

TYCN 011/ 66

11 May 2023

Subject: Submission of financial statements and clarification of operating for Q1 2023.

To: President of the Stock Exchange of Thailand

Tycoons Worldwide Group (Thailand) Public Company Limited would like to submit herewith the financial statements Q1 2023 reviewed by independent auditor. The Company has net profit 70 million baht and net profit 124 million baht till the end of Q1 2023 and Q1 2022 respectively which net profit decreased by 54 million baht or 43.67% because of the following reasons:

1. Total revenues decreased 925 million baht or 40.88%.
 - Sales decreased 894 million baht or 40.27% comparing with Q1 2022 mainly because the market is facing economic downturn risks, resulting in a decreasing in the sales of steel products volume.
 - Other income decreased 31 million baht or 71.61% comparing with Q1 2022. The main reason is that the exchange gain decreased by 6.8 million baht compared with Q1 2022 and the gain on disposal of fixed assets decreased by 27 million.

2. Total expenses decreased 830 million baht or 39.07%.
 - Cost of sales decreased 794 million baht or 39.28% compared with Q1 2022 due to the sales volumes decreased.
 - Selling and administrative expenses decreased 33 million baht or 32.02% compared with Q1 2022 mainly due to the reduction in transportation and export-related expenses due to the decrease in sales volume.
 - Reversal of allowance for expected credit losses decreased 0.8 million baht or 66.97% due to the balance of overdue accounts receivable has decreased compared with the previous period.
 - Reversal of losses from raw material purchase contracts decreased 3 million baht compared with Q1 2022 mainly due to the fall of steel prices in the international market.

3. Share of gain from investments in associates increased 65 million baht or 100% compared with Q1 2022. Mainly due to the investment in Fastbolt International Pte. Ltd. in 2023, and the recognized of fair value measurement " Gain on a bargain purchase of investment 57 million (Baht) and Profit from the general operating profit 8 million (Baht).

4. Finance cost increased 8 million baht or 63.85% compared with Q1 2022, mainly due to the FED USA interest rate increased causes US dollar borrowing rates to rise sharply.
5. Income tax expenses increased 15 million or 655.58% compared with Q1 2022 mainly due to the profits gains in 2023, and there is no tax loss carryforward of the prior year's for deductions, so the estimated income tax payable is relatively increased.
6. Gross profit margin of Q1 2023 was 7.37%, as for Q1 2022 was 8.89%. The reason of decreased was because the production volume and sales price in Q1 2023 are lower than in the Q1 of 2022.

Please be informed accordingly.

Sincerely Yours,

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(Mr. Natthawat Thanapinyanun)
Director