

TYCN 018/65

11 August, 2022

Subject: Submission of financial statements and clarification of operating for Q2 2022.

To: President of the Stock Exchange of Thailand

Tycoons Worldwide Group (Thailand) Public Company Limited would like to submit herewith the financial statements Q2 2022 reviewed by independent auditor. The Company has net profit 17 million baht and net profit 138 million baht till the end of Q2 2022 and Q2 2021 respectively which decreased by 121 million baht or 87.53% because of the following reasons:

1. Total revenues decreased 19 million baht or 0.70%.
  - Sales decreased 22 million baht or 0.81% comparing with Q2 2021 mainly because the market is facing economic downturn risks, resulting in a decreasing in the sales of steel products volume.
  
  - Other income increased 3 million baht or 77.16% comparing with Q2 2021 mainly due to gains from disposal of fixed assets.
  
2. Total expenses increased 133 million baht or 5.17%.
  - Cost of sales increased 105 million baht or 4.29% compared with Q2 2021 mainly due to the higher cost of raw materials in 2022.
  
  - Selling and administrative expenses increased 1 million baht 1.21% compared with Q2 2021 mainly due to the sales expenses of customer entertainment costs increase.
  
  - Allowance for expected credit losses (reversal) decreased 9 million baht or 498% compared with Q2 2021 mainly 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 increased 21 million or 2245% compared with Q2 2021 mainly due to the fall in the price of raw materials in the international market.
  
  - Losses on exchange increased 16 million baht or 78% compared with Q2 2021 mainly due to the evaluation loss due to the devaluation of the Thai baht.

3. Share of loss from investment in associate decreased 26 million or 100% compared with Q2 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 73 million baht was recognized in Q2 2022.
4. Finance cost increased 7 million baht or 88.53% compared with Q2 2021, mainly due to the FED USA interest rate increased causes US dollar borrowing rates to rise sharply.
5. Income tax expenses decreased 13 million or 351.05% compared with Q2 2021 mainly due to less profits than 2022, The income tax payable on the assessment is also relatively decreased.
6. Gross profit margin of Q2 2022 was 6.12 % as for Q2 2021 was 10.71%. The main reason for the decreased was the unit price of sales increased in Q2 2022.

Please be informed accordingly.

Sincerely Yours,

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(Mr. Natthawat Thanapinyanun)  
Director