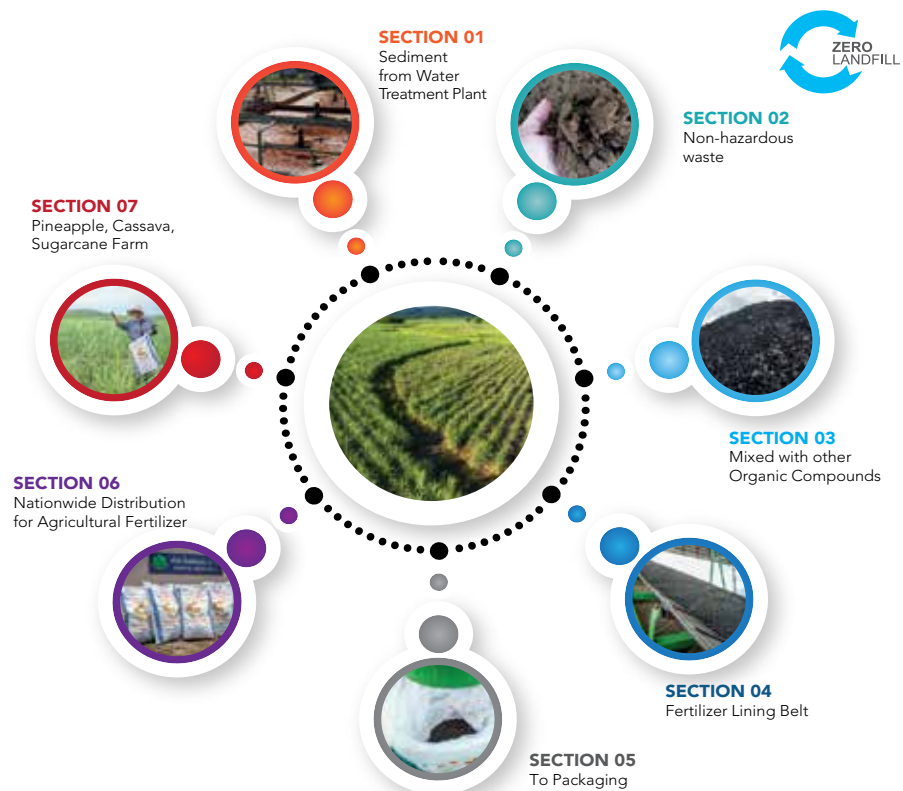
- 1) Process development and improvement both in production and support to reduce the use of resources and minimize waste generation
 - Quality improvement of raw materials for carpet production to reduce the excessive length, which can reduce the use of raw materials for weaving carpets by approximately 2%
 - Storing and recycling of silk remaining from weaving to reduce the generation of waste and the dyeing of new silk, which can reduce the amount of new silk dyeing by about 15%
- 2) Waste management and classification according to the potential utilization in order to dispose the least amount of waste for elimination
 - The use of waste as a renewable fuel (Refuse Derived Fuel (RDF)) in the production of electricity about 290 tons per year



- The use of waste as a raw material in cement kilns as a co-material in the production of Cement Kiln, which has been utilized about 310 tons per year

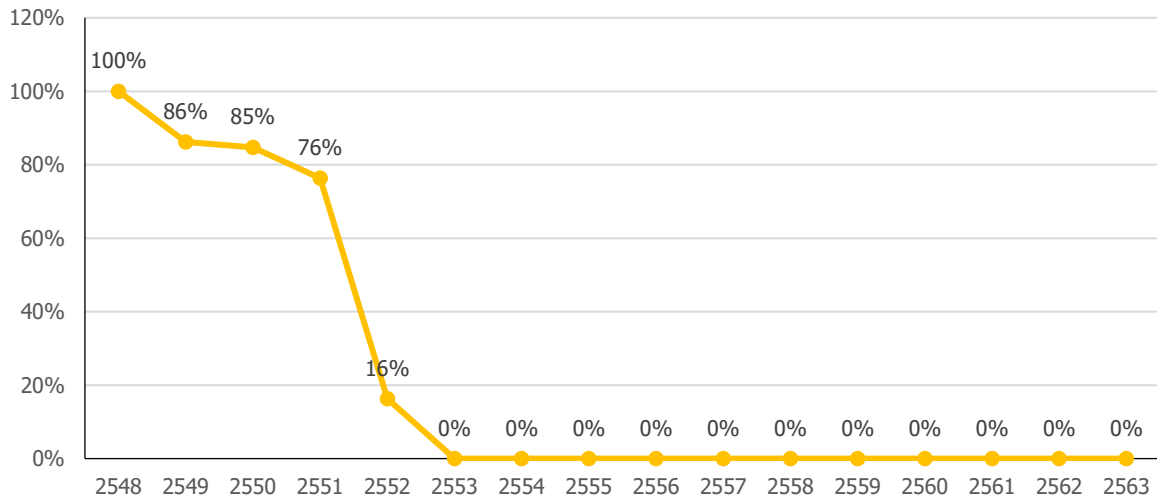


- The use of bio-sludge from a wastewater treatment system as a component of biological compost, approximately 350 tons per year



- 3) Zero Waste Disposal - The company has managed to conduct zero waste landfill since 2010 through waste management measures from the sources, reuse, and the use of waste as alternative fuels to minimize the generation of waste.

% Zero Waste Disposal



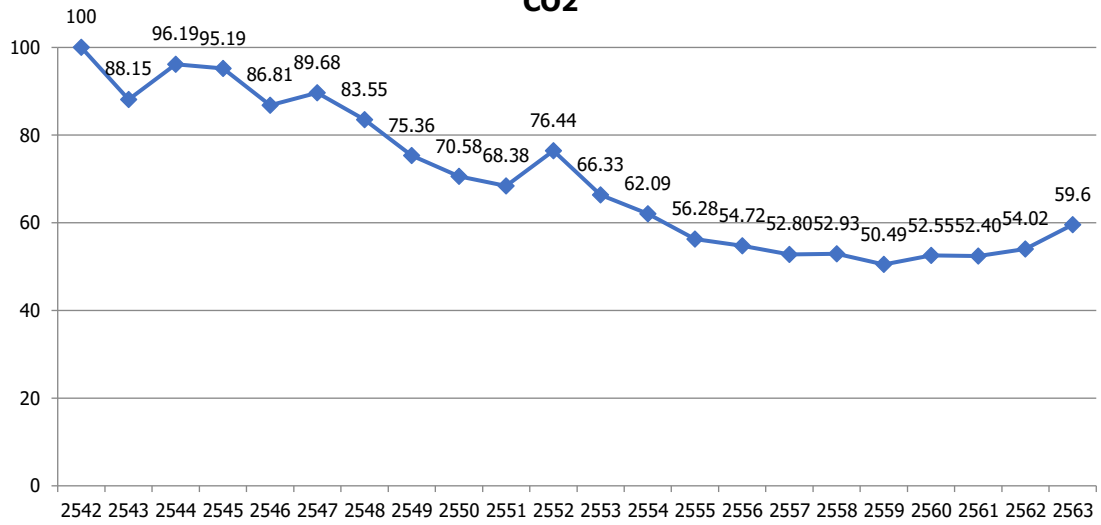
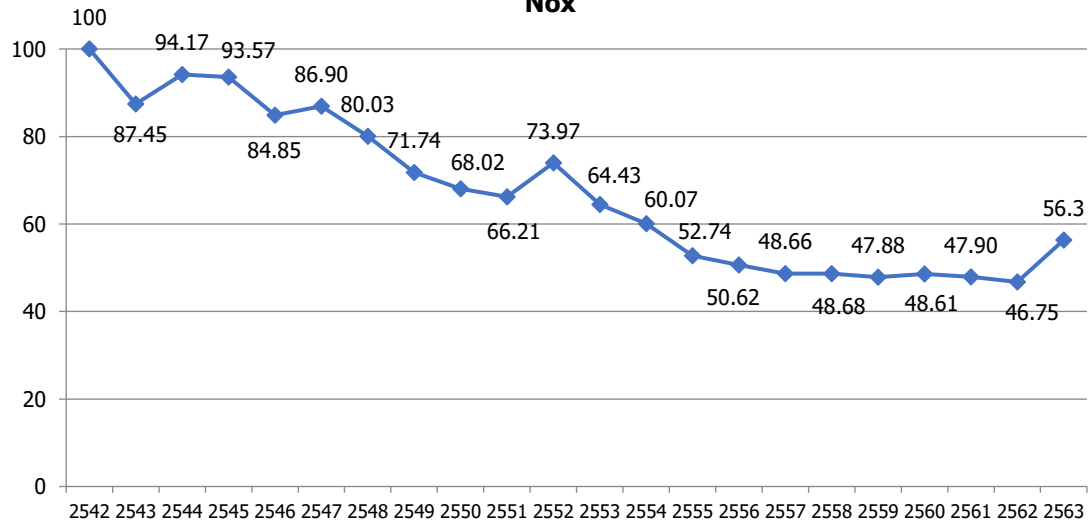
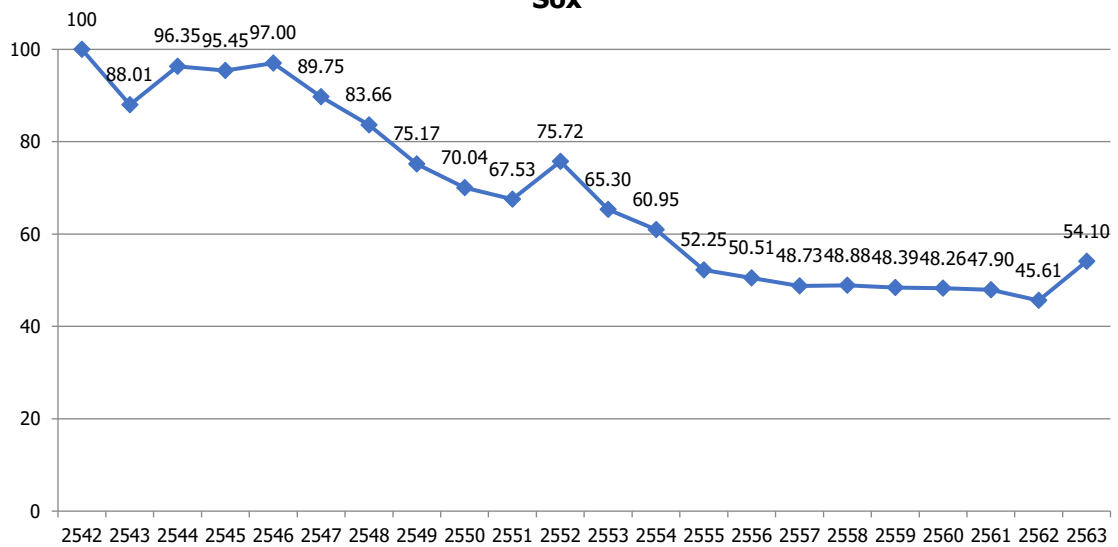
3) Air Pollution Management

The company continually improves the air quality control and management system to reduce air pollution to the environment. Furthermore, the company has been monitoring and surveilling air pollution emissions from various sources in the company's operating area and surrounding community areas that may be affected by corporate activities in order to ensure that the emissions comply with the standards.

There are various air pollution reduction projects that the company has operated, such as the change of fuel usage from heavy fuel oil to gas to help reduce the amount of air pollution by combustion processes, the reduction of energy consumption by improving machine efficiency, and the installation of air pollution treatment systems. In addition, the company controls the emission of nitrogen oxides (NOx) and sulfur oxides (SOx) from the production process and fuel combustion by regular monitoring and surveillance as follows:

- The monitoring of air pollution in communities around the factory on all four sides by measuring each station four times per year with an external laboratory that has been registered with the Department of Industrial Works
- The installation of the fuel combustion control system in the boiler to control the complete combustion and release the least amount of pollution
- The policies for the selection of raw materials and fuels that have the least detrimental impact on health, safety, and the environment

The installation of air pollution treatment systems to reduce and control the amount of air pollution exposed to the environment, such as Bag Filter, Dust Collector, and Wet Scrubber

CO2**Nox****Sox**

2. Energy Management

The company has a strong determination to produce and deliver quality products and services by considering the importance of energy. The policies are defined as a framework and guidelines for the corporate operations as follows:

1. Strictly comply with the law and other requirements relating to energy-related operations.
2. Be meticulous and sophisticated in the production of quality goods along with on-time delivery according to customer needs by controlling energy losses which may occur from operations to the lowest acceptable level.
3. Be committed to the efficient resources and energy utilization, including the treatment of climate change.
4. Review objectives, plans, and operational results on a regular basis to achieve improvements in sustainable energy management.
5. Encourage employees at all levels to recognize the importance of quality products under the rules of energy efficiency.
6. Executives should communicate to employees and staff at all levels as well as operators on behalf of the company to understand the objectives, goals, and policies in order to participate in energy conservation in the same direction.
7. Managers should be ready to support relevant resources, including the elevation of knowledge and skills by encouraging all employees to seriously attach to the practices of effective energy conservation.

The company has carried out energy conservation projects that everyone has participated continuously every year. The objective is to enable energy conservation teams and all staff to participate in energy conservation through regular education and training, such as the energy conservation program for new employees, simple energy awareness and energy laws program, energy conservation program for compressed air system, power factor improvement course, the course to improve the efficiency of fuels in carpet cabinets, and the course on measuring, analyzing, and improving energy efficiency in primary equipment for energy conservation. The provision of education and training paves the way for various departments to apply the training concepts for the implementation of sub-projects related to energy in each department, which can increase the productivity.

Therefore, in the last year the company was able to reduce the total energy consumption of the company by 318,916 MJ / year. It could represent a saving of 492,762 baht or the amount of greenhouse gas reduction of 56.61 tons of CO². The greenhouse gas is the main cause of global warming or climate change that imposes a major problem in the world. The important projects can be summarized as follows:

Electric Power Usage Reduction Project

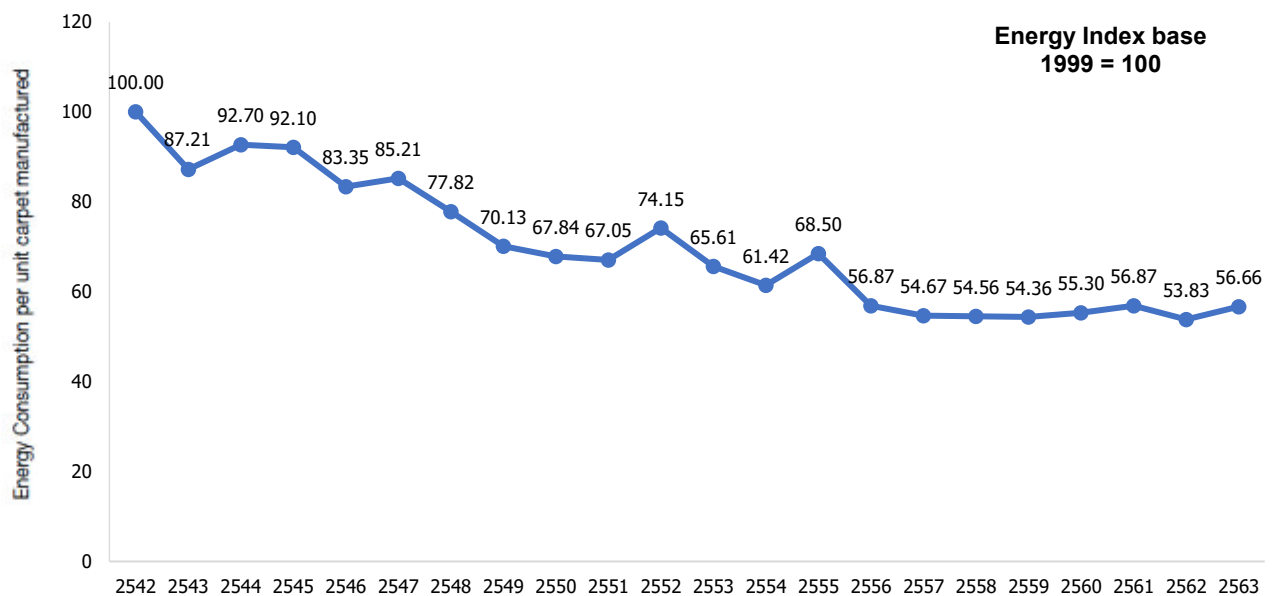
The Energy Management Board has set up a project for energy conservation in the latex section, dyeing section and the utility section in engineering department with five projects as follows:

Projects	Department	Volume Reduction		
		Energy (MJ/years)	Greenhouse Gas (Ton CO ² /years)	Energy (MJ/years)
Changing to use LED Lighting lamp	Every Department	140,175	26.99	131,998
Reduce the use of LPG in the adhesive system.	AXF	16,556	1.08	6,500

Projects	Department	Volume Reduction		
		Energy (MJ/years)	Greenhouse Gas (Ton CO ₂ /years)	Energy (MJ/years)
Reduce electricity consumption of aerators in the wastewater treatment system.	UTS	66,536	12.81	62,655
Reduce electricity consumption of aerators in maturation ponds.	UTS	74,679	14.38	70,323
- Reduce steam consumption during the dyeing process by using modern production technology. (Phase 1)	DYE	20,970	1.36	8,234

* Information of Electric Charge KiloWatt per hour (kWh) = 3.25 Baht

The company has been continuously managing energy since 1999 until the present, leading to the constantly decreasing trends of corporate energy consumption as illustrated below:



3. Innovation and dissemination of Innovations from Environment

The Company undertakes preparation for future competition in the global market by investing a big budget on product innovation as follows:

1. ZeroFlow Carpet – The product is equipped with waterproofing and stain resistance properties to prevent water from seeping through the floor. If the floor is damp, it would be difficult to clean and could promote the growth of bacteria, mould, and unpleasant odours. The ZeroFlow carpet has been developed to meet the healthcare market demand, including hospitals, elderly care centres, and gym and fitness centres.

2. MegaPlank Carpet – The product is a combination of carpet roll and tile. It is supplied as 2-meter-wide and up to 20-meter-long modules to eliminate unnecessary seams. In addition, it is equipped with EcoSoft backing made from recycled plastic water bottles. Therefore, the MegaPlank carpet is a high quality

and environmentally-friendly product. It has been developed to meet the demand of schools, casinos and healthcare centres in the international market.

The Company disseminates and promotes innovations to stakeholders directly and indirectly through various communication means to ensure that the Company's news reach all groups of stakeholders.

The company focuses on the development of carpet production processes, such as the water recycling in the process of fabric dyeing, the selection of raw materials, and the development of machines to reduce environmental impact. These processes are certified by Eco Labelling and international product standards from various leading domestic and international institutions, including CRI: Green Label Plus, NSF140, CE-Mark, IMO FTPC, Singapore Green Label, Carbon Footprint, ECS, and Singapore Green Building Product.

Apart from receiving product certifications, the company is also the first carpet business in Thailand that has received ISO certification in terms of quality, environment and energy (ISO 9001 & ISO 14001 & ISO 50001), occupational health and safety standards (OHSAS 18001), labor standards (TLS 8001), and CSR-DIW (Corporate Social Responsibility: Department of Industrial Works). The corporate activities focus on supporting and maintaining various standards and sustainability, such as waste reduction, energy and water conservation, community water resources preservation, green procurement reclamation program, computer donation project, the third page papers for making books for the blind project, recycle bank project, local cultural heritage project, and many other projects for communities and society.

Regarding the innovations for environmental management, the company has a Life Cycle Assessment (LCA) system, which is an important tool to develop understanding of the relationship between human activities and environmental impacts throughout the product life cycle. This is very beneficial to the overall development. In addition, the company can manage to conduct zero landfill waste that converts waste from the production process to zero by recycling, such as:

- The project that uses sludge from wastewater treatment process to produce fertilizer for pineapple farms, sugarcane farms, and cassava farms, which can generate the amount of recycling of more than 200,000 kilograms per year
- The project that utilize used carpets and industrial waste from the production process as fuels in cement kilns production, which can generate the amount of recycling of more than 500,000 kilograms per year

In addition, there is a project that transforms used silk scraps, nets, carpets, and woven fabrics into RDF or fuel for electricity generation. Each year, the project can generate electricity at several hundred kilowatts per hour.

Regarding product innovations, the company aims to be a leader in the production and distribution of carpet sheets for environmental protection. At the beginning 14 years ago, the company invented and introduced a carpet backing called EcoSoft®, which is made from used and wasted plastic drinking bottles, discarded without proper management. It is globally known that these waste and plastic scraps are a causal factor in the killing of millions of marine lives each year. In each minute, the overall global trading volume of plastic bottles is nearly a million pieces. The company has then announced its intention to help recycle one billion of these plastic bottles by 2025. According to corporate operations in 2020, the company has helped recycle more than seven hundred million wasted plastic bottles.

On 7 November 2019, Carpets Inter won the 2019 Sustainability Awards in Australia from EcoSoft® carpet products, which have been selected and voted by more than 350 architects, designers, scholars, and environmental experts. The company won the first prize winner from a total of 35 different types of products. It can be viewed as a great pride of Thai companies that received this prestigious award from Australia, which is a country that places importance on the environment and a world leader in environmental conservation.

In terms of sales and marketing innovations, the company has seen the importance of technology development and application to make business operations in line with today's society that is driven by digital systems and the changing lifestyle of consumers. Therefore, the company has developed the Carpet Simulation program to simulate the installation of carpets in 3D Virtual Simulation. In addition, the company has focused on digital marketing communications, such as LINE, Workplace, E-Mailer, YouTube, and LinkedIn in order to communicate widely to target groups and general public.

Social dimension of sustainability management

The Company has established a policy for fairness and responsibility for stakeholders in business operations, including anti-corruption measures, human rights respect policy, and fair treatment of employees as follows:

1. Operating Business on Fair basis

The Board of Directors shall ensure that the Company operates business on fair basis by adhering to corporate governance and business transparency and accountability, and all stakeholders shall be treated equitably. The principles include

Fair competition

- (1) Operate business on fair basis without exploitation, respect and strictly comply with the determined conditions.
- (2) Do not demand or receive or pay any deceitful interests in contact with partners or creditors. If it is found that any deceitful interests are paid, the Company shall discuss with partners or creditors to solve problems quickly and fairly.
- (3) Disclose information about products and services in complete, correct and straightforward manner as well as giving accurate, sufficient and useful news to customers. Product recall measure shall be prepared in case of abnormalities in the product quality.
- (4) Compete fairly with competitors, enter commercial competition under good rules, refrain from seeking confidential information of competitors by deceitful or inappropriate means, do not ruin competitors' reputation by slandering or untruthful and unfair action.

Promotion of corporate social responsibilities with partners

Allow vendors, customers and commercial partners to take part in social responsibility activities both directly and indirectly by attending the Company's social responsibility activities or donate money or things as appropriate.

Respect for property rights

- (1) Promote and strictly comply with intellectual property rights, copyright, patent, moral rights by indicating the business secret and intellectual property policy in company's policy manual.
- (2) Encourage the executives and employees to use the Company's resources and property effectively, use copyrighted products and services and not support products or actions which may violate the intellectual property rights.

2. Responsibility to Stakeholders

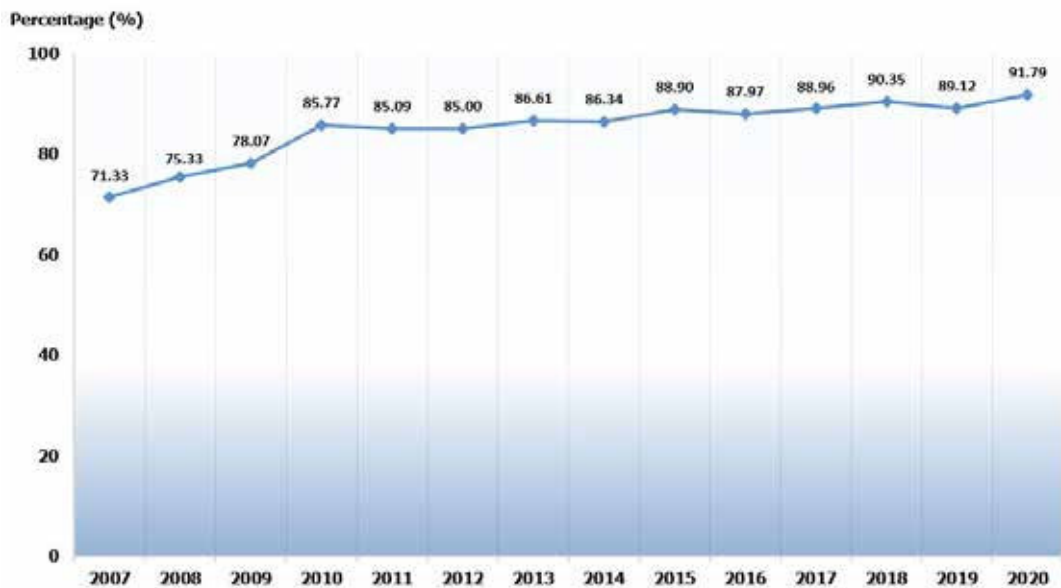
Liabilities for Customers

Customers are the Company's priority, so as quality and affordable products which shall be maintained to meet the market needs and customer needs. The Company has the policy on customer treatment as follows:

- (1) Offer products and services of good quality and standards and safe in response of consumer needs.
- (2) Have international standard procedure which is effective at each and every stage from selection of materials, quality control and fast delivery process.
- (3) Determine criteria for quality of products to be selected for sales which shall be strictly complied with.
- (4) Disclose information about the products and services in complete and correct manner without misleading information.
- (5) Provide accurate, sufficient and useful information to consumers.
- (6) Have product recall process in case of flaws in quality.
- (7) Have satisfaction assessment process and use the results to develop the products and service to meet customer needs.

Assessment of Customer Satisfaction with Products and Services

The company conducted the assessment of customer satisfaction after purchasing products and services to assure customers of good quality products and services with the highest satisfaction. The survey measured three key success factors, namely products, installation, and services. Customer satisfaction surveys were conducted with the three key customer groups, including domestic customers, international customers, and auto carpets customers in the automotive industry as shown in the graph below:



The graph illustrates the sum of the customer satisfaction scores from 2007 to 2020, showing an improving trend where customer satisfaction scores are likely to increase. It is evident that the company has been continuously developing for better products and services.

Responsibilities to Employees

The primary mission of the company is to create an organization in which employees are happy to work. The company provides activities in various festivals in order to encourage employees to strengthen love and generosity towards each other along with consciousness to help others, including the employee's family members by promoting the balance of life and work as a "Happy Workplace". Examples of activities are as follows:

(1) Happy Body (Healthy): Activities are as follows:

- 1.1 The activity "Quadrivalent Influenza Vaccination" - >> is a campaign that promotes health care to prevent epidemic disease in employees and their families. The company offers a medical service from Hospital to employees at workplace with special prices.
- 1.2 "Health Counselling" Activity ->> The health counselling includes personal healthcare, adaptation, and behavioural changes to respond to the physical examination and health assessment by the Company's medical staff. The activity aims to offer employees with better physical and mental health.

(2) Happy Heart Heart (Activities): Activities are as follows:

- 2.1 Blood Donation Activities - >> encourage employees to donate blood to help patients in hospitals. The company invites staff from Siriraj Hospital to organize blood donation camps at our workplace one time. These activities have been carried out for more than 30 years, and the company has received a plaque of honor from Siriraj Hospital.



- 2.2 The Third Page Paper for the Blind Activity - >> 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 48 kilograms for the visually impaired. This activity has been ongoing for more than thirteen years.



- 2.3 Employee Retirement Activities - >> All personnel are important to the company. When the employees work until reaching retirement age, the company holds a farewell party to say goodbye and express our appreciation for their work cooperation for the company throughout the working period along with giving them souvenirs.



(3) **Happy Soul (Peace Way): Activities are as follows:**

- 3.1 Paying Homage to Nine Temples Activity - >> is an activity in association with the Ang Thong Association to organize merit making ceremony, such as robes offering, and paying homage to nine temples in Ang Thong Province. This activity is held annually with the aims to promote Buddhism and bring about the good fortune for employees and their families.



- 3.2 The End of Buddhist Lent Day Activity - >> The company organizes merit making ceremony and invites four monks to the company. The executives and employees make merit and give alms to the monks by offering rice and dry food. This activity aims to promote Buddhism on the important Buddhist day.





(4) **Happy Relax (Relaxing Activities): Activities are as follows:**

- 4.1 New Year's Party Activity - >> The Company organised a new year party to boost morale and express appreciation to all employees for their collaboration and united force to overcome the COVID-19 crisis together. The party was held under the theme "Make Your Home for Good Luck in Jobs". In addition, each unit jointly cleaned the area of their buildings in accordance with the 5S standards and had lunch together.



(5) **Happy Brain (Knowledge): Activities are as follows:**

- 5.1 Morning Shift Talks Activity - >> Shift talks allow knowledge exchange and communication among employees in various fields, such as social security news, welfare news, or relations activities. This activity aims to enable employees to be informed of various news, including both corporate news and news from government agencies.
- 5.2 Training and Promotion Activity - >> The company supports and promotes knowledge for employees and contractors with regular training, such as the training for strengthening working disciplines in the workplace, training for health insurance rights, and training for health promotion by inviting nurses to provide knowledge about sustainable health care for employees.



Responsibilities to Business partners

The Company has run business with creditors and business partners on the basis of fairness and integrity. Any operations shall not damage the Company's reputation or violate the law. Furthermore, equality in business operations and mutual benefits shall be taken into consideration. The selection of business partners must be impartial because the Company considers that business partners are an important factor in the creation of value for customers. Therefore, the Company strictly adheres to the contract specifications and requirements that affect creditors and business partners.

The selection of customers and business partners is divided into two groups, including existing and new customer groups by the following criteria.

Existing customers – Their order history, billing information, discount history, and credit history are considered. The sales department will assess the ability to achieve sales goals every year. It is determined by sales volume (sq.m.), value, and profit margins. These include the ability to protect market share in their area and cooperation in marketing activities with manufacturers.

New customers – They are determined by corporate history and information, reliability and reputation in the market, ability to keep stock, and financial status and history. Although there is no order history, they may have made prior contact or inquiry with the Company. Therefore, this basic information is very important and useful for pricing and credit offering to customers.

The selection of distributors has a significant impact on the growth of the products and Company's performance. The eligibility of distributors shall be taken into account, especially knowledge and understanding, expertise, participation, dedication, and effort to provide good services. More importantly, the distributors and manufacturers are considered business partners that have to clearly disclose information to each other and jointly invest in the business. Therefore, they should have a common ground of understanding before making a decision to run the business and determine the growth direction together.

Responsibilities to the society and communities

It is the company's primary mission to build relationships with communities and societies in order to live happily and sustainably. The company has implemented various projects, such as employment creation, income generation which will improve the quality of life for people in the community, and learning support activities to raise awareness of responsibility to youths in the community. Examples of activities are as follows:

- 2.1 Royal Kathina Robe Offering Ceremony ->> The Company joined the Royal Kathina Robe Offering Ceremony 2020 with the Ministry of Industry to offer Buddhist monk robes to Kharuhabodi (Chantarasatit) Temple.



- 2.2 “Community Product Support” Project Year 13 - >> The company supports local products by providing “Selling OTOP products of Pathum Thani and nearby provinces” every month as a career promotion, supporting local wisdom and increasing ways to generate income for families and communities.



- 2.3 The Third Page Paper for the Blind Activity - >> 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 48 kilograms for the visually impaired. This activity has been ongoing for more than thirteen years.



- 2.4 “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.



- 2.5 “Friendship Flea Market” Project --> The project started from October 2020 with the aim to help support the terminated employees by allowing them to sell various products to the Company. This project could help alleviate their cost of living and earn them more income after employment termination.



3. Anti - Corruption

The Company realizes the importance of anti-corruption as corruption tends to increase while some people consider corruption as normal issue. However, corruption is one of most problematic issues in society and organization. The Company, therefore, promotes anti-corruption principles to all employees to ensure transparency of business operations and compliance with good 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 2016, which lasted for three years. In August 2019, the company applied for CAC re-certification and obtained a re-certificate from the Private Sector Collective Action Coalition Against Corruption Council on 18 October 2019.

The Company aims at promoting anti-corruption through the determined anti-corruption policy and practices enforced on the directors, executives and all members. The objectives are to ensure that the Company operates its business with honesty, efficiency and effectiveness to prevent, avoid or reduce opportunities of corruption. In addition, treatment to partners or business-related parties shall be determined. Whistleblowing and enquiry channels as well as process of disclosure of the Company’s anti-corruption intent shall be established. Ant-corruption practices shall be communicated and trained to all employees regularly through indicated channels to raise awareness of corruption and anti-corruption measures.

Procedures for Compliance with Anti-Corruption Policy

- (1) Do not give or take gifts or gratuity in the form of cash, casher cheque, bond, share, gold, or other things with similar nature to and from the persons involved in contact with government and private agencies.
- (2) Do not give property, things, gifts or gratuity to induce decision making or influence non-performance of normal practice of the recipient. If it is necessary to give gifts on certain occasions, the value of gifts shall not be too high and shall be accountable throughout the process.
- (3) Do not act as intermediaries in valuable property offering, including cash, to the persons related to the government agencies’ business or any organization in exchange of privilege or official omission of practice in accordance with the determined rules and regulations.
- (4) Procurement shall be conducted through the process approved by the Company on the basis of transparency and accountability.

- (5) Provision of fund or property of the Company to support projects shall be made in the name of the Company only. The payment shall be for the business purpose and reputation of the Company. Reasons for reimbursement shall be clearly stated with evidence for audit.
- (6) Use of money or property of donation to charity shall be made in the name of the Company only, and donation shall be made to certified foundations, temples or hospitals.
- (7) Do not perform any political actions, do not use the Company's resources to support political parties, and do not assist any political parties either directly or indirectly.
- (8) The Company shall provide fair treatment and protection to employees who refuse corruption and employees or persons informing any corruption in relation to the Company by implementing protective measure determined by the Company.
- (9) This anti-corruption policy shall cover human resources management from recruitment, promotion, performance assessment, and remuneration payment. The Board of Directors and all employees shall understand then policy for effective performance.
- (10) The Board of Directors realizes the importance of giving knowledge and suggestions to all employees to ensure their compliance and be a role model for anti-corruption practice.

For more information about Anti – Corruption Policy and guideline in completely version, please visit the company's website; www.tcm-corporation.com

4. Respect for Human Rights

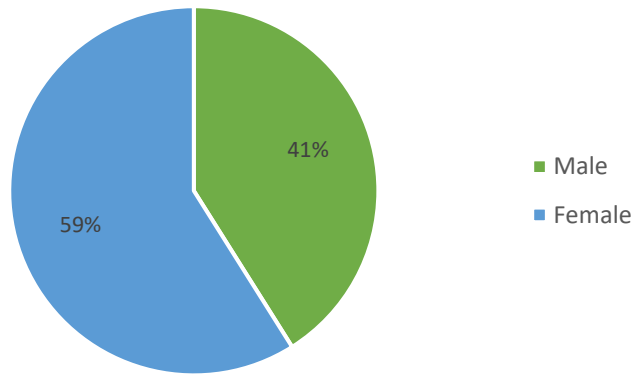
The company proposes a resolution that “our business is conducted with respect to the law and human rights principles without the discrimination against ethnicity, nationality, religion, and culture along with the promotion of sustainable development”. The company does not support any activities that may violate human rights principles by implementing the Thai Labor Standards (TLS 8001) that have been certified by the Ministry of Labor and Social Welfare for 14 consecutive years. Corporate ethics used as guidelines for operations are as follows:

- (1) The Company realizes and puts importance on human value, so it is determined that all executives and employees shall respect human rights and human dignity of employees and stakeholders, which is international standard and basis of business operation.
- (2) The Company shall promote and respect human rights by ensuring that the business and employees shall not involve in violation of human rights such as prevention of forced labor and child labor as well as compliance with labor law.
- (3) The Company shall respect and comply with international standard of employment by treating all stakeholders on fair basis and respect their dignities. They shall be treated equally without discrimination or violation of basic rights in terms of gender, age, race, region, status, physical condition, or political preference.
- (4) The Company shall monitor and ensure that its subsidiaries and stakeholders shall strictly comply with international principles of human rights. The Company shall protect stakeholders from damage incurred as a result of violation of rights due to the Company's business operation as required by the law.
- (5) The Company shall arrange the pleasant workplace and emphasize occupational health and safety of employees.
- (6) The Company shall give opportunities to employees to take part in management and voice their opinions about business operation or management process through the available team such as benefits management team.

- (7) The Company shall protect employees who inform human rights violation cases or unfair treatment to employees by protecting them from punishment or defamation or other actions.

The year 2020, the company had a total of 1,174 employees, 482 male and 692 female.

TCM Flooring Headcount



5. Fair Labor Treatment

Employees are considered the most valuable asset of the company. The company therefore recognizes and gives great importance to fair treatment for labor and respect for human dignity, based on equality. The fair treatment for labor aims for sustainable peace in both the company and society. The company applies distributive justice in human resources management. All employees are treated with equality and fairness, as well as dignity as part of an organization that drives the success of the company. The corporate activities adhere to the principles of compliance with the Labor Protection Act, Labor Relations Act, and other relevant laws, rules and regulations which involve recruitment, employment, personnel development, care, wages, compensation, benefits and welfare management, the right to complaint, and equal opportunities. Thai Labor Standards (TLS 8001) have been implemented in the corporate operation since 2006 and consistently inspected and certified by the Ministry of Labor and Social Welfare. The fair treatment for labor aims for sustainable peace in both the company and society with the following guidelines:

- (1) All employees shall be treated fairly and equitably in terms of promotion, transfer, welfare, and remuneration payment, as well as self-improvement without discrimination in terms of gender, age, religion, race, region, political preference, status, and physical condition.
- (2) Superiors of all levels shall ensure fairness in their divisions by avoiding unfair actions which may lead to instability of employees or other actions which may be harassment or unfair pressure to employees.
- (3) The Company puts importance on employee development to enhance their skills and potential on regular basis.
- (4) The Company shall provide opportunities to employees treated unfairly or witnessing unfair actions to voice their mind to the superiors in charge or directors, or managers through available channels or personal meeting or by letter, document or email.

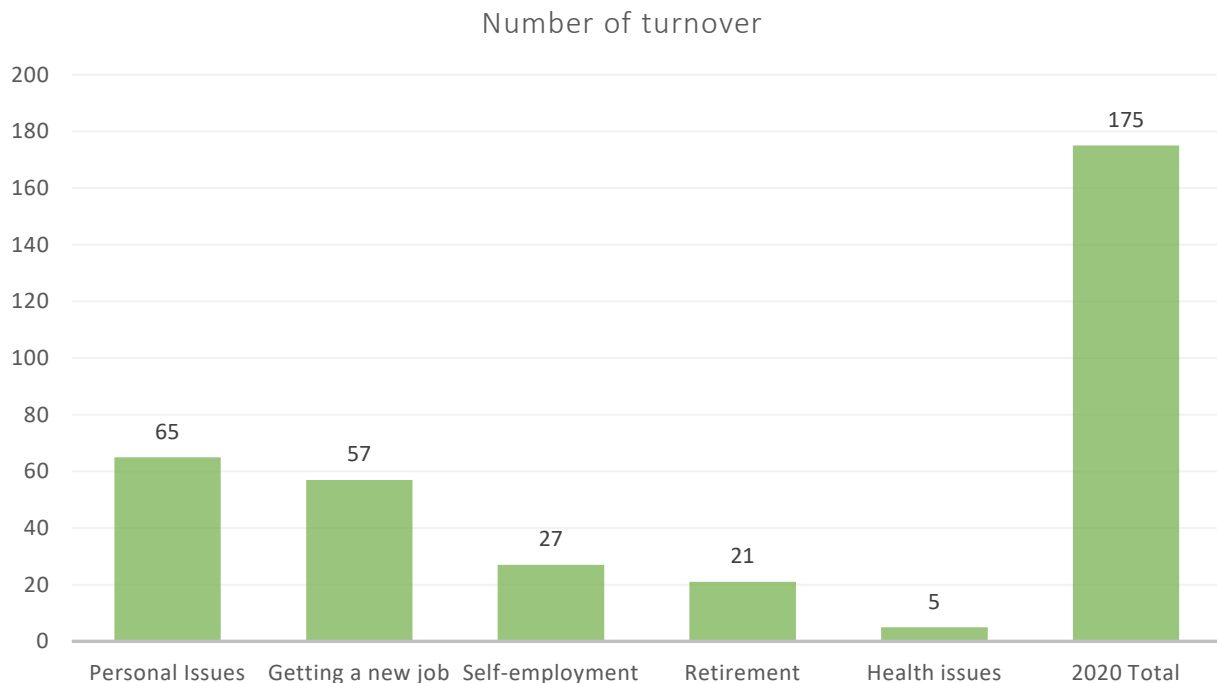
Remuneration payment and benefits

The Company adheres to fair employment policy and condition as well as determining remuneration payment and merit consideration under fair performance assessment. Benefits are provided to employees as

required by the law, including social security, annual medical checkup, uniforms for production and installation staff, shuttle bus, provident fund, and other allowances. Welfare Committee are available to welcome employees' proposal of benefits in addition to basic benefits provided for improvement of employees' living and the company has set up a savings and credit cooperative to encourage employees to know saving and financial management properly.

As the COVID-19 pandemic has disrupted the economy, especially our main customers in the tourism and hospitality industries, some had to cancel or delay production orders indefinitely. Therefore, the Company has established various measures in order to perform continuous business operations. To illustrate, there were policies to reduce production capacity and reduce the number of employees due to the lower volume of orders. As a consequence, there was a layoff of 435 employees, which required a total compensation payment of 72,476,848 baht.

In addition, a total of 175 employees had resigned due to the following reasons: personal reasons (65), getting a new job (57), self-employment (27), retirement (21), and health-related issues (4).



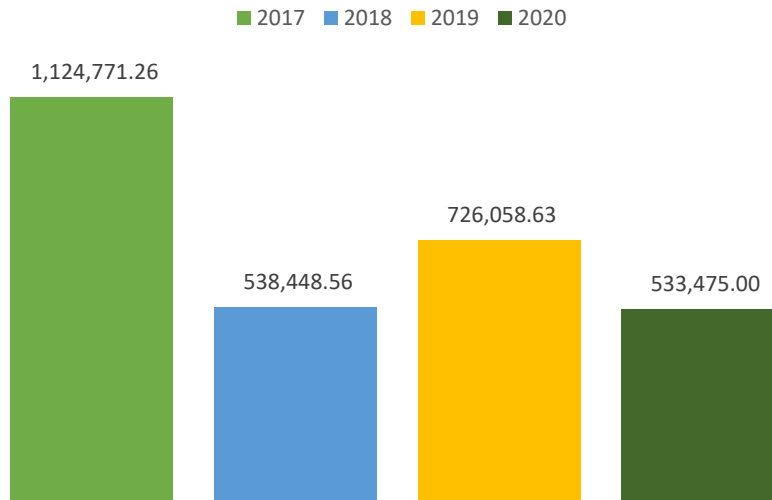
Human Resources Development

The Company realises the importance of knowledge development and empowerment of employees in the organisation to offer them with higher professional skills and work efficiency. The training is divided into internal training, external training, on-site guidance and training, and self-learning with an average of 19.07 hours of training, including the following topics:

The curriculum 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. There were 43 training courses with 49 batches and training courses expenses amounting to Baht 533,475.

Course	Type of training			
	Internal Training	External Training	On the job training	Self - learning
1. Training courses in compliance with mandatory training laws				
Orientation	*			
Annual fire drill and evacuation training	*			
Electrical safety training course	*			
The training course for the Committee of Occupational Safety, Health and Work Environment of the Workplace	*			
Forklift safety and maintenance training course	*			
Training course of occupational health and safety officers at the executive level	*			
Training course of occupational health and safety officers at the supervisory level	*			
Emergency response training (boilers, gas storage facilities, gas leaks)	*			
Crane operator training courses for lift directors, signal persons, riggers, and controllers	*	*		
Wastewater treatment training course		*		
Enter and work in confined space training course		*		
Wastewater operator training course		*		
Boiler operator training course for operators with boilers driven by liquid convection heat transfer		*		
Hazardous substances safety training course		*		
2. Productivity enhancement training programs				
Lean for Management	*			
Autonomous Maintenance	*			
3. Knowledge development courses based on job positions, health, and well-being				
Objectives and Key Results (OKRs) training course	*			
Professional English Communication	*			
Production Module training	*			
Purchase requisition (PR) on the Genesis system training course	*			
Excel for HR	*			
Social security and workmen's compensation funds course	*			
Infrared thermography camera (thermo-scan) training course	*			
Salary deductions for student loan repayment under the Student Loan Fund Act B.E. 2560 (2017)	*			
Knowledge reviews for job functions (IP/IW)			*	*
The 2020 annual meeting of electricity consumers in the business sector at Pathum Thani Provincial Industry Office		*		
Thailand Industrial Forum		*		
The savings project on the National Savings Day in 2020		*		
Life Cycle Assessment (LCA), Carbon Footprint of Products		*		
Carbon footprint verification training course		*		
The training course for accounting standards, transfer pricing disclosure form, and financial disclosure statements		*		

Training courses expenses



- 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 is 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 as follows:

1. Crane and hoist operator training course: It lists the knowledge and skills relating to safe crane and hoist operations, hand signalling, self-protection, and proactive preventive maintenance.



2. The training course for the Committee of Occupational Safety, Health and Work Environment of the Workplace: It includes the roles and responsibilities of the Committee of Occupational Safety, Health and Work Environment of the Workplace, which are in compliance with the law and regulations stipulated by the Director-General.



3. Training course of occupational health and safety officers at the executive level: Employees at the executive level shall gain an understanding of their roles and responsibilities as imposed by the law and be able to implement them accordingly.



4. Training course of occupational health and safety officers at the supervisory level: Employees at the supervisory level shall gain an understanding of their roles and responsibilities as imposed by the law and be able to implement them accordingly.



5. Emergency response and fire evacuation training: The Company emphasises the importance of fire prevention and protection. Therefore, it is particularly vital to undertake emergency response and fire evacuation training to be fully prepared for the event of an emergency.



6. Electrical safety training course: Employees are required to develop an understanding and essential skills for electrical safety in the workplace, including first aid treatment and basic life-saving skills.



7. Forklift safety and maintenance training course: Operating a forklifting is considered a hazardous occupation in which the risk of an accident must be taken seriously. Forklift operators must be trained and certified in work safety to enhance knowledge, skills, and expertise in their work which can reduce the risk of damage to the health of workers and company's property.



- 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:

1. Continuous Improvement with "Kaizen Sharing": It is an activity for creative potential development of employees. They could share and exchange creative thoughts and ideas for productivity improvement, including cost reduction, environmental conservation, and work safety. Notably, the employees proposed a total of 228 Kaizen activities in 2020.



2. The 5S activities are the idea to improve work environment to be more orderly and cleaner, minimise pollution, and reduce the risk of accidents. The areas of responsibility and committees are assigned to all employees in order to conduct and monitor 5S activities to raise hygiene awareness in the workplace.
3. Total Productive Maintenance (TPM): It is a comprehensive approach to facility maintenance that aims to improve machine effectiveness, reduce machine damage, reduce losses in the production process, and prevent the risk of accidents (Zero Accident, Zero Defect, and Zero Failure). It starts from human resource development to enhance their potential, skills, and machine maintenance awareness to optimise machine performance for productivity improvement.
4. Small Group Activities (SGA): These activities aim to promote teamwork in the organisation to improve work efficiency. Analytical methods and procedures are employed to systematically improve and evaluate productivity.

- 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 organisational development as follows:

1. Infrared thermography camera (thermo-scan) training course: The thermo-scan is an instrument used to measure the surface temperature of a target. The non-contact thermal imaging system can detect temperature distribution of an object which is invisible to the naked eyes. The system could help reduce losses, save time, and prevent power outages in the production process. Additionally, the electric system in the thermo-scan is more reliable and apparently stable, which could prevent the risk of electrical accidents accordingly.



2. Objectives and Key Results (OKRs) training course: OKRs are a tool for setting goals and indicators. Goal setting should be clear and well-defined while the goals should not be easily achievable in order to pose a challenge for success to all employees. However, the goals should not be too hard for them to give it a try at the beginning.



3. Salary deductions for student loan repayment under the Student Loan Fund Act B.E. 2560 (2017): The Student Loan Fund (SLF) is a government agency under the supervision of the Minister of Finance. Currently, the fund has been established according to the Student Loan Fund Act B.E. 2560 (2017). The essence of the law is that all government and private employers are required to deduct student loan repayments from their employees' income to the Revenue Department if they are student loan borrowers. Furthermore, the employers are required to file withholding taxes for student loan repayment to the fund.



4. Lean for Management: It is an ideal practice for factory operations which could reduce losses, eliminate waste within the production process, and promote more effective productivity with better cost management.



5. "Professional English Communication": It is a programme for English development among employees to improve their basic English skills, including listening, reading, writing, and speaking.



6. Self-protection and immunity for a better quality of life for social security insurers: It is a training course to provide knowledge about self-promotion, protection, rehabilitation, work safety, and up-to-date welfare benefits for social security insurers. This course also provides specialist consulting services in support of social security for all employees.



- The provision of training courses on anti-corruption policy and practice for employees

The Company places great emphasis on anti-corruption training courses for all employees, conducted as part of the employee orientation to raise awareness of anti-corruption in the organisation.

- The provision of training courses on environmental issues for employees

The Company attaches considerable importance to the environment and provides ongoing environmental training for all employees by communicating through meetings. In order for employees to be aware of the environment, the environment training is organised as part of the employee orientation.



Occupational Health, Safety and Environment management

The Company determines the policy on occupational health, safety and environment and establishes the Committee on Occupational Health, Safety and Environment to perform in accordance with the Company's standards as follows:

- (1) Measure the level of noise and light which affects employees' health and control it at acceptable level. Arrange noise reduction equipment as appropriate and provide employees with training and control relevant operation.
- (2) Check hearing capacity of employees who are at risk and implement protective measures.
- (3) Inspect work buildings.
- (4) Perform annual fire drill at the factory and the headquarter.
- (5) Provide training on fire and fire suppression to newcomers.
- (6) Ensure safety of machines.
- (7) Provide knowledge of safety law to supervising staff.
- (8) Review the roles of Safety Officer, Management Level, Safety Officer, Supervising Level and Safety Officer, as well as Committee on Work Safety.

The Company focuses on building safety awareness through cooperation among employees in the organisation. The occupational health and safety management system (ISO 45001:2018) has been implemented for systematic organisational management in order to achieve corporate sustainability. The Company has implemented measures to ensure safety in business operations, including awareness building, training, campaigns, and improvement for reducing occupational accidents. In summary, the occupational health and safety management system includes the following key points:

Accident Statistics

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 minimise the risk of occupational accidents with the following details:

Accident in the past five years

Accident Statistics (Unit: People)	Total	Injured		Property Damage
		No Lost Time Injury (NLTI)	Lost Time Injury (LTI)	
2016	20	13	4	3
2017	14	2	2	10
2018	11	4	2	5
2019	23	14	5	4
2020	21	10	8	3

Statistics of Injury frequency rate in the past five years

Statistics of Injury (Index: people/1,000,000 working hours)	Injury Frequency Rate (IFR)	Injury Severity Rate (ISR)	Property Damage Frequency Rate (PFR)
2016	5.2	1.82	0.9
2017	1.21	1.82	3
2018	1.86	4.19	1.6
2019	4.7	31.1	1
2020	6.4	31.8	1.1

- 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.
- "Shift Talk" Activity ->> The activity is held twice a month, including conversations and communications facilitated by occupational safety and health agencies to raise safety awareness of employees in all departments.



- "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 organisation.

- “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.

- “Medical Check-Up 2020” 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 health.



- “Safe Drive 2020” Activity ->> A safe drive campaign aims to raise awareness of road safety for all employees to control and reduce the risk of traffic accidents during work and work commuting.



- 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. The training courses are as follows:

- Safety training for new employees - >> All new employees must attend safety training and assessment before starting to work.

- Crane and hoist operator training course - >> It lists the knowledge and skills relating to safe crane and hoist operations, hand signaling, self-protection, and proactive preventive maintenance.

- Electrical safety training course ->> Employees are required to develop an understanding and essential skills for electrical safety in the workplace, including first aid treatment and basic life-saving skills.

- Forklift safety and maintenance training course ->> Forklift operators must be trained and certified in work safety to enhance knowledge, skills, and expertise in their work which can reduce the risk of damage to the health of workers.

- 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



- Evacuation Drill Plan





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 Labour Management System in Plant in 2006 - 2012
- **TLS 8001 : 2010** : Thai Labour 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 Liveable 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 Telemu".
- 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 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.
- 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.

Management Discussion and Analysis

4. Management Discussion and Analysis




Management Discussion and Analysis


Overview

TCM Corporation Public Company Limited and its subsidiaries (collectively referred to as the "Corporate Group") announced revenue from sales and services of THB 6,792.40 million for the year 2020, decreased from THB 8,765.01 million (Restated) or by 22.51 percent in the same period of the previous year due to impact from COVID-19 mainly. EBITDA was THB 448.26 million, decreased from the same period of the previous year by 38.76 percent, as result of costs and expenses management to reduce impact from COVID-19. Net loss was THB 0.11 million, or 100.13 percent lower than the previous year. Net loss attributable to owners of the parent was THB 36.67 million.

Impact from COVID-19 to our businesses

In 2020, the Corporate Group was impacted from COVID-19 in many areas, which can be described as below:

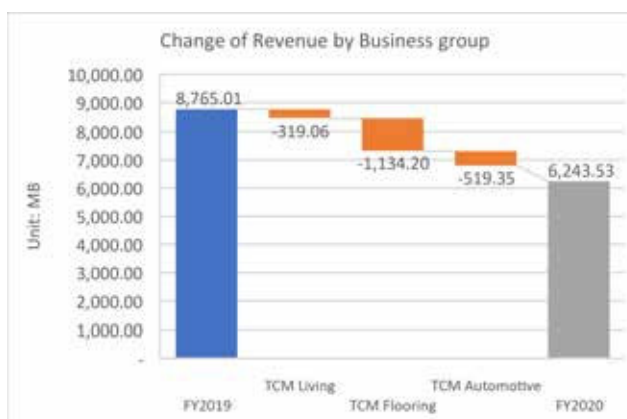
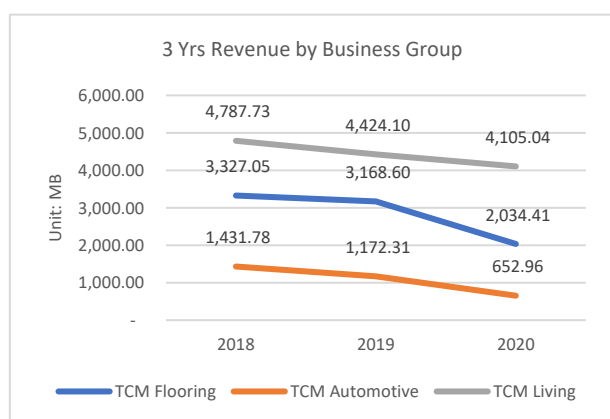
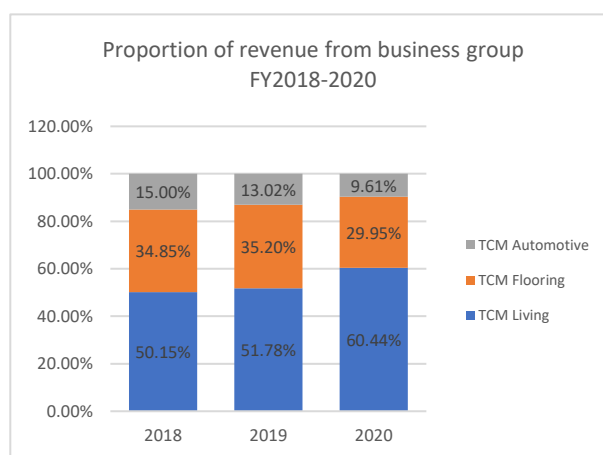
Business	Impact	Details	Measure to reduce impact
TCM Living Still monitor closely the market movements. Retail sector is gradually in uptrend as vaccination in the UK. brought back market confidence.		<ul style="list-style-type: none"> - Huge benefits from surging demand during lockdown from March to June. Total turnover was THB 4,105.04 (▼7.21% YoY) - Operating profit was recorded at THB 91.52 million (▼60.58% YoY). Cost of sales increased mainly from transportation, raw material costs, and also the acquisition of a new production site "J28". - Net profit was THB 34.45 million (▼68.79% YoY) 	<u>Production</u> <ul style="list-style-type: none"> - Increased production capacity by acquiring a new production site "J28", taking the opportunity from those who was out of business as a result of COVID-19. - Improved efficiency in work place and production process to reduce cost of sales. - Prepared the factory premises and manpower in order to promptly respond to simultaneous incoming sales order <u>Sales and marketing</u> <ul style="list-style-type: none"> - Continue developing new sofa collections to meet customers' demand in different areas and regions in order to remain as a market leader. - Working with retail stores and influencers in new sofa design to expand client base and create brand awareness.
TCM Flooring Pick up in the demand from hospitality market still awaiting. Sales in 2021 will be focused from other segments		<ul style="list-style-type: none"> - Huge impact from COVID-19 on tourism industry which resulted in a significant decrease in sales revenue. Turnover was recorded at THB 2,034 million (▼35.79% YoY) - Operating profit was THB 5.19 million (▼67.54% YoY) after implementation of lean organization exercise. - Net loss was THB 77.57 million (▲45.51% YoY) improved from previous year which financial loss had been realized. 	<u>Production</u> <ul style="list-style-type: none"> - Utilization of production capacity was lower and being in line with the shrinking demand and decreasing sales orders. - Put a strong effort in improving efficiency in all major aspects. Manage all the company resources in best efficient manner mainly to cut costs, and expenses. <u>Sales and marketing</u> <ul style="list-style-type: none"> - Entered into new customer segments where impact from COVID-19 was lower and manageable than those in the hotel industry e.g., housing and residentials, high-end luxury stores etc. - Shifted to other alternate flooring products such as laminate floor, LVT, SPC etc.
TCM Automotive Rising trend in Q4/2020. Car manufacturing in Thailand is estimated at 1.5 million cars in 2021.		<ul style="list-style-type: none"> - Sales was declined in Q1-Q2 as major car manufacturers closed their factories. Gradual recovery started in Q3-Q4. Sales revenue in 2020 was THB 652.96 million (▼44.30% YoY) - Operating profit was THB 59.94 million (▼62.19% YoY) - Net profit was THB 43.01 million (▼64.07% YoY) 	<u>Production</u> <ul style="list-style-type: none"> - Running at lower capacity in respect to decreasing demand and returned to full capacity in Q4 - Focused on improving efficiency and production process to reduce cost of sales. <u>Sales and marketing</u> <ul style="list-style-type: none"> - New product development to satisfy customers' demand.

Business	Impact	Details	Measure to reduce impact
Cash flow		- The Company was affected by the declination of incoming orders. However, the Company managed to disposed Don Muang assets to increase cash on hand and strengthen company's liquidity.	- Disposed fixed assets to minimize impact. - Reached an agreement with our main Bank for granting 1-year loan repayment grace period and also made partial loan prepayment by cash proceeds from sale of fixed assets to decrease company's interest expenditure.

2020 Performance

COVID pandemic in 2020 has become a major factor for the declining sales and profitability of the Company. In addition, uncertainty in global economy, fluctuation movements in exchange rates, as well as the government policy have also played key roles to TCMC's businesses as more than 70% the Company's revenue was derived from overseas market.

Over the past 12 months, both government sectors and business sectors has seriously suffered from the impact of COVID-19. Inevitably, all 3 business groups of TCMC have also been affected. This included TCM Flooring, TCM Automotive and TCM Living. In 2020, revenue contribution from TCM Flooring was 29.95% decreased from 35.20% in the previous year. Revenue contribution from TCM Automotive also in the downward trend which represented 9.61% in 2020 compared to 13.02% in 2019. However, TCM Living has recorded a higher revenue contribution of 60.44% in 2020 compared to those of 51.78% in 2019.



Highlight from each business

Business Group	Highlights
TCM Living	<ul style="list-style-type: none"> - Revenue dropped by 7.21% from preceding year, but still higher than the forecast by the Group in middle of the year. Despite the UK lockdown, it appears that the lockdown measure during March to June has stimulated customer demand and has led to rising sales in Q3-Q4. Backlog orders on hand are already booked until March 2021. - The Group has implemented cost mitigation plan which mainly to reduce cost of sales and expenses, and also salary cut for management team. Some employees were put off duty to take a compensation benefit paid by UK government at 80% of full salary rate. This scheme by the government has led to the expense saving of 43.32% compared to those in 2019. - After taking out the inter-company expenses, financial costs, taxes, and exchange rates related, the Group reported a net profit of THB 34.45 million.
TCM Flooring	<ul style="list-style-type: none"> - Revenue decreased by 35.79% from the year 2019 as a result of COVID-19 impact to tourism industry. Many businesses had reserved their cash for working capital fund and liquidity. It is forecasted that tourism sector will not recover in the near term until vaccination is already in place. - TCM Flooring has responded to the unfavorable market environment by reducing costs and expenses, and running at lower capacity. As a result, cost of goods sold was recorded at 63.41%. Selling and administrative expenses decreased by 42.51% and 28.48% respectively. - The Group has implemented employee salary cut in Q2 and Q3 in order to reserve cash on hand, but fully reimbursed to all employees in Q4. As a result, TCM Flooring recorded a net loss of THB 77.57 million.
TCM Automotive	<ul style="list-style-type: none"> - Revenue decreased by 44.30% due to the downward movement of overall automobile industry since 2019 as well as the impact of COVID-19 - Cost of goods sold and expenses were higher in percentage to sales as most of them are fixed costs. Decreasing sales order has led to the higher percentage of costs in relation to sales revenue. - Recovery of sales revenue was shown in Q4 since the overall picture of automobile industry was gradually in up trend. As a result, TCM Automotive reported a net profit of THB 43.01 million.

Performance by Group of Business

TCM Living

Unit THB million

Details	FY2020	FY2019	Change	% of sales	% of sales
			% YoY	FY2020	FY2019
Revenue from Sales and Services	4,105.04	4,424.10	-7.21%	100.00%	100.00%
Cost of Sales and Services	(3,382.94)	(3,245.50)	4.23%	82.41%	73.36%
Gross Profit	722.09	1,178.59	-38.73%	17.59%	26.64%
Other incomes	1.72	15.01	-88.56%	0.04%	0.34%
Selling expenses	(315.75)	(462.61)	-31.75%	7.69%	10.46%
Administrative expenses	(281.46)	(496.54)	-43.32%	6.86%	11.22%
Profit (Loss) from exchange rate	0.00	(2.26)	100.00%	0.00%	-0.05%
Fair value adjustments to derivatives	(35.08)	0.00	N/A	-1.72%	0.00%

TCM Living

Unit THB million

Details	FY2020	FY2019	Change	% of sales	% of sales
			% YoY	FY2020	FY2019
Operating income	91.52	232.19	-60.58%	2.23%	5.25%
Corporate expenses (Shared)	(15.14)	(23.79)	-36.34%	0.37%	0.54%
Financial cost	(43.92)	(54.15)	-18.89%	1.07%	1.22%
Impairment gain(loss) of account receivables	(0.15)	0.56	-127.01%	0.00%	-0.01%
Tax income (expense)	2.14	(44.44)	104.82%	-0.05%	1.00%
Net profit (loss) for the quarter	34.45	110.38	-68.79%	0.84%	2.50%
EBITDA	215.65	282.52	-23.67%	5.25%	6.39%

TCM Living

TCM Living was significantly impacted by COVID-19 during 2020. Although the year started well, the impact of the pandemic was felt immediately in Q2 with the forced closures of UK non-essential retail and factories. Although shops were reopened in the second half of the year, with an increase in demand for home furnishings, the industry was hit with international supply chain problems and increases in the price of foam, a key component in manufacture. Despite this, TCML delivered revenue of THB 4,105.04 THB, only 7.21% lower than 2019.

Cost of sales and services was 82.41 percent of revenue, an increase from 73.36 percent reported for prior year. This was due to 1) The problem in international supply chain which seriously suffered from containers shortage, closure of main ports in Europe resulted in the rising transportation costs 2) Significant increase in foam price ; a key material in manufacturing sofa as global demand for furniture was tremendously surging 3) Project investment to increase production capacity still in progress, our production line was not yet operating in full capacity 4) The imported furniture products by our trading arms have lower margin compared to own manufactured products by the Group, and 5) Changes in standardization of accounting record after the Group reorganization into TCM Living to ensure the compliance with the International Accounting Standards.

SD&A expenses amounted to THB 597.21 million, a decrease from the same period of the previous year, as a result of various costs reduction initiatives, including cutting non-essential expenses, short term reductions in the marketing budget, introduction of a travel ban, and a reduction in salary at management level. TCM Living also took advantage of the UK Government COVID Furlough scheme, where the government businesses in paying 80% of employees' salaries if they were unable to work due to workplace closedowns.

During the year, the UK also negotiated the exit from the European Union. This deal was signed in late December 2020 resulting in a movement in the Sterling Dollar rate. The latest amendment in accounting practice for 2021 has led to a fair value adjustment of forward contract booking made for FX risk hedging (cash flow hedge). As a result, forward booking transactions entered earlier in 2020 has recorded an unrealized loss of THB 35 million despite the fact that the risk associated with the adverse movements of foreign exchange has been fully hedged, and no loss incurred in terms of commercial practice.

Despite the impact of a COVID year, where stores were closed and supply chain disrupted the delivery of product in the final quarter, Profit after Finance Costs and Tax amounted to THB 34.45 million with EBITDA was THB 215.65 million, a reduction of 23.67% on 2019.

TCM Flooring

Unit THB million

Details	FY2020	FY2019	Change	% of sales FY2020	% of sales FY2019
			% YoY		
Revenue from Sales and Services	2,034.41	3,168.60	-35.79%	100.00%	100.00%
Cost of Sales and Services	(1,289.93)	(1,990.35)	-35.19%	63.41%	62.81%
Gross Profit	744.48	1,178.25	-36.82%	36.59%	37.19%
Other incomes	68.40	6.77	-911.07%	3.36%	-0.21%
Selling expenses	(309.12)	(458.53)	-32.58%	15.19%	14.47%
Administrative expenses	(509.37)	(711.24)	-28.38%	25.04%	22.45%
Profit (Loss) from exchange rate	4.68	0.74	536.14%	0.23%	0.02%
Fair value adjustments to derivatives	6.12	0.00	N/A	0.30%	0.00%
Operating income	5.19	15.98	-67.54%	0.26%	0.50%
Post-employment benefits liabilities	0.00	(57.66)	N/A	0.00%	1.82%
Corporate expenses (Shared)	(22.39)	(16.34)	-37.05%	1.10%	0.52%
Loss arising from derecognition of account receivable and retention	(6.51)	0.00	N/A	0.32%	0.00%
Financial cost	(109.14)	(117.06)	6.76%	5.36%	3.69%
Impairment gain(loss) of account receivables	11.53	(19.43)	159.32%	0.57%	0.61%
Tax income (expense)	43.76	52.16	-16.10%	2.15%	1.65%
Net profit (loss) for the quarter	(77.57)	(142.35)	45.51%	-3.81%	-4.49%
EBITDA	124.94	242.60	-48.50%	6.14%	7.66%

TCM Flooring

COVID Pandemic in 2020 have had a tremendous impact on tourism industry. Similarly, the hospitality sector also seriously suffered from such an impact in which all our core customers such as hotels, casinos, theatres, entertainment complex, as well as convention centres have put on hold their investment projects in order to reserve their cash on hands. Moreover, there was a changing trend in the market whereby hard floor materials such as wooden floor, laminate floor become more popular due to the lower price and convenience in cleaning and sanitizing. Thus, it is crucial that we have to respond to those change by offering an innovative flooring product to satisfy our customers.

The Group has focused on cutting unnecessary expenditures, and running at lower production capacity since Q1. We also developed new products with an attempt to expand more to residential market whereby purchasing power still remain steady. Our profitability significantly improved in Q3 as a result and was higher when compared to the same period in prior year. Cost control strictly remained intact in Q4, but all the salary cut which was implemented in Q2 and Q3 in accordance with the decreasing production volume was reimbursed to employees at the amount of THB 50 million. Therefore, total expenses was higher than those in Q4.

Apart from the expenses of the TCM Flooring, there were administrative expenses of the Corporate Office allocated to TCM Flooring amounted to THB 22.39 million, and provision for loss arising from derecognition of account receivable and retention as well as impairment of account receivables according to new accounting standard.

When combined with the financial costs and TAX, the net loss of TCM Flooring then amounted to THB 77.57 million, which was significantly improved from net loss of THB 142.35 million in the same period of the previous year. The EBITDA was THB 124.94 million, which accounted for 6.14% of sales revenue.

TCM Automotive

Unit THB million

Details	FY2020	FY2019	Change	% of sales FY2020	% of sales FY2019
			% YoY		
Revenue from Sales and Services	652.96	1,172.31	-44.30%	100.00%	100.00%
Cost of Sales and Services	(527.92)	(915.66)	-42.35%	80.85%	78.11%
Gross Profit	125.04	256.65	-51.28%	19.15%	21.89%
Other incomes	3.91	3.39	15.40%	0.60%	0.29%
Selling expenses	(22.75)	(39.57)	-42.51%	3.48%	3.38%
Administrative expenses	(46.48)	(64.99)	-28.48%	7.12%	5.54%
Profit (Loss) from exchange rate	0.22	3.06	-92.78%	0.03%	0.26%
Operating income	59.94	158.55	-62.19%	9.18%	13.52%
Post-employment benefits liabilities	0.00	(3.38)	N/A	0.00%	0.29%
Corporate expenses (Shared)	(4.73)	(5.33)	(0.11)	0.72%	0.45%
Loss arising from derecognition of account receivable and retention	(2.11)	0.00	N/A	0.32%	0.00%
Financial cost	(0.61)	(0.60)	0.01	0.09%	0.05%
Impairment gain(loss) of account receivables	2.59	1.72	0.50	-0.40%	-0.15%
Tax income (expense)	(12.08)	(31.27)	0.61	1.85%	2.67%
Net profit (loss) for the quarter	43.01	119.69	-64.07%	6.59%	10.21%
EBITDA	107.68	206.85	-47.94%	16.49%	17.64%

TCM Automotive

Automobile industry has been in downward trend since mid-year of 2019. Domestic car manufacturing simultaneously decreased from 2.1 million cars in 2018 to 2 million cars in 2019, following by COVID-19 impact then ended up with the number of 1.4 million cars in 2020. It was therefore unavoidable that upholstery of car seats industry suffered from shrinking demand and decreasing sales order. This has led to 2-month factory closure by major car manufacturers during April to May. TCM Automotive hence reduced its production volume in respond to the lower customers' order.

Market environment became more favorable in Q4 whereby car production turned uptrend. The average number of car manufacturing significantly grew from 50,817 cars in Q2 to 118,978 cars in Q3 and 154,298 cars in Q4 respectively. As a result, TCM Automotive resumed its full capacity in Q4 since domestic car manufacturing in 2021 is estimated at 1.5 million cars.

In 2020, the Group recorded revenue from sales and services at THB 625.96 million decreased by 44.30% compared to those in 2019. Cost of goods sold was higher from 78.11% in 2019 to 80.85% in 2020.

Apart from the expenses of the TCM Automotive, there were administrative expenses of the Corporate Office allocated to TCM Automotive business amounted to THB 0.66 million, decreased from THB 1.27 million in the same period of the previous year.

When combined with the administrative expenses of the Corporate Office allocated to TCM Automotive, the financial costs and TAX, the net profit of TCM Automotive then amounted to THB 43.01 million, with EBITDA of THB 107.68 million which was 16.49% of total sales revenue.

Consolidated Performance

Consolidated Performance

Unit THB million

Consolidated Statement	FY2020	FY2019	Change	
			% YoY	
Revenue				
Revenue from Sales and Services	6,792.40	8,765.01	-22.51%	
Other Incomes	74.03	25.16	194.18%	
Total revenue	6,866.43	8,790.17	-21.89%	
Expenses				
Cost of sales and services	(5,200.79)	(6,151.51)	-15.46%	
Selling expenses	(647.62)	(960.71)	-32.59%	
Administrative expenses	(837.31)	(1,272.77)	-34.21%	
Post-employment benefits liabilities	0.00	(61.04)	-100%	
Corporate expenses	(42.26)	(45.45)	-7.02%	
Gain (loss) from exchange rate	4.90	1.53	-219.35%	
Fair value adjustments to derivatives	(28.96)	0.00	N/A	
Loss arising from derecognition of account receivable and retention	(8.62)	0.00	N/A	
Financial costs	(153.67)	(171.80)	-10.56%	
Impairment gain(loss) of account receivables	13.96	(17.15)	181.44%	
Total expenses	(6,900.37)	(8,678.89)	-20.49%	
Net profit before TAX	(33.93)	111.28	-130.49%	
Tax expenses	33.82	(23.55)	-243.60%	
Profit (loss) for the quarter	(0.11)	87.73	-100.13%	
Profit (loss) for TCMC	(41.03)	(16.71)	-145.54%	
EBITDA	448.26	731.97	-38.76%	
Weighted average number of ordinary shares (shares)	763,201,125	763,188,975		
Basic earnings per share (Baht)	(0.05)	(0.02)		

Other Incomes

The Corporate Group had other incomes of THB 74.03 million, compared to THB 25.16 million in the same period of the previous year. The other incomes were from interests, rental fees, assets selling, and scrap selling etc.

Financial Cost

The Corporate Group had financial cost of THB 153.67 million in the year 2020, decreased from THB 171.80 million in year 2019, resulted from the financial adjustment according to the Thai Financial Reporting Standards, financial instruments applied in 2020.

Statement of Financial Position

Unit THB million

Statement of consolidated financial position	As of 31 December, 2020	As of 31 December, 2019	Change	
			Million Baht	%
Total Assets	7,970.57	8,337.21	(366.64)	-4.40%
Total Liabilities	5,239.74	5,484.28	(244.54)	-4.46%
Shareholders' Equity	2,730.83	2,852.93	(122.10)	-4.28%
D/E Ratio	1.92:1	1.92:1		

The Corporate Group's total assets as of 31 December 2020 were lower than the total assets as of 31 December 2019 by THB 366.64 million or 4.40 percent. Total liabilities as of 31 December 2020 were lower than the total liabilities as of 31 December 2019 by THB 244.54 million or 4.46 percent. Shareholders' equity as of 31 December 2020 was lower than that as of 31 December 2019 by THB 122.10 million or 4.28 percent, due to the adoption of new financial reporting standards for financial instrument group, which has been effective since 1 January 2020, and effect from COVID-19 pandemic. As a result, D/E ratio at the end of the period was at 1.92:1 compared to year end 2019 at 1.92:1.



ROYAL THAI
**Inspired by
Everything**

WRAPPED / AXMINSTER
THE PHOENICIAN / PHOENIX, AZ

R
ROYAL THAI


TCM FLOORING®
A MEMBER OF TCM CORP. PLC.

Financial Highlights

FINANCIAL POSITION AT YEARS ENDED

	(Unit: Thousand Baht)		
	2020	2019	2018
Total Revenues	6,866,432	8,790,174	9,584,562
Sales	6,792,401	8,765,009	9,546,560
Gross Profit	1,591,607	2,613,498	2,859,463
Net Profit (Loss)	(110)	87,728	408,880
Net Profit (Loss) (The Parent)	(41,028)	(16,709)	270,963
Total Assets	7,970,565	8,337,208	9,455,696
Total Liabilities	5,239,737	5,484,277	6,033,766
Equity	2,730,828	2,852,931	3,421,931
Equity (The Parent)	2,359,399	2,482,088	3,032,216
Weighted Average number of Ordinary shares	763,201,125	763,189,641	763,188,975

FINANCIAL RATIOS

Earning per shares (Baht)	(0.05)	(0.02)	0.36
Book Value per Share (Baht)	3.09	3.25	3.97

Liquidity Ratios

Current Ratio	(times)	1.57	1.33	1.52
Quick Ratio	(times)	1.14	0.90	1.01
Account receivable turnover	(times)	4.95	6.12	6.12
Average collection period	(days)	73.74	59.64	59.64
Inventory turnover	(times)	6.15	6.33	6.57
Days sales of inventory	(days)	59.35	57.66	55.56
Account payable turnover	(times)	3.97	4.49	4.48
Payment days	(days)	91.94	81.29	81.47

Profitability Ratios

Gross profit margin	(%)	23.43	29.82	29.95
Net profit margin	(%)	(0.00)	1.00	4.28
Return on equity	(%)	(1.74)	(0.67)	8.94

Efficiency Ratios

Return on assets	(%)	(0.00)	1.05	4.32
Assets turnover	(times)	0.85	1.05	1.01

Financial Policy Ratio

Debt to equity ratio	(times)	1.92	1.92	1.76
----------------------	---------	------	------	------

General Information / Other Information

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, 2020, 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.

Corporate Governance

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. 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 communicated and published this guideline on the corporate website in order 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"

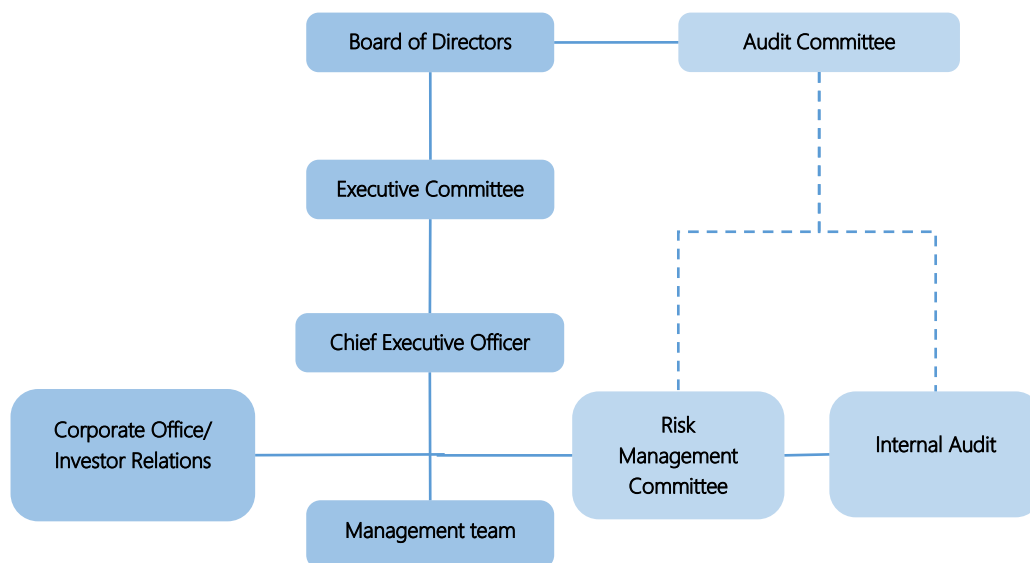


Corporate Governance Structure

* LEGO® SERIOUS PLAY® workshop - Based on the foundation of Play, Constructionism, and Imagination, it promote higher engagement and creativity in group

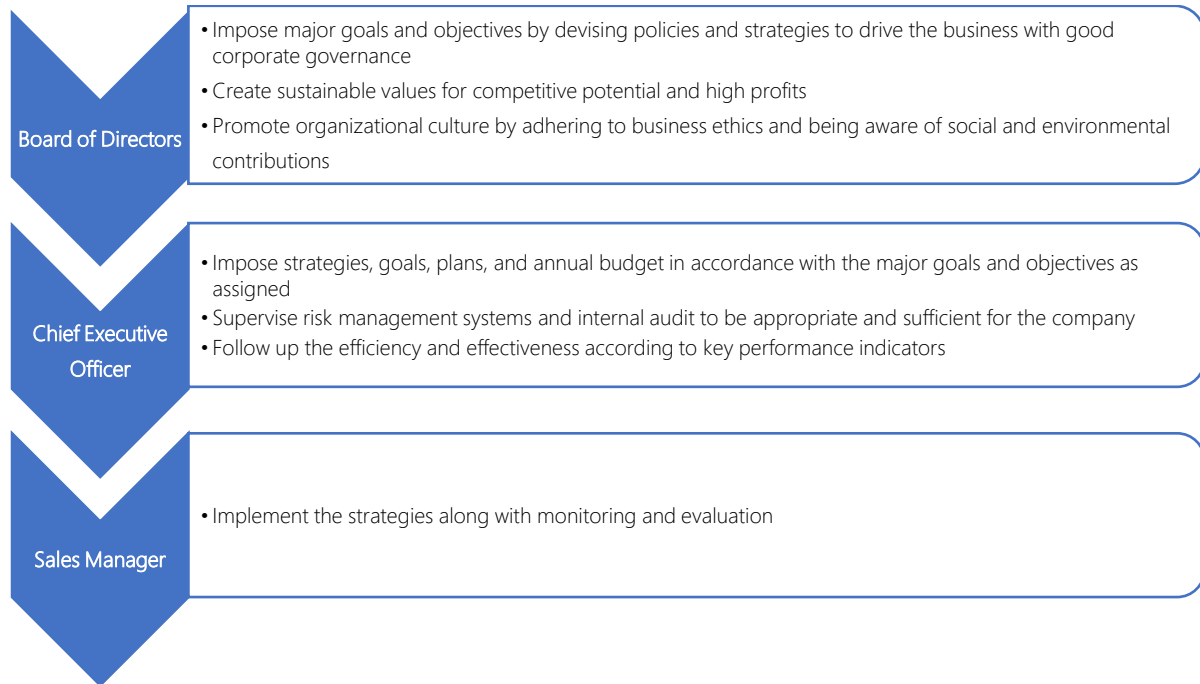
7. Corporate Governance Structure and Information about Board of Director, Sub – Committee, Management team, Employee and other.

Corporate Governance Structure



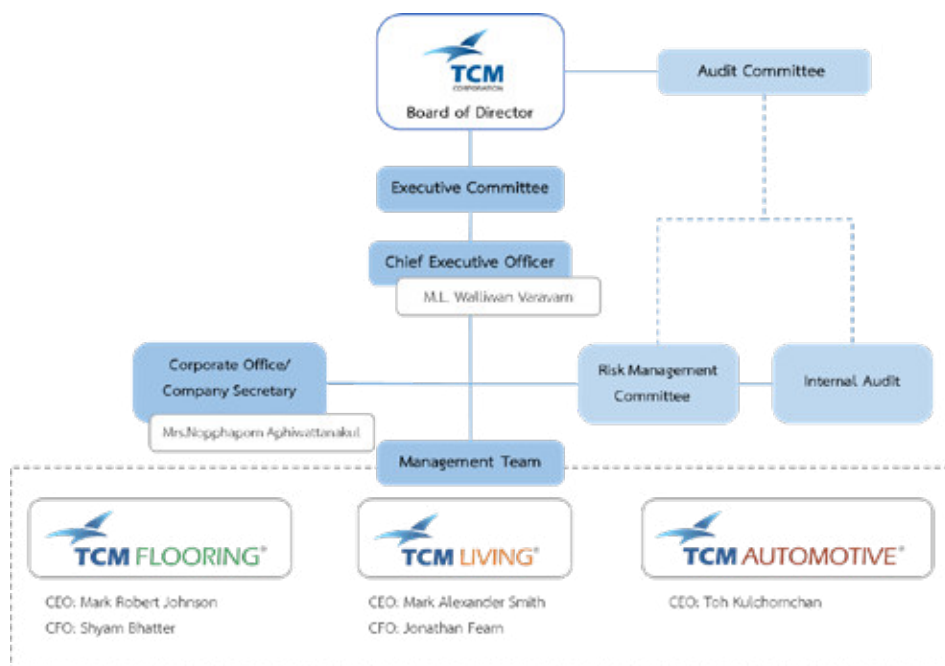
The Board of Directors is responsible for corporate governance at the policy level and the determination of organizational direction by imposing the goals and objectives of the company together with corporate vision, missions, and organizational culture. The review of the guideline shall be conducted 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 31 December 2020



Board of Directors

The Board of Directors has 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 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 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 ten 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. Uthayan Uthayanaka | Independent Director |
| 6. Mr. Isareit Chirathivat | Independent Director |
| 7. Mr. Sumate Suwanvongkij | Director |
| 8. M.L. Walliwan Varavarn | Chief Executive Officer
(Take a position as Executive Director since January 1, 2021.) |
| 9. Miss Piyaporn Phanachet | Executive Director
(Take a position as Chief Executive Officer since January 1, 2021.) |
| 10. Mrs. Nopphaporn 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	Organisation management	Business and marketing	International trade	Accounting 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. Uthayan Uthayanaka	Independent Director	✓	✓	✓				
6	Mr. Isareit Chirathivat	Independent Director	✓	✓	✓				
7	Mr. Sumate Suwanvongkij	Director	✓	✓	✓			✓	
8	M.L. Walliwan Varavarn	Chief Executive Officer	✓	✓	✓	✓	✓	✓	
9	Miss Piyaporn Phanachet	Executive Director	✓	✓	✓	✓	✓	✓	
10	Mrs. Nopphaporn Aphiwatthanakul	Group Finance Director	✓	✓	✓	✓	✓	✓	

Signing method in binding the Company

Name and number of directors being authorized to sign on behalf of the Company: Mr. Pimol Srivikorn and M.L. Walliwan Varavarn jointly signs and affixes the Company's seal or Mr. Pimol Srivikorn or M.L. Walliwan Varavarn jointly signs with another director and affixes the Company's seal.

Executive Board

In 2020, the Company has four members in its Executive Board as follows:

- | | |
|------------------------------------|-----------------------------|
| 1. Mr. Pimol Srivikorn | Chairman of Executive Board |
| 2. M.L. Walliwan Varavarn | Chief Executive Director |
| 3. Miss Piyaporn Phanachet | Executive Director |
| 4. Mrs. Nopphaporn Aphiwatthanakul | Group Finance Director |

Audit Committee

In 2020, 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. Suwittha 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 2020, the Company's Risk Management Committee consists of four members as follows:

- | | |
|------------------------------------|---------------------------------------|
| 1. M.L. Walliwan Varavarn | Chairman of Risk Management Committee |
| 2. Mrs. Nopphaporn Aphiwatthanakul | Member of Risk Management Committee |
| 3. Mr. Virithol Ngampailin | Member of Risk Management Committee |
| 4. Mr. Arthorn Wongsunthorn | Member of Risk Management Committee |

Management Committee

At 31 December 2020, the Company has Management Committee as follows:

- | | |
|------------------------------------|--|
| 1. Mr. Pimol Srivikorn | Chairman of Executive Board |
| 2. M.L. Walliwan Varavarn | Chief Executive Director |
| 3. Miss Piyaporn Phanachet | Executive Director |
| 4. Mrs. Nopphaporn Aphiwatthanakul | Group Finance Director |
| 5. Mr. Mark Johnson | Co-CEO, TCM Flooring |
| 6. Mr. Shyam Bhattar | CFO, TCM Flooring |
| 7. Mr. Mark Alexander Smith | Chief Executive Officer, TCM Living |
| 8. Mr. Jonathan Fearn | 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. Nopphaporn 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 conducts 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 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

Investors can contact Investor Relations by Email: ir@tcm-corporation.com

Remuneration of Directors

The shareholders' ordinary meeting of 2020 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 2020, the Company convened Board of Directors' meetings 7 times and paid meeting allowance and bonus as follows:

Name of Directors	Position	Number of meeting being attended	Meeting Allowance
1. Mr. Pimol Srivikorn	Chairman of the Board of Directors	7/7	375,000
2. M.L. Walliwan Varavarn	Chief Executive Officer	7/7	-
3. Mr. Soravis Krairiksh	Chairman of Audit Committee and Independent Director	7/7	340,000
4. Mr. Suvitcha Nativivat	Member of Audit Committee and Independent Director	6/7	270,000
5. Mrs. Duangjai Lorlertwit	Member of Audit Committee and Independent Director	7/7	290,000
6. Mr. Uthayan Uthayanaka	Independent Director	7/7	240,000
7. Mr. Isareit Chirathivat	Independent Director	5/7	200,000
8. Mr. Sumate Suwanvongkij	Director	7/7	240,000

9. Miss Piyaporn Phanachet	Executive Director	2/2	-
10. Mrs. Nopphaporn Aphiwatthanakul	Group Finance Director	7/7	-

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 2020 therefore resolved to approve the payment of Audit Committee's remuneration according to the following rate.

- Chairman of Audit Committee receives remuneration of THB 10,000 per month.
- Member of Audit Committee receives remuneration of THB 6,000 per month.

In 2020, 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 meeting being attended	Remuneration
1. Mr. Soravis Krairiksh	Chairman of Audit Committee	4/4	120,000
2. Mr. Suvittha Nativivat	Member of Audit Committee	4/4	72,000
3. Mrs. Duangjai Lorlertwit	Member of Audit Committee	3/4	72,000

This shall be effective from the date of approval from 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:

- (1.1) Structure and qualifications of the Board of Directors
- (1.2) Roles, duties and responsibilities of the Board of Directors
- (1.3) Board of Directors' meeting
- (1.4) Relationship with the management
- (1.5) Self-improvement of directors and executives

The results of the Board of Directors' evaluation in 2020 in which 10 members were assessed accounted for 93.72 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:

- (2.1) Structure and qualifications of the Board of Directors
- (2.2) Board of Directors' meeting
- (2.3) Roles, duties and responsibilities of the Board of Directors

The results of the individual Board of Directors' evaluation in 2020 in which 10 members were assessed accounted for 93.40 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 2020 in which 3 members were assessed accounted for 90.70 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 2020 in which 3 members were assessed accounted for 92.50 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 2020 in which 4 members were assessed accounted for 96.83 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 2020 in which 4 members were assessed accounted for 96.25 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 2020 was assessed accounted for 91.04 percent.

Knowledge enhancement of the Board of Directors

In 2020, the directors not attended seminars and training because of Covid – 19 situations.

Remuneration of Management and Employees

Remuneration of Management

As of 31 December 2020, the Company has management team comprising of 4 members, and the Company has paid salary and provident fund contributions for year 2020 amounting to THB 13.15 million and provided vehicles for 1 members of the management team.

Remuneration of Employees

As of 31 December 2020, the Company has employees 59 people, and the Company has paid salary, wage, overtime, living expenses, social security contributions, provident fund contributions, and others for year 2020 amounting to Baht 46.94 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	48	81.36
Carpets International (Thailand) Public Company Limited	316	28.68
T.C.H. Suminoe Company Limited	84	57.93

Human Resources Development

In 2020, the company had training courses to develop their knowledge and skills of employees. The curriculum 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. There were 43 training courses with 49 batches and training expense amounting THB 533,475. (The details of the Human Resources Development are in page 56 – Under topic 5. Fair Labor Treatment)

Remuneration of the Company and Subsidiaries' s Auditor 2020

The auditor of the company and subsidiaries for the year ended 31 December 2020 is Mr. Sathien Vongsnan, Certified Public Accountant Registration No. 3495 of ANS Audit Co., Ltd., The Company has paid auditor's remuneration for year 2020 amounting to THB 3.39 million and no other service fee.



Corporate Governance Report

** We repurpose and donate 100% of the sediment deposited from our on-site waste water treatment plant in cooperation with the leading Thai brand of organic agricultural fertilizer.*

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) 2020, issued by the Thai Institute of Directors Association (IOD). In 2019, the company received a score of 83, classified as “Very Good” recognition level (4 stars ). In 2020, the company received a score of 87, classified as “Very Good” recognition level (4 stars ). It was clear that the success stemmed from the ambition from 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 exist 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 in order 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 year. 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 level 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 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 2020, the company has a total of 10 directors (The details of the Board of Directors are in [page 85](#))
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 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 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 office at only 3 (three) listed companies to ensure that the Board of Directors can fully dedicate their time to Company. Any directors holding directorship or executive position at other companies shall always notify such positions to the Board of Directors.
6. The Board of Directors shall appoint a qualified person to the Company Secretary. If it is deemed appropriate, Assistant Company Secretary may also be appointed. 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 86](#))
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 87](#))
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 88)

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 90)
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 in advance and must be approved by the Board of Directors of the Company before it is implemented.

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.
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 90](#))

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

Human Resources Manager shall summarize the performance to be proposed to Chief Executive Officer for consideration of 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 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 "The Company strives for ensuring that its personnel shall adhere to honesty, integrity and transparency. Their good and safe living shall be guaranteed. Knowledge of production and sales shall be provided for achievement of success and excellency in response to both domestic and international growth."

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 on the basis of equity, qualifications, education, experience, physical condition, and other requirements needed for each position.
- (2) Personnel development: The Company emphasizes personnel development to equip them with necessary knowledge, skills and potentials by making annual training programs in advance. (The details of Personnel development are in [page 56](#))
- (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 condition, 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.

- (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 63)
- (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 the 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 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 social 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 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. Risk Management Committee shall perform the assigned tasks to manage and minimize risks. Risks shall be assessed regularly and controlled at 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 are established to manage risks in each division with regular monitoring process.
3. 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, 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.

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.
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 on the basis of 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 level 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.)
10. The Company determine 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, Bangkok Sub-district, Huaykwang District, Bangkok 10310

E-mail: auditcom@tcm-corporation.com

In 2020, the company had not 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 be shall prepare and disclose financial information. Persons who are authorized to disclose financial information include 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 Officer, please email 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 from the end date of the Company's accounting period. 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 and the proposal shall be made within three months prior to the date of annual financial statements closure, from October to December each year.
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 2020, 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. The Company arranges it 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 question equitably.

5. The Company arranges factory visit at least once a year to provide shareholders or analysts with opportunities to visit the Company's business. In 2020, 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 2020, there were issues that the company had not implemented as follows:

1. The company should establish recruitment committee, compensation committee, and corporate governance committee.

The company has 10 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 has consistently considered, reviewed, and evaluated the results.

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 are able to 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

Carpets Inter®



9. Transaction with related parties

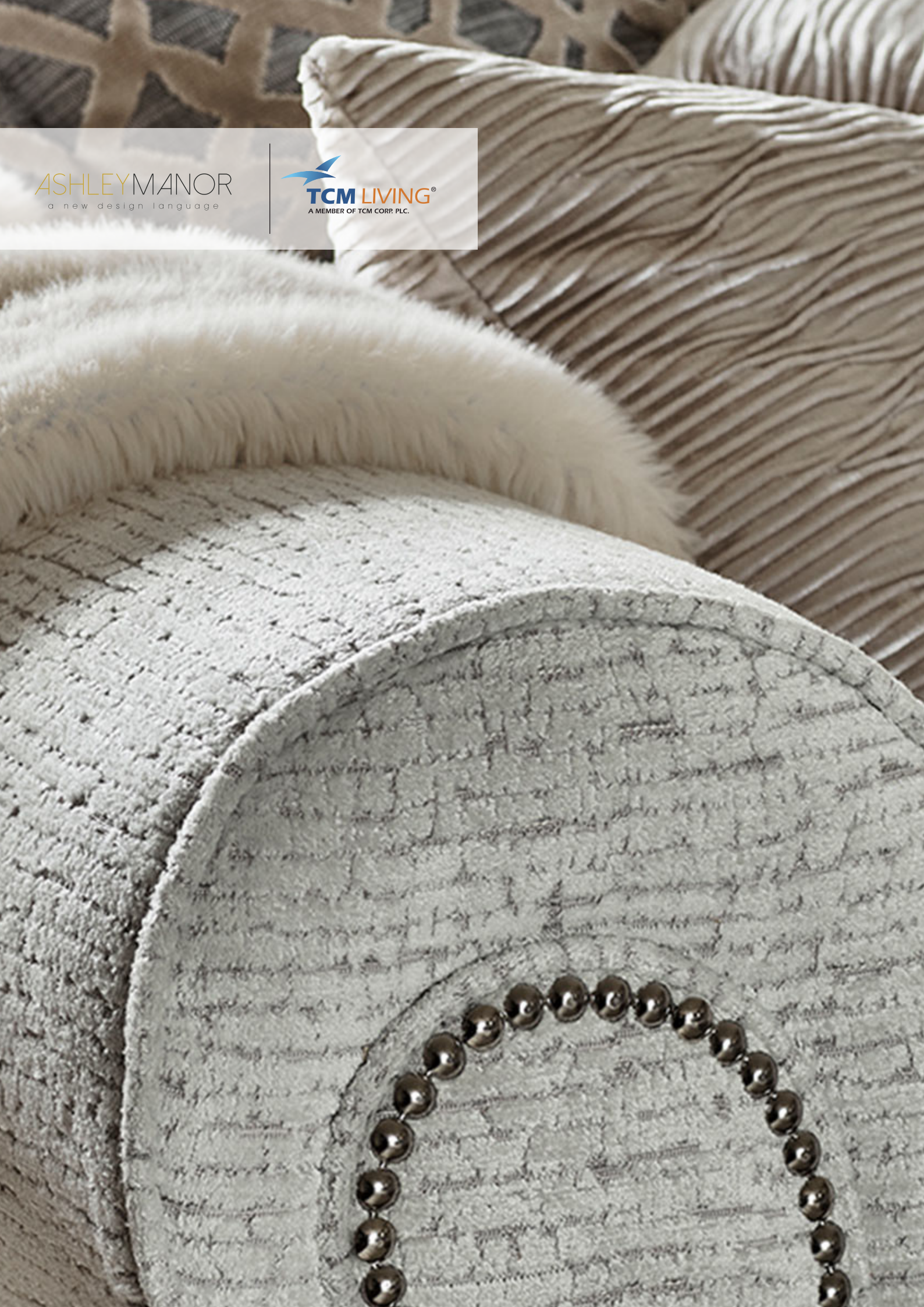
In 2020, the company has transaction with related parties as follows; -

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 2020	Outstanding as of December 31, 2020	
1	Royal Thai International Company Limited (RTI) – (Buyer)	- TCMC (Seller) hold 99.99% of issued and fully paid-up share capital of RTI - There are the same director 3 persons are Mr. Pimol Srivikorn, M.L. Walliwan Varavarn and Mrs. Nopphaporn Aphiwatthanakul	Purchase and sell carpets and materials for installation	-	23,090,547	The normal business operation and general trading condition.
2	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	698,684,133	349,398,055	The normal business operation and general trading condition.
3	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	4,282,530	-	The normal business operation and general trading condition.
4	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	150,065,550	150,952,265	The normal business operation and general trading condition.
5	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	338,935,494	145,732,109	The normal business operation and general trading condition.
6	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	17,803,719	2,980,882	The normal business operation and general trading condition.
7	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	32,574,289	-	The normal business operation and general trading condition.
8	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	12,630,563	7,993,961	The normal business operation and general trading condition.
9	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	8,056,494	6,778,979	The normal business operation and general trading condition.

ASHLEYMANOR
a new design language

 TCM LIVING®
A MEMBER OF TCM CORP. PLC.



Part 3 Financial Statement

Independent Auditor's Report

To the Board of Directors and the Shareholders of TCM Corporation Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of TCM Corporation Public Company Limited and its subsidiaries, and of TCM Corporation Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2020, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the TCM Corporation Public Company Limited and its subsidiaries, and of TCM Corporation Public Company Limited, respectively, as at December 31, 2020, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 in accordance with 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 these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Mater

I draw attention to Note to Financial Statements No. 32 in the respect of the prior year adjustment of the financial statement, during the year 2020, a group of subsidiaries in overseas has changed their accounting policy regarding recognition of shop floor discount granted to customers from the previously recognizing over the period of expected life of the product on the shop floor to be recognizing at the point of sale. The Company's management, therefore, restated the consolidated financial statements for the year ended December 31, 2019, and the consolidated statement of financial position as at January 1, 2019, which have been presented herewith for comparative purposes. My opinion is not modified with respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated 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

Risk

As described in Notes to the financial statements No 14, with respect to goodwill as at December 31, 2020, amounting to Baht 2,201 million. These items arise from the business acquisition of group companies in many countries. Impairment of goodwill is a significant accounting estimate required a significant judgment and assumptions of the management, therefore, I consider this matter as a key audit matter.

Auditor's Response

My audit procedures included the following:

- 1) Evaluated the discounted cash flow method (DCF) provided by the Group and the Group's assumptions applied in the value-in-use method against relevant documents as well as externally derived data;
- 2) Analyzed historical information to support the precision in the Group's forecasting process;
- 3) Tested the principles and mathematical accuracy of the DCF and performed sensitivity analysis around the key assumptions.
- 4) Assessed the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year 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 do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 for correction of 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 financial statements in accordance with TFRSs, 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 financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 TSAs 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 financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated 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 I 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 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.

|||||

(Mr. Sathien Vongsnan)

Certified Public Accountant Registration Number 3495

ANS Audit Company Limited
Bangkok, February 25, 2021

Financial Statement 2020

Statement of Financial position

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht						
		Consolidated financial statements			Separate financial statements	
	Notes	December 31, 2020	December 31, 2019	January 1, 2019	December 31, 2020	December 31, 2019
			(Restated)	(Restated)		
Assets						
Current assets						
Cash and cash equivalents	6	672,219,842.91	425,771,290.19	529,208,233.68	179,345,133.13	67,588,410.33
Trade and other current receivables - net	3, 5, 2, 7	1,329,229,572.19	1,413,528,796.15	1,452,351,318.09	454,317,470.68	520,196,826.79
Current portion of long-term loans to and interest receivables from subsidiaries	3, 5, 2	-	-	-	31,718,958.89	73,173,231.08
Inventories - net	8	804,228,385.43	888,312,912.64	1,054,878,493.46	4,347,611.59	16,968,676.55
Current tax assets		15,065,937.47	1,362,310.06	3,923,650.66	8,308,708.42	1,011,157.66
Temporary investments	9, 29	93,760,034.27	5,951,604.00	54,640,827.05	-	-
Derivative assets	3, 29	7,033,819.15	-	-	7,033,819.15	-
Other current assets		4,975,482.22	18,456,571.94	5,423,564.86	-	-
Total current assets		2,926,513,073.64	2,753,383,484.98	3,100,426,087.80	685,071,701.86	678,938,302.41
Non-current assets						
Pledged deposits with financial institution		-	-	1,640,000.00	-	-
Investments in associated companies		-	-	-	-	-
Investment in subsidiaries - net	3, 10	-	-	-	3,950,195,526.76	3,916,362,720.07
Other long-term investment		2,668,238.90	2,594,793.93	2,696,234.19	-	-
Other non-current receivables	3, 5, 2	5,908,751.23	9,444,948.68	-	255,000.00	175,000.00
Long-term loans to and interest receivables from subsidiaries - net	3, 5, 2	-	-	-	174,788,753.70	145,912,278.42
Investment properties - net		5,844,278.34	5,683,410.88	5,905,596.79	-	-
Property, plant and equipment - net	3, 11	1,969,244,372.07	2,731,644,316.50	3,367,886,151.32	2,614,226.34	649,713,885.28
Right-of-use assets - net	3, 12	156,144,147.83	-	-	16,005,166.43	-
Intangible assets - net	13	558,091,319.17	589,145,408.34	659,268,663.48	52,616,872.03	41,704,669.63
Goodwill	14	2,201,280,124.08	2,168,039,330.05	2,213,950,572.69	-	-
Deferred tax assets - net	15	141,852,888.75	66,781,792.41	47,229,314.18	5,046,521.16	-
Other non-current assets	16	3,018,186.59	10,490,763.15	31,706,020.82	-	6,179,068.00
Total non-current assets		5,044,052,306.96	5,583,824,763.94	6,330,282,553.47	4,201,522,066.42	4,760,047,621.40
Total assets		7,970,565,380.60	8,337,208,248.92	9,430,708,641.27	4,886,593,768.28	5,438,985,923.81

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit: Baht				
		Consolidated financial statements			Separate financial statements	
	Notes	December 31, 2020	December 31, 2019	January 1, 2019	December 31, 2020	December 31, 2019
			(Restated)	(Restated)		
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	17	296,044,015.11	243,263,130.51	71,571,754.60	-	-
Trade and other current payables	5.2, 18	1,342,073,732.24	1,275,497,412.63	1,465,251,708.64	428,568,068.00	510,136,592.62
Current portion of long-term loans from financial institutions	3, 19	129,710,975.84	477,278,413.90	358,755,444.09	-	189,295,610.76
Current portion of lease liabilities	3, 20	35,664,897.83	23,187,314.19	13,423,514.83	1,244,577.10	447,396.00
Short-term loans from related parties	5.2	1,500,000.00	1,500,000.00	1,500,000.00	-	-
Current income tax payable		19,398,405.28	52,063,649.49	131,511,376.94	-	-
Derivative liabilities	3, 29	41,894,442.89	-	-	-	-
Total current liabilities		1,866,286,469.19	2,072,789,920.72	2,042,013,799.10	429,812,645.10	699,879,599.38
Non-current liabilities						
Long-term loans from financial institutions - net	3, 19	2,727,417,658.86	2,807,331,852.60	3,314,917,162.00	2,061,946,122.53	2,250,964,478.09
Long-term loans from related persons	5.2	17,698,850.65	20,136,280.68	25,420,287.30	-	-
Lease liabilities - net	3, 20	124,577,917.38	11,913,924.84	8,708,146.89	13,767,059.34	932,172.37
Other non-current payables		7,442,244.25	2,474,760.83	1,419,741.51	2,521,086.33	2,474,760.83
Deferred tax liabilities - net	3, 15	249,152,898.37	262,310,376.99	440,958,251.34	-	25,822,530.53
Non-current provisions for employee benefit	21	247,161,373.88	307,320,216.67	183,766,779.14	9,338,936.00	12,322,394.00
Total non-current liabilities		3,373,450,943.39	3,411,487,412.61	3,975,190,368.18	2,087,573,204.20	2,292,516,335.82
Total liabilities		5,239,737,412.58	5,484,277,333.33	6,017,204,167.28	2,517,385,849.30	2,992,395,935.20
Shareholders' equity						
Share capital						
Authorized share capital						
1,017,585,300 ordinary shares, Baht 1.10 par value		1,119,343,830.00	1,119,343,830.00	1,119,343,830.00	1,119,343,830.00	1,119,343,830.00
Issued and paid-up share capital						
763,201,125 ordinary shares, Baht 1.10 par value		839,521,237.50	839,521,237.50	839,507,872.50	839,521,237.50	839,521,237.50
Premium on share capital		633,288,121.50	633,288,121.50	633,252,886.50	633,288,121.50	633,288,121.50
Surplus from the changes in the ownership interests in subsidiaries		5,559,130.99	-	-	-	-
Retained earnings						
Appropriated to legal reserve	22	45,607,816.41	45,607,816.41	45,607,816.41	45,607,816.41	45,607,816.41
Unappropriated	32	1,019,107,735.87	692,655,561.77	812,330,408.24	850,790,743.57	438,498,690.80
Other component of shareholders' equity		(183,685,300.46)	271,015,472.43	695,446,444.50	-	489,674,122.40
Total shareholders' equity of the Company		2,359,398,741.81	2,482,088,209.61	3,026,145,428.15	2,369,207,918.98	2,446,589,988.61
Non-controlling interests	32	371,429,226.21	370,842,705.98	387,359,045.84	-	-
Total shareholders' equity		2,730,827,968.02	2,852,930,915.59	3,413,504,473.99	2,369,207,918.98	2,446,589,988.61
Total liabilities and shareholders' equity		7,970,565,380.60	8,337,208,248.92	9,430,708,641.27	4,886,593,768.28	5,438,985,923.81

Statement of profit or loss and other comprehensive income

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
		(Restated)			
26					
Revenues					
Revenue from sales and services	32	6,792,401,371.39	8,765,008,793.50	902,836,516.67	1,063,934,691.30
Dividend income	5, 10.1	-	-	41,971,202.00	91,686,976.00
Other income		74,030,814.21	25,164,791.98	70,529,155.21	84,448,635.59
Total revenues		6,866,432,185.60	8,790,173,585.48	1,015,336,873.88	1,240,070,302.89
Expenses					
Cost of sales and services	32	(5,200,794,769.92)	(6,151,510,877.87)	(730,300,827.42)	(920,791,473.33)
Distribution cost		(647,619,952.33)	(960,707,588.14)	(35,237,102.07)	(74,723,316.42)
Administrative expenses		(879,567,723.83)	(1,318,215,820.02)	(134,695,500.10)	(234,603,476.86)
Past service cost from the post- benefits plan amendment	21	-	(61,044,270.50)	-	(2,799,913.00)
Gain (loss) on exchange rate - net		4,898,272.91	1,533,836.91	7,523,695.47	(15,778,458.76)
Gain (loss) on fair value adjustments to derivatives		(28,960,774.38)	-	7,033,819.15	-
Total expenses		(6,752,044,947.55)	(8,489,944,719.62)	(885,675,914.97)	(1,248,696,638.37)
Profit (loss) from operating activities		114,387,238.05	300,228,865.86	129,660,958.91	(8,626,335.48)
Loss arising from de-recognition of trade receivables and retentions		(8,617,649.53)	-	(6,505,242.77)	-
Finance costs		(153,666,662.86)	(171,800,690.62)	(107,278,555.37)	(122,257,569.32)
Impairment gain (loss) of trade receivables		13,962,781.14	(17,145,828.20)	18,759,123.96	(26,335,105.55)
Profit (loss) before income tax		(33,934,293.20)	111,282,347.04	34,636,284.73	(157,219,010.35)
Tax (expenses) income	27, 32	33,824,066.81	(23,554,542.78)	3,528,351.72	39,481,170.56
Profit (loss) for the year		(110,226.39)	87,727,804.26	38,164,636.45	(117,737,839.79)

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
		(Restated)			
Other comprehensive income (loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements of foreign operation					
		28,101,479.70	(42,899,083.27)	-	-
<i>Items that will not reclassified subsequently to profit or loss</i>					
Capital surplus from land revaluation net of income tax	11	(133,033,520.80)	(385,732,000.00)	(133,033,520.80)	(385,732,000.00)
Gain (loss) on re-measurements of defined benefit plans					
- net from income tax	21	14,861,919.16	(34,564,163.20)	314,986.40	(1,657,397.60)
Other comprehensive loss for the year					
- net from income tax		(90,070,121.94)	(463,195,246.47)	(132,718,534.40)	(387,389,397.60)
Total comprehensive income loss for the year					
		(90,180,348.33)	(375,467,442.21)	(94,553,897.95)	(505,127,237.39)
Profit (loss) attributable to:					
	32				
Equity holders of the Company		(41,027,762.69)	(16,709,226.26)	38,164,636.45	(117,737,839.79)
Non-controlling interests		40,917,536.30	104,437,030.52	-	-
		(110,226.39)	87,727,804.26	38,164,636.45	(117,737,839.79)
Total comprehensive income (loss) attributable to:					
	32				
Equity holders of the Company		(123,918,579.66)	(475,428,395.79)	(94,553,897.95)	(505,127,237.39)
Non-controlling interests		33,738,231.33	99,960,953.58	-	-
		(90,180,348.33)	(375,467,442.21)	(94,553,897.95)	(505,127,237.39)
Earnings (loss) per share					
Basic earnings (loss) per share (Baht)					
		(0.05)	(0.02)	0.05	(0.15)
Weighted average number of ordinary shares (shares)					
		763,201,125	763,189,641	763,201,125	763,189,641

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT DECEMBER 31, 2020

		Unit: Baht									
		Consolidated financial statements									
		Equity attributable to shareholders' equity of the Company									
Notes		Other component of shareholders' equity									
		Retained earnings			Other comprehensive income			Total			Total Shareholders' Equity
		Issued and paid-up share capital	Premium on share capital	Surplus from the changes in the ownership interests in subsidiaries	Unappropriated legal reserve	Translating financial statements	Gain(loss) on re-measurements of defined benefit plans-net of income tax	Capital surplus from land revaluation net of income tax	Total other component of shareholders' equity	Non-controlling interests	
					(Restated)	(Restated)	(Restated)			(Restated)	
	Balance as at December 31, 2019 - as previously reported	839,521,237.50	633,288,121.50	-	45,607,816.41	716,595,875.33	-	489,674,122.40	269,965,255.34	2,504,978,306.08	2,883,801,116.57
32	Effects of restatement of prior year's financial statements	-	-	-	-	(23,940,313.56)	1,050,217.09	-	1,050,217.09	(22,890,096.47)	(30,870,200.98)
	Balance as at December 31, 2019 - as restated	839,521,237.50	633,288,121.50	-	45,607,816.41	692,655,561.77	(218,658,649.97)	489,674,122.40	271,015,472.43	2,482,088,209.61	2,852,930,915.59
3	Effects of changes in accounting policies	-	-	-	-	(4,330,019.13)	-	-	-	(4,330,019.13)	(4,330,019.13)
	Balance as at January 1, 2020 - as restated	839,521,237.50	633,288,121.50	-	45,607,816.41	688,325,542.64	(218,658,649.97)	489,674,122.40	271,015,472.43	2,477,758,190.48	2,848,600,896.46
	Changes in equity for the year	-	-	-	-	-	-	-	-	-	-
	Paid for subsidiary's share capital	-	-	-	-	-	-	-	-	18,307,753.41	18,307,753.41
	Dividend paid	-	-	-	-	-	-	-	-	(45,900,333.52)	(45,900,333.52)
2	Surplus from the changes in the ownership interests in subsidiaries	-	-	5,559,130.99	-	-	-	-	-	5,559,130.99	(5,559,130.99)
	Total comprehensive income (loss) for the year	-	-	-	-	(41,027,762.69)	34,973,349.51	(133,033,520.80)	(82,890,816.97)	(123,918,579.66)	33,738,231.33
11, 21	Transfer to retained earnings	-	-	-	-	371,809,955.92	(151,693,354.32)	(356,640,601.60)	(371,809,955.92)	-	-
	Balance as at December 31, 2020	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	2,730,827,968.02
	Balance as at January 1, 2019 - as previously reported	839,507,872.50	633,252,886.50	-	45,607,816.41	828,276,013.61	(180,980,389.07)	875,406,122.40	694,425,733.33	3,041,070,322.35	3,433,744,569.97
32	Effects of restatement of prior year's financial statements	-	-	-	-	(15,945,605.37)	1,020,711.17	-	1,020,711.17	(14,924,894.20)	(20,240,095.98)
	Balance as at January 1, 2019 - as restated	839,507,872.50	633,252,886.50	-	45,607,816.41	812,330,408.24	(179,959,677.90)	875,406,122.40	695,446,444.50	3,026,145,428.15	3,413,504,473.99
	Changes in equity for the year	-	-	-	-	-	-	-	-	387,359,045.84	387,359,045.84
	Increase share capital	13,365.00	35,235.00	-	-	-	-	-	-	48,600.00	48,600.00
23	Dividend paid	-	-	-	-	(68,677,422.75)	-	-	-	(68,677,422.75)	(185,154,716.19)
32	Total comprehensive income (loss) for the year - as restated	-	-	-	-	(16,709,226.26)	(34,288,197.46)	(385,732,000.00)	(488,719,169.53)	(475,428,395.79)	(375,467,442.21)
	Transfer to retained earnings	-	-	-	-	(34,288,197.46)	34,288,197.46	-	34,288,197.46	-	-
	Balance as at December 31, 2019	839,521,237.50	633,288,121.50	-	45,607,816.41	692,655,561.77	(218,658,649.97)	489,674,122.40	271,015,472.43	2,482,088,209.61	2,852,930,915.59

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT DECEMBER 31, 2020

Unit: Baht									
Separate financial statements									
Other component of shareholders' equity									
Other comprehensive income									
Gain(loss) on									
re-measurements of									
defined benefit									
plan-net of income tax									
Capital surplus									
from land revaluation									
of shareholders's									
equity									
Total									
Shareholders' Equity									
Notes	Issued and paid-up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	plan-net of income tax	Capital surplus from land revaluation	Other component of shareholders's equity	Total	
Balance as at January 1, 2020 - as previously reported	839,521,237.50	633,288,121.50	45,607,816.41	438,498,690.80	-	489,674,122.40	489,674,122.40	2,446,589,988.61	
	3	-	-	17,171,828.32	-	-	-	17,171,828.32	
	Balance as at January 1, 2020 - as restated	839,521,237.50	633,288,121.50	45,607,816.41	455,670,519.12	-	489,674,122.40	489,674,122.40	2,463,761,816.93
Changes in equity for the year									
Total comprehensive income (loss) for the year	-	-	-	38,164,636.45	314,986.40	(133,033,520.80)	(132,718,534.40)	(94,553,897.95)	
Transfer to retained earnings	-	-	-	356,955,588.00	(314,986.40)	(356,640,601.60)	(356,955,588.00)	-	
Balance as at December 31, 2020	839,521,237.50	633,288,121.50	45,607,816.41	850,790,743.57	-	-	-	2,369,207,918.98	
Balance as at January 1, 2019									
Changes in equity for the year				626,571,350.94	-	875,406,122.40	875,406,122.40	3,020,346,048.75	
Increase share capital	13,365.00	35,235.00	-	-	-	-	-	48,600.00	
Dividend paid	-	-	-	(68,677,422.75)	-	-	-	(68,677,422.75)	
Total comprehensive loss for the year	-	-	-	(117,737,839.79)	(1,657,397.60)	(385,732,000.00)	(387,389,397.60)	(505,127,237.39)	
Transfer to retained earnings	-	-	-	(1,657,397.60)	1,657,397.60	-	1,657,397.60	-	
Balance as at December 31, 2019	839,521,237.50	633,288,121.50	45,607,816.41	438,498,690.80	-	489,674,122.40	489,674,122.40	2,446,589,988.61	

Statement of Cash flows

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Restated)			
Cash flows from operating activities:				
Net profit (loss)	(110,226.39)	87,727,804.26	38,164,636.45	(117,737,839.79)
Adjustment to reconcile profit (loss) to net cash by (used in)				
operating activities				
Tax (income) expenses	(33,824,066.81)	23,554,542.78	(3,528,351.72)	(39,481,170.56)
Loss arising from de-recognition of trade receivables and retentions	8,617,649.53	-	6,505,242.77	-
Impairment gain (loss) of trade receivables	(13,962,781.14)	17,145,828.20	(18,759,123.96)	26,335,105.55
(Reversal) allowance for decline in value of obsolete inventories - net	4,556,387.86	(12,160,970.44)	(17,706,356.31)	842,509.15
Allowance for impairment of investments in subsidiary	-	-	-	999,700.00
(Reversal) allowance for impairment of fixed assets	(76,546,827.04)	73,294,130.27	(73,961,517.04)	73,961,517.04
Allowance for impairment of intangible assets	-	(8,240,858.44)	-	-
(Reversal) provision from claim on defected goods	(2,594,137.56)	5,197,600.36	(1,230,150.00)	1,230,150.00
Depreciation of fixed assets	158,432,912.22	187,352,337.73	928,984.46	16,953,428.91
Amortization of right-of-use assets	30,470,735.89	-	1,581,655.50	-
Amortization of intangible assets	76,923,309.81	78,629,095.68	4,379,264.56	571,640.35
(Gain) loss on disposal of fixed assets	83,792,732.19	3,037,035.98	79,783,554.11	(12,891,173.20)
Loss on disposal of intangible assets	4,522.06	8,241,351.73	-	-
(Gain) loss on exchange rate	(374,541.40)	(1,429,237.06)	(6,230,554.81)	11,220,063.14
Fair value adjustments to derivatives	28,960,774.38	-	(7,033,819.15)	-
Dividend income	-	-	(41,971,202.00)	(91,686,976.00)
Interest income	(490,444.42)	(683,814.43)	(11,730,666.93)	(5,496,820.25)
Employee benefits expenses	28,379,184.96	89,749,148.30	1,266,591.00	4,167,791.00
Loss on settlement of benefits	19,173,093.29	-	961,510.00	-
Finance cost	153,666,662.86	171,800,690.62	107,278,555.37	122,257,569.32
Profit (loss) from operations before changes in operating				
assets and liabilities	465,074,940.29	723,214,685.54	58,698,252.30	(8,754,505.34)

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Restated)			
Operating assets (increase) decrease				
Trade and other current receivables	86,318,935.21	25,642,798.61	53,013,522.58	(252,734,755.15)
Inventories	87,695,189.65	178,835,143.53	30,327,421.27	107,194,223.46
Other current assets	13,481,089.72	(13,033,007.08)	-	-
Other non-current receivables	1,925,117.45	-	(80,000.00)	-
Other non-current assets	7,472,576.56	11,770,308.99	6,179,068.00	1,777,666.00
Operating liabilities increase (decrease)				
Trade and other current payables	28,240,463.37	(233,105,221.41)	(83,967,213.92)	373,431,800.44
Other non-current payables	(780,069.28)	1,055,019.32	46,325.50	1,055,019.32
Cash received from operating activities	689,428,242.97	694,379,727.50	64,217,375.73	221,969,448.73
Cash payment for employee benefits	(51,395,696.21)	(32,687,414.72)	(4,174,464.01)	(21,576,748.95)
Cash received from income tax return	941,899.15	-	-	-
Cash payment for corporate income tax	(75,888,084.38)	(127,280,274.64)	(8,308,708.42)	(1,011,157.66)
Net cash provided by operating activities	563,086,361.53	534,412,038.14	51,734,203.30	199,381,542.12
Cash flows from investing activities:				
Decrease pledged deposits with financial institution	-	1,640,000.00	-	-
(Increase) decrease in temporary investments	(87,808,430.27)	48,689,223.05	-	-
Cash receipt from short-term loans to subsidiary	-	-	11,674,704.00	60,421,773.00
Increase in short-term loans to subsidiary	-	-	(11,643,500.00)	(61,830,000.00)
Cash receipt from long-term loans to subsidiary	-	-	32,497,364.90	43,920,549.75
Cash payment for purchase of fixed assets	(75,237,146.17)	(84,555,844.55)	(1,924,357.29)	(332,557.40)
Cash receipt from sales of fixed assets	16,885,016.50	5,354,086.79	9,453,608.41	56,357,130.12
Cash receipt for sales of asset held-for-sale	463,708,099.00	-	463,708,099.00	-
Cash payment for purchase of intangible assets	(33,168,017.98)	(32,139,887.58)	(12,179,728.77)	(21,787,547.26)
Dividend received	-	-	41,971,202.00	91,686,976.00
Interest received	490,444.42	683,814.43	7,950,081.69	5,391,439.45
Net cash provided by (used in) investing activities	284,869,965.50	(60,328,607.86)	541,507,473.94	173,827,763.66

TCM CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(Restated)			
Cash flows from financing activities:				
Increase in bank overdraft and short-term loans				
from financial institutions	53,011,372.20	171,691,375.91	-	(500,000.00)
Cash received of long-term loans from related person	2,130,153.11	-	-	-
Cash payment for long-term loans from related person	(5,100,154.33)	(4,339,632.83)	-	-
Cash received of long-term loans from financial institution	17,310,539.65	-	-	-
Cash payment for long-term loans from financial institutions	(470,752,231.74)	(356,299,293.42)	(385,761,500.00)	(190,000,000.00)
Cash payment for loan front-end fee	(2,179,369.23)	-	-	-
Cash payment for lease liabilities	(32,187,826.05)	(29,291,850.07)	(1,099,519.22)	(986,870.88)
Dividend paid	(45,913,637.22)	(185,098,432.74)	-	(68,621,139.30)
Cash payment for finance costs	(140,849,933.47)	(167,738,583.89)	(94,623,935.22)	(121,875,118.82)
Cash received from paid for share capital	18,307,753.41	-	-	-
Cash received from increasing share capital	-	48,600.00	-	48,600.00
Net cash used in financing activities	(606,223,333.67)	(571,027,817.04)	(481,484,954.44)	(381,934,529.00)
Net increase (decrease) in cash and cash equivalents	241,732,993.36	(96,944,386.76)	111,756,722.80	(8,725,223.22)
Exchange differences on translating financial statements				
of foreign operation	4,715,559.36	(6,492,556.73)	-	-
Cash and cash equivalents at beginning of the period	425,771,290.19	529,208,233.68	67,588,410.33	76,313,633.55
Cash and cash equivalents at end of the period	672,219,842.91	425,771,290.19	179,345,133.13	67,588,410.33

Supplemental cash flow information

Non-cash transactions

Acquisition of fixed assets by mean of liabilities under				
finance leases agreements	-	39,125,138.31	-	-
Decrease in payable for purchase of buildings and equipment	(166,291,901.00)	(482,165,000.00)	(166,291,901.00)	(482,165,000.00)
Increase (decrease) in payable for purchase of intangible assets	3,152,936.54	(8,202,599.24)	3,147,586.54	(8,749,670.24)
Increase (decrease) in accrued employee benefits expenses	37,837,269.13	(23,286,499.95)	643,361.99	(19,557,809.95)
Lease liabilities	69,988,268.97	-	14,731,587.29	-
Transfer land to assets held for sale	463,708,099.00	-	463,708,099.00	-
Transfer provision of employee benefits expenses	-	-	-	10,957,905.00
Increase in account receivable for sale of fixed assets	-	-	-	4,629,519.06
Difference on measurement of loans to subsidiaries	-	-	(19,689,556.24)	-
Allowance for doubtful accounts - beginning	-	-	(6,441,316.15)	-
Deferred interest	12,016,893.43	-	12,016,893.43	-

Notes to the Financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**
1. GENERAL INFORMATION

TCM Corporation Public Company Limited ("the Company") was registered as a limited company with the Ministry of commerce on April 10, 1967. The Company became a public company limited and was registered with the Ministry of commerce on March 31, 1994.

The Company registered its office at 2044/24 New Petchburi Road, Bangkapi, Huaykwang, Bangkok, 10310 Thailand.

The major shareholder of the Company is Srivikorn Family.

The Company and its two local subsidiaries, Royal Thai International Co., Ltd. and United Carpet Manufacturing Co., Ltd. including a group of the overseas subsidiaries, TCMC HK (2017) Limited Group and a group of the local subsidiaries, Vechachai Co., Ltd. Group (Commercial Carpet Business) manufacture, distribute and/or sell various types of rugs and install carpet for flooring, including the Axminster Carpet, and hand carpet to decorate hotels, theaters, airports, palaces, and homes, and sell flooring products (TCM Flooring).

During the first quarter of 2019, there is a change in the structure of the flooring carpets business operation by transferring of manufacturing operation to be centralized at Carpet International Thailand Plc., a subsidiary of Vechachai Co., Ltd. Group for using as the manufacturing base of the flooring carpets business.

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 OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Thai Securities and Exchange Commission.

Presentation of the financial statements complies with the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided, translated based on Thai version.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The Preparation of the financial statements in conformity with Thai Financial Reporting Standards ("TFRS")

requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Coronavirus disease 2019 Pandemic (COVID-19)

The COVID-19 pandemic has caused an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

Basis of preparation of consolidation financial statements

- a. The consolidated financial statements have included the financial statements of TCM Corporation Public Company Limited and its subsidiaries (together referred to as "Group") as follows:

Company name	Type of business	Percentage of holding % of share capital		Head office location
		2020	2019	
• Direct subsidiaries held by the Company				
United Carpet Manufacturing Co., Ltd.	Manufacturer and distributor of carpet	51.00	51.00	Thailand
Royal Thai international Co., Ltd.	Flooring distributors	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 in sofa business	76.00	76.00	England
Manor (2016) Holdings Limited	Holding company in sofa business	100.00	100.00	England
TCMC HK (2017) Limited	Holding company in carpet business	100.00	100.00	Hong Kong
Vechachai Company Limited	Holding company in carpet business	100.00	100.00	Thailand
• Indirect subsidiaries held by TCMC Furniture Limited and Manor (2016) Holdings Limited*				
Alstons (Upholstery) Limited	Manufacturer and distributor of sofa chair	75.45	76.00	England
Alstons (Carbinets) Limited	Manufacturer of wooden frame for sofa chair	75.45	76.00	England
TCMC Living Limited (Formerly known as "DM Midlands Holdings Limited")	Holding company in sofa business	75.45	75.00	England
Ashley Manor Upholstery Limited	Manufacturer and distributor sofa chairs	75.45	75.00	England
AMX Design Limited	Sofa chairs distributors	75.45	75.00	England
Alexander and James Limited	Sofa chairs distributors	75.45	75.00	England
James Alexander Co., Ltd.	Research and product development center for Alexander and James Limited and distributor sofa	75.00	75.00	Thailand
• Indirect subsidiaries held by TCMC HK (2017)				
Costigan Limited	Holding company in carpet business	100.00	100.00	British Virgin Islands
Anderry Limited	Holding company in carpet business	100.00	100.00	British Virgin Islands
Onsen Limited	Holding company in carpet business	100.00	100.00	British Virgin Islands
Royal Thai HK (2017) Limited	Carpet distributors	100.00	100.00	Hong Kong
Royal Thai Carpets (Foshan) Co., Ltd.	Manufacturer and distributor of carpet	51.00	-	China
Royal Thai America (2017) Inc.	Carpet distributors	100.00	100.00	USA
Royal Thai Singapore (2017) Pte. Ltd.	Carpet distributors	100.00	100.00	Singapore

Company name	Type of business	Percentage of holding % of share capital		Head office location
		2020	2019	
Royal Thai Macau (2017) Limited	Carpet distributors	100.00	100.00	Macau
Royal Thai India (2017) Limited	Carpet distributors	100.00	100.00	India
RT UK (2017) Limited	Carpet distributors	100.00	100.00	England
Royal Thai China Trading Limited	Carpet distributors	100.00	100.00	China
• Indirect subsidiaries held by Vechachai Co., Ltd.				
Carpets International Thailand Plc.	Manufacturer and distributor of carpet	99.31	99.31	Thailand

*During the year 2020, there is the shareholder restructuring of the subsidiaries in the United Kingdom by combining TCM Living business from the existing structure, shares of DM Midlands Holdings Limited held by Manor Holdings (2016) Limited in proportion of 75% to be new structure, shares of DM Midlands Holdings Limited held by Manor Holdings (2016) Limited and TCM Furniture Limited, in proportion of 41.25% and 45% respectively, DM Midlands Holdings Limited shall issue new shares to swap with shares in Alstons Upholstery of TCM Furniture Limited, as a result, the Company's shareholding in DM Midlands Holdings Limited through Manor Holdings (2016) Limited and TCM Furniture, will be 75% as the same as previous shareholding proportion. After the restructure, the name of DM Midlands Holdings Limited will be change to TCM Living Limited. There is no significant change in the Company's shareholding in such subsidiaries.

- b. 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.
- c. Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
- d. The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e. Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f. 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.

3. NEW FINANCIAL REPORTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE

(a) Financial reporting standards that became effective in the current year

During the year 2020, the Company and its subsidiaries adopted the revised (revised 2020) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards seek alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of either the Company or its subsidiaries, except the adoption of the financial reporting standards related to financial instruments and TFRS 16 Leases. The changes to key principles and impacts are summarized as follows:

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and

interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

Impacts on the financial statements

The Group has adopted these two groups of reporting standards as from January 1, 2020 under the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognized in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 is as follows:

Unit: Baht				
Consolidated financial statements				
	December 31, 2019 (Restated)	Financial reporting standards related to financial instruments	TFRS 16	January 1, 2020
Statement of financial position				
Current assets				
Trade and other current receivables - net	1,413,528,796.15	(5,020,853.24)	-	1,408,507,942.91
Non-current assets				
Other non-current receivables	9,444,948.68	-	(1,611,080.00)	7,833,868.68

Unit: Baht

Consolidated financial statements				
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	January 1, 2020
Property, plant and equipment - net	2,731,644,316.50	-	(25,270,656.39)	2,706,373,660.11
Right-of-use assets - net	-	-	96,870,005.36	96,870,005.36
Current liabilities				
Current portion of long-term loans from financial institutions	477,278,413.90	(11,383,030.98)	-	465,895,382.92
Current portion of lease liabilities	23,187,314.19	-	29,483,006.22	52,670,320.41
Derivative liabilities	-	4,570,005.67	-	4,570,005.67
	(Restated)			
Non-current liabilities				
Long-term loans from financial institutions - net	2,807,331,852.60	6,013,835.27	-	2,813,345,687.87
Lease liabilities - net	11,913,924.84	-	40,505,262.75	52,419,187.59
Deferred tax liabilities - net	262,310,376.99	108,355.93	-	262,418,732.92
Shareholders' equity				
Retained earnings - unappropriated	692,655,561.77	(4,330,019.13)	-	688,325,542.64

Unit: Baht

Separate financial statements				
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	January 1, 2020
	(Restated)			
Statement of financial position				
Current assets				
Trade and other current receivables - net	520,196,826.79	(26,130,872.39)	-	494,065,954.40
Current portion of long-term loans to and interest receivables from subsidiary	73,173,231.08	(25,955,558.33)	-	47,217,672.75
Non-current assets				
Investment in subsidiaries - net	3,916,362,720.07	33,832,806.69	-	3,950,195,526.76
Long-term loans to and interest receivables subsidiaries	145,912,278.42	35,895,190.27	-	181,807,468.69
Property, plant and equipment - net	649,713,885.28	-	(2,855,234.64)	646,858,650.64
Right-of-use assets - net	-	-	13,024,788.93	13,024,788.93

Unit: Baht

Separate financial statements				
	December 31, 2019	Financial reporting standards related to financial instruments	TFRS 16	January 1, 2020
Current liabilities				
Current portion of long-term loans				
from financial institutions	189,295,610.76	(11,383,030.98)	-	177,912,579.78
Current portion of lease liabilities	447,396.00	-	579,453.38	1,026,849.38
	(Restated)			
Non-current liabilities				
Long-term loans from financial institutions - net	2,250,964,478.09	6,013,835.27	-	2,256,978,313.36
Lease liabilities - net	932,172.37	-	9,590,100.91	10,522,273.28
Deferred tax liabilities - net	25,822,530.53	5,838,933.63	-	31,661,464.16
Shareholders' equity				
Retained earnings - unappropriated	438,498,690.80	17,171,828.32	-	455,670,519.12

The Company extended loans to the two subsidiaries, charging an interest rate that is less than the market rate. The Company, therefore, recorded the difference between the loan amounts and their fair value at the initial date as "Investment in subsidiaries" in the separate financial statements at the date of initial application of financial reporting standards related to financial instruments.

The total impact on retained earnings as at January 1, 2020 is as follows:

	Unit: Baht	
	Consolidated financial statements	Separate Financial statements
Unappropriated retained earnings as at December 31, 2019 (as restated)	692,655,561.77	438,498,690.8
Allowance loss for trade and other current receivables	(5,020,853.24)	(6,441,316.15)
Difference on measurement of loans to subsidiaries	-	24,082,882.39
Difference on measurement of long-term loans from financial institutions	5,369,195.71	5,369,195.7
Derivatives	(4,570,005.67)	-
Income tax expense related	(108,355.93)	(5,838,933.63)
Unappropriated retained earnings as at January 1, 2020 (as restated)	688,325,542.64	455,670,519.1

Financial instruments

Classification and measurement

On January 1, 2020 (the date of initial application), Group management has assessed which business models applied to the financial assets and liabilities. Group management has classified and measured all financial assets and liabilities at amortised cost, except temporary investments and derivatives, which are measured at fair value through profit or loss.

Derivatives

The Group has the following derivative instruments:

	Unit: Baht	
	Consolidated financial statements	
	As at December 31, 2020	As at January 1, 2020
<u>Current assets</u>		
Foreign currency forward contracts	7,033,819.15	-
Total current assets - derivative	7,033,819.15	-
<u>Current liabilities</u>		
Foreign currency forward contracts	41,894,442.89	4,570,005.67
Total current liabilities - derivative	41,894,442.89	4,570,005.67

	Unit: Baht	
	Separate financial statements	
	As at December 31, 2020	As at January 1, 2020
<u>Current liabilities</u>		
Foreign currency forward contracts	7,033,819.15	-
Total current liabilities - derivative	7,033,819.15	-

Impairment of financial assets

The Group has trade receivables that are subject to the expected credit loss model. The Company only has trade receivables and short-term loans to related parties that are subject to the expected credit loss model. The Company and its subsidiaries adjusted the effect in the financial statements at the date of adoption of such standard.

Lease agreement

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 Leases. The right-of-use assets were measured at amount equal to the lease liability, recognised in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's implicit interest rate. The Group and the Company's implicit interest rate applied to the lease liabilities as at January 1, 2020 between was 2% to 5.25% and was 4.75%, respectively.

For leases previously classified as finance leases applying TAS 17, the Group recognised the carrying

amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

As at January 1, 2020 the Group has the following right-of-use assets and lease liabilities as follows:

Right-of-use assets of the Group as at January 1, 2020, are presented as Note No.12.

Lease liabilities	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Present value of the remaining lease payments	75,481,567.23	13,650,000.00
<u>Less:</u> Deferred interest expenses	(5,493,298.26)	(3,480,445.71)
Additional lease liabilities from TFRS 16 adoption	69,988,268.97	10,169,554.29
Finance lease liabilities as at December 31, 2019	35,101,239.03	1,379,568.37
Lease liabilities recognised as at January 1, 2020	105,089,508.00	11,549,122.66
Of which are:		
Current lease liabilities	52,670,320.41	1,026,849.38
Non-current lease liabilities	52,419,187.59	10,522,273.28
	105,089,508.00	11,549,122.66

(b) Revised financial reporting standards

In January 2021, the Federation of Accounting Professions announced the new TFRS 16 Lease (revised 2020), which was amended to provide the following two practical forms of relief:

- 1) Rent concessions to lessees as a result of the COVID-19 pandemic:
A lessee may elect not to assess whether a COVID-19 related rent concession is a lease modification and shall account for those rent concessions as if they were not lease modifications. This amendment is effective for fiscal periods beginning on or after June 1, 2020.
- 2) Lease modifications as a result of interest rate benchmark reform:
This will be effective for fiscal periods beginning on or after January 1, 2022.

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

(c) Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of COVID-19"

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of COVID-19."

The Accounting Treatment Guidance was published in the Royal Government Gazette on April 22, 2020, and is effective for financial statements prepared for reporting periods between January 1, 2020 and December 31, 2020.

Among the temporary relief measures on accounting alternatives, the Group has elected:

- Not to consider forward-looking information to measure the expected credit losses of trade receivable when using simplified approach..

4. SIGNIFICANT ACCOUNTING POLICIES

Revenue and expenses recognition

Sales of goods

Revenue from sale of goods and cost of sale are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax of goods supplied after deducting discounts.

Revenues from rendering services

Revenues from rendering services of carpet and flooring installation is recognised 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.

Dividend

Dividends are recognised when the right to receive the dividends is established.

Interest income and other income

Interest income and other income are recognised on an accrual basis.

Expenses

Expense is recognised in profit or loss on accrual basis.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies TFRS 9's simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets and financial liabilities

Classification and measurement of financial assets and financial liabilities

Classification

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost*: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- *FVOCI*: A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- *FVPL*: A asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Company applies the simplified approach to measure expected credit losses.

Investment in subsidiaries in separate financial statement

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investment in subsidiaries accounted for in the separate financial statements is stated at cost net of allowance for loss on 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 Group and the Company 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.

Inventories

Inventories are presented 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 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. The costs of conversion above include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

Allowance for decline in value obsolete inventories is recorded by considering obsolete inventories and slow-moving inventories.

Investment property

Investment properties are properties which are 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 administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any

change recognised 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.

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 impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, 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 subsidiaries will provide an independent expert to revalue such assets every 5 years. However, in case there is any factor which materially effects to the asset value, the Company and 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.

Depreciation of building and equipment is calculated based on the straight-line method over the estimated useful life of the assets as follows:

	Useful life (years)
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 Group has reviewed and adjusted residual value and expected useful lives of the asset, if appropriate, at the end of each reporting period.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining operating result and no depreciation is provided on land construction in progress and installation.

Any gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Repairs and maintenance are charged to profit or loss during the financial years in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related assets.

Assets held-for-sale

Assets or asset groups held-for-sale are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable, and the asset is available for immediate sale in its present condition with the expectation that sale should be recorded as completed within one year from the date of classification. These assets or asset groups are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in the statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss. If the asset is revalued, and related revaluation surplus is transferred directly to retained earnings.

Goodwill

Goodwill represents the excess of the cost of investment over the fair value of investment, which the Company shares in the net identifiable assets of the subsidiary at the date of acquisition. Goodwill on acquisition of a subsidiary is presented as a separate line in the consolidated financial statements.

The goodwill recognized is tested annually for impairment and carried at cost less accumulated impairment losses. The impairment of goodwill is determined by calculating the realizable value based on the value-in-use calculation. Such calculation requires the use of estimates made by management. The allowance for impairment loss on goodwill is not reversed.

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.

Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss (if any).

The Group records the initial costs of intangible assets from business combination at fair value of the assets at the date of acquisition. Intangible assets from other sources are initially recognized at their costs.

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

A summary of the intangible assets with finite useful lives is as follows:

	Useful life (years)
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.

Impairment of assets

At each reporting date, the Group performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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 could obtain from the disposal of the asset after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

Leases

Leases - where the Group is the lessee

At inception of a contract, the Group assesses 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 Group recognises right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and

- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the right-of-use asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the right-of-use asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- The Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue, the amount is presented under trade and other current liabilities.

Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits – defined contribution plan

The Group has established a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by the contribution from employees and the

Group. Contributions to the provident fund are charged to profit or loss in the period to which they relate.

Post-employment benefits - defined benefit plan

The employee benefits liabilities in relation to the severance payment under the labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in other comprehensive income in the period in which they arise.

Provisions

Provisions are recognised when the Group have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Group and the Company, whether directly or indirectly, or which are under common control with the Group and the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group and the Company that gives them significant influence over the Group and the Company, key management personnel, 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.

Foreign currencies

Functional and presentation currency

The financial statements of each entity within the Group are presented in the functional currency which is the currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in the presentation currency as Thai Baht in accordance with the regulatory requirements in Thailand. The functional currencies of the Group are Thai Baht and of TCMC Furniture Limited and Manor (2016) Holdings Limited are Pound and TCMC HK (2017) Limited are US Dollars.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or loss on translating is recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translating into the functional currency using the exchange rate at the date of transaction.

Translation of the Group's financial statements

The financial statements of the Group are translated into the presentation currency using the following exchange rate:

- The Group's assets and liabilities are translated at the closing rate as at the end of reporting period date.
- The Group's 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 "the translating financial statement" as a separate component of shareholders' equity until the disposal of the foreign operation.

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit

will be realised.

Earnings (loss) per share

The calculations of basic earnings (loss) per share for the year were based on the profit (loss) for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings (loss) per share for the year were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant accounting judgments and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in value of inventory

Allowances for diminution in the value of inventory accounts 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 diminution in value of inventory in the future.

Impairment of investment in subsidiary

Management reviews the impairment of investments in subsidiary companies by considering the operating result and the future business plan of the subsidiary companies. Such consideration is based on Management's judgment.

Property plant and equipment and intangible assets/Depreciation

In determining depreciation of plant and equipment and intangible assets, the management is required to make estimates of the useful lives and salvage values of the Company's building and equipment and intangible assets to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment, and intangible assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding the forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible asset acquired in a business combination

In recording the initial recognition and measurement of goodwill and intangible asset acquired in a business combination as at the acquired date and subsequent impairment testing, the 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 recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Retirement employee benefits

The Group has commitments on retirement benefits to employees under the Thai Labour Law. The amount of provision presented in the statement of financial position represents the present value of employee benefit obligations which is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate, the rate of salary inflation and employee turnover and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Group determines those assumptions i.e. the appropriate discount rate, which should represent the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the current yields on long-term government bonds.

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 Group uses 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.

5. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

5.1 The nature of the relationship with related parties can be summarised as follows:

Name of related parties	Type of business	Nature of relationship
<u>Direct subsidiaries</u>		
United Carpet Manufacturing Co., Ltd.	Manufacturer and distributor of carpet	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
Manor (2016) Holdings Limited	Holding company in sofa business	Subsidiaries
TCMC HK (2017) Limited	Holding company in carpet business	Subsidiaries
Vechachai Co., Ltd.	Holding company in carpet business	Subsidiaries
<u>Indirect subsidiaries</u>		
TCM Living Limited (Formerly known as "DM Midlands Holdings 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 (A subsidiary of TCMC Furniture Limited in 2019)
Alstons (Cabinets) Limited	Manufacturer of wooden frame for sofa chair	A subsidiary of TCM Living Limited (A subsidiary of TCMC Furniture Limited in 2019)
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 carpet business	A subsidiary of TCMC HK (2017) Limited
Anderry Limited	Holding company in carpet business	A subsidiary of Costigan Limited
Onsen Limited	Holding company in carpet business	A subsidiary of Anderry Limited
Royal Thai HK (2017) Limited	Carpet distributors	A subsidiary of Costigan Limited
Royal Thai America (2017) Inc.	Carpet distributors	A subsidiary of Costigan Limited
Royal Thai Singapore (2017) Pte. Ltd.	Carpet distributors	A subsidiary of Costigan Limited
Royal Thai Macau (2017) Limited	Carpet distributors	A subsidiary of Costigan Limited
Royal Thai India (2017) Limited	Carpet distributors	A subsidiary of Onsen Limited
RT UK (2017) Limited	Carpet distributors	A subsidiary of TCMC HK (2017) Limited
Royal Thai China Trading Limited	Carpet 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 carpet	A subsidiary of Vechachai Co., Ltd.
<u>Related companies</u>		
President Hotel and Tower Co., Ltd.	Hotel	The Company's Shareholder and Co-director
Erawan Holding L.L.C.	Interior	Shareholder in the subsidiary

Name of related parties	Type of business	Nature of relationship
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
P.T. Suminoe Surya Techno	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
Suminoe Teijin Techno Krishna	Manufacturer and distributor of automotive textile	Co-shareholder with the subsidiary
Srivikorn Group Holding Co., Ltd.	Holding company	The same director
<u>Related persons</u>		
Key management personnel		Persons having authority and responsibility for management
Shareholders		Shareholder of the company and Subsidiaries

5.2 The Group implements the following pricing policies for its related party transactions:

Transactions	Pricing policies
Revenue from sales and services	Agreed rates
Dividend income	As declared
Interest income	Market interest rates
Management fee income	Agreed rates
Cost of purchase goods	Agreed rates
Cost of rendering of services	Agreed rates
Marketing expense	Agreed rates
Technical assistance fee	Agreed rates
Commission	Agreed rates
Interest expenses	Market interest rates
Compensation to director	As approved by director and/or shareholders
Management fee	Contract rates

5.2.1 Revenue and expense transactions with related parties for the year ended December 31, 2020 and 2019 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue from sales and services				
Subsidiaries				
Royal Thai International Co., Ltd.	-	-	-	3,859,750.41
Carpets International Thailand Plc.	-	-	4,282,530.31	64,696,309.69
Royal Thai HK (2017) Limited	-	-	150,065,550.18	62,405,569.10
Royal Thai Americas (2017) Inc.	-	-	338,935,494.39	417,321,022.56
Royal Thai Singapore (2017) Pte. Ltd.	-	-	17,803,719.43	30,937,223.49
Royal Thai Macau (2017) Limited	-	-	32,574,288.62	49,404,805.77
RT UK (2017) Limited	-	-	8,056,493.71	3,642,556.64
Royal Thai China Trading Limited	-	-	12,630,562.69	4,195,465.68
Total	-	-	564,348,639.33	636,462,703.34

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Related parties				
President Hotel and Tower Co., Ltd.	-	116,707.60	-	116,707.60
Suminoe Teijin Techno Krishna India Pvt., Ltd.	328,278.72	1,272,956.39	-	-
Suminoe Textile Co., Ltd.	190,335.12	26,787.01	-	-
Srivikorn Group Holding Co., Ltd.	-	3,540.00	-	3,540.00
Total	518,613.84	1,419,991.00	-	120,247.60
Total revenue from sales and services	518,613.84	1,419,991.00	564,348,639.33	636,582,950.94
Dividend income				
Subsidiaries				
T.C.H. Suminoe Co., Ltd	-	-	41,971,202.00	91,686,976.00
Total dividend income	-	-	41,971,202.00	91,686,976.00
Other income				
Management fee income				
Subsidiaries				
Carpets International Thailand Plc.	-	-	30,951,772.50	30,199,612.45
Royal Thai HK (2017) Limited	-	-	6,709,325.66	6,840,594.95
Royal Thai Americas (2017) Inc.	-	-	16,929,516.63	19,858,495.69
Royal Thai Singapore (2017) Pte. Ltd.	-	-	-	1,244,607.23
RT UK (2017) Limited	-	-	760,946.28	572,974.16
Total management fee income	-	-	55,351,561.07	58,716,284.48
Others				
Subsidiaries				
Royal Thai International Co., Ltd.	-	-	-	81,507.19
TCMC Living Limited (Formerly known as "DM Midlands Holdings Limited")	-	-	-	130,418.32
Carpets International Thailand Plc.	-	-	541,367.00	5,641,882.00
TCMC Furniture Limited	-	-	6,439,411.61	5,038,159.86
Manor (2016) Holdings Limited	-	-	517,708.20	72,156.30
Total others	-	-	7,498,486.81	10,964,123.67
Total other income	-	-	62,850,047.88	69,680,408.15

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Sales of fixed assets				
Subsidiary				
Carpets International Thailand Plc.	-	-	-	60,933,250.01
Total sales of fixed assets	-	-	-	60,933,250.01
Purchase of goods				
Subsidiaries				
United Carpet Manufacturing Co., Ltd.	-	-	-	82,296.00
Carpets International Thailand Plc.	-	-	698,684,132.67	716,973,281.54
Total	-	-	698,684,132.67	717,055,577.54
Related parties				
Suminoe Textile Shanghai Co., Ltd.	10,812,631.82	101,955,465.02	-	-
SPM Automotive Textile Co., Ltd.	3,064,495.17	6,115,511.60	-	-
Suminoe Textile Co., Ltd.	1,853,164.02	739,326.79	-	-
Total	15,730,291.01	108,810,303.41	-	-
Total purchase of goods	15,730,291.01	108,810,303.41	698,684,132.67	717,055,577.54
Distribution costs and administrative expenses				
Subsidiaries				
Carpets International Thailand Plc.	-	-	-	612,500.00
Royal Thai Americas (2017) Inc.	-	-	54,843,962.55	68,267,852.30
Total	-	-	54,843,962.55	68,880,352.30
Related parties				
Suminoe Textile Shanghai Co., Ltd.	-	645,138.59	-	-
Suminoe Textile Co., Ltd.	21,084,120.88	34,451,497.27	-	-
SPM Automotive Textile Co., Ltd.	-	219,385.95	-	-
Total	21,084,120.88	35,316,021.81	-	-
Total Distribution costs and administrative expenses	21,084,120.88	35,316,021.81	54,843,962.55	68,880,352.30
Finance costs				
Related company and person				
Other shareholders	-	4,253.46	-	-
Total	-	4,253.46	-	-
Total Finance costs	-	4,253.46	-	-

5.2.2 Compensation for directors and key management personnel

Compensation for directors and key management personnel for the year ended December 31, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term benefits	190,103,342.36	173,767,788.18	16,928,365.00	17,269,023.00
Post-employment benefits	4,781,908.47	5,080,913.34	128,275.00	871,376.00
Total	194,885,250.83	178,848,701.52	17,056,640.00	18,033,829.00

5.3 The balances of the accounts with related companies as at December 31, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Assets				
Trade and other current receivables - related parties				
Subsidiaries				
United Carpet Manufacturing Co., Ltd.	-	-	8,597.06	8,597.06
Royal Thai International Co., Ltd.	-	-	23,090,547.39	30,063,058.73
TCMC Furniture Limited	-	-	-	144,056.23
Manor (2016) Holdings Limited	-	-	-	19,545,500.00
TCM Living Ltd. (Formerly known as "DM Midlands Holdings Limited")	-	-	-	759,326.75
RT UK (2017) Limited	-	-	6,930,751.08	3,906,258.07
Carpets International Thailand Plc.	-	-	14,366,715.22	43,106,409.43
Royal Thai HK (2017) Limited	-	-	152,245,104.14	37,165,167.22
Royal Thai Americas (2017) Inc.	-	-	149,016,409.89	251,899,470.03
Royal Thai Singapore (2017) Pte. Ltd.	-	-	2,980,882.11	5,853,405.12
Royal Thai Macau (2017) Limited	-	-	-	26,344,207.13
Royal Thai China Trading Limited	-	-	7,993,961.22	3,592,776.74
Total	-	-	356,632,968.11	422,388,232.51
Less: Allowance for doubtful accounts	-	-	(14,641,989.25)	(14,581,236.48)
Net	-	-	341,990,978.86	407,806,996.03
Related parties				
Suminoe Teijin Techno Krishna India Pvt., Ltd.	-	97,921.89	-	-
Total	-	97,921.89	-	-
Total trade and other current receivables - related parties - net	-	97,921.89	341,990,978.86	407,806,996.03

Other non-current assets

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Subsidiary					
	Carpets International Thailand Plc.	-	-	255,000.00	175,000.00
Total other non-current assets		-	-	255,000.00	175,000.00
Right-of-use assets - net					
Subsidiary					
	Carpets International Thailand Plc.	-	-	13,709,206.85	-
Total right-of-use assets - net		-	-	13,709,206.85	-
Short-term loans to subsidiaries					
Manor (2016) Holdings Limited					
	Beginning balance	-	-	-	406,118.00
	<u>Add:</u> Additional loans during the year	-	-	11,643,500.00	40,655,000.00
	<u>Less:</u> Received during the year	-	-	(11,674,704.00)	(39,621,773.00)
	<u>Less:</u> Loss on exchange rate	-	-	31,204.00	(1,439,345.00)
	Ending balance	-	-	-	-
TCMC Living Ltd. (Formerly known as "DM Midlands Holdings Limited")					
	Beginning balance	-	-	-	-
	<u>Add:</u> Additional loans during the year	-	-	-	21,175,000.00
	<u>Less:</u> Received during the year	-	-	-	(20,800,000.00)
	<u>Less:</u> Loss on exchange rate	-	-	-	(375,000.00)
	Ending balance	-	-	-	-
	United Carpet Manufacturing Co., Ltd.	-	-	2,550,000.00	2,550,000.00
	<u>Less:</u> Allowance for doubtful accounts	-	-	(2,550,000.00)	(2,550,000.00)
	Net	-	-	-	-
Total short-term loans to subsidiaries - net		-	-	-	-

As at December 31, 2020 and 2019, short-term loans to a local subsidiary in the amount of Baht 2.55 million, in the form of promissory notes are due on September 15, 2021 and 2020 respectively. The Company has stopped recognizing interest since 2018.

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Long-term loans to and interest receivables					
Subsidiaries					
TCMC Furniture Limited					
	Beginning balance	-	-	192,594,866.75	219,085,509.50
	<u>Less:</u> Deferred interest	-	-	(4,742,714.17)	-

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Add:</u> Accrued interest	-	-	1,089,075.83	-
Total	-	-	188,941,228.41	219,085,509.50
<u>Less:</u> Current portion of lease liabilities	-	-	(31,718,958.89)	(73,173,231.08)
Ending balance	-	-	157,222,269.52	145,912,278.42
Manor (2016) Holdings Limited				
Beginning balance	-	-	20,101,750.00	-
<u>Less:</u> Deferred interest	-	-	(2,535,265.82)	-
<u>Add:</u> Accrued interest	-	-	-	-
Total	-	-	17,566,484.18	-
<u>Less:</u> Current portion of lease liabilities	-	-	-	-
Long-term loans - net	-	-	17,566,484.18	-
Total long-term loans to and interest receivables - net	-	-	174,788,753.70	145,912,278.42

Movements of Long-term loans to and interest receivables from subsidiaries for the year ended December 31, 2020 were summarized as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term loans to and interest receivables				
Subsidiaries				
TCMC Furniture Limited				
Beginning balance	-	-	219,085,509.50	272,505,178.00
Adjustments affecting due to				
TFRS 9 first adoption	-	-	(6,631,120.65)	-
Beginning balance - as restated	-	-	212,454,388.85	272,505,178.00
<u>Add:</u> Addition loans during the year	-	-	-	-
<u>Less:</u> Received during the year	-	-	-	-
<u>Add:</u> Interest income	-	-	6,439,411.61	-
<u>Less:</u> Loss on exchange rate	-	-	5,721,327.41	(9,499,118.75)
Ending balance	-	-	188,941,228.41	219,085,509.50
Manor (2016) Holdings Limited				
Beginning balance	-	-	-	-
Adjustments affecting due to				
TFRS 9 first adoption	-	-	16,570,752.59	-
Beginning balance - as restated	-	-	16,570,752.59	-
<u>Add:</u> Addition during the year	-	-	-	-
<u>Add:</u> Interest income	-	-	517,708.20	-
<u>Less:</u> Gain on exchange rate	-	-	-	-
Ending balance	-	-	17,566,484.18	-

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Total long-term loans to and interest receivables			206,507,712.59	219,085,509.50
Less: Current portion within 1 year	-	-	(31,718,958.89)	(73,173,231.08)
Total long-term loans to and interest receivables from subsidiaries	-	-	174,788,753.70	145,912,278.42

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 recognized by using an effective 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.

As at December 31, 2020 and 2019 the balances outstanding on such loan were Pound 4.79 million and Pound 5.15 million, respectively. This loan is unsecured.

As at December 31, 2020, 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 recognised 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 loan.

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 at the date of initial application of financial reporting standards related to financial instruments.

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Liabilities				
Trade and other current payables - related parties				
Subsidiaries				
Royal Thai international Co., Ltd.	-	-	-	1,260,629.54
Carpets International Thailand Plc.	-	-	349,398,054.99	359,172,018.89
Royal Thai American (2017) Inc.	-	-	20,146,275.13	68,267,852.30
Total	-	-	369,544,330.12	428,700,500.73
Related companies and person				
Suminoe Textile Co., Ltd.	3,869,855.05	6,172,969.91	-	-
Suminoe Textile Shanghai Co., Ltd.	2,883,228.79	5,648,092.07	-	-
SPM Automotive Textile Co., Ltd.	528,605.41	-	-	-
Other shareholders	110,934.71	606,463.89	-	597,129.93
Total	7,392,623.96	12,427,525.87	-	597,129.93

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Total trade and other current payables - related parties	7,291,023.21	12,427,525.87	369,544,330.12	429,297,630.66
Short-term loans				
Related person				
Other shareholders	1,500,000.00	1,500,000.00	-	-
Total short-term loans from related person	1,500,000.00	1,500,000.00	-	-
Long-term loan				
Related persons				
Beginning balance	20,136,280.68	25,420,287.30	-	-
Add: Addition loans during the year	2,130,153.11	-	-	-
Less: Repayment during the year	(5,100,154.33)	(4,339,632.83)	-	-
Difference on translating financial statements	532,571.19	(944,373.79)	-	-
Ending balance	17,698,850.65	20,136,280.68	-	-

As at December 31, 2020 and 2019, short-term loans from related parties are in form of promissory notes, and are due on September 15, 2021 and 2020 respectively, with an interest of 1.15% per annum (reference to six-month fixed deposit interest rate).

As at December 31, 2020 and 2019, the subsidiary, TCMC Furniture Limited has borrowings from its shareholders in the amount of Pound 0.44 million and Pound 0.51 million, respectively. These loans bear a fixed interest rate of 2% per annum and unsecured.

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease liabilities - net				
Subsidiary				
Carpets International Thailand Plc.	-	-	13,974,147.04	-
Total lease liabilities - net	-	-	13,974,147.04	-

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	909,002.44	730,116.72	393,363.62	64,942.75
Deposits at financial institutions				
current accounts	440,423,981.63	266,280,121.43	10,202,548.60	740,905.40

savings accounts	230,886,858.84	158,761,052.04	168,749,220.91	66,782,562.18
Total cash and cash equivalents	672,219,842.91	425,771,290.19	179,345,133.13	67,588,410.33

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables - net as at December 31, 2020 and 2019, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(as restated)		
Trade receivables				
Trade receivables - other parties	1,103,769,305.94	1,288,640,588.14	36,712,602.85	78,084,584.51
Trade receivables - related parties	-	97,921.89	327,364,223.24	331,597,984.48
Total trade receivable	1,103,769,305.94	1,288,738,510.03	364,076,826.09	409,682,568.99
<u>Less</u> Allowance for doubtful accounts	(30,934,305.99)	(33,477,642.09)	(19,724,084.16)	(25,012,229.84)
Trade receivables - net	1,072,834,999.95	1,255,260,867.94	344,352,741.93	384,670,339.15
Other receivables				
Other receivables - related parties	-	-	29,268,744.87	71,244,748.03
Advance payment - related party	-	-	-	19,545,500.00
Value Added Tax	66,586,007.42	36,825,515.94	62,750,644.39	26,780,265.26
Advance payment	1,690,031.95	3,691,190.73	128,274.18	304,282.88
Withholding tax receivable	9,595,126.64	10,114,272.78	7,745,956.30	6,734,798.64
Prepaid expenses	115,570,849.46	67,797,515.47	1,158,899.81	2,613,725.55
Deposit for inventories	7,790,952.15	2,547,235.58	-	53,000.00
Retentions	11,599,193.03	19,772,273.43	3,122,145.72	12,315,360.79
Others	45,068,677.80	25,662,545.16	5,790,063.48	2,964,468.62
Total other receivables	257,900,838.45	166,410,549.09	109,964,728.75	142,556,149.77
<u>Less</u> Allowance for doubtful accounts	(1,506,266.21)	(8,142,620.88)	-	(7,029,662.13)
Total other receivables - net	256,394,572.24	158,267,928.21	109,964,728.75	135,526,487.64
Total trade and other current receivables - net	1,329,229,572.19	1,413,528,796.15	454,317,470.68	520,196,826.79

Movements of the change in the allowance for doubtful accounts for the year ended December 31, 2020 and 2019 were summarized as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance of the period - before	41,620,262.97	24,029,085.81	32,041,891.97	5,706,786.42
Adjustments affecting due to				
TFRS 9 first adoption	5,020,853.24	-	6,441,316.15	-
Beginning balance - as restated	46,641,116.21	24,029,085.81	38,483,208.12	5,706,786.42

Addition during the year	14,060,855.83	25,047,287.59	5,082,095.15	28,875,359.82
Deduction during the year	(28,023,636.97)	(7,901,459.39)	(23,841,219.11)	(2,540,254.27)
Difference on translating financial statements	(237,762.87)	445,348.96	-	-
Ending balance at end of the year	32,440,572.20	41,620,262.97	19,724,084.16	32,041,891.97

Trade receivables classified by ages of accounts consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Aging				
Not over due	247,817,224.49	926,727,127.86	187,974,357.58	311,388,811.47
Over due				
1 - 3 months	772,675,838.89	287,559,470.28	113,047,551.24	44,885,918.74
3 - 6 months	35,771,194.48	25,395,740.62	25,490,591.22	15,051,191.36
6 - 12 months	26,338,033.12	16,388,171.31	12,793,271.73	12,285,792.56
Over 12 months	21,167,014.96	32,667,999.96	24,771,054.32	26,070,854.86
Total	1,103,769,305.94	1,288,738,510.03	364,076,826.09	409,682,568.99

8. INVENTORIES - NET

Inventories - net as at December 31, 2020 and 2019, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	432,047,298.54	370,432,224.84	6,004,966.88	31,455,427.66
Raw materials	282,605,469.85	378,077,343.96	-	627,573.01
Work in process	101,745,346.24	110,453,055.70	-	-
Maintenance and factory supplies	37,790,682.20	42,315,591.98	722,886.35	4,972,273.83
Goods in transit	25,555,793.15	57,949,766.85	-	-
Total	879,744,589.98	959,227,983.33	6,727,853.23	37,055,274.50
Less Allowance for decline in value obsolete inventories	(75,516,204.55)	(70,915,070.69)	(2,380,241.64)	(20,086,597.95)
Net	804,228,385.43	888,312,912.64	4,347,611.59	16,968,676.55

Movements of the change in the allowance for decline in value obsolete inventories for the year ended December 31, 2020 and 2019 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Beginning balance of the year	70,915,070.69	83,184,633.40	20,086,597.95	19,244,088.80
Addition during the year	27,267,669.28	25,034,879.29	630,933.00	16,575,353.03
Deduction during the year	(22,711,281.42)	(37,195,849.73)	(18,337,289.31)	(15,732,843.88))
Difference on translating financial statements	44,746.00	(108,592.27)	-	-
Ending balance at end of the year	75,516,204.55	70,915,070.69	2,380,241.64	20,086,597.95

9. TEMPORARY INVESTMENTS

Temporary investments are short-term investments in marketable securities available-for-sale representing investments in Opened-End funds which are measured at fair value through profit or loss.

10. INVESTMENTS IN SUBSIDIARIES - NET

10.1 As at December 31, 2020 and 2019, investments in subsidiaries - net consisted of:

		Separate financial statements							
		Percentage of ownership (%)		Unit: Thousand Baht					
				Paid up shares		At cost method		Dividend income For the year ended December 31,	
		2020	2019	2020	2019	2020	2019	2020	2019
Type of business									
<u>Local subsidiaries companies</u>									
United Carpet Manufacturing Co., Ltd.	Manufacture and distributor of carpet	51.00	51.00	20,000	20,000	10,200	10,200	-	-
Less: Allowance on impairment of investment						(10,200)	(10,200)		
						-	-		
Royal Thai International Co., Ltd.	Distributor of Carpet	100.00	100.00	1,000	1,000	1,000	1,000	-	-
Less: Allowance on impairment of investment						(1,000)	(1,000)		
						-	-		
T.C.H Suminoe Co., Ltd.	Manufacturer and distributor of carpet	49.90	49.90	250,000	250,000	162,175	162,175	41,971	91,687
Vechachai Co., Ltd.	Holding company in carpet business (Manufacture and distributor of carpet)	100.00	100.00	1,000	1,000	1,748,278	1,748,278	-	-
<u>Overseas subsidiary companies</u>									
TCMC Furniture Limited	Holding company in furniture business - TCM Living group 45% (before the 2 nd quarter of 2020; Alstons Group 100%)	76.00	76.00	48,366 (1 million Pound)	48,366 (1 million Pound)	66,127*	36,758	-	-
Manor (2016) Holdings Limited	Holding company in business - TCM Living group 41.25% (before the 2 nd quarter of 2020; TCM Living group 75% (formerly known as DM Midlands group)	100.00	100.00	310,528 (6.25 million Pound)	310,528 (6.25 million Pound)	314,992*	310,528	-	-
TCMC HK (2017) Limited	Holding company in carpet business (Carpet distributors)	100.00	100.00	1,620,054 (387 million Hong Kong Dollars)	1,620,054 (387 million Hong Kong Dollars)	1,658,623	1,658,623	-	-
Total						3,950,195	3,916,362	41,971	91,687

*The Company has loans to the two subsidiaries charged an interest at the rate less than the market rate. The Company, therefore, recoded 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 at the date of initial application of financial reporting standards related to financial instruments.

10.2 The subsidiaries that have material non-controlling interests

		Unit: Thousand Baht							
Name of Company	Place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests (%)		Profit(loss) allocated to non-controlling interests		Dividend paid to non - controlling interests for the year		Accumulated non-controlling interests	
		2020	2019	2020	2019	2020	2019	2020	2019
T.C.H Suminoe Co., Ltd.	Thailand	50.10	50.10	23,500	62,587	42,139	92,054	217,360	235,999
TCMC Furniture Limited Group	England	24.00	24.00	(2,782)	10,390	-----	-----	(50,678)	80,157
TCM Living Limited Group (Formerly known as "DM Midlands Holdings Limited")	England	24.55	25.00	14,612	30,629	3,761	24,423	192,078	42,318
Others				(1,592)	(980)	-----	-----	12,669	12,369
Total				33,738	102,626	45,900	116,477	371,429	370,843

Summarised financial information in respect of T.C.H Suminoe Co., Ltd. represents amounts before intragroup eliminations.

		Unit: Baht	
		2020	2019
Statement of financial position			
Current assets		486,730,799.15	460,879,733.21
Non-current assets		126,712,616.93	167,734,772.57
Current liabilities		135,808,785.20	126,431,888.91
Non-current liabilities		42,531,859.88	52,110,344.80
Statement of comprehensive income			
Revenues		656,866,345.04	1,175,694,513.41
Profit attributable to non-controlling interests		17,198,289.80	62,635,144.53
Other comprehensive income attributable to non-controlling interests		(414,342.63)	(48,134.88)
Statement of cash flows			
Net cash from operating activities		115,827,582.44	216,633,101.16
Net cash used in investing activities		(4,110,437.80)	(8,320,877.46)
Net cash used in financing activities		(93,034,693.44)	(188,262,783.80)
Net cash increase (decrease)		18,682,451.20	20,049,439.90
Dividend paid to non-controlling interest			
		42,139,429.00	92,054,474.00

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

		Unit: Baht	
		2020	2019
Statement of financial position			
Current assets		58,490,860.89	222,844,167.52
Non-current assets		1,003,895,837.15	665,417,721.51
Current liabilities		42,273,349.17	334,280,004.42
Non-current liabilities		322,115,017.80	250,862,446.72

	Unit: Baht	
	2020	2019
Statement of comprehensive income		
Revenues	155,559,111.83	1,258,924,402.35
Profit attributable to non-controlling interests	(2,316,420.14)	10,385,849.58
Other comprehensive loss to the non-controlling interests	(465,387.94)	(2,660,992.64)
	Unit: Baht	
	2020	2019
Statement of cash flows		
Net cash from operating activities	70,133,369.86	121,625,404.20
Net cash used in investing activities	81,309,179.25	(43,750,731.20)
Net cash used in financing activities	(94,156,182.24)	(123,474,354.90)
Net increase (decrease) in cash and cash equivalents	57,286,366.87	(45,599,681.90)
Exchange differences on translating financial statements	734,258.31	(4,132,370.71)

Summarised financial information in respect of TCM Living Limited Group (formerly known as “DM Midlands Holdings Limited” represents amounts before intra group eliminations.

	Unit: Baht	
	2020	2019
Statement of financial position		
Current assets	1,211,953,080.84	717,429,398.55
Non-current assets	2,220,928,427.17	156,397,365.64
Current liabilities	1,134,219,990.91	646,690,031.96
Non-current liabilities	167,339,830.75	31,723,870.37
	Unit: Baht	
	2020	2019
Statement of comprehensive income		
Revenues	4,103,227,623.54	3,431,202,941.04
Profit attributable to non-controlling interests	12,717,507.98	1,573,972.63
Other comprehensive gain(loss) expense attributable to Non-controlling interests	1,894,336.30	(1,539,118.56)
	Unit: Baht	
	2020	2019
Statement of cash flows		
Net cash from operating activities	152,170,804.72	28,836,350.07
Net cash from (used in) investing activities	(66,081,763.96)	63,584,062.36
Net cash used in financing activities	(53,185,441.23)	(134,708,068.33)
Net increase (decrease) in cash and cash equivalents	32,903,599.53	(42,287,655.90)
Exchange differences on translating financial statements of foreign operation	3,434,516.19	(3,251,018.27)
	Unit: Baht	
	2020	2019
Dividend paid to non-controlling interest	3,760,904.52	24,422,819.44

10.3 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 19 and 31 as follows:

- 99.31% share of Carpet International Thailand Plc.
- 100% share of Vechachai Co., Ltd.
- 100% share of TCMC HK(2017)

11. PROPERTY PLANT AND EQUIPMENT-NET

Movements of property plant and equipment - net during for the year ended December 31, 2020 are summarized below:

Unit: Baht										
Consolidated financial statements										
Movements during the year										
	Balance as at January 1, 2020 (as previously reported)	TFRS 16 First Adoption	Balance as at January 1, 2020 (as restated)	Increase	Decrease	Transfer in (transfer out)	Reclassify to Assets held for sale	Reclassification	Exchange differences on translating financial statements	Balance as at December 31, 2020
At cost										
Land	526,918,100.00	-	526,918,100.00	-	-	-	-	-	-	526,918,100.00
Building	1,195,233,885.51	-	1,195,233,885.51	-	-	-	-	-	2,371,637.56	1,197,605,523.07
Building improvements	67,376,874.57	-	67,376,874.57	41,088.16	(3,949,936.52)	-	-	-	248,029.01	63,716,055.22
Machinery and equipment	3,017,438,456.32	(6,208,100.30)	3,011,230,356.02	37,968,947.67	(8,567,685.03)	21,236,681.80	-	(1,710,923.53)	3,957,801.23	3,064,115,178.16
Furniture fixture and office equipment	267,446,664.71	(1,358,696.00)	266,087,968.71	15,091,322.22	(876,403.28)	6,966,538.72	-	1,931,978.62	1,358,520.86	290,559,925.85
Vehicles	179,324,894.38	(31,455,778.03)	147,869,116.35	5,096,828.38	(5,499,712.10)	-	-	(13,818,390.75)	4,661,623.19	138,309,465.07
Assets under installation	1,032,500.00	-	1,032,500.00	68,467.29	-	(1,032,500.00)	-	-	-	68,467.29
Machinery under installation	23,222,154.20	-	23,222,154.20	16,970,492.45	-	(27,170,720.52)	-	-	-	13,021,926.13
Non-operating assets	1,013,470,488.71	-	1,013,470,488.71	-	(549,762,389.71)	-	(463,708,099.00)	-	-	-
Total cost	6,291,464,018.40	(39,022,574.33)	6,252,441,444.07	75,237,146.17	(568,656,126.64)	-	(463,708,099.00)	(13,597,335.66)	12,597,611.85	5,294,314,640.79
Accumulated depreciation										
Land improvements	-	-	-	-	-	-	-	-	-	-
Building	(480,851,404.45)	-	(480,851,404.45)	(22,650,463.51)	-	-	-	-	(222,122.46)	(503,723,990.42)
Building improvements	(43,911,868.83)	-	(43,911,868.83)	(5,613,424.26)	1,241,036.11	-	-	-	(117,859.34)	(48,402,116.32)
Machinery and equipment	(2,332,931,010.10)	296,965.68	(2,332,634,044.42)	(96,329,759.74)	1,685,135.50	-	-	933,222.50	(1,730,140.59)	(2,428,075,586.75)
Furniture fixture and office equipment	(220,211,883.11)	512,205.81	(219,699,677.30)	(18,182,455.91)	690,140.41	-	-	(4,150,810.34)	(897,652.90)	(242,240,456.04)
Vehicle	(106,229,713.97)	12,942,746.45	(93,286,967.52)	(15,290,453.97)	3,836,838.74	-	-	8,724,269.27	(1,377,631.06)	(97,393,944.54)
Non-operating assets	(293,902,819.75)	-	(293,902,819.75)	(366,354.79)	294,269,174.54	-	-	-	-	-

	Unit: Baht									
	Consolidated financial statements									
	Movements during the year									
	Balance as at January 1, 2020 (as previously reported)	TFRS 16 First Adoption	Balance as at January 1, 2020 (as restated)	Increase	Decrease	Transfer in (transfer out)	Reclassify to Assets held for sale	Reclassification	Exchange differences on translating financial statements	Balance as at December 31, 2020
Total accumulated depreciation	(3,478,038,700.21)	13,751,917.94	(3,464,286,782.27)	(158,432,912.17)	301,722,325.30	-	-	5,506,681.48	(4,345,406.35)	(3,319,836,094.07)
Less Allowance for impairment	(81,781,001.69)	-	(81,781,001.69)	(7,743,321.60)	84,290,148.64	-	-	-	-	(5,234,174.65)
Net book value	2,731,644,316.50	(25,270,656.39)	2,706,373,660.11							1,969,244,372.07

Unit: Baht

	Separate financial statements						
	Movements during the year						Balance as at December 31, 2020
	Balance as at January 1, 2020 (as previously reported)	TFRS 16 first adoption	Balance as at January 1, 2020 (as restated)	Increase	Decrease	Reclassify to assets held for sale	
At cost							
Furniture and office equipment	4,767,792.08	-	4,767,792.08	1,855,890.00	-	-	6,623,682.08
Vehicle	3,587,850.47	(3,587,850.47)	-	-	-	-	-
Construction in process	-	-	-	68,467.29	-	-	68,467.29
Non-operating assets	1,013,470,488.71	-	1,013,470,488.71	-	(549,762,389.71)	(463,708,099.00)	-
Total Cost	1,021,826,131.26	(3,587,850.47)	1,018,238,280.79	1,924,357.29	(549,762,389.71)	(463,708,099.00)	6,692,149.37
Accumulated depreciation							
Furniture and office equipment	(3,515,293.36)	-	(3,515,293.36)	(562,629.67)	-	-	(4,077,923.03)
Vehicle	(732,615.83)	732,615.83	-	-	-	-	-
Non-operating assets	(293,902,819.75)	-	(293,902,819.75)	(366,354.79)	294,269,174.54	-	-
Total accumulated depreciation	(298,150,728.94)	732,615.83	(297,418,113.11)	(928,984.46)	294,269,174.54	-	(4,077,923.03)
Less Allowance for impairment	(73,961,517.04)	-	(73,961,517.04)	(7,743,321.60)	81,704,838.64	-	-
Net book value	649,713,885.28	(2,855,234.64)	646,858,650.64				2,614,226.34

Depreciations for the year ended December 31, 2020 and 2019, have been charged to profit or loss of consolidated financial statements amounting to Baht 158.43 million and Baht 187.35 million, respectively and have been charged to profit or loss of separate financial statements amounting to Baht 0.93 million and Baht 16.96 million, respectively.

As at December 31, 2020 and 2019, the Company and its subsidiaries had plant and equipment, which were the fully depreciated but they are still in use with cost price of Baht 2,489.97 million and Baht 2,458.47 million, respectively. (The Company: Baht 2.91 million and Baht 14.79 million, respectively).

As at December 31, 2020, a subsidiary mortgaged their land together with the construction and certain machinery at a total book value amount of Baht 684.42 million, to a financial institution as a guarantee of credit facilities as described in Notes 19 and 31.

The long-term loans of subsidiaries in the United Kingdom are secured by fixed and floating charges over all property or undertaking of the subsidiaries in Notes 19 and 31.

On July 10, 2020, the Company has entered into a land sale and purchase agreement with a company with selling price of Baht 511.20 million. The date of registration of the transfer of land right is to be October 9, 2020. Under the condition according to the agreement, the Company must demolish building and structure thereon before the right transfer. The Company estimated costs to sell of the land at approximate Baht 47.49 million. The realizable price (fair value) less costs to sell of the land is Baht 463.71 million. As a result, the company reduced the amount of land and related revaluation surplus by Baht 166.29 million to be fair value less costs to sell of the land.

In September 2020, the Company has already demolished such building and structure thereon and processed to release the land mortgage used to secure loan facilities with a financial institution. However, the Company registered machinery of a subsidiary as loan collateral to replace such land mortgage reclassify to Assets held for sale and transfer revaluation surplus in the amount of Baht 445.80 million to retained earnings. Subsequently, on October 9, 2021, the Company received the land sale proceeds in the entire amount and transferred right on the land to the buyer on the same day.

12. RIGHT-OF-USE ASSETS - NET

Movements of right-of-use assets - net during for the year ended December 31, 2020 are summarized below:

		Unit: Baht							
		Separate financial statements							
		Movements during the year							
		Balance as at January 1, 2020 (as previously reported)	TFRS 16 first adoption	Balance as at January 1, 2020 (as restated)	Increase	Decrease	Reclassified	Exchange differences on translating financial statements	Balance as at December 31, 2020
<u>At cost</u>									
Building	-	64,734,089.82		64,734,089.82	91,325,770.77	(15,356,035.28)	-	1,825,995.55	142,529,820.86
Machinery and equipment	-	6,208,100.30		6,208,100.30	6,513,694.29	-	-	257,701.22	12,979,495.81
Furniture and office equipment	-	1,358,696.00		1,358,696.00	-	-	-	-	1,358,696.00
Vehicle	-	38,321,078.52		38,321,078.52	4,497,272.89	(6,000,984.15)	(778,504.67)	201,081.83	36,239,944.42
Total cost	-----	110,621,964.64		110,621,964.64	102,336,737.95	(21,357,019.43)	(778,504.67)	2,284,778.60	193,107,957.09
<u>Accumulated amortization</u>									
Building	-	-		-	(20,280,649.55)	2,820,131.05	-	308,176.29	(17,152,342.21)
Machinery and equipment	-	(296,965.68)		(296,965.68)	(854,116.16)	-	-	(19,155.60)	(1,170,237.44)
Furniture and office equipment	-	(512,205.81)		(512,205.81)	(275,936.56)	-	-	-	(788,142.37)
Vehicle	-	(12,942,787.79)		(12,942,787.79)	(9,060,033.62)	3,541,283.69	657,362.55	(48,912.07)	(17,853,087.24)
Total accumulated depreciation	-----	(13,751,959.28)		(13,751,959.28)	(30,470,735.89)	6,361,414.74	657,362.55	240,108.62	(36,963,809.26)
<u>Less</u> Allowance for impairment	-----	-		-	-	-	-	-	-
Net book value	-	96,870,005.36		96,870,005.36					156,144,147.83

Unit: Baht						
Separate financial statements						
	Balance as at January 1, 2020 (as previously reported)	TFRS 16 first adoption	Balance as at January 1, 2020 (as restated)	Movements during the year		Balance as at December 31, 2020
				Increase	Decrease	
At cost						
Building	-	10,169,554.29	10,169,554.29	4,562,033.00	-	14,731,587.29
Vehicle	-	3,587,850.47	3,587,850.47	-	-	3,587,850.47
Total cost	-----	13,757,404.76	13,757,404.76	4,562,033.00	-----	18,319,437.76
Accumulated depreciation						
Building	-	-	-	(1,022,380.44)	-	(1,022,380.44)
Vehicle	-	(732,615.83)	(732,615.83)	(559,275.06)	-	(1,291,890.89)
Total accumulated depreciation	-	(732,615.83)	(732,615.83)	(1,581,655.50)	-----	(2,314,271.33)
<u>Less</u> Allowance for impairment	-	-----	-----	-----	-----	-----
Net book value	-	13,024,788.93	13,024,788.93			16,005,166.43

As at December 31, 2020, have been charged to profit or loss of consolidated financial statements amounting to Baht 30.47 million and have been charged to profit or loss of separate financial statements amounting to Baht 1.58 million.

13. INTANGIBLE ASSETS - NET

Movements of intangible assets - net during for the year ended December 31, 2020 are summarized below:

Unit: Baht							
Consolidated financial statements							
	Balance as at December 31, 2019	Increase	Decrease	Transfer in (out)	Reclassification	Exchange differences on translating financial statements	Balance as at December 31, 2020
At cost							
Software	58,250,935.84	3,095,404.61	(50,600.00)	55,846,483.62	(35,848.35)	-	117,106,375.72
Customer relationship	568,825,260.55	-	-	-	-	9,382,117.55	578,207,378.10
Trademark	181,522,938.45	-	-	-	-	5,137,959.45	186,660,897.90
Design	60,744,776.05	-	-	-	-	1,719,365.05	62,464,141.10
Programs and license in development	53,810,438.92	33,225,549.91	-	(55,846,483.62)	-	452,093.17	31,641,598.38
Total cost	923,154,349.81	36,320,954.52	(50,600.00)	-	(35,848.35)	16,691,535.22	976,080,391.20
Accumulated amortization							
Software	(49,224,935.25)	(6,955,960.05)	46,077.94	-	-	-	(56,134,817.36)
Customer relationship	(179,596,423.36)	(49,767,368.10)	-	-	-	(3,871,350.88)	(233,235,142.34)
Trademark	(50,529,101.39)	(14,019,208.45)	-	-	-	(1,606,661.39)	(66,154,971.23)
Design	(54,658,481.47)	(6,180,773.21)	-	-	-	(1,624,886.42)	(62,464,141.10)
Total accumulated amortization	(334,008,941.47)	(76,923,309.81)	6,077.94	-	-	(7,102,898.65)	(417,989,072.03)
<u>Less</u> Allowance for impairment	-	-	-	-	-	-	-
Net book value	589,145,408.34						558,091,319.17

	Unit: Baht					
	Separate financial statements					
	Balance as at December 31, 2019	Movements during the year			Balance as at December 31, 2020	
		Increase	Decrease	Transfer in (out)	Reclassification	
<u>At cost</u>						
Software	7,163,588.01	13,000.00	-	55,846,483.62	(35,848.35)	62,987,223.28
Programs and license in developmen	41,349,333.61	15,314,315.31	-	(55,846,483.62)	-	817,165.30
Total cost	48,512,921.62	15,327,315.31	-	-	(35,848.35)	63,804,388.58
<u>Accumulated amortization</u>						
Software	(6,808,251.99)	(4,379,264.56)	-	-	-	(11,187,516.55)
Total accumulated amortization	(6,808,251.99)	(4,379,264.56)	-	-	-	(11,187,516.55)
<u>Less</u> Allowance for impairment	-	-	-	-	-	-
Net book value	41,704,669.63					52,616,872.03

Amortization for the year ended December 31, 2020 and 2019, have been charged to profit or loss of consolidated financial statements amounting to Baht 76.92 million and Baht 78.63 million, respectively, and have been charged to profit or loss of separate financial statements amounting to Baht 4.38 million and Baht 0.57 million, respectively.

As at December 31, 2020 and 2019, the Company and the subsidiaries had intangible assets, which were fully amortized but are still in use with cost price of Baht 29.64 million and Baht 27.54 million, respectively (the Company: Baht 2.33 million and Baht 2.06 million, respectively).

14. GOODWILL

As at December 31, 2020 and 2019, the subsidiaries allocated goodwill acquired through business combinations to the cash generating units (CGUs) for annual impairment testing as follows:

	Unit: Baht	
	Consolidated financial statements	
	2020	2019
Sofa Business - Alstons Group	250,223,189.89	243,335,629.00
Sofa Business - DMMH Group	957,405,528.53	931,052,295.39
Commercial Carpet Business	993,651,405.66	993,651,405.66
Total	2,201,280,124.08	2,168,039,330.05

Movements of change in goodwill during the year were as follows:

Sofa Business - Alstons Group

	Consolidated financial statements			
	Foreign currency (Pound)		Unit: Baht	
	2020	2019	2020	2019
Beginning balance of the years	6,157,021.23	6,157,021.23	243,335,629.00	252,848,534.30
Exchange differences on				
translating financial statements	-	-	6,887,560.89	(9,512,905.30)
Ending balance at end of years	6,157,021.23	6,157,021.23	250,223,189.89	243,335,629.00

Sofa Business - DMMH Group

Consolidated financial statements			
-----------------------------------	--	--	--

	Foreign currency (Pound)		Unit: Baht	
	2020	2019	2020	2019
Beginning balance of the years	23,558,033.00	23,558,033.00	931,052,295.39	967,450,632.73
Exchange differences on				
translating financial statements	-	-	26,353,233.14	(36,398,337.34)
Ending balance at end of years	23,558,033.00	23,558,033.00	957,405,528.53	931,052,295.39

The Company and subsidiaries 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 summarised below:

	Sofa Business - Alstons Group	Sofa Business - DMMH Group	Commercial Carpet Business
Long-term growth rate (%)	1	1	2
Discount rate before tax (%)	11.90	17.51	11

The management determined growth rates based on historical operation results and expected market growth, inflation rate and discount rates are the rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for goodwill.

15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as at December 31, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(Restated)		
Deferred tax assets - net	141,852,888.75	66,781,792.41	5,046,521.16	-
Deferred tax liabilities - net	(249,152,898.37)	(262,310,376.99)	-	(25,822,530.53)

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2020 were as follows:

	Unit: Baht				
	Consolidated financial statements				
	During the year				
	Balance as at January 1, 2020	IFRS 9 first adoption	Profit or loss	Other comprehensive income (loss)	Exchange differences on translating financial statements
	(Restated)				Balance as at December 31, 2020

Deferred tax assets (liabilities) - net:

Allowance for doubtful accounts	1,395,789.65	-	1,362,160.24	-	(48,088.00)	2,709,861.89
Effect of elimination from related transactions	-	-	1,384,600.49	-	-	1,384,600.49

Unit: Baht

	Consolidated financial statements					
	During the year					Balance as at December 31, 2020
	Balance as at January 1, 2020	TFRS 9 first adoption	Profit or loss	Other comprehensive income (loss)	Exchange differences on translating financial statements	
Allowance for decline in value of obsolete stocks	13,737,613.05	-	1,071,798.80	-	(1,256.24)	14,808,155.61
Gain from sales of fixed asset to related party	2,531,954.58	-	(1,050,242.48)	-	-	1,481,712.10
Allowance for impairment of assets	15,447,138.86	-	(14,812,223.40)	-	-	634,915.46
Accrued expenses	1,866,973.57	-	(1,146,140.33)	-	44,785.15	765,618.39
Non-current provisions for employee benefits	58,420,343.94	-	(7,774,348.81)	(3,616,236.54)	-	47,029,758.59
	(Restated)					
Other provision	829,480.45	-	(776,839.89)	-	-	52,640.56
Trade discount	7,241,158.21	-	(723,112.62)	-	30,382.92	6,530,226.06
Derivative liabilities	-	914,001.15	5,354,299.70	-	110,966.56	6,379,267.41
Tax losses	167,862,489.41	-	(33,473,958.92)	-	1,347,228.75	135,735,759.24
Leases	(5,032,903.23)	-	2,001,354.54	-	-	(3,031,548.69)
The difference from the fair value adjustment of assets value adjustment of asset Held for sale	(122,418,530.60)	-	89,160,150.40	33,258,380.20	-	-
The difference from the fair value adjustment of assets value adjustment of assets From business combinations	(318,308,091.35)	-	15,220,379.00	-	411,835.25	302,675,877.10
Deferred financing service fee	(1,100,282.23)	(1,022,357.08)	2,511,863.89	-	-	389,224.58
Accumulated depreciation	(18,001,718.89)	-	(1,675,653.92)	-	-	(19,677,372.81)
Derivative assets	-	-	183,048.69	-	-	183,048.69
Total deferred tax assets						
(liabilities) - net	(195,528,584.58)	(108,355.93)	56,817,135.29	29,642,143.66	1,877,651.94	(107,300,009.62)

Presented in statement of financial follows:

Deferred tax assets - net	66,781,792.41	141,852,888.75
Deferred tax liabilities - net	(262,310,376.99)	(249,152,898.37)
Net	195,528,584.58	(107,300,009.62)

Unit: Baht

Separate financial statements

During the year

	Balance as at January 1, 2020	TFRS 9 first adoption	Profit or loss	Other comprehensive income	Balance as at December 31, 2020
Deferred tax assets (liabilities) - net:					
Allowance for doubtful accounts	290,079.69	-	560,614.93	-	850,694.62
Allowance for decline in value of inventories	4,017,319.59	-	(3,541,271.26)	-	476,048.33
Accrued expenses	781,429.57	-	(446,392.43)	-	335,037.14
Non-current provisions for employee benefit	2,464,478.79	-	(517,945.00)	(78,746.60)	1,867,787.19
Allowance for impairment of assets	14,792,303.41	-	(14,792,303.41)	-	-
Tax losses	75,350,671.25	-	(67,602,847.10)	-	7,747,824.15
Leases	-	-	97,634.39	-	97,634.39
Derivative liabilities	-	-	(1,406,763.83)	-	(1,406,763.83)
Deferred financing service fee	(1,100,282.23)	(1,022,357.15)	2,511,863.89	-	389,224.51
The difference from the fair value adjustment of asset held for sale	(122,418,530.60)	-	89,160,150.40	33,258,380.20	-
Interest difference the effective interest rate	-	(4,816,576.48)	(494,388.86)	-	(5,310,965.34)
Total deferred tax assets (liabilities) - net	(25,822,530.53)	(5,838,933.63)	3,528,351.72	33,179,633.60	5,046,521.16
Presented in statement of financial follows:					
Deferred tax assets - net	-				5,046,521.16
Deferred tax liabilities - net	(25,822,530.53)				-
Net	(25,822,530.53)				5,046,521.16

16. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2020 and 2019 consisted of:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Pom Box	-	6,179,068.00	-	6,179,068.00
Deferred marketing assets	3,018,186.59	4,311,695.15	-	-
Total	3,018,186.59	10,490,763.15	-	6,179,068.00

17. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at December 31, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trust receipts	10,771,827.04	8,297,395.24	-	-
Promissory notes	-	92,000,000.00	-	-
Short-term loans	285,272,188.07	142,965,735.27	-	-
Total	296,044,015.11	219,790,295.10	-	-

Interest rate of the Group's short-term loan from financial institution as at December 31, 2020 and 2019, were as follows:

	Interest rate per annum (%)	
	Consolidated financial statements	
	2020	2019
Trust receipts	SIBOR + 1	SIBOR + 1
Promissory notes	-	2.55 - 2.60
Short-term loans	LIBOR + 2.50	LIBOR + 2.50

18. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables				
Trade payables - other parties	458,168,997.57	568,660,088.66	479,969.90	16,275,819.26
Trade payables - related parties	3,439,633.49	6,639,272.69	349,398,054.99	359,020,805.62
Total trade payables	461,608,631.06	575,299,361.35	349,878,024.89	375,296,624.88
Other payables				
Other payables - related parties	3,952,990.47	5,788,253.18	20,146,275.13	70,276,825.04
Other payables - other parties	256,942,788.82	196,175,862.51	4,053,681.25	4,515,295.73
Accrued expenses - other parties	346,023,508.30	287,931,421.94	2,748,343.68	6,101,216.14
Provision from claim on defected goods	2,603,462.80	5,197,600.36	-	1,230,150.00
Contract liabilities	209,383,217.79	196,346,128.84	43,685,558.78	49,418,826.22
Accrued dividend	2,421,582.61	2,434,886.31	206,762.31	207,935.61
Accrued employee compensation	37,837,269.13	-	643,361.99	-
Payables for purchase of software	3,152,936.54	-	3,147,586.54	-
Others	18,147,344.72	6,323,898.14	4,058,473.43	3,089,719.00
Total other payables	880,465,101.18	700,198,051.28	78,690,043.11	134,839,967.74
Total trade and other current payables	1,342,073,732.24	1,275,497,412.36	428,568,068.00	510,136,592.62

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions as at December 31, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Long-term loans from financial institutions	2,864,023,490.42	3,295,914,878.65	2,060,000,000.00	2,445,761,500.00
<u>Less:</u> Deferred financial cost	(12,996,824.12)	(11,304,612.15)	(4,155,845.87)	(5,501,411.15)
<u>Add:</u> Accrued Interest	6,101,968.40	-	6,101,968.40	-
Total	2,857,128,634.70	3,284,610,266.50	2,061,946,122.53	2,440,260,088.85
<u>Less:</u> Current portion	(129,710,975.84)	(477,278,413.90)	-	(189,295,610.76)
Long-term loans from financial institutions - net	2,727,417,658.86	2,807,331,852.60	2,061,946,122.53	2,250,964,478.09

Movements of long-term loans from financial institutions for the year ended December 31, 2020 were summarized as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Beginning balance of the year - before restated	3,284,610,266.50	2,440,260,088.85
Adjustments affecting due to TFRS 9 first adoption	(5,369,195.71)	(5,369,195.71)
Beginning balance - as restated	3,279,241,070.79	2,434,890,893.14
<u>Add:</u> additional during the year	17,310,539.65	-
<u>Less:</u> Repayment during the year	(470,752,231.74)	(385,761,500.00)
<u>Add:</u> Interest Expense	799,835.96	799,835.96
<u>Less:</u> Increased deferred financial costs	(2,179,369.23)	-
<u>Add:</u> Amortization of deferred interest	12,016,893.43	12,016,893.43
Exchange differences on translating financial statements	20,691,895.84	-
Ending balance of the year	2,857,128,634.70	2,061,946,122.53

The detail of long-term loan facilities of the Group are as follows:

TCM Corporation Public Company Limited

On April 28, 2015, the Company has entered into a long-term facility agreement with a local commercial bank, totaling Baht 600 million to acquire Alstons Furniture Group Limited. The agreement term of such loan is seven years and the interest rate 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 loans. Repayment of the principal is to be made every six months, totaling 14 installment. 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 29, 2020, the Company has entered into an amendment agreement of the facility

agreement for Baht 600 million dated April 29, 2015, to 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 June 2020 and December 2020 installments (11th and 12th installment) to be repayable in the last installment. The changes in loan repayment are as follows:

Installment	Amount per installment (Baht)
1 - 2	5,000,000.00
3 - 4	15,000,000.00
5 - 10	50,000,000.00
11 - 12	-
13	80,000,000.00
14 (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 and accrued interest in the entire amount prior to the above payment due.

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 (5th - 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:

- (1) The Company shall proceed to have Srivikorn family members hold aggregate shares in lender in a proportion of not less than 30 percent of the issued and paid-up share capital.
- (2) The Company shall maintain the debt-to-equity ratio for the year 2018 to not exceed 3.00, from

the year 2019 to 2020 to not exceed 2.75 and for the year 2021 onwards to not exceed 2.00.

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 company, 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 LIBOR+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:

<u>Installment</u>	<u>Amount per installment (Pound)</u>
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 LIBOR+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 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 the following amounts:

<u>Installment</u>	<u>Amount per installment (Pound)</u>
1 - 17	233,333.00
18 (last payment)	233,333.00

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 LIBOR+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.

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:

Periods	Amount (Pound)
1 - 11	500,000.00
12 - 15	-
16 - 26	600,000.00
27 (last payment)	5,700,000.00

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 2019 not less than 2.25:1, for the year 2020 not less than 2.5:1 and for the year 2021 onwards not less than 3:1, and has to maintain the debt to equity ratio for the year 2019 not over 2.2:1, for the year 2020 not over 1.7:1 and 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 within TCMC Furniture 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.

TCMC HK (2017) Limited Group

During the year 2020, a subsidiary in America under TCMC HK (2017) Limited group, received credit facilities in the total amount of Dollars 1.83 million from the government agency, U.S. Small Business Administration (SBA) and a financial institution under the program of financial reprieve to a small business who was affected by COVID -19 pandemic situation. Details of such credit facilities and their significant conditions are as follows:

- Economic Injury Disaster Loan (EIDL) Advance of Dollars 0.01 million; this loan is using for maintaining its employees without interest charge and has no repayment period.
- Economic Injury Disaster Loan (EIDL) of Dollars 0.15 million; this loan bears interest at 3.75% per

annum. Repayment of the principal with interest is to be made on a monthly basis each Dollars 731, with a grace period of twelve months. The first payment will be made in November 2021. All remaining principal and accrued interest are due and payable in November 2050. The loan is secured by a charge over the operating assets of the subsidiary.

- Paycheck Protection Program forgivable loan, on April 20, 2020, the Company received a Paycheck Protection Program forgivable loan (PPP loan) in the amount of Dollars 1.67 million, the loan proceeds were used to fund certain payroll and other approved costs under the program in the amount of Dollars 1.38 million, which it was recognised as other income. The remaining portion of Dollars 0.29 million was recorded as long-term loan. The loan is bearing an interest of 1% per annum. The first repayment is November 2020 and the balance will be paid in 17 equal monthly installments. The loan is secured by a charge over the operating assets of the subsidiary.

The forgiveness of certain loans is based on the employer maintaining condition under the regulation of SBA.

20. LEASES LIABILITIES

Leases liabilities as at December 31, 2020 and 2019 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Leases liabilities	180,619,463.21	35,730,604.95	19,574,126.00	1,661,522.00
<u>Less:</u> Deferred interest expenses	(20,376,647.98)	(629,365.92)	(4,562,489.56)	(281,953.63)
Present value of lease liabilities	160,242,815.23	35,101,239.03	15,011,636.44	1,379,568.37
<u>Less:</u> Current portion of lease liabilities	(35,664,897.83)	(23,187,314.19)	(1,244,577.10)	(447,396.00)
Lease liabilities - net	124,577,917.40	11,913,924.84	13,767,059.34	932,172.37

21. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movements of the present value of non-current provisions for employee benefits for years ended December 31, 2020 and 2019 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Non-current provision for employee benefits				
beginning of the year	307,320,216.67	183,766,779.14	12,322,394.00	19,059,700.00
Included in profit or loss:				
Current service cost	24,855,750.30	23,216,595.80	1,142,283.00	1,101,522.00
Interest cost	3,523,434.66	5,488,282.00	124,308.00	266,356.00
Past service cost	-	61,044,270.50	-	2,799,913.00
Loss on settlement of benefits	19,173,093.29	-	961,510.00	-
Included in other comprehensive income:				
Actuarial (gains) loss				

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Demographic assumptions changes	1,035,807.00	8,140,092.00	-	1,039,416.00
Financial assumptions changes	2,479,054.00	30,130,075.00	-	1,022,692.00
Experience adjustments	(21,993,016.70)	4,935,037.00	(393,733.00)	9,639.00
Differences on translating financial statements				
Included in statement of financial position:				
Transfer out of employee during the period	-	-	-	(10,957,905.00)
Benefits paid/Accrued	(89,232,965.34)	(9,400,914.77)	(4,817,826.00)	(2,018,939.00)
Non-current provision for employee benefits				
ended of the year	247,161,373.88	307,320,216.67	9,338,936.00	12,322,394.00

Employee benefit expenses were netted against from gain on settlement of benefits for statements of profit or loss for year ended December 31, 2020 and 2019, consisted of:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Costs of sales				
Current service cost	14,737,843.84	15,239,977.37	-	-
Administrative expenses				
Current service cost	13,641,341.12	13,464,900.43	1,266,591.00	1,367,878.00
Loss on settlement of benefits	19,173,093.29	-	961,510.00	-
Past service cost from the post-				
employment benefits plan amendment	-	61,044,270.50	-	2,799,913.00
Total	47,552,278.25	89,749,148.30	2,228,101.00	4,167,791.00

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

Principal actuarial assumptions as at December 31, 2020 and 2019 (represented by the weighted - average) consisted of:

Percentage

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	1.11 - 1.42	1.39 - 2.56	1.42	2.47
Salary increase rate	4.00 - 5.00	4.00 - 5.00	4.00	5.00

Employee turnover rate	0.00 - 56.00	0.00 - 49.00	0.00 - 41.00	8.00 - 45.00
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

The result of sensitivity analysis for significant assumptions that affect the present value of non-current provisions for employee benefits as at December 31, 2020 are summarised below:

Unit: Baht

	Change of the present value of non-current provisions for employee benefits			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(24,818,820.00)	28,813,859.00	(418,473.00)	465,786.00
Future salary increase rate	28,509,877.00	(25,060,146.00)	448,871.00	(412,215.00)
Staff turnover rate	(25,722,901.00)	18,660,603.00	(449,172.00)	234,894.00

As at December 31, 2020, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

Unit: Baht

	Consolidated financial statements	Separate financial statements
Within 1 year	5,138,870.00	-
Over 1 year but less than 5 years	64,659,354.00	3,936,066.00
Over 5 years	853,667,488.00	50,704,546.00

The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette on April 5, 2019 and become effective on May 5, 2019. The Act stipulates additional severance pay rates. Employees who have worked for an uninterrupted period of 20 years or more, are entitled to receive no less than 400 days' compensation at the latest wage rate. This change qualifies as an amendment to the post-employment benefits plan. The Group reflected the effect of the change by recognizing past service costs as expenses in the income statement for the second quarter of 2019, the period during which the law become effective.

22. APPROPRIATION OF RETAINED EARNING

Under the provision to the Public Limited Companies Act, the Company is required to set aside as statutory reserve at least 5 percent of its net income after deduction accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The legal reserve is not available for dividend distribution.

23. DIVIDENED PAYMENT

The Annual General Shareholders' Meeting for the year 2019, held on April 26, 2019, approved appropriation of legal reserve and the dividend payment for the year 2018. The dividend was paid from its net profit of 2018 at the rate of Baht 0.09 per share to its shareholders listed on March 22, 2019 in the amount of Baht 68.68 million. The Company paid the dividend on May 24, 2019.

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2020 and 2019 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Changed in inventories of finished goods				
and work in process	(52,907,364.24)	90,992,996.66	25,450,460.78	34,675,696.86
Raw materials and consumables used	3,381,374,050.87	1,753,497,868.40	-	62,876,894.50
Purchase of finished goods	665,966,918.81	1,759,708,674.01	710,266,229.95	795,641,066.16
Depreciation and amortization	265,826,957.92	265,981,433.41	6,889,904.51	17,525,069.26
Salaries, wage and other				
employee benefits	1,926,099,372.78	1,982,965,751.68	45,878,201.39	66,950,962.09
Management compensation	194,885,250.86	173,767,788.18	17,056,640.00	17,162,453.00
Management and technical fees	12,254,618.33	25,963,578.26	54,843,962.55	68,267,852.30

25. PROVIDENT FUND

The Company, its subsidiaries, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 1987. The Company, its subsidiaries and the staff will contribute the same amount at 3% to 5% of staff salary to this fund. Staff will receive payment from the provident fund upon retirement based on the rules of the fund.

During the year ended December 31, 2020 and 2019, the Company, and its subsidiaries Baht 4.26 million and Baht 10.42 million, respectively.

26. OPERATING SEGMENTS

The Group operate in three main operating segments reported by products as follows:

Type of operating segment	Nature of products for operating segment
- TCM Flooring	- Hand-woven and machine-woven carpet for indoor decoration including the flooring materials
- TCM Living	- Sofa chair for interior decoration
- TCM Automotive	- 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 end December 31, 2020 and 2019 were as follows:

Unit: Baht

	Consolidated financial statements							
	TCM Flooring		TCM Automotive		TCM Living		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
		(Restated)		(Restated)		(Restated)		(Restated)
Revenue from sales	2,034,407,175.81	3,168,603,962.34	652,956,436.56	1,172,306,250.08	4,105,037,759.02	4,424,098,581.08	6,792,401,371.39	8,765,008,793.50
Cost of sales and	1,289,931,774.44	(1,990,350,781.55)	(527,920,028.12)	(915,655,510.62)	(3,382,942,967.36)	(3,245,504,585.70)	(5,200,794,769.92)	(6,151,510,877.87)
Gross profit	744,475,401.37	1,178,253,180.79	125,036,408.44	256,650,739.46	722,094,791.66	1,178,593,995.38	1,591,606,601.47	2,613,497,915.63
Other income	68,403,498.83	6,765,442.63	3,909,908.48	3,388,263.33	1,717,406.90	15,011,086.02	74,030,814.21	25,164,791.98
Distribution Cost	(309,119,796.57)	(458,528,806.76)	(22,747,044.51)	(39,565,480.76)	(315,753,111.25)	(462,613,300.62)	(647,619,952.33)	(960,707,588.14)
Administrative	(509,365,756.63)	(711,240,661.93)	(46,480,629.61)	(64,990,503.99)	(281,461,023.21)	(496,535,833.92)	(837,307,409.45)	(1,272,766,999.84)
Past service cost from post - employment benefits plan amendment	-	(57,661,335.00)	-	(3,382,935.50)	-	-	-	(61,044,270.50)
Sharing expenses	(22,391,246.56)	(16,337,481.12)	(4,726,366.34)	(5,326,301.32)	(15,142,701.48)	(23,785,037.74)	(42,260,314.38)	(45,448,820.18)
Exchange gain (losses)	4,677,052.16	735,225.52	221,220.75	3,062,433.36	-	(2,263,821.97)	4,898,272.91	1,533,836.91
Derivative gain (losses)	6,118,575.72	-	-	-	(35,079,350.10)	-	(28,960,774.38)	-
Loss arising from de- recognition of trade receivable and retention	(6,505,242.77)	-	(2,112,406.76)	-	-	-	(8,617,649.53)	-
Finance cost	(109,144,324.61)	(117,057,775.53)	(605,459.68)	(596,659.88)	(43,916,878.57)	(54,146,255.21)	(153,666,662.86)	(171,800,690.62)
Impairment gain(loss) of account receivables	11,527,591.83	(19,431,457.43)	2,586,752.09	1,724,568.21	(151,562.78)	561,061.02	13,962,781.14	(17,145,828.20)
Tax income (expense)	43,758,086.17	52,155,195.78	(12,075,594.07)	(31,270,175.66)	2,141,574.71	(44,439,562.90)	33,824,066.81	(23,554,542.78)
Profit (loss) for the year	(77,566,161.06)	(142,348,473.05)	43,006,788.79	119,693,947.25	34,449,145.88	110,382,330.06	(110,226.39)	87,727,804.26

Information about geographical areas

The Group's geographical segment information for the year ended December 31, 2020 and 2019 were as follows:

	Unit: Baht	
	Consolidated financial statements	
	2020	2019
		(Restated)
Thailand	1,314,399,862.02	2,216,528,765.58
United Kingdom	4,062,914,247.31	4,361,510,388.07
Other	1,415,087,262.06	2,186,969,639.85
Total	6,792,401,371.39	8,765,008,793.50

Non-current assets of the Company and its subsidiaries separated by geographical area as at December 31, 2020 and 2019 were as follows:

	Unit: Baht				
	Consolidated financial statements				
	As at December 31, 2020				
	Thailand		Overseas		Total
	Flooring	Carpet and upholstery fabrics	Flooring	Sofa chair	
Property, plant and equipment - net	1,519,659,731.91	225,012,980.25	8,124,795.25	216,446,864.66	1,969,244,372.07
Right-of-use assets - net	6,723,846.46	9,157,816.93	9,550,356.02	130,712,128.42	156,144,147.83
Intangible assets - net	219,066,358.91	9,773,424.50	-	329,251,535.76	558,091,319.17
Total	1,745,449,937.28	243,944,221.68	17,675,151.27	676,410,528.84	2,683,479,839.07

	Unit: Baht				
	Consolidated financial statements				
	As at December 31, 2019				
	Thailand		Overseas		Total
	Flooring	Carpet and upholstery fabrics	Flooring	Sofa chair	
Property, plant and equipment - net	2,230,939,488.07	272,314,472.04	13,796,570.70	214,593,785.70	2,731,644,316.50
Intangible assets - net	224,545,904.33	10,540,217.97	-	354,059,286.04	589,145,408.34
Total	2,455,485,392.400	282,854,690.01	13,796,570.70	568,653,071.74	3,320,789,724.84

Major customers

For the year 2020 and 2019, the subsidiaries has revenues from one major customer worth more than 10 percent of revenue in consolidated financial statements amounted to Baht 2,058.51 million and Baht 2,084.21 million, respectively. For the year 2019, the Company has revenues from two major customers worth more than 10 percent of revenue in separate financial statements amounted to Baht 527.90 million.

27. INCOME TAX INCOME (EXPENSES)

Income tax income (expenses) for year ended December 31, 2020 and 2019 are as follows:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
Income tax income (expenses) shown in profit or loss:				
Current income tax expenses:				
Income tax expense for the year	(22,993,068.48)	(125,132,697.66)	-	-
Deferred income tax income (expenses):				
Changes in temporary differences relating to the original recognition and reversal	56,817,135.29	101,578,154.88	3,528,351.72	39,481,170.56
Total	33,824,066.81	(23,554,542.78)	3,528,351.72	39,481,170.56

A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2020 and 2019 were summarized as follows:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019
Accounting profit before tax expense for the year	(33,934,293.20)	111,282,347.04	34,636,284.73	(157,219,010.35)
The applicable tax rate (%)	20	20	20	20
Income tax expenses at the applicable tax rate	(6,786,858.64)	22,256,469.41	6,927,256.95	(31,443,802.07)
Reconciliation items:				
Tax effect of expenses that are not deductible and				
income that are not required in determining tax profit	(13,364,267.63)	143,328.67	(9,918,745.29)	(8,037,368.49)
Unrecognized tax loss on deferred tax asset	(17,982,830.80)	6,536,929.18	(536,863.38)	-
Temporary differences which no deferred tax assets was recognized	-	317,102.63	-	-
Effect on difference of tax rate	(1,190,251.23)	(2,250,632.84)	-	-
Others	5,500,141.49	(3,448,654.27)	-	-
Total reconciliation items	(27,037,208.17)	1,298,073.37	(10,455,608.67)	(8,037,368.49)
Total (income) tax expenses	(33,824,066.81)	23,554,542.78	(3,528,351.72)	(39,481,170.56)

28. FINANCIAL RISK MANAGEMENT

The Group manages their financial risk exposure to financial assets and financial liabilities by its internal management and control system and as a normal part of its business. The Company and its subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

28.1 Interest rate risk

The Group is exposed to interest rate risk relating primarily to its cash at banks, bank overdrafts, short and long-term loans. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to market rate. However, Management believes that future fluctuation of market interest rate would not significantly affect the Company's operations and cash flows. Therefore, no financial derivative was adopted to manage such risks.

28.2 Credit risk

The Group is exposed to credit risk primarily relating to trade accounts receivable. 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 beyond that already provided in the allowance for doubtful accounts.

28.3 Foreign currency risk

The Group's exposure to foreign currency risk relates primarily to raw materials purchases and sales of goods denominated in foreign currencies. As at December 31, 2020, the subsidiary primarily utilized forward exchange contracts and foreign exchange option to hedge exchange rate.

As at December 31, 2020, the company and its subsidiaries have forward contracts and foreign exchange options. Those outstanding were as follows:

Forward contracts

	<u>Maturity date</u>		<u>Foreign currency</u>		<u>Applicable exchange rates</u>
Selling contracts	February 19, 2021 - June 28, 2021	USD	10,340,049.95	THB	29.74 - 31.68
Purchase contracts	March 16, 2021 - June 28, 2021	USD	2,425,935.57	THB	29.89 - 31.61
Purchase contracts	January 15, 2021 - December 31, 2021	USD	25,000,000.00	GBP	1.26 - 1.33
Purchase contracts	January 4, 2021 - July 1, 2021	EUR	1,500,000.00	GBP	1.11 - 1.19

28.4 Liquidity risk

The Group manages its liquidity risk by maintaining adequate levels of cash and cash equivalents to support the Group's operations as well as securing short-term credit facilities from financial institutions as reserves as necessary and to reduce the impact of fluctuations in cash flows.

28.5 Fair value

The carrying amount of financial assets and financial liabilities as presented in the statement of financial position are mostly bear floating interest rates or fixed interest rates which are close to market rate. Management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses 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

In applying the above-mentioned valuation techniques, the Group's endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising

such inputs into three levels as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

As at December 31, 2020 and 2019, the Group had certain assets and liabilities that were measured or disclosed at fair value using different levels inputs as follows:

Unit: Million Baht				
Consolidated financial statements				
As at December 31, 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Temporary investments	93.76	-	-	93.76
Foreign currency forward contracts	-	7.03	-	7.03
Liabilities measured at fair value				
Foreign currency forward contracts	-	41.89	-	41.89

Unit: Million Baht				
Consolidated financial statements				
As at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Temporary investments	5.95	-	-	5.95
Liabilities measured at fair value				
Foreign currency forward contracts	-	4.75	-	4.75

Unit: Million Baht				
Separate financial statements				
As at December 31, 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Foreign currency forward contracts	-	7.03	-	7.03

During the current year, there were no transfers within the fair value hierarchy.

30. COMMITMENTS

30.1 As at December 31, 2020, the Company and its subsidiaries had commitments on the long-term service agreement as follows:

TCM Corporation Public Company Limited

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. The Agreement 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.

For the years ended December 31, 2020 and 2019 the management fee, in the amount of Baht 54.84 million and 68.27 million, was recognised in administrative expenses, respectively.

Subsidiary

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 months 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.

For the years ended December 31, 2020, and 2019 the technical fee, in the amount of Baht 12.25 million and Baht 25.96 million, respectively, was recognised in distribution cost.

30.2 As at December 31, 2020, the Company and its subsidiaries had the following commitments on capital expenditure:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Machinery and equipment purchase	3,035,598.64	-
Software	1,128,489.89	-
Other	437,660.00	183,000.00
Total	4,601,748.53	183,000.00

30.3 As at December 31, 2020, the Company and its subsidiaries had commitments under leases for which the lease term end within one year from the date of an adoption of TFRS16 or for the low-value underlying assets as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Within 1 year	5,379,580.22	-
Over 1 year but not over 5 years	2,734,995.75	-
Total	8,114,575.97	-

31. CONTINGENT LIABILITIES WITH FINANCIAL INSTITUTIONS

31.1 As at December 31, 2020, 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 75.83 million (the Company: Baht 26.55 million) and the subsidiary had outstanding letters of credit issued by the banks for purchasing goods of Baht 1.63 million.

31.2 As at December 31, 2020, the Company and its subsidiaries had short-term credit facilities, in total amount of as follow:

		Unit: Million Baht					
		Consolidated financial statements			Separate financial statements		
	Currency	Credit arrangement	Used	Unused	Credit arrangement	Used	Unused
1)	Baht	1,347.00	(86.60)	1,260.40	385.00	(26.55)	358.45
2)	GBP	11.00	(5.14)	5.86	-	-	-

The Company and its subsidiaries had forward contract credit facilities in the amount of Baht 800 million and USD 10.30 million (The Company has amount of Baht 600 million).

The revision of short-term loans credit facilities during the period of 2020 is as follows:

- 1) A local subsidiary reduced the credit limit of its short-term loans facilities as follows:
 - Reduction in credit limit in the entire amount of Baht 70 million for a short-term loan facility from the financial Institution No. 1.
 - Reduction in credit limit from Baht 75 million to Baht 125 million for a short-term loan facility from the financial Institution No. 2.
- 2) A local subsidiary No. 2 reduced the credit limit of its short-term loans facilities Baht 40 million.
- 3) An oversea subsidiary incrassation in credit limit from Pound 5 million to Pound 11 million.

Short-term credit facilities of the Company have been guaranteed by the Company's land together with construction.

Short-term credit facilities of the subsidiaries were guaranteed by the Company, the subsidiaries' machinery and the subsidiaries' shareholders shall maintain a percentage of the shareholding in the subsidiaries in compliance with the existing structure.

32. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

Change in accounting policy of subsidiaries

During the second quarter of 2020, a group of subsidiaries in overseas has changed their accounting policy regarding recognition of shop floor discount from the previously recognized over the period of expected life the product on the shop floor to be recognized at the point of sale. The Company's management, therefore, restated the consolidated financial statements for the year ended December 31, 2019, and the consolidated statement of financial position as at January 1, 2019, for such effect as follows:

	Unit: Baht	
	Consolidated financial statements	
	As at December 31, 2019	As at January 1, 2019
Statement of financial position		
Decreased trade and other current receivables - net	(38,111,359.19)	(24,987,772.82)
Decreased deferred tax liabilities	7,241,158.21	4,747,676.84
Decreased unappropriated retained earnings	23,940,313.56	15,945,605.37
Increased other components of equity	(1,050,217.09)	(1,020,711.17)
Decreased non-controlling interests	7,980,104.51	5,315,201.78

	Unit: Baht
	Consolidated financial statements
	For the year ended December 31, 2019
<u>Statement of comprehensive income</u>	
Decreased revenue from sales and services	13,160,013.43
Decreased income tax expense	(2,500,402.52)
Decreased exchange differences on translation of financial statements	(29,505.92)
Increased profit for the year	(10,630,104.99)
<u>Profit attributable to:</u>	
Increased equity holders of the company	7,994,708.21
<u>Comprehensive profit sharing</u>	
Increased equity holders of the company	7,965,202.29
<u>Earnings per share (Baht):</u>	
Increased basic earnings per share	0.01

33. RECLASSIFICATION

Certain amounts in the financial statement for the year ended December 31, 2019, have been reclassified to conform to the current year classification but with no effect to previously reported net profit or shareholders' equity. The reclassifications are as follows:

	Unit: Baht		
	Consolidated financial statements		
Account	As previously reported	Reclassified amount	As reclassified
<u>Statement of financial position</u>			
Other non-current assets	19,935,711.83	(9,444,948.68)	10,490,763.15
Other non-current receivables	-	9,444,948.68	9,444,948.68
Trade and other current payables	1,228,097,618.88	47,399,793.75	(1,275,497,412.63)
Other non-current receivables	99,463,443.24	(47,399,793.75)	(52,063,649.49)
<u>Statement of comprehensive income</u>			
Revenue from sales and services services	8,988,734,485.33	(223,725,691.83)	8,765,008,793.50
Cost of sale and services	(6,375,236,569.70)	223,725,691.83	(6,151,510,877.87)
Distribution cost	(1,133,757,606.91)	173,050,018.77	(960,707,588.14)
Administrative expenses	(1,162,311,629.45)	(155,904,190.57)	(1,318,215,820.02)
Impairment loss of account receivables	-	(17,145,828.20)	(17,145,828.20)

Account	Unit: Baht		
	Separate financial statements		
	As previously reported	Reclassified amount	As reclassified
<u>Statement of financial position</u>			
Other non-current assets	6,354,068.00	(175,000.00)	6,179,068.00
Other non-current receivables	-	175,000.00	175,000.00
<u>Statement of comprehensive income</u>			
Administrative expenses	(260,938,582.41)	26,335,105.55	(234,603,476.86)
Impairment loss of account receivables	-	(26,335,105.55)	(26,335,105.55)

34. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2020, the Group's debt-to-equity ratio was 2.22 (as at December 31, 2019 was 2.19: 1) and the Company's debt-to-equity ratio was 1.06 (as at December 31, 2019 was 1.22: 1).

35. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Company's Board of Directors to be issued on February 25, 2021.

Part 4 Confirmation of Information Accuracy

Confirmation of Information Accuracy




The Company has carefully reviewed the information in this annual registration statement. The Company hereby certifies that such information is true, accurate, complete, contains no false or misleading statements, or no omission of any material facts. In addition, the Company hereby certifies that:


(1) Financial statements and financial information summarised in the annual registration statement has shown true, accurate, and complete information about the statements of financial position, performance, and cash flows of the Company and its subsidiaries.

(2) The Company has established an effective information disclosure system to ensure that the Company has publicly disclosed all material information of the Company and its subsidiaries. The disclosure of information is true and accurate with the supervision of the implementation of the aforementioned system.

(3) The Company has established an effective internal control system and monitored the implementation of the aforementioned system. In addition, the Company has already reported internal control system assessment as of February 25, 2020, to the auditors and the Audit Committee of the Company. This covered any significant deficiencies and changes in the internal control system, including any transactions that may affect financial statements of the Company and its subsidiaries.

In this respect, as evidence that all documents are the same documents that the Company has certified, the Company has authorised Mrs. Noppaporn Aphiwattanakul to initial every page of the documents. If any document does not bear the initials of Mrs. Noppaporn Aphiwattanakul, it shall not be regarded as the information that the Company has certified.

Name	Position	Signature
1. Mr. Pimol Srivikorn.....	Chairman.....	
2. M.L. Walliwan Varavarn.....	Chief Executive Officer.....	
3. Mrs. Noppaporn Aphiwattanakul.....	Finance Director.....	

Name	Position	Signature
Attroney		
Mrs. Noppaporn Aphiwattanakul.....	Finance Director.....	



TCH
SUMINOE



TCM AUTOMOTIVE®
A MEMBER OF TCM CORP. PLC.

A portrait of Mr. Pimol Srivikorn, Chairman of the Board, standing outdoors in front of a dense background of green trees. He is wearing a dark blue suit, a white shirt, and a red striped tie. He has short grey hair and is wearing round glasses. The image is split into three main sections: a dark blue header on the top left, a light yellow text box on the middle left, and the rest of the image showing the man and the trees.

MR. PIMOL SRIVIKORN

Chairman of the Board

Our commitment to social responsibility extends beyond providing products that are safe, comfortable, and well designed. It extends to fostering humane, safe, and ethical workplace conditions in every facet of our multinational business, while promoting those same values – and a greater commitment to social awareness – wherever our brands are present.

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. UTHAYAN UTHAYANA**

Independent Director

6

**MR. ISAREIT CHIRATHIVAT**

Independent Director

7

**M.L. WALLIWAN VARAVARN**

Chief Executive Officer

8

**MISS PIYAPORN PHANACHET**

Executive Director

9

**MR. SUMATE SUWANVONGKIJ**

Director

10

**MRS. NOPPHAPORN APIWATTHANAKUL**

Executive Director

Attachment

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

(Information as of 31 December 2020)

Details on Directors



Mr. Pimol Srivikorn

Current Position: Chairman of the Board and Chairman of Executive Board
Nationality: Thai
Age: 56 years
Address: 132/4 Soi Jarern Mit, North Prakanong, Wattana District, 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
Period of Directorship: Holding Positions since 29 April 2004 until 2020 for total 16 years
Meeting Attendance of the Past Year: Attended 7 of 7 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2020, 104,042,400 shares
Shareholding for spouse and child in the Company: 31 December 2020 - 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	Member of Investment Committee - Zmico Securities PLC.	9 Companies	None

Work Experiences

2017 – Present : Chairman – TCMC HK (2017), HK
 2017 – Present : Director – Vechachai Company Limited
 2016 – Present : Chairman – TCM Living Limited, UK
 2015 – Present : Chairman - Manor (2016) Holdings Limited, UK
 2015 – Present : Chairman - TCMC Furniture Limited, UK
 2013 – Present : Member of Investment Committee - Zmico Securities PLC.
 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.



Mr. Soravis Krairiksh

Current Position: Chairman of Audit Committee and Independent Director
Nationality: Thai
Age: 48 years
Address: 11/6 Narasiri Bangna Moo14, 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 (AACP) Class 31/2018
Period of Directorship: Holding Positions since 29 November 2006 until 2020 for total 15 years
Meeting Attendance of the Past Year: Attended 7 of 7 of Board of Directors' Meetings
 Attended 4 of 4 of Audit Committee's Meetings
Shareholding in the Company: 31 December 2020 - None
Shareholding for spouse and child in the Company: 31 December 2020 - 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
Total	Type of Directorship		
1	(1) Managing Director, Investment Banking Group - Bualuang Securities PCL.	None	1 Company

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.



Mr. Suvitcha Nativat

Current Position: Member of Audit Committee and Independent Director
Nationality: Thai
Age: 39 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 Thammathirath University, Thailand
Director Accreditation Program: Director Accreditation Program (DAP) Class 188/2014
 Advanced Audit Committee Program (AACP) Class 30/2018
Period of Directorship: Holding Positions since 29 April 2013 until 2020 for total 8 years
Meeting Attendance of the Past Year: Attended 6 of 7 of Board of Directors' Meetings
 Attended 4 of 4 of Audit Committee's Meetings
Shareholding in the Company: 31 December 2020 - None
Shareholding for spouse and child in the Company: 31 December 2020 - 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	Independent Director and Audit Committee Member - Manulife Insurance (Thailand) PCL.	5 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.
 2010 – 2011: Senior Associate - Timblich and Partners Co., Ltd.
 2009 – Present: Independent Director and Audit Committee Member - Manulife Insurance (Thailand) PCL.
 2008 – 2010: Associate - Linklaters (Thailand) Co., Ltd.



Mrs. Duangjai Lorlertwit

Current Position: Member of Audit Committee and Independent Director
Nationality: Thai
Age: 59 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 (AACP) Class 30/2018
Period of Directorship: Holding Positions since 1 March 2018 until 2020 for total 3 years
Meeting Attendance of the Past Year: Attended 7 of 7 of Board of Directors' Meetings
 Attended 4 of 4 of Audit Committee's Meetings
Shareholding in the Company: 31 December 2020 - None
Shareholding for spouse and child in the Company: 31 December 2020 - 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	-	2 Companies	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.



Mr. Uthayan Uthayanaka

Current Position: Independent Director
Nationality: Thai
Age: 84 years
Address: 4 Soi Premier, Srinakarin Rd., Nongbon, Prawet, Bangkok Thailand 10250
Education: Bachelor Degree in Politic Science, Widener University, USA
Director Accreditation Program: Director Accreditation Program (DAP) Class 42/2005
 Audit Committee Program (ACP) Class 2003
Period of Directorship: Holding Positions since 26 April 2005 until 2020 for total 15 years
Meeting Attendance of the Past Year: Attended 7 of 7 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2020 - None
Shareholding for spouse and child in the Company: 31 December 2020 - 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

Qualified Director - Office of the Civil Service Commission
 Vice President - Suanluang RAMA 9 Foundation
 Inspector - Prime Minister's office
 Assistant Secretary - The Office of Accelerated Rural Development



Mr. Isareit Chirathivat

Current Position: Independent Director
Nationality: Thai
Age: 42 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 2020 for total 8 years
Meeting Attendance of the Past Year: Attended 5 of 7 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2020 - None
Shareholding for spouse and child in the Company: 31 December 2020 - 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	Senior Vice President - Leasing - Central Pattana PCL.	None	None

Work Experiences

2019 – Present: Senior Vice President – Leasing - 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



M.L. Walliwan Varavarn

Current Position:	Chief Executive Officer (Take a position as Executive Director since January 1, 2021.)
Nationality:	Thai
Age:	63 years
Address:	1056/3 Nakorn Chaisri Rd., Thanon Nakornchaisri, Dusit, Bangkok Thailand 10300
Education:	Master Degree, Massachusetts Institute of Technology, USA Bachelor's Degree, Commerce and Accountancy, Chulalongkorn University, Thailand
Director Accreditation Program:	Director Accreditation Program (DAP) Class 14/2005 Corporate Governance Executive Program (CGE) Class 14/2019
Period of Directorship:	Holding Positions since 29 April 2003 until 2020 for total 18 years
Meeting Attendance of the Past Year:	Attended 7 of 7 of Board of Directors' Meetings
Shareholding in the Company:	31 December 2020 - None
Shareholding for spouse and child in the Company:	31 December 2020 - 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	-	10 Companies	None

Work Experiences

2019 - Present:	Director – Rugby School Thailand
2017 - Present:	Director – TCMC HK (2017), HK
2017 - Present:	Director – Vechachai Company Limited
2016 - Present:	Director - DM Midlands Holdings Limited, UK
2015 - Present:	Director - Manor (2016) Holdings Limited, UK
2015 - Present:	Director - TCMC Furniture Limited, UK
2012 – Present:	Director - President Hotel and Tower Co., Ltd.
2010 - Present:	Director - T.C.H. Suminoe Co., Ltd.
2003 - Present:	Director - Global Utilities Services Co., Ltd.
2001 – Present:	Chief executive officer and director - Srivikorn Group Holding Co., Ltd.



Miss Piyaporn Phanachet

Current Position:	Executive Director (Take a position as Chief Executive Officer since January 1, 2021.)
Nationality:	Thai
Age:	53 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
Period of Directorship:	Holding Positions since 17 July 2020 until 2020 for total 5 months
Meeting Attendance of the Past Year:	Attended 2 of 2 of Board of Directors' Meetings
Shareholding in the Company:	31 December 2020 - None
Shareholding for spouse and child in the Company:	31 December 2020 - 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	-	2 Companies	None

Work Experiences

2020 – Present:	Advisor - U city Public Company Limited
2008 – Present:	Chairman CPMG - Thailand Management Association
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:	Chairmen of the Corporate Governance Committee – Vienna House Hotel Management Company Limited
2017 - 2020:	Director – Mo Chit Land Company Limited
2010 - 2017:	Member of Assets Committee - Soneva Resort (Formerly Six Senses Resort and Spa)
2013 – 2016:	Advisor - Office of Property Management, Chulalongkorn University



Mr. Sumate Suwanvongkij

Current Position: Director
Nationality: Thai
Age: 61 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 2020 for total 8 years
Meeting Attendance of the Past Year: Attended 7 of 7 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2020 - None
Shareholding for spouse and child in the Company: 31 December 2020 - 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.)



Mrs. Noppaporn Aphiwatthanakul

Current Position: Group Finance Director and Company Secretary
Nationality: Thai
Age: 61 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) รุ่นที่ 151/2018
Period of Directorship: Holding Positions since 27 April 2018 until 2020 for total 3 years
Meeting Attendance of the Past Year: Attended 7 of 7 of Board of Directors' Meetings
Shareholding in the Company: 31 December 2020 - None
Shareholding for spouse and child in the Company: 31 December 2020 - 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

2018 – Present: Director of the Corporate office – TCM Corporation PLC.
 1981 – Present: Accounting and Finance Manager - TCM Corporation PLC.

Management Team

1. **Name and Surname** : Mr. Pimol Srivikorn
Age : 56 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 : Chairman – TCMC HK (2017), HK
Director – Vechachai Company Limited
Chairman – TCM Living Limited, UK
Chairman - Manor (2016) Holdings Limited, UK
Chairman - TCMC Furniture Limited, UK
Member of Investment Committee - Zmico Securities PLC.
Executive Director - Srivikorn Group Holding Co., Ltd.
President - Taekwondo Association of Thailand
Director - President Hotel and Tower Co., Ltd.
Shareholding in the Company : 31 December 2020 - 104,042,400 shares
Shareholding for spouse and child in the Company: 31 December 2020 - None
Relationship between the board and the management: None
2. **Name and Surname** : M.L. Walliwan Varavarn
Age : 63 Years
Nationality : Thai
Position : Chief Executive Officer (Take a position as Executive Director since January 1, 2021.)
Education : Master's Degree, Massachusetts Institute of Technology, USA
Bachelor's Degree, Commerce and Accountancy, Chulalongkorn University, Thailand
Experience : Director – Rugby School Thailand
Director – TCMC HK (2017), UK
Director – Vechachai Company Limited
Director - DM Midlands Holdings Limited, UK
Director - Manor (2016) Holdings Limited, UK
Director - TCMC Furniture Limited, UK
Director - President Hotel and Tower Co., Ltd.
Director - T.C.H. Suminoe Co., Ltd.
Director - Global Utilities Services Co., Ltd.
Chief executive officer and director - Srivikorn Group Holding Co., Ltd.
Shareholding in the Company: 31 December 2020 - None
Shareholding for spouse and child in the Company: 31 December 2020 - None
Relationship between the board and the management: None
3. **Name and Surname** : Miss Piyaporn Phanachet
Age : 53 Years
Nationality : Thai

Position : Executive Director (Take a position as Chief Executive Officer since January 1, 2021.)

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 : Advisor - U city Public Company Limited
Chairman CPMG - Thailand Management Association
Director and Executive Director - U city Public Company Limited
Chief Executive Officer - U city Public Company Limited
Director – Subsidiaries group of U city Public Company Limited
Chairmen of the Corporate Governance Committee – Vienna House Hotel Management Company Limited
Director – Mo Chit Land Company Limited
Member of Assets Committee - Soneva Resort (Formerly Six Senses Resort and Spa)
Advisor - Office of Property Management, Chulalongkorn University

Shareholding in the Company: 31 December 2020 - None

Shareholding for spouse and child in the Company: 31 December 2020 - None

Relationship between the board and the management: None

4. **Name and Surname** : Mrs. Noppaporn Aphiwatthanakul
- Age** : 61 Years
- Nationality** : Thai
- Position** : Group Finance Director
- Education** : Master's Degree, Accounting, Sripatum University, Thailand
Bachelor's Degree, Accounting, Chulalongkorn University, Thailand
- Experience** : Director of the Corporate office – TCM Corporation PLC.
Accounting and Finance Manager - TCM Corporation PLC.
- Shareholding in the Company** : 31 December 2020 - None
- Shareholding for spouse and child in the Company:** 31 December 2020 - None
- Relationship between the board and the management:** None
5. **Name and Surname** : Mark Robert Johnson
- Age** : 60 Year
- Nationality** : British
- Position** : Co-CEO, TCM Flooring
- Education** : City & Guilds Textile Dyeing, Member of The Society of Dyers and Colorists (UK).
- Work Experience** : 37 Years in carpet manufacturing,
21 years in Asia with senior management positions in China, India and Thailand.
- Shareholding in the Company** : 31 December 2020 - None
- Shareholding for spouse and child in the company:** 31 December 2020 – None
- Relationship between Board of directors and management:** None

6. Name and Surname : Shyam Bhatler
- Age : 54 Year
- Nationality : American
- Position : Chief Financial Officer, TCM Flooring
- 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 2020 - None
- Shareholding for spouse and child in the company: 31 December 2020 – None
- Relationship between Board of directors and management: None
7. Name and Surname : Mark Alexander Smith
- Age : 49 Years
- Nationality : British
- Position : Chief Executive Officer, TCM Living
- Education : BA Honours Interior Architecture and Design, Royal Society of the Arts
- Work Experience : 2008 – 2020, Design Director at DM Midlands Group
1999 - 2008, Design Director at Ashley Manor Upholstery
1997 - 1999, Group Design Manager at Wyefield Group
1996 - 1997, Design Manager at Lincoln House Furnishing
1994-1996, Designer at Medallion Upholstery
- Shareholding in the Company : 31 December 2020 - 12.5% share in TCM Living Limited, UK
- Shareholding for spouse and child in the company: as at 31 December 2020 - None
- Relationship between Board of directors and management: None
8. Name and Surname : Jonathan Fearn
- Age : 46 Years
- Nationality : British
- Position : Chief Financial Officer, TCM, TCM Living
- 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 2020 - None

Shareholding for spouse and child in the company: as at 31 December 2020 - None

Relationship between Board of directors and management: None

9. Name and Surname : Tor Kulchornchan
 Age : 59 Years
 Nationality : Thai
 Position : Managing Director, T.C.H.Suminoe Co., Ltd
 Education : Master's Degree
 Work Experience : Managing Director (9 years) – T.C.H. Suminoe Co., Ltd.
 Managing Director (12 years) – Texchem – Pack (Thailand) Co.,Ltd.
 Production Manager and Engineering Manager (Washing Machine) (6 years)
 Toshiba Consumer Product (Thailand)
 Production Manager (Medical Supplies) – Kawasumi Laboratories (Thailand) Co.,Ltd.

Shareholding : as at 31 December 2020 - None

Shareholding for spouse and child in the company: as at 31 December 2020 - 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			
		As at 01/01/20	As at 31/12/20	As at 01/01/20	As at 31/12/20	Increase / Decrease	%
1	Mr. Pimol Srivikorn	98,347,700	104,042,400	-	-	5,694,700	5.79
2	M.L. Walliwan Varavarn	-	-	-	-	-	-
3	Mr. Soravis Krairiksh	-	-	-	-	-	-
4	Mr. Suvitcha Nativivat	-	-	-	-	-	-
5	Mrs. Duangjai Lorlertwit	-	-	-	-	-	-
6	Mr. Uthayan Uthayanaka	-	-	-	-	-	-
7	Mr. Isareit Chirathivat	-	-	-	-	-	-
8	Mr. Sumate Suwanvongkij	270	270	-	-	0	0.00
9	Miss Piyaporn Phanachet	-	-	-	-	-	-
10	Mrs. Noppaporn Aphiwatthanakul	-	-	-	-	-	-

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

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

Subsidiaries	1 = United Carpets Manufacturing Co., Ltd.	5 = Manor(2016)Holding Limited (UK)
	2 = Royal Thai International Co., Ltd.	6 = TCM Living Limited (UK)
	3 = T.C.H. Suminoe Co.,Ltd.	7 = TCMC HK (2017) Limited
	4 = TCMC Furniture Limited (UK)	8 = Vechachai Limited

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's Director

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	8	
1 Mr. Pimol Srivikorn	/	/, x	-	/, x	/, x	/, x	/	/	-
2 M.L. Walliwan Varavarn	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/, //	-
3 Mrs. Noppaporn Aphiwatthanakul	/	/, //	/	-	-	-	-	/	-
4 Khunying Sasima Srivikorn	/, x	-	/, x	-	-	-	-	-	-
5 Mr. Kanokrut Manasurangkul	/, //	-	-	-	-	-	-	-	-
6 Mr. Piyatat Thongpusa	/	-	-	-	-	-	-	-	-
7 Mr. Henry Lee	/	-	-	-	-	-	-	-	-
8 Mr. Josh Sugarman	/	-	-	-	-	-	-	-	-
9 Mr. Chaiyut Srivikorn	-	-	/, //	/	-	-	-	-	-
10 Mr. Hiroaki Uzuki	-	-	/	-	-	-	-	-	-
11 Mr. Yoshiaki Tanihara	-	-	/	-	-	-	-	-	-
12 Mr. Doshio Maruyama	-	-	/	-	-	-	-	-	-
13 Mr. Chanchai Tipmanee	-	-	/	-	-	-	-	-	-
14 Mr. Ichizo Yoshikawa	-	-	/	-	-	-	-	-	-
15 Mr. Tor Kulchornchan	-	-	/, //	-	-	-	-	-	-
16 Mr. Yozuki Kuroda	-	-	/	-	-	-	-	-	-
17 Mr. Makato Yamazaki	-	-	/, //	-	-	-	-	-	-
18 Mr. Mark Robert Johnson	-	-	-	-	-	-	-	-	/, //
19 Mr. Philip Grindrod	-	-	-	/	-	/	-	-	-
20 Mr. Terry Cramphorn	-	-	-	/, //	-	-	-	-	-
21 Mr. Andy Kennaugh	-	-	-	/, //	-	-	-	-	-
22 Ms. Caroline Dickens	-	-	-	/, //	/, //	/	-	-	-
23 Mr. Mark Smith	-	-	-	-	-	/, //	-	-	-
24 Mr. Jonathan Fearn	-	-	-	/, //	-	/, //	-	-	-

1 = United Carpets Manufacturing Co., Ltd. 5 = Manor(2016)Holding Limited (UK)

Subsidiaries

2 = Royal Thai International Co., Ltd.

6 = TCM Living Limited (UK)

3 = T.C.H. Suminoe Co.,Ltd.

7 = TCMC HK (2017) Limited

4 = TCMC Furniture Limited (UK)

8 = Vechachai Limited

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	: 43 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

Shareholding in the Company: 31 December 2020 - None

Shareholding for spouse and child in the Company: 31 December 2020 - 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 2020 (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					

Remark

- According to land and buildings, the Company has redeemed the mortgage as collateral for the line of credit from the financial institution, and the conveyance to the purchaser was executed on October 9, 2020.

Land, Plant and Machinery as of 31 December 2020 (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	1,262.32	-	552.13	709.19	5-50
Machinery Equipment	3,064.12	-	2,428.08	636.04	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, Bangkokapi 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 2020 (Separate)

List	At cost	Accumulated Amortization	Net Book Value	Useful life (years)
Software	62.99	11.19	51.80	5-10
Programs and licenses during development	0.82	-	0.82	

Intangible Assets as of 31 December 2020 (of Company and subsidiaries)

List	At cost	Accumulated Amortization	Net Book Value	Useful life (years)
Software	117.11	56.13	60.98	5-10
Customer list	578.21	233.24	344.97	7-12
Trademark	186.66	66.15	120.51	10
Design	62.46	62.46	-	5
Programs and licenses during development	31.64	-	31.64	

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 334.65 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 61.42 million baht and DMM Group, amounting to 125.24 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 62.46 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/filet_210128105711.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/filet_200224155632.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/filet_200224155819.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/filet_200224155959.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/filet_200224160342.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/filet_200224160157.pdf

Attachment 6 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 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 2020 with significant contents summarized as follows:

1) Reviewed the financial statements quarterly and annually for the fiscal year 2020 by conferring with the auditor and executives in order to verify the correctness of the financial statements and adequacy of information disclosure, including to acknowledge the observations and comments of the auditor, which the Audit Committee is of the opinion that the said financial statements are appropriately correct under the accounting standard as required under generally accepted accounting principles.

(2) Reviewed the adequacy of the internal control system for the fiscal year 2020 by the Internal Audit Department to control and audit the important work system and the internal control system of the Company which no significant mistakes were found by recommending the executives to adjust and change any work system to be more careful and appropriate

(3) Reviewed the risk management system by defined the policy and the risk management framework which including 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 2020. 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 2020, 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 2020.

(6) Reviewed management in compliance with good governance in 2020 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 2020 from various channels in compliance with the corporate governance measures and the guidelines of the Thai Private Sector Collective Action Coalition Against Corruption. In 2020, no corruption complaints were found.

(8) Consider, select, and propose the appointment of auditors and audit fee determination for the year 2021 to the Board of Directors for approval from the Annual General Meeting of Shareholders of the year 2021. 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 2021 with the proposed yearly audit fee of 3,090,000.- baht (a decrease of 300,000.- baht or 8.85% from the year 2020).

(9) The audit committee had appointed the criteria and self-assessment of the audit committee, both individual and group for the fiscal year 2020. 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 effective in the next year.

(10) During the fiscal year 2020, 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 2020
(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 2020.

25 February 2021

On behalf of the Audit Committee

|||||

Mr. Soravis Krairiksh
Chairman of the Audit Committee



TCM CORPORATION PUBLIC COMPANY LIMITED

2044/24 New Petchburi Rd., Bangkok,
Huaykwang, Bangkok 10310 Thailand
Tel: +66 2 318 3960
www.tcm-corporation.com