

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	493,770,879	408,040,805	401,591,347	398,020,369
Trade and other receivables	8	199,446,863	310,908,072	199,446,863	310,908,072
Inventories	9	1,424,744,102	1,989,384,374	1,424,744,102	1,989,384,374
Advance payments for goods and services		24,446,802	10,693,449	24,446,802	10,693,449
Valued added tax refundable		66,757,770	96,542,521	66,757,770	96,542,521
Other current financial assets	28.1	143,189	-	143,189	-
Other current assets		12,598,676	2,206,390	12,588,251	2,200,148
Total current assets		2,221,908,281	2,817,775,611	2,129,718,324	2,807,748,933
Non-current assets					
Restricted bank deposits	10	71,000,000	35,000,000	71,000,000	35,000,000
Other non-current financial assets	11	333,624,297	432,481,054	333,624,297	432,481,054
Investment in associate	12	309,558,741	166,852,514	167,901,150	167,901,150
Investments in subsidiaries	13	-	-	214,889,750	124,146,000
Investment properties	14	329,335,823	227,459,550	-	-
Property, plant and equipment	15	2,398,886,573	2,498,838,441	2,398,886,573	2,498,838,441
Deferred tax assets	22	34,805,111	43,278,345	63,136,629	43,278,345
Other non-current assets		76,997,222	32,958,811	76,997,222	32,958,811
Total non-current assets		3,554,207,767	3,436,868,715	3,326,435,621	3,334,603,801
Total assets		5,776,116,048	6,254,644,326	5,456,153,945	6,142,352,734

The accompanying notes are an integral part of the financial statements.

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	808,464,752	1,276,953,880	808,464,752	1,276,953,880
Trade and other payables	17	161,228,960	212,582,787	161,147,896	212,529,723
Advance received from customers		56,490,650	99,159,625	56,490,650	99,159,625
Income tax payable		4,512,096	27,325,373	4,512,096	27,325,373
Other current financial liabilities	28.1	7,485,761	60,512,635	7,485,761	60,512,635
Other current liabilities		2,862,178	6,029,445	2,862,178	6,029,445
Total current liabilities		1,041,044,397	1,682,563,745	1,040,963,333	1,682,510,681
Non-current liabilities					
Provision for long-term employee benefits	18	56,895,990	52,702,262	56,895,990	52,702,262
Other non-current liabilities		300,000	-	300,000	-
Total non-current liabilities		57,195,990	52,702,262	57,195,990	52,702,262
Total liabilities		1,098,240,387	1,735,266,007	1,098,159,323	1,735,212,943
Shareholders' equity					
Share capital	19				
Registered					
596,748,900 ordinary shares of Baht 7.5 each		4,475,616,750	4,475,616,750	4,475,616,750	4,475,616,750
Issued and fully paid					
596,748,900 ordinary shares of Baht 7.5 each		4,475,616,750	4,475,616,750	4,475,616,750	4,475,616,750
Retained earnings					
Appropriated - statutory reserve	20	9,800,000	8,200,000	9,800,000	8,200,000
Unappropriated		158,809,306	24,225,273	54,268,107	25,927,871
Other components of shareholders' equity		-174,199,269	(102,678,329)	-181,690,235	(102,604,830)
Equity attributable to owners of the Company		4,470,026,787	4,405,363,694	4,357,994,622	4,407,139,791
Non-controlling interests of the subsidiary		207,848,874	114,014,625	-	-
Total shareholders' equity		4,677,875,661	4,519,378,319	4,357,994,622	4,407,139,791
Total liabilities and shareholders' equity		5,776,116,048	6,254,644,326	5,456,153,945	6,142,352,734

The accompanying notes are an integral part of the financial statements.

Directors

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales		5,574,702,937	9,364,383,972	5,607,444,036	9,364,383,972
Gains on exchange rates		47,808,780	-	47,808,780	-
Other income		19,798,237	56,277,225	19,797,550	56,277,225
Total revenues		5,642,309,954	9,420,661,197	5,675,050,366	9,420,661,197
Expenses					
Cost of sales		5,223,899,169	8,737,241,864	5,250,370,382	8,737,241,864
Reduction of cost of inventory to net realisable value (reversal)	9	(11,820,883)	17,125,077	(11,820,883)	17,125,077
		5,212,078,286	8,754,366,941	5,238,549,499	8,754,366,941
Selling and distribution expenses		131,967,339	204,950,205	131,967,339	204,950,205
Administrative expenses		203,898,365	198,031,808	202,603,371	196,990,022
Reversal of allowance for expected credit losses		(455,527)	(9,942,835)	(455,527)	(9,942,835)
Losses from raw material purchase contracts (reversal)		(2,982,981)	3,571,362	(2,982,981)	3,571,362
Losses from Impairment of non-financial assets (reversal)		8,463,711	(15,673,984)	8,463,711	(15,673,984)
Losses on exchange rates		-	8,514,381	-	8,514,381
Total expenses		5,552,969,193	9,143,817,878	5,578,145,412	9,142,776,092
Profit from operating activities		89,340,761	276,843,319	96,904,954	277,885,105
Share of profit (loss) from investment in associate	12	139,553,906	(975,137)	-	-
Finance income		2,628,677	624,783	2,337,817	613,233
Finance cost		(64,494,619)	(66,772,493)	(64,494,619)	(66,772,493)
Profit before income tax expenses		167,028,725	209,720,472	34,748,152	211,725,845
Income tax expenses	22	(31,266,693)	(48,112,867)	(4,807,916)	(48,112,867)
Profit for the year		135,762,032	161,607,605	29,940,236	163,612,978
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Share of other comprehensive income from investment in associate - net of income tax	12	7,564,465	(73,499)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		7,564,465	(73,499)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax		-	(1,812,744)	-	(1,812,744)
Losses on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax		(79,085,405)	(108,826,684)	(79,085,405)	(108,826,684)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(79,085,405)	(110,639,428)	(79,085,405)	(110,639,428)
Other comprehensive income for the year		(71,520,940)	(110,712,927)	(79,085,405)	(110,639,428)
Total comprehensive income for the year		64,241,092	50,894,678	(49,145,169)	52,973,550

The accompanying notes are an integral part of the financial statements.

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (Continued)

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit (loss) attributable to					
Equity holders of the Company		136,184,033	162,016,298	29,940,236	163,612,978
Non-controlling interests of the subsidiaries		-422,001	-408,693		
		<u>135,762,032</u>	<u>161,607,605</u>		
Total comprehensive income attributable to					
Equity holders of the Company		64,663,093	51,303,371	(49,145,169)	52,973,550
Non-controlling interests of the subsidiaries		-422,001	-408,693		
		<u>64,241,092</u>	<u>50,894,678</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company	23	<u>0.23</u>	<u>0.27</u>	<u>0.05</u>	<u>0.27</u>

The accompanying notes are an integral part of the financial statements.

Independent Auditor's Report

To the Shareholders of Tycoons Worldwide Group (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Tycoons Worldwide Group (Thailand) Public Company Limited ("the Company") for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiaries and of Tycoons Worldwide Group (Thailand) Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions ("Code of Ethics for Professional Accountants") that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenue from sales is the most significant amount in the statement of comprehensive income and it is a key performance indicator which the financial statements' users focus. The recorded amount directly affects the annual profit or loss of the Group. Moreover, the Group has many customers across a number of product groups and both local and overseas sales. There are therefore risks with respect to the amount and timing of revenue recognition.

The procedures that I performed included:

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period, with special consideration given to expanding the scope of the examination of supporting documentation for transactions occurring near the end of the accounting period.
- Reviewing credit notes that the Company issued to its customers after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions.

Net realisable value of inventories

The Company had significant outstanding balance of inventories as at 31 December 2023 amounting to Baht 1,425 million. Since the main component of the Company's product is steel, purchase price of raw material and selling price of Company's finished goods fluctuate in accordance with the world market, and are affected by market competitive environment, economic circumstances and the situation within the industry. As a result, estimating the net realisable value of inventories, as disclosed in Note 9 to the financial statement, is an area of significant management judgement, and there is a risk with respect to the amount of provision set aside for diminution in the value of inventories.

I have assessed and tested the internal controls of the Company relevant to the determination of provision for diminution in the value of inventories. I also evaluated the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory and reviewing the consistency of the application of that basis.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing the gross profit from sales transactions to identify product lines with indicators of the risk with respect to amount of provision set aside for diminution in the value of in inventory.
- Comparing details of sales transactions occurring after the date of the financial statements with the cost of inventory for each product line and expanding the scope of random examination of supporting documentation for these sale transactions.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, 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 Thai Financial Reporting Standards, 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 the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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.

I am responsible for the audit resulting in this independent auditor's report.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 27 February 2024