

TYCN 011/ 65

10 May 2022

Subject: Submission of financial statements and clarification of operating for Q1 2022.

To: President of the Stock Exchange of Thailand

Tycoons Worldwide Group (Thailand) Public Company Limited would like to submit herewith the financial statements Q1 2022 reviewed by independent auditor. The Company has net profit 124 million baht and net profit 264 million baht till the end of Q1 2022 and Q1 2021 respectively which net profit decreased by 140 million baht or 53.12% because of the following reasons:

1. Total revenues decreased 232 million baht or 9.29%.
 - Sales decreased 263 million baht or 10.58% comparing with Q1 2021. Mainly because the market is facing economic downturn risks, resulting in a decreasing in the sales of steel products volume. Uncertainties such as disruptions crisis of global supply chains, uprising of energy prices, the uprising of transportation costs, and potential of new COVID-19 variants.
 - Gains on exchange increased 12 million baht or 100% comparing with Q1 2021 mainly due foreign exchange gains.
 - Other income increased 19 million baht or 152.08% comparing with Q1 2021 mainly due to gains from disposal of fixed assets.

2. Total expenses decreased 57 million baht or 2.60%.
 - Cost of sales decreased 32 million baht or 1.57% compared with Q1 2021 due to the sales volumes decreased.
 - Selling and administrative expenses increased 6 million baht or 6.50% compared with Q1 2021 due to the factory demolition expenses increased.
 - Reversal of allowance for expected credit losses decreased 9 million baht or 88.40% due to the balance of overdue accounts receivable has not changed significantly compared with the previous period.
 - Reversal of losses from raw material purchase contracts decreased 3 million baht or 98.90% compared with Q1 2021 mainly due to the raw material price increased.
 - Losses on exchange decreased 43 million baht or 100% compared with Q1 2021 due to the appreciation of Thai Baht and no losses on exchange.

3. Share of loss from investments in associate decreased 39 million baht or 100% compared with Q1 2021. Mainly due to the changes in investment 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". An investment loss of 30 million baht was recognized in the first quarter of 2022.
4. Finance cost increased 6 million baht or 76.75% compared with Q1 2021, mainly due to the interest rate cut by FED USA and BOT.
5. Income tax expenses decreased 1 million or 32.59% compared with Q1 2021. Mainly because of less profits than 2021, The income tax payable on the assessment is also relatively reduced.
6. Gross profit margin of Q1 2022 was 8.89%, as for Q1 2021 was 17.23%. The reason of decreased was the unit price of sales decreased in Q1 2022.

Please be informed accordingly.

Sincerely Yours,

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(Mr. Natthawat Thanapinyanun)
Director