

TYCN 003/65

28 February 2022

Subject: Submission of financial statements and clarification of operating for year 2021.

To: President of the Stock Exchange of Thailand

Tycoons Worldwide Group (Thailand) Public Company Limited would like to submit herewith the audited report of the independent auditor and our financial statements for year 2021. The Company has net profit 377 MB and net loss 321 MB till the year end of 2020 respectively, which increased net profit by 698 MB or 217.37% because of the following reasons:

1. Total revenues increased 3,059 MB or 50.69%.
  - Sales increased 3,073 MB or 51.32% comparing with 2020 mainly due to the recovery of industrial demand increased. As a result, the sales volume of steel products has increased. However, due to the control measure of carbon emissions in mainland China, it is mandatory to reduce the production volume of steel products, resulting in an imbalance of market supply and demand, which makes the price of steel highly increased.
  - Other income decreased 14 MB or 30.39% comparing with 2020 mainly due to the exchange rate decreased.
  
2. Total expenses increased 2,543 MB or 42.11%.
  - Cost of sales increased 2,201 MB or 30.22% compared with 2020 mainly due to the raw material price increased.
  - Selling and administrative expenses increased 123 MB or 47.85% compared with 2020 mainly due to the sales volume increased, which make the expenses of transportation and export-related expenses increased.
  - Allowance for expected credit losses (reversal) decreased 33 MB or 217.62% compared with 2020 mainly due to the decreased in overdue accounts receivable.
  - Losses from raw material purchase contracts (reversal) decreased 15 MB or 199.58% compared with 2020, due to the steel prices continue to increased.
  - Impairment loss on equipment increased 228 MB or 100% compared with 2020, mainly due to the disposal & write-off equipment which can't be use Company recognized impairment loss on fixed asset in 2021.
  - Losses on exchange increased 93 MB or 100% compared with 2020 mainly due to the depreciate of Thai Baht.

- Gain on reclassification on investment increase 53 MB or 100% compared with 2020 mainly due to the changes in investments in TY Steel Co., Ltd. As a result, the Company's shareholding percentage in this associate decreased from 30.84% to 19.27%. As a result, the Company lost significant influence on associated company, a status was changed from "associated company" to "related company", and the classification of investment in TY Steel Co., Ltd. was changed from "Investment in associate" to "Equity investments designated at fair value through other comprehensive income"
  
- 3. Share of loss from investment in associate decreased 170 MB or 65.90% compared with 2020 mainly due to the changes in investments in associates of TY Steel Co., Ltd. because in 2021 the loss from investment was 242 MB decreased 72.67% compared with 885 MB in 2020. In addition, the Company's investment shareholding in TY Steel Co., Ltd. was reduced from 30.84% to 19.27%, so the recognition of its losses was decreased.
  
- 4. Finance cost decreased 15 MB or 28.55% compared with 2020, mainly due to the interest rate cut by FED USA and BOT.
  
- 5. Gross profit margin of 2021 was 12.13% as for 2020 was 3.80%. The main reason for the increase was the unit price of sales increased in 2021.

Please be informed accordingly.

Sincerely Yours,

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(Mr. Natthawat Thanapinyanun)  
Director