

# TYC=NS

## ANNUAL REPORT 2022

FORM 56-1 ONE REPORT



## Table of Contents

	<b>Page</b>
<b>Part 1: Business Operation and Operating Results</b>	
1. Organizational structure and operation of the group of companies	2
2. Risk management	17
3. Business sustainability development	21
4. Management discussion and analysis (MD&A)	41
5. General information and other material facts	49
 <b>Part 2: Corporate Governance</b>	
6. Corporate governance policy	52
7. Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others	61
8. Report on key operating results related to corporate governance	70
9. Internal control and related party transactions	76
 <b>Part 3: Financial Statements</b>	84
 <b>Part 4: Certification of Information</b>	136
 <b>Attachments:</b>	
Attachment 1: Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary and the representative for contact and coordination in case of a foreign company	138
Attachment 2: Details of the directors of subsidiaries	143
Attachment 3: Details of the Heads of the Internal Audit and Compliance Units	145
Attachment 4: Assets for business undertaking and details of asset appraisal	147
Attachment 5: Unabridged policy and guidelines on corporate governance and Unabridged code of business conduct prepared by the Company	148
Attachment 6: Report of the Audit Committee	159

## **Part 1**

### **Business Operation and Operating Results**

---

## 1. Policy and business operating overview

### 1.1 General operating policy

Tycoons Worldwide Group (Thailand) Public Co., Ltd. (hereinafter called “TYCN”) was established on September 9, 1996. TYCN is 30.14% owned subsidiary of Tycoons Group International Co., Ltd. (hereinafter called “TGI”), which was incorporated in the Cayman Islands and 100% owned by Tycoons Group Enterprise Co., Ltd. (hereinafter called “TGE”). TYCN converted to a public company on July 9, 2003, and became a listed company on December 11, 2003. TYCN’s principal business is to produce and sell wire rod, reinforcing bars (including deformed bars and round bars), annealed wire, screws, bolts and thread rod internationally and in Thailand. TYCN is the only one producer in Thailand who has a world-class midstream to downstream vertically integrated plant. The capacity per year for wire rod, annealed wire, screws and bolts are 360,000 tons, 108,000 tons, 18,000 tons, and 60,000 tons respectively. All of TYCN’s productions are done by its plants in Rayong, Thailand.

Vertical integration, focus on cost down, catch customer requirements for products indeed, and constantly innovative ideas, raise the bar for ourselves.

#### 1.1.1 Operational visions and Operational Missions

##### Operational visions

1. Follow vertical integration policy to expand into upstream industry be in control of the upstream material, billets.
2. Keep promoting TYCN’s reputation and maintain the leadership in production, sale, and service of wire rods and reinforcing bars in Thailand.
3. Be a sustainable enterprise which takes responsibility for local environment, community and society.

##### Operational Missions

1. Keep raising product quality, improving efficiency, and lowering production cost. Produce and sell price-competitive steel products which meets customers’ demand.
2. Obey environmental policy, well utilize resources, minimize pollutions, and properly dispose waste in accordance with environmental regulations.
3. Care for social responsibility and make both TYCN and the community everlasting.

## 1.1.2 Significant change and development

### New investment acquisition

The Company and its parent company TGI have invest 49% and 51% respectively in September 2022 by establish a new company, Fastbolt International Pte. Ltd. in Singapore, with a total investment of EUR 4,557,000 and Fastbolt International Pte.Ltd. acquired 79% of the shares of Fastbolt Group GmbH.

Founded in 1982, Fastbolt Group GmbH focused on import various of fasteners for European distributors until today. Fastbolt Group GmbH have warehouses in Germany, UK and Portugal to distribute fastener products covering all West Europe. The product categories cover from small screws, bolts, nuts and washers. This investment brings TYCN many opportunities and advantages, including expanding the market layout in Europe, reducing production costs, and obtaining Fastbolt market information to better meet market demand and grasp market changes.

### Changes in investment in associated companies

Date	TY's registered capital changes	The reason for the change	Shareholding Proportion of TYCN after change	Relationship with TYCN
October 2021	Decreased from 2,590M to 647.5M	Capital reduction to compensate the accumulated deficits	28.20%	Associate
November 2021	Increased from 647.5M to 947.5M	Capital increase to increase working capital	19.27%	Associate
January 2022	Increased from 947.5M to 1,947.5M	Capital increase to increase working capital	19.27%	Associate
June 2022	Increased from 1,947.5M to 2,724.5M	Capital increase to increase working capital	19.43%	Associate

## 1.1.3 Relationship with the business group of major shareholder

Currently, TYCN's largest customer for sales of merchandise, including wire rod and annealed wire, is Tycoons Group Enterprise (TGE), TYCN's indirect majority shareholder via Tycoons Group International Co., Ltd.(TGI), (TGE holds a stake of up to 100% in TGI and TYCN is a 31.14% owned subsidiary of TGI). TYCN's sales to TGE accounted for 7.43% of TYCN's total sales in 2022, mainly due to the fact that TGE is TYCN's agent who is in charge of business development and marketing in Taiwan, which allows TYCN to rapidly react to the demand and prices in Taiwan market. Therefore, the business relationship between TGE and TYCN will be able to stay mutually beneficial.

In accordance with company policy, management and operation of TGE and TYCN are clearly separated, and the two management teams are independent each other, in order that each company is acting in its own best interests.

#### 1.1.4 Tycoons Worldwide Group (Thailand) Public Company

**Name of the company:** Tycoons Worldwide Group (Thailand) Public Company Limited (TYCN)

**Type of business:** To manufacture and distribute wire rod, reinforcing bars (including deformed bars and round bars), annealed wire, screw, bolt and thread rod.

**Location:** 99 Moo1, Tumbon Nikompattana Amphur Nikompattana, Rayong 21180 Thailand

**Registered share capital:** 596,748,900 common shares, par value 7.50 Baht, paid-up Capital 4,475,616,750 Baht.

**Issued and paid-up share capital:** 596,748,900 common shares, par value 7.50 Baht, paid-up Capital 4,475,616,750 Baht.

**Company registration:** 0107546000172

**Telephone No. :** (033)-658-558, (038)-636975

**Facsimile No. :** (038)-636-977

**Home Page:** <http://www.tycons.com>

## 1.2 Nature of the business

### 1.2.1 Revenue structure

Product	2022		2021		2020	
	MB	%	MB	%	MB	%
Domestic Sales						
1. Wire rod (including reinforcing bar)	5,594	59.74	4,826	53.27	3,804	63.54
2. Annealed wire	389	4.15	388	4.28	126	2.10
3. Fastener	97	1.04	85	0.94	18	0.30
4. Others	0	0	97	1.07	481	8.03
Total domestic Sales	6,080	64.93	5,396	59.56	4,429	73.98
International Sales						
1. Wire rod (including reinforcing bar)	380	4.06	247	2.73	11	0.18
2. Annealed wire	801	8.55	1,192	13.16	450	7.52
3. Fastener	2,076	22.17	1,440	15.89	986	16.47
4. Others	27	0.29	785	8.66	111	1.85
Total International Sales	3,284	35.07	3,664	40.44	1,558	26.02
<b>Total Sale</b>	<b>9,364</b>	<b>100.00</b>	<b>9,060</b>	<b>100.00</b>	<b>5,987</b>	<b>100.00</b>

Based on the figures above, domestic sales generally accounted for a greater proportion of TYCN's total sales than international sales over period from 2020 through 2022, Wire rod comprised the largest proportion of sales in 2022, accounting for about 64%.

The primary markets for screw in 2022 were the America, Poland and Romania. The primary market for annealing wire in 2022 was Taiwan. The primary markets for bolt were European countries market.

## **1.2.2 Products information**

### **(1) Products**

#### **1. Wire Rods**

##### **1.1 Wire Rods in Coil:**

Wire rods in coil, with outer diameter 1250mm and inner diameter 850mm, are made of billets through the process of hot rolling to bars (diameter from 5.5mm to 16mm), coiling and strapping.

##### **1.2 Bars in Coil:**

Bars in coil, also named as BIC, with outer diameter 1400mm and inner diameter 1100mm, are made of billets through the process of hot rolling to bars (diameter from 17mm to 42mm), coiling and strapping.

The company produces low-carbon wire rods in accordance with TISI no.348- 2540, while produces high-carbon wire rods in accordance with TISI no.349-2548.

#### **2. Reinforcing bars**

##### **2.1 Deformed Bars**

Deformed Bars are the product with transverse ribs, longitudinal ribs or gaps on its surfaces, which reinforce the pull strength between deformed bars and concrete. Specifications of Deformed bar product are DB6, DB8, DB10, DB12, DB16, DB20 and DB25 under Thai SD40 & SD50. Straight deformed bars, are made of billets through hot rolling and flying shears size 10 to 12 meter.

##### **2.2 Round Bars**

Round bars are made of bars with smooth surface through coiling and strapping. (Specifications are RB6-RB25).

---

### 3. Annealed Wires

Annealed wires are either finished or semi-finished products which are made of wire rods through complete or partial processes of intermediate drawing, spheroidizing, pickling and coating, and skin-pass. Annealed wires are classified into:

- A. Small size annealed wires with diameter no more than 5.5mm.
- B. Big size annealed wires with diameter from 5.5mm. to 29mm.

### 4. Fasteners

#### A. Screws

Screws are made of small size annealed wires through head forming, thread rolling, heat treatment, and surface treatment. Screws can be used together with rivets to fasten multiple parts.

#### B. Bolts

Bolts are made of big size annealed wires through head forming, thread rolling, heat treatment, and surface treatment. Bolts can be used together with nuts and washers to fasten multiple parts.

#### C. Thread rods

Thread rods are made of wire rods through cutting, thread rolling, and surface treatment. Thread rods can be used together with nuts and washers to fasten multiple parts.

### Product and standardization certification

#### License granted by TISI

The company produces low-carbon wire rods in accordance with TISI no.348-2559, while produces high-carbon wire rods in accordance with TISI no.349-2561.

The company produces reinforcing bars deformed bars in coil and straight deformed bar product were granted a certification of new standards TIS 24-2559 by TISI. The granted certification of standards by TISI for its deformed bar product category of SD40 and SD50. Specifications of Deformed bar product are DB6, DB8, DB10, DB12, DB16, DB20, and DB25, with diameter from 10mm to 25mm.

The company produces reinforcing bars round bars in coil and straight deformed bar product were granted a certification of new standards TIS 20-2559 by TISI. The granted certification of standards by TISI for its round bar product category of SR24. Specifications of round bar product are RB6, RB8, RB9, RB10, RB12, and RB25, with diameter from 6mm to 25mm.



---

**International Industrial standardization granted:**

The company produces screws in accordance with EN 14566 standards, the products specifications are M2.9 - M6.3 granted certification of standards by European inspection and certification company S. A. and EN 14592 standards the products specifications with diameter from 3.0 mm. - 6.0 mm.

The company produces bolts in accordance with EN 15048 standards, the products specifications are M12 - M24 granted certification of standards by Engineering test institute, public enterprise.

**International standardization granted:**

On October 1, 2001, TYCN was approved with the two ISO: ISO 9001 and ISO 14001 for its excellence in manufacturing process and environmental protection, respectively. On July 13, 2009, TYCN was approved the certification of Laboratory Accreditation of ISO/IEC 17025.

**Board of investment privilege:**

TYCN was granted the promotional privileges from the Board of Investment (BOI) under a promotion certificate issued on October 11, 1996 to manufacture steel wire rod, annealed wire and screw under category 2.15 manufacture of steel wire, round bar or steel billet and category 4.7 manufacture of metal wire or wire products and a promotion certificate issued on April 9, 2003 to manufacture annealed wire and bolt under category 4.7 manufacture of metal wire or wire products.

**(2) Marketing and competitive environment****2.1 Marketing strategies, target clients, distribution channels****1. Domestic market****1. Marketing strategies****A. Wire rod and annealed wire:**

TYCN is the only one steel manufacturer with “billet surface grinding” procedure which is able to remove flaws on billets so that the flawless billets can be used for producing CHQ (Cold Heading Quality) wire rods and annealed wires. These products get TYCN into the high-end segment in which there are no domestic competitors. In the segment of ordinary products, TYCN is also the leading manufacturer who produces a variety of high-quality products and makes on-time delivery.

---

**B. Round bar:**

TYCN produces compact rebar in coil, which allows customers to flexibly determine cutting length and minimize production loss.

**C. Technical service:**

TYCN provides knowledgeable technical team to support technical work such as utilization of TYCN's product with highest efficiency. TYCN is also able to adjust chemical composition according to customers' requirement.

**2. Target customers****Wire rod:**

TYCN's wire rod is targeted at customers who produce PC (high tensile) wire and steel strand, Motor shaft, Bead wire (tire), wire mesh, fasteners, steel nails, automotive parts and etc. downstream related products of manufacturer.

**Annealed wire:**

TYCN's annealed wire is targeted at customers who produce screws, bolts, nuts, nails, rivets, auto parts, mechanical parts, and appliance parts.

**Reinforcing bar:**

TYCN's reinforcing bar is targeted at construction companies and steel wholesalers.

**2. Overseas market****1. Marketing strategies****Wire rod and annealed wire:**

TYCN's major target market is Taiwan. TGE is not only our major customer, but it is also TYCN's distributor in Taiwan who sells TYCN's wire rod and annealed wire throughout Taiwan.

**Reinforcing bar:**

TYCN will expand into ASEAN countries such as Myanmar, Laos, and Cambodia through traders and wholesalers.

**Fastener:**

Fastener products are targeted at European and American market. Fasteners are specifically focused on the regular-specification segment, which allows TYCN to quickly resell them in case of order cancellation. On the other hand, TGE would produce fasteners with special specification for TYCN and then either directly deliver to customers or sell back to TYCN in case TYCN could not produce the products with special specification. TYCN's products have trademarks in so many different countries that the brand "TY" has been highly recognized.

## 2. Target customers

### A. Wire rod and annealed wire:

TGE is the biggest customer by exported wire rod and annealed wire. In other countries, the product is sold to steel manufacturers.

### B. Fastener:

Major customers are overseas distributors, trading companies, and hypermarkets.

## 3. Distributor

TGE is the distributor in charge of Taiwan market, while TYCN is in charge of other overseas market. TYCN promotes its products by advertising on magazines and journals, and participating in international exhibitions.

## 4. Market positioning

### A. Wire rod and annealed wire:

The exported wire rods and annealed wired are classified as high-quality and high-value products such as CHQ and low alloy products which are major materials used for fasteners and auto parts.

### B. Fastener:

TYCN is a professional fastener manufacturer providing a variety of fasteners and satisfying customers' need of one-stop purchase.

### Customer satisfaction

The company evaluates customer satisfaction on each product in the beginning of each year. In terms of the valuation of customer satisfaction in 2022, the company set the score of no less than 80 for service quality, product quality, and delivery process. Overall, every product passed the evaluation.

## 2.2 Market and competition

### Dumping and Capacity cut of China

As China's economic growth slowed down. In recent years, steel production capacity has been expanded too much, coupled with the China's government's policy to incentive exports, causing dumping of steel products from China to the world. Fortunately, China canceled its export tax rebate program for steel products in May 2021, greatly reducing the competitiveness of Chinese steel prices.

In the future, under China's "Carbon Double" emission control target policy, China aims to peak emissions by 2030 and achieve carbon neutrality by 2060. It will continue

---

to increase pressure on steel mills to reduce production and emissions. This will help stabilize supply and prices of the steel market in Asia in the future

### **Upgrades in infrastructures and industries**

In mid-2016, Thai government announced “Thailand 4.0”, an economic development plan, which is the blueprint of industry upgrades across 20 years from 2017 to 2036. The plan includes the development of six key area and ten popular industries, and at least 3,000 billion baht in rail way and high way system. The goal of this plan is to make Thailand more attractive to investors, to develop Eastern Economic Corridor (EEC), and to strengthen the country's competitiveness by reducing the transport cost. In order to speed up EEC, the flagship project, Thai government has invoked the powerful Section 44 to enable authorities to bypass some laws and regulations that may put the project on hold. EEC Projects that has been launched in 2018 include high speed rails linking 3 international airports, Laem Chabang port phase 3, U-tapao airport, Map Ta Phut's port expansion and development of highways and double-track rails in the three EEC provinces. Other projects are eastern airport city, aircraft repair and maintenance hub at U-tapao and the Bangkok-Rayong high-speed rail network. Domestic steel demand will benefit from the launch of those infrastructures in 2021. Therefore, the outlook of Thailand's steel market is expected to bloom in the future.

### **Bans on Thai steel plant expansion**

Steel plant expansion and construction of steel bar plants will be banned for the next five years in Thailand to reduce the domestic surplus, according to an industry Ministry draft regulation the cabinet approved on Jan 29, 2019. The government calls on steelmakers to improve their technology, upgrade steel quality to meet high standards and solve SO<sub>x</sub> and NO<sub>x</sub> emission levels to prevent outdated technology from polluting surrounding communities. The new regulation has entered into force on January 11, 2020.

### **“Made in Thailand” policy**

Domestic steel demand will grow under the “Made in Thailand” policy announced recently in January 2021 by the Comptroller-General. Under the policy, government agencies have to procure not less than 60 per cent from domestic produce and require the government's infrastructure projects to use domestically produced steel as the ratio of steel consumption in the total project to not less than 90%. And the Federation of Thai Industries (FTI) is responsible for the registration and certification of product projects. It includes steel products, so that in the future, the Thai government will give priority to the policy of selecting domestic steel manufacturing suppliers for the qualification rights and interests of steel products in the outsourcing case of infrastructure projects.

### **New capacity in neighboring countries**

Vietnam has complete new steel plant with annual capacity of 7.1 million tons in early 2018, Malaysia Alliance Steel also completed a steel plant with an annual capacity of

5 million tons in the first quarter of 2019, The excess capacity from these two countries was dumped to Thailand in 2019, causing Thai steel prices to fall. The company has join with others steel making factory and submitted anti-dumping investigations in these two countries to the Thai government in order to curb improper low-price dumping.

### **(3) Procurement of production/purchase**

#### **1. Production capacity**

At present, the Company has 17 factories. Located at 99 Moo 1, Nikhom Phatthana, Nikhom Phatthana District, Rayong Province, the Company has been operating machinery for production since 2000. The company could achieve maximum production capacity of 500,000 tons/year if it were to produce only a single type of wire rod (that used for bar in coils), since it is less time consuming to make than other types of wire rods. Actual capacity will be lower, at approximately 360,000 tons/year, if the company produces a combination of mixed product range with different grades. And the company also could achieve maximum production capacity of 144,000 tons/year if it were to produce only a single process of annealed wire. Actual capacity will be lower, at approximately 108,000 tons/year, if it were produce over a single process of annealed wire. The production is carried out according to Thai standards, international standards and according to the needs of customers.

#### **Production capacity, quantity and utilization rate in the year 2020-2022**

	2022	2021	2020
Full production capacity (Unit: Ton/year)			
- Wire rod	360,000	360,000	360,000
- Annealed wire	108,000	108,000	108,000
- Screw	18,000	18,000	18,000
- Bolt	60,000	60,000	36,000
Real Production (Unit: Ton/year)			
- Wire rod	316,067.62	320,675.38	253,800.69
- Annealed wire	83,281.17	105,334.34	68,256.64
- Screw	5,348.04	6,612.71	5,654.37
- Bolt	35,036.03	32,312.05	26,848.85
% Utilization rate			
- Wire rod	87.80	89.08	70.50
- Annealed wire	77.11	97.53	63.20
- Screw	29.71	36.74	31.41
- Bolt	58.39	53.85	74.58

#### **2. Production process**

##### **Wire rods**

##### **1) Billet inspection & conditioning line:**

---

Billets, after being straightened, are loaded to be desalted by a shot blast, and transferred towards a fluorescent magnetic powder flow detector to be inspected and marked for defective parts on all four surfaces.

2) Billet grinding:

Defects on surface of billets are removed by wheel grinding. Complete grinding produces a high-quality surface suitable for cold heading, cold forging, cold drawing, cold stranding, and other intensive processing works using billets as raw material.

3) Reheating furnace:

Billets are charged into a reheating furnace to heat to the temperature required for rolling.

4) Rolling line:

Billet is discharged to the mill stand; the mill stand includes roughing mills, intermediate mills, and finishing mill totaling 18 rolling stands. After being rolled, the product is passed through bar reel in order to reel the product bar into coils. With the ventilation system, bar coils are force draft cooled to produce a finished product called “bar in coil”.

5) Convolution conveyor:

After finishing, the product is continuously rolled by 10 rolling stands of finishing block, a “loop layer” shapes the straight line product into circular convolutions, after which it is moved to a convolution conveyor, producing “wire rod coil”.

### **Annealed wire**

1) Intermediate drawing: Wire rod is transformed into smaller wire. TYCN has 13 drawing machines for small size and 10 drawing machines for big size.

2) Spheroidized annealed: Wire from step 1 will be annealed through the spheroidized annealed machines. Currently, TYCN has 11 bases machines.

3) Pickling & coating: Wire will be surface cleaned using one operating line and coated with the rust proof solution as well as lubricants using one of 2 operating lines.

4) Skin pass: In the final stage, wires will pass through the skin pass drawing process. TYCN currently has 24 skin pass machines.

### **Screws & Bolt**

1) Heading and threading: Wire will be delivered to the forming plant, passing through the heading and threading machines.

2) Case hardens: After the forming process, screws are treated by carburization to improve their mechanical strength.

- 3) **Plating:** Surface finishing and coating is necessary for screws and bolt to for rust-proofing and improve their appearance. The surface treatment processes vary depending on customer demand and include black phosphate, zinc electroplating (zinc blue, zinc yellow), dactrotized and Rusper coating for screws, zinc electroplating for bolt.

### 3. Raw material

#### Billet and wire rod

TYCN's raw materials sources are diversified by countries such as China, Vietnam, Oman, India and Thailand. The proportion of purchasing raw materials domestically at 33% percent and abroad at 67% percent. There is no raw material supplier to the company that exceeds 30% of the total purchase amount.

### 4. Property used in business activities

4.1 The Company's assets are land, buildings, factories, machines, tools and equipment, Office equipment and vehicles. Core assets of TYCN as at December 31, 2021 – 2022.

Asset	Proprietary right/ Ownership	2022 Total Value (MB)	2021 Total Value (MB)
1. Land and land improvement	Ownership	518.63	514.53
2. Buildings and attached facilities	Ownership	547.28	500.00
3. Machinery and equipment	Ownership	1,491.52	1,626.13
4. Transportation & Vehicle	Ownership	16.27	17.56
5. Furniture and fittings	Ownership	11.50	3.82

#### 4.2 Investment Policy in Subsidiaries and Related Companies

The Company has formulated an external investment policy in accordance with the group's vision and growth plan, which will enable the group's Company to have higher operating efficiency or profit, or invest in businesses that creates benefits (Synergy) to increase the Company's competitiveness and lead to the success of the goal to be a leader in the Company's core business industry.

Therefore, the Company may consider investing in other sectors. If the business has potential for business growth or it is beneficial to the business of the Company in the group's Company and can generate a good return on investment. The Company will consider the expected risks and returns and the Company's financial position before making an investment decision. The investment must be approved by the Board of Directors' resolution. Board of Directors or the general meeting of shareholders (If it meets the requirements).

In 2022, the Company has holding total shares of 71.83 million baht in KDB Co., Ltd, by holding 44.99% of the issued and paid-up shares capital of KDB Co., Ltd, a company specializing in real estate investments and making profits in the long term. Such investments will give the company the opportunity to take a step towards investing in the real estate sector. The main investment plan after the acquisition of KDB is to acquire land with potential to add further value in the future when KDB has purchased sufficient land. The

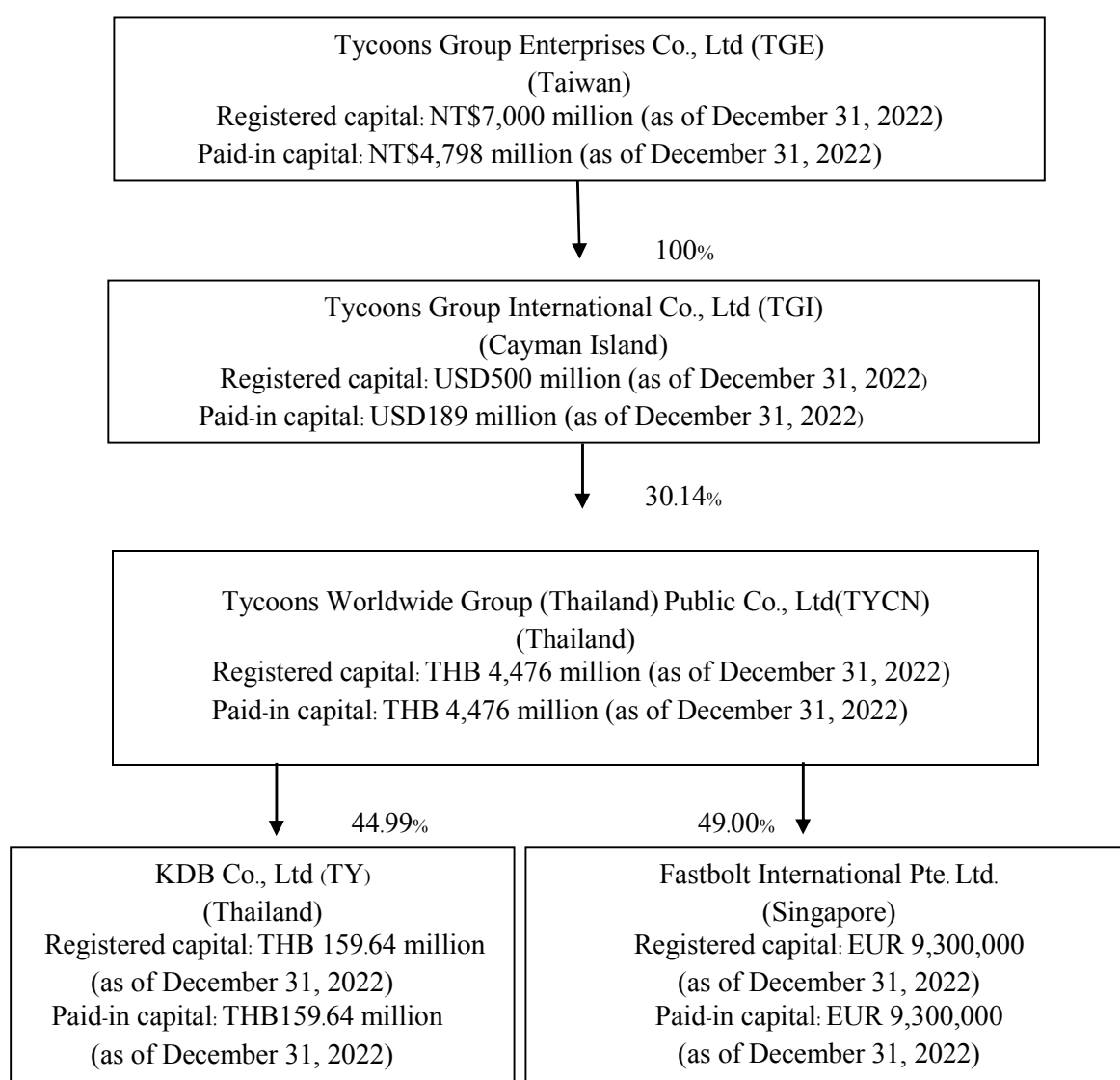
company can consider building real estate for sale and rent to get continuous returns benefits and to prevent impairment loss of the reappraised investment price and receive a consistent return on investment.

The Company and its parent company TGI have invest 49% and 51% respectively in September 2022 by establish a new company, Fastbolt International Pte. Ltd. in Singapore, with a total investment of EUR 4,557,000 and Fastbolt International Pte.Ltd. acquired 79% of the shares of Fastbolt Group GmbH.

Founded in 1982, Fastbolt Group GmbH focused on import various of fasteners for European distributors until today. Fastbolt Group GmbH have warehouses in Germany, UK and Portugal to distribute fastener products covering all West Europe. The product categories cover from small screws, bolts, nuts and washers. This investment brings TYCN many opportunities and advantages, including expanding the market layout in Europe, reducing production costs, and obtaining Fastbolt market information to better meet market demand and grasp market changes.

### 1.3 Shareholding Structure

#### 1.3.1 Shareholding structure of the group of companies





TGE was approved to be incorporated by the Ministry of Economic Affairs under the company law of the Republic of China on November 20, 1980. Its total registered capital as of December 31, 2022 was NT\$ 7,000 million, paid-in capital was about NT\$ 4,798 million. Currently, TGE's main business is to produce annealed wire using wire rod, raw material imported from TYCN. TGE also directly sells wire rods and annealed wire to customers in the Taiwan market. TGE currently has the production facility in Taiwan for production of annealed wire, bolt and the only heat treatment facility in Taiwan for the screws. TGE also took the view that there was further potential for upward integration in its industry. Thus, after consideration,

TGE established TYCN in Thailand as its production base for upward integrated products (wire rods as well as annealed wires and screw). TGE chose Thailand as a production base because Thailand is extremely competitive in terms of logistics and manufacturing cost. TGE's investment in TYCN is done through the TGI to take advantage of advantageous tax treatment. TGE's primary market is limited to Taiwan to avoid so-called cannibalization within its group of companies. In accordance with company policy, management and operation of TGE and TYCN are clearly separated, and the two management teams are independent each other, in order that each company is acting in its own best interests.

### 1.3.2 Shareholders

Names of the ten largest shareholders of the company on March 16, 2022

Name	Number of shares (shares)	Percentage (%)
TYCOONS GROUP INTERNATIONAL CO., LTD.	180,470,477.00	30.24
PURPLE METAL CO., LTD.	144,770,136.00	24.26
PROSPER STEEL CO., LTD.	69,249,779.00	11.60
CITI (NOMINEES) LIMITED-FIRST COMMERCIAL BANK-TDR	57,860,000.00	9.70
THAI NVDR COMPANY LIMITED	36,657,780.00	6.14
BANQUE PICTET & CIE SA	18,176,300.00	3.05
MR. JAMROEN RUNGWATTANASET	13,400,000.00	2.25
MR. SOMCHAI PADPHAI	6,917,300	1.16
MISS YAO, CHIN-HSIANG	3,431,387.00	0.58
MR. WATCHARA PANJAWATTANA	3,030,000.00	0.51
Other	62,785,741.00	10.52
<b>TOTAL</b>	<b>596,748,900.00</b>	<b>100</b>

Investors can check and update shareholder information from the company's website before the shareholders' meeting.

## 1.4 Amounts of registered capital and paid-up capital

**1.4.1** On December 31, 2022 the company had a registered capital of Baht 4,475,616,750 divided into 596,748,900 shares with a par value of Baht 7.50 and a paid-up capital of Baht 4,475,616,750 divided into 596,748,900 shares with a par value of Baht 7.50 .

**1.4.2** In year 2011, major shareholder Tycoons Group International Co., Ltd has set aside 60,000,000 shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd (about 9.94% of total outstanding common shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd) to issue 30,000,000 units of Taiwan Depository Receipt (TDR) in Taiwan Stock Exchange and has been listed on Sep. 29, 2011.

## 1.5 Dividend payment policy

The dividend payment policy of the company is that dividends will be paid at a rate of no less than 40 percent of the Company's net profit after corporate income tax each year. However, many factors must be taken into consideration before deciding to pay a dividend, including operation results and financial status, the company's liquidity, business expansion and other factors related to management of the company. In order to pay a dividend, such payment must be agreed upon at a shareholders meeting with consent of the company's board of directors.

If there is any profit after the final accounts of such financial year, the company may allocate the profits in the following orders, provided that the company shall first apply such profits to pay off its tax payment then compensate for its accumulated losses:

- (1) Set five percent of the remaining profits as reserve fund.
- (2) Upon properly reserving the fund for reserve fund, set one percent of the remainder of the profits as directors' bonus.
- (3) Upon properly reserving the fund for reserve fund, the employees' bonus shall be set in the range between two to five percent of the remainder of the profits.
- (4) After the funds for items 1 to 3 are properly reserved, at least forty percent of the remainder of the profits plus the accumulated and undivided profits of previous year shall be set as dividends (deducting the distributed interim dividends). The dividends to be distributed in the form of cash shall not be less than fifty percent of the distributable dividends. No distribution shall be allowed if dividend per share is less than THB 0.2.

1. The dividend was paid: the company omitted annual dividend for 2019, 2020 and 2021.
2. The payment rate compared to the net profit: the company omitted annual dividend for 2019, 2020 and 2021.

---

## **2. Risk Management**

### **2.1 Risk Management**

The Board of Directors has adopted a risk management system for all material and controllable risk and included the reporting and evaluating system in response the current situation. In 2022, the Board of Directors has considered political risk, which now does not affect the company directly. As for economic risk in exchange rate, the company has employed forward contract to minimize the risk. All managements are responsible for risk management. In assessing the risk, the chance of occurring and the impact it might create was examined, then prevention measures were proposed. The Company's internal audit has been performed audit in relation to risk and then reported to the committee, so that the committee could report to the Board of Directors in time.

### **2.2 Risk factors**

#### **2.1 Sales risks**

##### 1. Global economic situation

Steel consumption is closely related to economic growth because economic growth influences industries that consume steel such as construction, automobile, and durable goods. In the early stage of the outbreak of the new coronavirus (COVID-19) disease in 2020, the global economic recession and weak steel demand, and then in the post-epidemic era of 2021, as European countries and United States launched infrastructure plans to revitalize the economy, steel demand began to rise sharply. According to IMF estimates, the global economic growth rate in 2023 is 2.9%, slightly lower than that in 2022. There are lots of uncertainties around the world such as mutation of the new coronavirus (COVID-19), geopolitical conflicts (Ukraine-Russia, Taiwan Strait, Korean Peninsula, etc.), Brexit, Biden's new policies, protectionism, U.S. and European monetary policy. Unblocking of China and high interest rate environment of USD and EUR.. etc.

On March 8, 2018, Trump signed steel and aluminum tariffs that imposes 25% duty on steel and 10% charge on aluminum, which took effect on Mar 23, 2018. TYCN's export to U.S. is less than 5% of its sales, therefore the tariff does not bother TYCN's export. However, the long term influence of US-China trade war can not be ignored.

##### 2. Product and raw material price

TYCN's major raw materials for downstream products are billets and wire rods. Therefore, billet and wire rod prices play an important role when it comes to sales, cost, and profit. TYCN's raw materials sources are diversified by countries such as China, Russia, Oman, and Thailand. As the largest steel producing country,

---

China's policy on producing and selling steel will directly affect global steel prices. TYCN's raw material and product prices fluctuate with global prices, further influencing the company's revenue and profit.

The steel industry still has to be closely monitored vis-a-vis global steel price, which has been steadily rising since the end of 2020, Due to the Ukraine-Russia war in February 2022 which affected the export of steel products between the two countries, resulting in a further increase in short-term steel prices. Subsequently, in order to curb inflation, the Federal Reserve launched a rapid and powerful cycle of interest rate hikes, and steel prices were immediately suppressed and fell back. Regarding the trend of steel prices in 2023, the development of the Ukrainian-Russian War and the interest rate policy of the Federal Reserve are variables that must be paid attention to.

### 3. Potential competitors

As the AEC, ASEAN Economic Community, has been setup by ASEAN on January 1<sup>st</sup>, 2016, China, the U.S., Japan and other countries has launched new ASEAN strategies, pledging that they will strengthen business relationship with the AEC, and the investments in ASEAN has attracted more global attentions. Therefore, the impact of China's capacity-offshoring policy on Thailand and ASEAN's steel industry deserves watching.

## 2.2 Financial risks

### 1. Exchange rate and interest rate

TYCN's raw materials are billet and wire rod. In 2019, 65% of them were from TY in THB, while 35% were imported in USD. However, 28% of products were exported mostly in USD and minorly in EUR. Therefore, the imports and exports in USD can balance each other, resulting in a natural hedge. TYCN can also avoid the foreign exchange risk by signing forward contracts to offset the net foreign exchange position. TYCN group uses USD loans for working capital and long term investment. Therefore, the interest rate should be carefully watched. TYCN can choose interest rate exchange or repay USD loans by using THB loans to avoid risks of foreign exchange rate and interest rate.

TYCN engages in derivatives trading based on actual need and according to TYCN's 「Procedures of engagement in derivatives trading」. In addition to hedge tools for foreign exchange rate and interest rate, TYCN also take actions such as:

- (1) Set up foreign exchange rate monitor system to get real time information on exchange rate.

- 
- (2) Get reports and hedge strategies about foreign exchange market from banks on a daily basis.
  - (3) Check the net foreign exchange position on a daily basis and adjust it according to the updated information.

## 2. Credit policy

There is no significant credit risk between TYCN and its customers. TYCN set credit lines for its customers by market, products and payment terms. TYCN controls shipment and collection by using ERP, which allows TYCN to instantly monitor the status of customers' credit lines. An approval is necessary for any shipment which is over credit line. A guarantee deposit, advance payment, or AR insurance is required when a shipment is made with long payment term or to a high-risk market.

## 3. Software and Web technology

The whole production and management of TYCN's operation are controlled by ERP and internet system. TYCN has protective measures and backup plan to prevent the company from suffering from unexpected power failure, hardware damages and hacker attacks.

## **Environmental Impact Risks**

Due to the Company's production process may cause pollution to communities near the factory. The Company has prevented problems that arise. Therefore, a working group has been set up to manage energy and environment. To set guidelines for implementation and follow up on management in matters related to the environment both within and outside the factory with the concept of 3R which is Reuse, Reduce, and Recycle, thus reducing the amount of waste in the production process. Minimizes dumping of waste materials and reduces waste disposal costs. Production processes have been improved to reduce water and energy use, especially the use of electricity. The Company has begun to replace more efficient equipment in the production process and install solar cell lamps beside factory buildings and roads to reduce electricity consumption and improve the production process to reduce dust and odor, as well as require measurements continuous impact by the results of the audit in the past year, the Company has passed all the items of industry standards. Does not affect or destroy the environment and resources of the community. In order to reduce the company's losses and liabilities caused by environmental pollution incidents and protect the environmental benefit of third parties, the Company has purchased environmental liability insurance from insurance companies.

---

## **Corporate Governance Risk**

Person in the position of Chairman and the person in the position of the President of the Company belong to the same family which may make it seem the Company has no balance of power between the Board of Directors and Management. However, the Company realizes the importance of good corporate governance. Therefore, a charter has been prepared which specifies the duties of the Chairman of the Board, the Board of Directors and the President of the Company. Which makes the division of roles between the Board of Directors and the management, there is a clear and proper balance which is in line with the good practice guidelines of the Good Corporate Governance Principles of Listed Companies 2017.

## **Cyber Threat Risk**

The risk of cyber threats is an important matter and affect the operations of the Company, especially important systems such as network systems, financial and accounting systems, internal management system of human resources which such work system contains personal information that the Company possesses as well. If there is a problem with the Company's information technology system, access to personal data held by the Company. It will affect the operation and reputation of the Company. The Company has planned and invested to develop work systems to support new technologies and protection against cyber threats, including improving computer networking to be available to avoid the failure of the network and the server, so that the system can work continuously. Prevent intrusion (Network) and set strict security control measures, such as computer security (Firewall), assigning rights to access information. Setting up a network to set up a backup center to support emergencies in order to keep the business running.

## **Epidemic risk**

Due to the epidemic situation of COVID-19 which has spread widely and affects both at domestic and international. As a result, Thailand has a direct impact on the economy and society. Which in many areas within Thailand, there has been a heavy outbreak and in some areas have been designated as the highest control area according to the announcement of the Center for Disease Control of the Coronavirus Disease 2019 (CCDC) where the Company is aware of the safety of its employees. The Company has issued epidemic prevention measures to suppress such risks and take such measures to control risks immediately by defining measures to prevent the spread of COVID-19 (Work from home) which aims to protect employees in the organization from the epidemic and spread of COVID-19 that has spread severely and in a circle wide at that time as a result of the control measures of the Company, resulting in employees healthy and the Company's business can continue as usual.

---

### **3. Business Sustainability Development**

#### **3.1.1 Policy and objectives of sustainable management**

##### **Sustainability management policy**

TYCN's commitment to business operations based on sustainable development to create value with all stakeholders with policies and compliance with four key principles:

##### **Good corporate governance issues**

Realize the importance of good corporate governance by adhering to the principles of morality and ethics as a guideline for doing business and laying out various policies so that the performance of duties is possible with responsibility, caution and honesty which will result in the business being able to progress efficiently.

##### **Economic issues**

Commitment to business operations under good corporate governance, transparency, accountability, and responsibility for business operations. Manage risks at an appropriate level to create a balance of returns or profits and take into account the sharing of returns to all groups of stakeholders as well as instilling awareness of all employees to participate in anti-corruption and corruption, which is the key foundation for sustainable business growth.

##### **Social issues**

Give importance to personnel development within the Company including external personnel, communities and society as part of creating a good society. Learn to develop and coexist with communities and society through the activities of various working groups. To create a better understanding of each other and ensures that the Company's business operations will not affect or cause trouble damage to the normal way of life of the people, the community and the surrounding society.

##### **Environmental issues**

Emphasis is placed on doing business under the requirements of laws or regulations on the environment of the relevant agencies, including customer environmental requirements. Use resources wisely to achieve maximum value. Reduce the amount of pollution that will happen to the environment and cooperate with the government in various actions strictly and returning back to the community and society through various projects of the Company continuously.

## Sustainability operating results

### 1. Good corporate governance issues

- Score CGR = 73%
- 2022 AGM Quality Assessment Score = 96%

### 2. Economic issues

- Income from the sale of products 9,364,383.97 MB.
- Sales volume 326,903.93 Tons

### 3. Social issues

#### Employees

- Employees training per person average of 7.19 hours
- (Total hours 6,255 / 870 persons = 7.19 hours / person)
- Employee resign rate 23.44% (204\*100/870)
- (Total employees 870 persons resigned 204 persons)

#### Society and Community

- Customer satisfaction 93.04% (MRW Marketing)
- Complaints from outside equal to 0 (MRW)

### 4. Environmental issues

- The amount of energy consumption per unit of the Company's production 1.82 MJ/KG
- Green area 53 Rai, accounted for 18.5% of the total area.

## 3.2 Management of impacts on stakeholders in the business value chain

### 3.2.1 Business value chain

Tycoons Worldwide Group (Thailand) Public Co., Ltd. principal business is to produce and sell wire rod, reinforcing bars (including deformed bars and round bars), annealed wire, screws, bolts and thread rod internationally and in Thailand. TYCN is the only one producer in Thailand who has a world-class midstream to downstream vertically integrated plant. Started from the production of wire rod products, annealed steel wire, as well as fastener products (screws, bolts and threaded rods), which can be produced in a wide range of products fully meet the needs of customers. In the situations where the steel market downturn, the adjusted proportion of production and sales of products can be to increase benefits or reduce damage to the Company and its shareholders. From business

operations through cooperation with Tycoons Group to be the distributor of wire rod and annealed products of the Company in all Taiwan market. This is to increase the marketing channel in Taiwan. That will makes wire rod and annealed wire products easily



enter the Taiwan market and can quickly reflect the changes in selling prices and the demands of the Taiwanese market. The Company's business chain consists of two types of activities, which are Primary activities and Support activities, in which the roles of the operating departments in each activity contribute to the organization to create value for customers through continuous linkages from the beginning to the end of the business chain as shown in this table.

Primary activities	
Procurement of production factors	<ol style="list-style-type: none"> <li>1. Procurement of raw materials and services to support the production process</li> <li>2. Storage of raw materials</li> <li>3. Raw material inventory management</li> </ol>
Production	<ol style="list-style-type: none"> <li>1. Efficient production and reduced environmental impact</li> <li>2. Using technology to develop to increase production efficiency</li> </ol>
Sales	<ol style="list-style-type: none"> <li>1. Set reasonable and fair prices.</li> <li>2. Communicate and provide accurate and complete information about the use of the product</li> </ol>
Transportation/Delivery	<ol style="list-style-type: none"> <li>1. Inventory management</li> <li>2. Delivery of goods on time</li> </ol>
After sales activities	<ol style="list-style-type: none"> <li>1. Continuously track the transportation status</li> <li>2. Customer Satisfaction Assessment</li> </ol>
Support activities	
Business basic structure	<ol style="list-style-type: none"> <li>1. General administration</li> <li>2. Accounting and Finance</li> <li>3. Business Strategic Planning</li> </ol>
Human resource management	<ol style="list-style-type: none"> <li>1. Recruitment, hiring and human resource development</li> </ol>
Technology development	<ol style="list-style-type: none"> <li>1. Improvement of technology in production and communication</li> </ol>
Sourcing of resources	<ol style="list-style-type: none"> <li>1. Purchasing, procurement of raw materials, materials, equipment and machine</li> </ol>

### 3.2.2 Analysis of stakeholders in the business value chain

Business value chain	Stakeholder	Participation	Needs/Expectations	Response
Procurement of factors production	Delivery person and outside service (partner)	<ul style="list-style-type: none"> <li>- Information communication in procurement be accurate and clear</li> <li>- Assessment for selection and evaluation</li> <li>- Assessment for selection and evaluation efficiency in purchasing goods or services</li> <li>- Participating in various activities that the company has organized</li> </ul>	<ul style="list-style-type: none"> <li>- Get employment or make purchases as sustainable business partner</li> <li>- A valid purchase order or correct service, to make it clear and complete</li> <li>- Fair and transparent competition and Verifiable</li> <li>- Have a good relationship between the buyer and seller</li> </ul>	<ul style="list-style-type: none"> <li>- Set criteria for selection and re-evaluation clearly the supplier from outside. Fairness in evaluating external suppliers. If it can be done accordingly company standard or responsible for goods or services, then can be a partner of company in the long term.</li> <li>- Determine procedures and work manuals. Communication, identification and approval of information. Accurate and clear ordering.</li> <li>- There is an anti-corruption policy and provide fair competition with partners to create.</li> </ul>
Production	Employees	<ul style="list-style-type: none"> <li>- Annual Performance Assessment.</li> <li>- Listen to opinions Complaints of employees through various</li> </ul>	<ul style="list-style-type: none"> <li>- Reasonable remuneration.</li> <li>- Good motivation and welfare.</li> <li>- Progress and stability of occupation.</li> </ul>	<ul style="list-style-type: none"> <li>- Developing employees to be competent through the training system.</li> <li>- Provide appropriate welfare through the</li> </ul>

Business value chain	Stakeholder	Participation	Needs/Expectations	Response
		<ul style="list-style-type: none"> <li>communication channels.</li> <li>- Training to develop employees' abilities.</li> <li>- Organize a meeting of the welfare committee in the workplace and the Safety committee.</li> </ul>	<ul style="list-style-type: none"> <li>- Good working environment and Safety.</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors meeting welfare benefit.</li> <li>- Focus on using appropriate technology in various pollution management to reduce the effect impacts that will occur to employees, including providing good environment, safe for working and arrange protective equipment that suitable for employees through and Safety Committee.</li> </ul>
	Community and Society	<ul style="list-style-type: none"> <li>- Listen to opinions complaints of community through various communication channels.</li> <li>- Meeting of the Tri-Parties Committee.</li> <li>- Participate in public benefit activities with community and society.</li> <li>- Visit the local community to explore needs, expectations, requests study and build a good relationship with</li> </ul>	<ul style="list-style-type: none"> <li>- Employment</li> <li>- Support and help the community and society.</li> <li>- No environmental impact on Community.</li> </ul>	<ul style="list-style-type: none"> <li>- Have a policy to implemented employ in the area around the factory as an employee of the Company according to the knowledge and ability that appropriate.</li> <li>- Contribute to society through meetings Tri-parties Committee and according to various projects that have been requested by the government agency service.</li> </ul>

Business value chain	Stakeholder	Participation	Needs/Expectations	Response
		Community and Society through CSR Activities.		- Focus on using appropriate technology in various pollution management to reduce the effect impacts that will occur to employees, including providing good environment, safe for working and arrange protective equipment that suitable for employees through and Safety Committee.
	Government agencies	<ul style="list-style-type: none"> <li>- Monitoring the results of making products accordingly the frequency set by the in charged department.</li> <li>- Report the monitoring result on the environment for regulatory agencies relevant care according to the statutory frequencies.</li> </ul>	<ul style="list-style-type: none"> <li>- The quality of products are comply with the prescribed standards.</li> <li>- Responsible to consumers.</li> <li>- Comply with the legal requirements that involved in a transparent and cooperate with government.</li> <li>- Provide support and assistance to society</li> </ul>	<ul style="list-style-type: none"> <li>- Produce products that meet the standards Product legislative requirements set by government agencies and provide Cooperate in product inspection Strictly.</li> <li>- Comply with legal requirements; or related regulations and provide cooperate with the government to operate strictly.</li> <li>- Return back to communities and society through projects of the Company continuously through CSR activities</li> </ul>

Business value chain	Stakeholder	Participation	Needs/Expectations	Response
<ul style="list-style-type: none"> <li>- Sales</li> <li>- Delivery</li> <li>- After activities sell</li> </ul>	Customer	<ul style="list-style-type: none"> <li>- Customer satisfaction survey.</li> <li>- Meet with customers to know their needs or provide information on how to use the product regularly.</li> <li>- Open-house for customers to visit the company and production process.</li> <li>- Open for the complaints through various communication channels.</li> </ul>	<ul style="list-style-type: none"> <li>- Quality products, cheap prices and delivery on time.</li> <li>- Products that are safe to use not toxic to the environment.</li> <li>- It has environmental protection and using resources effectively.</li> </ul>	<ul style="list-style-type: none"> <li>- Keeping promises or agreements made with customers.</li> <li>- Control the product quality to meet the standards and meet the requirements of customers at reasonable prices according to market mechanisms and deliver products according to agreements</li> <li>When there are complaints, take immediate action to deal with it and don't do a competition that doesn't fair.</li> <li>- Consider environmental requirements in procurement of raw materials and materials used in production process to meet the needs of customers to protect environment and to create customers satisfaction.</li> </ul>
	Shareholder	<ul style="list-style-type: none"> <li>- Organize an annual shareholders meeting.</li> <li>- Prepare annual report.</li> <li>- Quarterly performance report.</li> </ul>	<ul style="list-style-type: none"> <li>- Good performance, continuous keep growing and stable.</li> <li>- Transparency in business operations</li> <li>Audit and good corporate governance.</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation as the investment plan.</li> <li>- Governance with transparency and fairness and can be verifiable</li> </ul>

<b>Business value chain</b>	<b>Stakeholder</b>	<b>Participation</b>	<b>Needs/Expectations</b>	<b>Response</b>
		<ul style="list-style-type: none"> <li>- Disclosure various information through official channels Company communication.</li> <li>- Disclosure through the stock exchange.</li> </ul>	<ul style="list-style-type: none"> <li>- Have goals and directions for business expansion clearly in the future and business investment that provides a reasonable level of return.</li> <li>- Have risk management system in running a business.</li> </ul>	<ul style="list-style-type: none"> <li>- Manage the Company's operating results under proper risk management.</li> <li>- Establish investor relations in order to give accurate information and build relationships with shareholder.</li> <li>- Communicate opinions and questions received from the shareholders to be informed to the executives management.</li> </ul>

---

### **3.3 Management of environmental sustainability**

#### **3.3.1 Environmental Policy and guidelines**

Tycoons Worldwide Group (Thailand) Public Co., Ltd. is a Company that specializes in manufacturing wire rod, reinforcing bars (including deformed bars and round bars), annealed wire, screws, bolts and thread rod.

In addition to focusing on producing quality products to meet the needs of customers in every aspect and implemented in accordance with the quality management system. The Company also attaches great importance to environmental protection. Prevent and reduce pollution caused by the production process. Use resources wisely to achieve maximum value. Pay attention to the safety and hygiene of employees and realize the responsibility towards society, community and stakeholders in order to be able to run the business sustainably. The following is our policy.

1. Establish, implement and continually improve an environmental management system.
2. To the protection of the environment, save energy and valuable resources.
3. Prevent and reduce of environmental pollution.
4. Compliance with law and environmental requirement, include interested parties requirement and the other compliance obligations relevant.
5. Social responsibility, communities and interested parties.

We are implementing the items above. This environmental protection policy is announced to our employees and the public.

## Environmental management goals

Environmental goals	Method of operation
Reduce electricity consumption	Implement the Company's energy conservation management plan, by focusing on mainly reduce the amount of electricity consumption in the production process, such as the use of electricity for steel rolling, product forming, product heat treatment, product surface treatment, product annealing. Which will be assessed annually to present to government agencies in accordance with the requirements of the law.
Reduce fuel consumption in the production process	Implement the Company's energy conservation management plan, by focusing on mainly reduce the amount of fuel consumption in the production process, such as reducing the use of natural gas, the use of heat treatment oil, the use of oil in product forming. Which will be assessed annually to present to government agencies in accordance with the requirements of the law.
Reduce the use of chemicals in the production process	Set up operational KPIs for each unit that uses chemicals as raw materials in the production process, for example reducing the use of lubricants in the rough rolling process. The use of hydrochloric acid in wire and fastener surface plating processes The use of zinc in the electroplating process of fasteners and reduce the amount of chemicals used in wastewater treatment as well as implement the corrective and preventive action system for continuous improvement.
Reduce waste from the production process	Set up operational KPIs for each unit's to reduce waste caused by every production process of the Company as well as implement the corrective and preventive action system for continuous improvement.

### 3.3.2 Environmental operating results

The Company is aware of environmental management and the implementation of environmental management systems to reduce significant environmental impacts that may arise from business activities by focusing on reducing environmental impacts, both direct and indirect impacts both in terms of energy management, fuel, electricity, water, waste and pollution with environmental management operations. It is committed to instilling awareness among employees in using resources for maximum efficiency.



## 1. Energy management

### 1.1 Fuel consumption

Fuel consumption comparison table

	2020	2021	2022
Gasoline Fuel (liters)	267,334.50	323,111	314,490.80
Natural gas (kg)	10,274,623.37	11,470,130.17	10,695,772.74

#### Summary of operating result

In 2022, the Company's has a total fuel consumption of 314,490.80 liters and a total amount of natural gas. 10,695,772.74 kg, which decreased from the previous year by 2.67% and 6.75%. From the decreasing use of the Company's fuel consumption due to lower sales thus decreasing the use of fuel as well because of increased or reduced fuel consumption. It will depend on the amount of production as well.

### 1.2 Electricity consumption

Electricity consumption comparison table

	2020	2021	2022
Electricity purchased (KWH.)	69,919,594	82,449,620	77,931,140

#### Summary of operating result

In 2022, the Company's has a total electricity consumption 77,931,140 (KWH), kg, which decreased from the previous year by 5.48%. From the decreasing use of the Company's electricity consumption. The Company's therefore has set up a plan to reduce the use of electricity in business operations by planning the installation and modify more high efficiency equipment in order to save energy, use electricity in production and not pollute the environment. It also helps to enable new technologies and sustainable use of clean energy.

## 2. Water management

### 2.1 Water consumption

Water usage comparison table

	2020	2021	2022
Water consumption (cm <sup>3</sup> )	402,092.52	486,994	478,182

### Summary of operating result

In 2022, the Company's has a total water consumption in the production process total amount 478,182 cubic meters, which decreased from the previous year by 1.81%. The wastewater that occurs will be treated with a wastewater treatment system before draining into the water quality inspection pond and used to water the trees in the green area of the Company. In order to comply with the Company's policy that supports energy conservation and to achieve the most efficient use of water resources.

### 3. Garbage and Waste Management

#### 3.1 The amount of garbage and waste from business processes

Garbage and waste Comparison Table

	2020	2021	2022
Amount of waste and non-hazardous waste (kg)	9,810,865	10,006,280	13,451,776
Amount of waste and hazardous waste (kg)	6,164,114	12,523,560	7,799,266

### Summary of operating result

In 2022, the Company's has a volume of garbage and non-hazardous waste about 13,452 tons / year, which the Company has prepared bins to accommodate 3 types of waste, namely general waste, recyclable waste and hazardous waste. The storage bins are placed at various points, sufficient to meet the amount of waste that is expected to occur in the Company's operations.

In 2022, the Company's has a volume of hazardous waste from the production process about 7,799 tons / year, which has divided the waste from the production process into 6 categories, with each type of waste sorted before contacting the agency, that has been authorized by the Department of Industrial Works to be disposed of with appropriate methods.

### 4. Green House gas management

The Company has invited consultants to give lectures training to provides knowledge and information for planning the research process to implement plan of policy to reduce greenhouse gas emissions and has recognized the importance of working to reduce global warming and climate change. The company has established a policy to support environmental pollution and has continuously complied with the environmental policy to encourage the reduction Pollution and reducing the burden of society in accordance with environmental governance. Also encourages directors, executives, and all employees to use the Company's resources for maximum benefit.

In 2023, the Company will be in the process to start collect the Carbon Footprint of Product and Carbon Footprint of the Organization data in accordance with the principles of international standards for entrepreneurs to use as a planning tool. Reduce greenhouse gas emissions throughout the life cycle and increase the potential of Thai industry internationally. It is expected to be allowed to use the carbon footprint certification mark Carbon Footprint of the Organization by 2023.

### 3.4 Social sustainability management

#### 3.4.1 Social policy and guidelines

The Company has been formulated the policy of corporate social responsibility and approved by board of directors on November 13, 2014, we comprehend the importance of helping and supporting society, community, and maintaining environment continuously; Tycoons also takes consideration of likely influence to stakeholders, such as stockholders, employees, the community where we belongs, customers, suppliers, government, societies and nations; we formulate the direction that allowed employees can participate our corporate social responsibility policy together, which can be viewed on the Company's website. ([www.tycons.com](http://www.tycons.com)) Investor Relations Page.

#### 1. Employees and Labor

The Company adheres to the principles of human rights from employment to the care of employees and personnel in order for all employees and personnel to feel a sense of family bonding with the organization. In 2022, the Company has the following key employee operations as follow:

##### Employment

Details	Number of male employees (persons)	Number of female employees (persons)
Full-time employees	584	290
Handicapped employees	9	1
Total	<b>593</b>	<b>291</b>

##### Employees Training

In 2022 the Company plan to organize 17 training courses for employees to increase their skills and potential to work for all employees.

Such as :

- On March 22, 2022, the Company has held basic education and training on (Basic Fire Fighting and Evacuation Practice). There are total of 32 employees participated in the training.
- On June 4, 2022, the Company has held a training on the safety driving education and training of (Forklift driver safety ). There are total of 25 employees participated in the training.
- On June 30, 2022, the Company has held education and training on (Time management techniques to increase work efficiency). There are total of 29 employees participated in the training.
- On July 20, 2022, the Company has held education and training on (Safety at work with electricity). There are total of 26 employees participated in the training.
- On September 10, 2022, the Company has held education and training on (Safety at work with machine). There are total of 28 employees participated in the training.
- On September 14, 2022, the Company has held education and training on

- (Review Safety at work with Overhead crane). There are total of 27 employees participated in the training.
- On October 12, 2022, the Company has held education and training on (Environmental & Safety Law). There are total of 31 employees participated in the training.
  - On October 20, 2022, the Company has held education and training on (Awareness and Management energy). There are total of 34 employees participated in the training.
  - On October 25, 2022, the Company has held education and training on (High voltage system ). There are total of 24 employees participated in the training.
  - On October 28, 2022, the Company has held education and training on (Safety at work with Chemicals ). There are total of 24 employees participated in the training.

The average number of hours of training or knowledge development activities for employees is 6,255 hours, which is equivalent 7.19 % per person per year, which meet the target.

### **Safety, Occupational Health and Work Environment**

In 2022, the Company continually to improves and optimizes safety operations, reducing the risk of illness, injury or death and appropriately take care the quality of life of employees or workers. In 2022, there were 6 injuries case from work to the point of absence from work. The Company has set up guidelines and measures to prevent such accidents as follows.

1. Provide opportunities for employees to participate in accident surveillance and inspection of accident prevention systems in factories.
2. Setting up standards rules and principles of safety at work by providing knowledge through training new employees.
3. Campaign for employers and employees in the workplace to realizing the importance of preventing accidents to have knowledge and skills in preventing accidents and occupational diseases caused by work.
4. Safety officer has duty to take care of safety and consulting with employers to monitor work situations risks and giving advice to the employees and guiding employees to take care of themselves while working to avoid accidents or prevent occupational diseases.

### **2. Customer**

The Company has continuously developed products and services to meet the satisfaction of customers with responsibility, honesty and ethics. In 2022, the Company's has received satisfaction from customers at the level of 93.04%.

---

### **3. Community and society**

#### **Participation and development of society/community**

The Company realizes the coexistence with the community and society by giving importance to all stakeholders. Learn to develop and live in harmony with the community through activities that build relationships to build understanding and promote participation with communities and society. To ensure that the Company's business activities will not affect or cause trouble to the normal way of life of individuals, communities and surrounding society. So that the Company can respond effectively to the needs and expectations and create values and rewards that will be sustainable together.

#### **Target**

- 1) External complaints equal 0
- 2) Implement a project to create cooperation between the company, community and society continuously every year.

#### **Strategy/Operation Plan**

- 1) Build engagement with all stakeholders, through the utilization of Company resources, potential and expertise to achieve maximum value.
- 2) Create a good experience for all stakeholders through activities or projects that are mutually beneficial.

#### **Operation**

Follow the Code of Business Conduct and create engagement with stakeholders under socially responsible business practices and give importance to participation and community development. Focus on the development of the community to have a good quality of life both economically, socially and environmentally by considering the needs and necessities of the community as a priority. Promote and create awareness of personnel throughout the organization, to create good relationships that show friendship between the organization and the community. Ready to carry out various projects to promote good quality of life, create knowledge, and develop potential as much as the organization can by doing the following operation:

#### **Encouraging Community Engagement**

Emphasis is placed on working with the community and carrying out activities with the community.

#### **Program/Project Support**

Company's has considered nearby communities that are likely to be directly affected by Company first. Taking into account compliance with the nature of the business or the capabilities of the Company's organization, which arising mainly from the participation of employees in the organization and the community with the implementation guidelines by working that focuses on the development of the community to have a good quality of life and provide support according to the strength that the Company can help to be part of the development to create opportunities, create a career and stable income. In the past year, various projects were undertaken as follows:

### 3.4.2 Social operating results

#### 1. Equitable Business:

Our products quality is followed international standard to manufacture, and we acquired certification of ISO9001 quality management systems in 2001 in order to provide safe, effective and applicable products. In year 2022, while our Company agree to and sign various kinds of contracts with external parties, we all followed the principle of integrity and mutual benefit, negotiated reasonable contents of contracts, fulfilled commitments of contracts positive. We establish evaluation system for customers and firms for outsourcing, when we signed contracts with others, the rights and obligations for both sides will write down exhaustive. We disclose financial information, business situations and organization structure according to corporate governance.

#### 2. Principles for countering bribery and against corruption:

Our policy for countering bribery and against corruption has been stipulated and approved by board of directors on November 13, 2014. Please refer to our web site ([www.tycons.com](http://www.tycons.com)) corporate governance of investor relations page. In 2020, the company's internal audit unit did not receive any complaints about violations of this policy.

The company's internal audit department had no received any complaints about breach of this policy in year 2022.

#### 3. Respecting human rights:

We respect the rights of employees and other stakeholders, we have no discrimination with races, colors, religions, genders, nationalities, ages, disability or other situations that been considered as human rights. Our company will esteem human rights appropriately and spread around the corporate operation, to eliminate unfair, discrimination, harass and infringe on various rights. In year 2022, the company executed in accordance with the stated as above.

#### 4. Do justice to employees:

We signed official contract of employment with all employees, accordance with employment laws, we gave appropriate remuneration and welfare to employees, we prepared education and training awareness budget every year, and we dedicated to cultivate staff's abilities and upgrade their value. We also set up infirmary and nurses and host physical examination every year to look after employees' safety and health. We do not force labor to violate labor laws, we do not hire child labor, provide equal opportunities of employment, we have no discrimination of genders and races, we treat employees in fair. In year 2022, the company executed in accordance with the stated as above.

---

**5. Take responsible to consumers:**

In year 2022, our products quality is followed international standard to manufacture. We acquired certification of ISO-9001 quality management systems in 2001, and we provide products with safe, effective and applicable. We adopt oracle ERP system and supervise the information of process of production. We can check and trace the efficient of product's quality

**6. Environmental protection:**

In year 2022, the company's environmental management is followed in accordance with international standard. The Company acquired the ISO - 14001 certification (Environmental Management System) in year 2001, The Company take care of the environment and properly treat the wastewater and sewage of manufacturing process by waste water treatment plant, through the treatment system and effluent the water will be tested to ascertain that it meets with the official standards. The waste gas is exhausted after the wet scrubber treatment. Industrial waste is entrusted qualified waste transporter and disposer to disposal. Our job is to reduce the energy use, the generation of waste and pollution during the process of manufacturing.

**7. Implement innovation about responsibilities for social environmental and stakeholders and disseminate innovation:**

Each year, the company will report to board of director to review our well corporate governance policy and implementation status, we keep communicate with stakeholders and respect the rights they owned, improve the safety of employees hearing protection, dissemination of community public service activities and encourage employees to participate, improve the blow and draw system of pool deck of pickling, sustainable development to protect the environment. In year 2022, the Company executed in accordance with the stated as above.

**Beneficial activities to the community**

The Company realize level of education, culture, quality of life, safe and sanitation of community, and considering enterprise's operation will influence environment, we will actively participate government and community's activities, contributing to economic welfare of community and social development, encouraging our employees join community's public service activities.

The Company participated community public service activities in year 2022, such as:



On April 11, 2022

Activities: Support for the project to reduce accidents during the 7 dangerous days during the Songkran and New Year festivals, totaling 5,409 baht.

Objective: To reduce the risk factors for road accidents to a minimum. Take care of the safety driving of people traveling and facilitating the people who use the road.



On April 12, 2022

Activities: Giving survival bags to needy villagers, the handicapped and the elderly in Nikhom Phatthana Subdistrict Nikhom Phatthana District, Rayong Province, totaling 13,014 baht.

Objective: To build morale and encouragement for the villagers during the Songkran festival with the COVID-19 epidemic period.





On July 12, 2022

Activities: Sponsoring activities and participating in the 2022 Candle Procession Tradition Project with a total amount of 9,979.70 baht.

Objective: To be a continuation and preserving Thai traditions culture and traditions to remain intact.



On September 7, 2022

Activities: Donate lawn mowers and volleyball balls for Nikhom Sang Ton Aeng School, Rayong Province 2, Nikhom Pattana Subdistrict, Nikhom Phatthana District, Rayong Province total amount 20,700 baht.

Objective: Providing lawn mowers to improve school premises images to be beautiful, safety and conducive to teaching and learning and providing volleyball balls to promote athletic potential for all students.



On September 16, 2022

Activities: Donate food, drinking water and survival bags to help villagers affected by the flood in Mabkha Sub-district, Nikhom Phatthana District, Rayong Province, total amount 44,678 baht.

Objective: As a gift encouragement and assistance to flood victims in Nikhom Phatthana District, Rayong Province.



On November 8, 2022

Activities: Support activities to improve the painting of tables and chairs for students totaling in the amount of 30,000 baht.

Objective: To develop educational institutions for students in the community.

## **4. Management discussion and analysis (MD&A)**

### **4.1 Overall past performance**

In 2022, sales revenue was 9,364MB increased by 3.36% compared to 9,060MB in 2021. This in total sales is attributable as to 64.93% to domestic and as to 35.07% in international sales. The sales increase mainly due to the increase in domestic demand, resulting in an increase in sales of steel products. Other income 56MB increased 24MB or 71.98% comparing with 2021 mainly due to the gain from disposal of fixed assets.

The net profit of 2022 was 162MB decreased 215MB by 57.11% compared to net profit 377MB of 2021. That is because mainly due to the operating income gain were 221MB, none-operating gain were 56MB, Share of loss from investment in associate of 0.98MB, Income tax expense 48MB, Finance cost of 67MB.

In 2021, sales revenue was 9,060MB increased by 51.32% compared to 5,987MB in 2020. This in total sales is attributable as to 59.56% to domestic and as to 40.44% in international sales. The sales increase 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 33 MB decreased 14 MB or 30.39% comparing with 2020 mainly due to the exchange rate decreased. The net profit of 2021 was 377MB increased by 217.37% compared to net loss (321) MB of 2020. That is because mainly due to the operating income gain were 478MB, none-operating gain were 33MB, Share of loss from investment in associate of 88M. Income tax expense 8MB, Finance cost of 38MB.

### **4.2 Performance by product group**

#### **(1) Revenue from sales**

Sales revenue of 2022 was 9,364MB increased by 3.36% compared to 9,060MB of 2021. That was because mainly due to the domestic demand increased, resulting in an increase in sales volume of steel products.

Further details of sales revenue structure can be summarized as follows:

Sales from wire rods in 2022 was 5,974MB, increased by 17.76% compared to 2021, and in 2021 was 5,073MB, increased by 32.98% compared to 2020.

Sales from annealed wire in 2022 was 1,190MB, decreased by 24.68% compared to 2020, and in 2021 was 1,580MB, increased by 174.31% compared to 2020.

Sales from fasteners in 2022 was 2,173 MB, increased by 42.49% compared to 2021, and in 2021 was 1,525 MB, decreased by 51.89% compared to 2020.

---

## **(2) Expenses**

### **Cost of sales**

Cost of sales is primarily composed of conversion cost and raw materials, of which billet is the main component. In year 2022, costs of sales were 8,784MB, increased by 9.96% compared to year 2021. This was mainly due to the sales volume increased in 2022.

### **Selling and administrative expenses (SG&A)**

In year 2022, selling and administrative expenses were 399MB, an 6.06% increased from year 2021, The ratio of SG&A/Sales was 4.26% in 2022 and 4.19% in 2021. The major components of SG&A are depreciation, salary and wages as well as transportation costs, which vary directly with sales volume. The increase in SG&A in 2022 is mainly due to the sales volume increased and transportation, export-related expenses increased.

## **(3) Profit**

### **Gross profit**

In 2022, gross margin was 610MB. The rate decreased from 12.13% of 2021 to 6.51% of 2022, mainly due to the year 2022 mainly due to the decreased was the unit sales price decreased in Q3 2022. However, raw material inventory costs are still high and rising of the energy prices, lead to a substantial increase in production costs, resulting in a decreased in gross profit margins.

### **Operating profit**

Operating profit in 2022 was 211MB, the rate decreased from 7.94% of 2021 to (70.68)% of 2022, resulted from the decrease in gross profit rate.

### **Net income**

The net profit of 2022 was 162MB decreased 215MB by 5.62% compared to net profit 377MB of 2021. That is because mainly due to the operating income gain were 221MB, none-operating gain were 56MB, Share of loss from investment in associate of 0.98MB, Income tax expense 48MB, Finance cost of 67MB.

---

## 4.3 Financial status

### (1) Assets

#### Composition

As of December 31 2022, TYCN's had total assets 6,255MB, decreased by 11.93% with amount 847MB compared to 2021. The decrease in total assets was mainly attributable to the decrease in inventories and depreciation of fixed assets.

Current assets of 2022 were 2,818MB decreased by 23.98% with amount 889MB compared to 2021 mainly decrease due to decrease of inventory.

Non-current assets of 2022 was 3,437MB, increase by 1.24% with amount 42MB compared to 2021, the reason was from investment-related companies

#### Quality of assets

##### Assets

At each reporting date, the Company performs impairment reviews in respect of the long-term investment, property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

##### Accounts receivable

As of December 31, 2022 accounts receivable amounted to 331MB, which could be broken down into A/R of unrelated parties 313MB and A/R of related party 18MB. A/R amounted to 444MB in 2021 which could be broken down into A/R of unrelated parties 342MB and A/R from related party 102MB. The normal credit term granted by the Company for related parties is 30-180 days while credit term for other parties varies from 10-105 days. New clients as well as customers whose payments are overdue will be subject to make a payment equal to a certain percentage of the purchase amount before shipment.

Further details regarding the aging of accounts receivable are as set out below:

	Unit: MB	
	Dec 31, 2022	Dec 31, 2021
Inter-company A/R	18	102
A/R -unrelated parties	313	342
Total A/R	331	444
Aging of A/R-unrelated parties		
Past due	110	143
Up to 3 months	182	174
3 months up to 6 months	0	0
6 months up to 12 months	0	0
Over 12 months	21	26
Sub-total	313	342
Less Allowance for doubtful A/C	21	(31)
Total A/R - net	310	413

Accounts Receivable turnover has been increased from 21.70 times of year 2021 to 25.61 times of year 2022. The main reason is that the increase in sales revenue in 2022 is greater than the increase in average accounts receivable, resulted in A/R collection period decreasing 2.53 days from 16.59 days of year 2021 to 14.06 days of year 2022.

## (2) Liquidity

### Cash flow

TYCN had a net decrease in cash and cash equivalents at year-end 2022 of 56MB. Cash and cash equivalents at the end of 2022 amounted 408MB the change in cash flow amount was due to:

Net cash flow from operating	879 MB
Net cash flow from investing	(375) MB
Net cash flow from financing	(561) MB
Net in cash	(57) MB

Net cash flow from operating activities was 879MB, mostly due to the decrease in inventories and accounts receivable decreased.

Net cash flow from investing was (375) MB mainly because invests in related associates company investment.

Net cash flow from financing was (561) MB mainly because repayment of bank loans.

### Liquidity ratios

The Company's current ratio has been increasing standing at 1.67 and 1.43 in the years 2022 and 2021 respectively, because of the increase in revenue in 2022 resulted no significant difference.

---

**Effects from the maturity of current liabilities on the liquidity**

In 2022, short-term loans from financial institutions and trade and other payables as well as current portion of long-term loans have accounted for a large proportion of current liabilities. These first two items are payable within one year. As mentioned before, however, these loans were used to purchase raw materials for normal business operations. As a result, the company believes that the short-term maturity of such current liabilities should not adversely affect the company's liquidity.

Accounts payable turnover has been increased from 23.49 times of year 2021 to 31.06 times of year 2022. It's because accounts payable period of purchase of raw materials got shorten therefore, the payment period decrease 26.16 days from 15.12 days of year 2021 to 11.59 days of year 2022.

**(3) Capital expenditure**

Capital expenditures amounted to 64MB and 75MB for the year 2022 and 2021 respectively.

**(4) Sources of funds****Funds structure**

The debt to equity ratio was 0.38 and 0.59 between the years 2022 and 2021. The debt to assets ratio was 0.28 and 0.37 between 2022 and 2021. This indicated that TYCN had only a small amount of risk and a healthy financial structure.

**Shareholders' equity**

As of December 31, 2022, shareholders' equity was 4,519MB, an increase of 1.14% or 51MB from year 2021. This was due to net profit in 2022.

**Liabilities**

At the end of 2022, TYCN's liabilities amounted to 1,735MB, which is equivalent to 27.74% of liabilities and shareholder's equity, and Company's long-term Liabilities and equity was 4,519MB, or 165.77% of net fixed assets. This indicates that TYCN had a healthy financial structure.

**(5) Factors potentially affecting company's performance in the future**

The company's products are mainly wire rod, annealed wire, screws, bolts and reinforcing bars (including deformed bars and round bars) plus the raw material billet produced by the associated company itself. Even if the market competition is more intense in the future. The company believes that with its superior quality and diversity of products, consistent production from top to bottom will bring competitive advantages to the company.

***Financial Report***

(million THB)

Balance Sheet	Consolidated			Separate		
Transactions	2022	2021	2020	2022	2021	2020
<b><u>CURRENT ASSETS</u></b>						
Cash and cash equivalents	408.04	464.53	160.95	398.02	453.98	160.95
Trade and other receivables	310.91	420.54	414.68	310.91	420.54	414.68
Inventories	1,989.38	2,688.40	2,161.35	1,989.38	2,688.40	2,161.35
Other current assets	109.44	133.90	162.56	109.44	133.90	162.56
<b>Total Current Assets</b>	<b>2,817.78</b>	<b>3,707.37</b>	<b>2,899.54</b>	<b>2,807.75</b>	<b>3,696.82</b>	<b>2,899.54</b>
<b><u>NON CURRENT ASSETS</u></b>						
Restricted bank deposit	35.00	60.00	60.00	35.00	60.00	60.00
Investment in a subsidiary	-	-	-	124.15	124.14	-
Investment in an associat	166.85	-	188.94	167.90	-	503.47
Investment property	227.46	227.94	-	-	-	-
Property, plant and equipment	2,498.84	2,922.02	3,088.48	2,498.84	2,664.08	3,088.48
Deferred tax assets	43.28	10.16	18.29	43.28	10.16	18.29
Other non-current assets	465.44	402.40	74.33	465.44	432.40	74.33
<b>Total Non-current Assets</b>	<b>3,436.87</b>	<b>3,394.58</b>	<b>3,430.04</b>	<b>3,334.60</b>	<b>3,290.78</b>	<b>3,744.57</b>
<b>Total assets</b>	<b>6,254.64</b>	<b>7,101.94</b>	<b>6,329.59</b>	<b>6,142.35</b>	<b>6,987.60</b>	<b>6,644.17</b>
<b><u>CURRENT LIABILITIES</u></b>						
Short-term loan from financial institutions	1,276.95	1,833.09	1,833.09	1,276.95	1,833.09	965.90
Trade and other payables	212.58	351.17	351.17	212.53	351.17	326.58
Current portion of long-term loans	-	-	41.77	-	-	41.77
Other current liabilities	193.03	405.37	405.37	193.03	405.37	978.16
<b>Total current liabilities</b>	<b>1,682.56</b>	<b>2,589.63</b>	<b>2,589.63</b>	<b>1,682.51</b>	<b>2,589.63</b>	<b>2,312.41</b>
<b><u>NON-CURRENT LIABILITIES</u></b>						
Provision of long-term employee benefits	52.70	43.83	43.83	52.70	43.83	40.42
<b>Total Non-current liabilities</b>	<b>52.70</b>	<b>43.83</b>	<b>43.83</b>	<b>52.70</b>	<b>43.83</b>	<b>40.42</b>
<b>Total liabilities</b>	<b>1,735.27</b>	<b>2,633.46</b>	<b>2,633.46</b>	<b>1,735.21</b>	<b>2,633.46</b>	<b>2,352.83</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>						
Registered: 596,748,900 ordinary shares of Baht 7.5 each (2021 : 596,748,900 ordinary shares of Baht 10 each)	4,475.62	5,967.49	5,967.49	4,475.62	5,967.49	5,967.49
Issued and fully paid: 596,748,900 ordinary shares of Baht 7.5 each (2021: 596,748,900 ordinary shares of Baht 10 each)	4,475.62	5,967.49	5,967.49	4,475.62	5,967.49	5,967.49
Premium on treasury shares	-	-	20.02	-	-	20.02
Retained earnings	32.43	-1,639.67	2,016.63	34.13	-1,639.56	-1,695.58
Other components of shareholders' equity	-102.68	6.22	5.88	-102.60	6.23	5.88
Non-comtrolling interests of the subsidiary	114.01	114.42	-	-	-	-
<b>Total shareholders' equity</b>	<b>4,519.38</b>	<b>4,468.48</b>	<b>3,976.76</b>	<b>4,407.14</b>	<b>4,354.17</b>	<b>4,291.29</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,254.64</b>	<b>7,101.94</b>	<b>6,329.59</b>	<b>6,142.35</b>	<b>6,987.60</b>	<b>6,644.12</b>



**Income statement and Cash flow**

(million THB)

Income statement and Cash flow Transaction	Consolidated			Separate		
	2022	2021	2020	2022	2021	2020
Revenue from sales	9,364.38	9,060.39	5,987.44	9,364.38	9,060.39	5,987.44
Other income	56.28	32.72	47.74	56.28	32.71	47.74
<b>Total revenues</b>	<b>9,420.66</b>	<b>9,093.11</b>	<b>6,035.18</b>	<b>9,420.66</b>	<b>9,093.63</b>	<b>6,035.18</b>
Cost of sales	8,754.37	7,961.33	5,760.09	8,754.37	7,961.33	5,760.09
Selling and administrative expenses	402.98	379.72	256.99	401.94	379.72	254.72
Other expense	-13.53	241.87	22.83	-13.53	644.27	320.44
<b>Total expenses</b>	<b>9,143.82</b>	<b>8,583.17</b>	<b>6,039.91</b>	<b>9,142.78</b>	<b>8,985.32</b>	<b>6,335.25</b>
Operating profit	276.84	509.94	-4.74	277.89	108.31	-300.07
Share of loss from investment in an associated	-0.98	-87.87	-257.66	-	-	-
Finance income	0.62	0.54	-	0.61	0.54	-
Finance Cost	-66.77	-37.73	-52.81	-66.77	-37.73	-52.81
<b>Profit (loss) before income tax expenses</b>	<b>209.72</b>	<b>384.87</b>	<b>-315.20</b>	<b>211.73</b>	<b>70.58</b>	<b>-352.88</b>
Income tax expenses	-48.11	-8.04	-5.85	-48.11	8.04	-5.85
Profit (Loss) for the year	161.61	376.83	-321.05	163.61	62.54	-358.73
Basic earning (loss) per share	0.27	0.63	-0.54	0.27	0.10	-0.60
The weighted average number of common shares	447.56	596.75	596.75	447.56	596.75	596.75
Net cash flow from (used in) operating activities	878.74	-87.07	568.84	879.28	-86.78	568.84
Net cash flow used in investing activities	-374.68	-444.34	-205.06	-374.69	-398.59	-205.06
Net cash flow from (used in) financing activities	-560.55	834.99	-627.12	-590.55	778.40	-627.12
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-56.49</b>	<b>303.58</b>	<b>-263.33</b>	<b>-55.96</b>	<b>293.03</b>	<b>-263.33</b>

**Financial ratios**

Ratios	Consolidated			Separate		
	2022	2021	2020	2022	2021	2020
<b><u>Liquidity</u></b>						
Current ratio (times)	1.67	1.43	1.25	1.67	1.43	1.25
Quick ratio (times)	0.43	0.34	0.25	0.42	0.34	0.25
Accounts receivable turnover (times)	25.61	21.70	11.19	25.61	21.70	11.19
A/R collection period (days)	14.06	16.59	32.18	14.06	16.59	32.18
Inventory turnover (times)	3.74	3.28	2.98	3.74	3.28	2.98
Days sales outstanding (days)	96.18	109.65	120.86	96.18	109.65	120.86
Accounts payable turnover (times)	31.06	23.49	13.76	31.06	23.49	13.76
Payment period (days)	11.59	15.32	26.16	11.59	15.32	26.16
Cash Cycle (days)	98.65	110.92	124.40	98.65	110.92	124.40
<b><u>Profitability</u></b>						
Gross profit margin (%)	6.51	12.13	3.80	6.51	12.13	3.80
Cost of goods sold to sales (%)	93.49	87.87	96.20	93.49	87.87	96.20
Operating profit (Loss) margin (%)	2.21	7.94	-0.46	2.22	7.94	-0.46
Net income margin (%)	1.73	4.16	-5.36	1.75	0.69	-5.99
Return on equity (%)	3.60	8.92	-7.77	3.73	1.45	-8.03
Earning Per Share (Weighted Average)	0.27	0.63	-0.54	0.27	0.10	-0.60
Book Value Per Share (BVPS)	1.10	7.49	6.66	9.85	7.30	7.19
<b><u>Efficiency</u></b>						
Return on total assets (%)	2.42	5.61	-5.00	2.49	0.92	-5.31
Return on fixed assets (%)	5.72	12.54	-10.16	6.36	2.18	-11.35
Total asset turnover (times)	1.40	1.35	0.93	1.43	1.33	0.89
<b><u>Financial policy</u></b>						
Debt to equity ratio (times)	0.38	0.59	0.59	0.39	0.60	0.55
Dividend payout ratio (%)						
<b><u>Growth rate (%)</u></b>						
Assets	-11.93	12.20	-2.84	-12.10	5.17	-3.24
Liabilities	-34.11	11.93	5.86	-34.11	11.93	5.86
Net Sale	3.36	51.32	-37.39	3.36	51.32	-37.39
Cost of goods sold	9.96	38.22	-40.26	9.96	38.22	-40.26
Selling and general administrative expenses	6.06	49.17	-24.62	5.85	49.07	-24.62
Net income	-57.11	-	-67.82	161.61	-	-62.85
Gross profit	-44.50	383.42	-384.47	-44.50	383.42	-384.47

## 5. General information and other significant information

### 5.1 General information

**Name of the company:** Tycoons Worldwide Group (Thailand) Public Company Limited  
(TYCN)

**Location** : 99 Moo1, Tumbon Nikompattana Amphur Nikompattana,  
Rayong 21180 Thailand

**Telephone No.** : (033)-658-558, (038)-636975

**Facsimile No.** : (038)-636-977

**Home Page** : <http://www.tycons.com>

**Reference Auditor** : EY Office Limited  
33<sup>rd</sup> Floor, Lake Rajada Office Complex  
193/136-137 Rajadapisek Road  
Klongtoey, Bangkok 10110, Thailand.  
Tel: 66(2)2640777 Fax:66(2)2640789-90

**Register** : Thailand Securities Depository Co., Ltd.  
62 The Stock Exchange of Thailand Building ,7<sup>th</sup>  
Floor, Ratchadapisek Road, Klongtoey,  
Bangkok 10110, Thailand.  
Tel: 66(2)2292800 Fax:66(2)3591262

### 5.2 Name of subsidiary and associated company:

**Subsidiary company** : KDB Co., Ltd 44.99% shares holds by TYCN

**Registered address** : 98/245 Moo. 9, Tumbon Bang Kaew,  
Amphur Bang Phli, Samutprakan Province.

**Registered share and capital** : 159,636 common shares, par value 1,000 baht,  
159,636,000 baht,

**Issued share and paid-up capital** : 159,636 common shares, par value 1,000 baht,  
159,636,000 baht,

**Type of business** : Real estate business

**Company registration** : 0105548011544

**Subsidiary company** : Fastbolt International Pte. Ltd. 49% shares hold by YCN

**Registered address** : 100 PECK SEAH STREET #10-18 PS100  
SINGAPORE (079333)

**Registered share and capital** : 9,300,000 common shares, par value 1 EUR,  
9,300,000 EUR,

**Issued share and paid-up capital** : 9,300,000 common shares, par value 1 EUR ,  
9,300,000 EUR ,

**Type of business** : Trading Company

**Company registration** : 202125193M

---

**Taiwan Depository Receipt (TDR)**

Tycoons Group International Co., Ltd, a main shareholder of Tycoons Worldwide Group (Thailand) Public Co., Ltd., has set aside 60,000,000 common shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd to issue 30,000,000 units of Taiwan Depository Receipt (TDR) in Taiwan Stock Exchange. Each TDR unit represents two common shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd. and has been listed in Taiwan Stock Exchange on 29 Sep. 2011. The depository bank is First Commercial Bank, as Citibank is custodian.

## **Part 2**

### **Management and Corporate Governance.**

---

## **6. Policy of corporate social responsibilities**

Policy of corporate governance of the Company please refer to our website ([www.tycons.com](http://www.tycons.com)) corporate governance of Investor Relations page.

### **6.1 Overview of the Policy and Corporate Governance Practice Guidelines**

#### **6.1.1 Policy Responsibilities of the Board**

##### **1. Leadership and vision**

The Board of Directors plays a role in setting the company's goal, mission of the company, and budget, and moreover oversees the company operation in response to its goal. The Board of Directors also makes comments on the internal control and audit system along with manage the risk to maximize the company's profitability.

##### **2. Risk Management**

The Board of Directors adopted a risk management system for all material and controllable risk which is related to the company's business objective, business strategy, finance, production and operation. Risk management is carried out on the basis of probability that an identified risk may materialize and the likely impact of it on the business may be presented. In response to that, clear preventive and mitigation measures must be established and the systems to assess monitor and report on risks shall be set up. Management of the company is responsible for regularly reporting to the Audit Committee and the Board on its operation plans and performance.

##### **3. Independence and Impartiality of Directors**

The Board of Directors shall perform its duty and exercise its discretion independently from the Management and major shareholders. Each director has the duty and independence to ask questions, express opinions or make objection and vote as he or she sees fit in relation to all matters affecting the interests of the Company, shareholders or stakeholders.

##### **4. Qualifications of Directors**

The Board of Directors shall consist of various qualities including age, profession, and knowledge which are beneficial for the company operation and can bring about fresh perspective. Directors must be prepared to give adequate time and effort to perform their duties to the fullest extent with high ethical standard.

##### **5. Qualifications of Audit Committee / Independent Directors**

The Board of Directors shall ensure that the qualifications of independent directors are in line with the Stock Exchange of Thailand's requirements as follows:

1. Holding shares of no more than five percent of the paid-up registered capital of the Company, spaffiliated companies, associated companies or other related companies. This shall include shares held by related persons.

2. Being a non-executive director of the Company, affiliated companies, associated companies and related companies or its major shareholders including not being an employee, staff or consultant salary on the payroll of the Company, affiliated companies, associated companies, sprlated companies or the Company's major shareholders.

3. Being a director without direct or indirect financial and managerial interests or stake in the Company, affiliated companies, associated companies or its major shareholders;

4. Being a director who is not related to or not being a closed relative with the Company's executives or major shareholders.

5. Being a director not appointed as an agent to protect the interests of the Company's directors, major shareholders or shareholders relating to the Company's major shareholders.

6. Being able to act and express his opinions independently

#### 6. Composition of the Board of Directors

The Board of Directs is responsible for determining the business direction and policy. The Board of Directors shall consist of a chairman, a vice chairman and directors who can act independently to counterbalance the management. In that the board may consist of executive directors in response to the size of the organization and give an effective performance. There shall not be less than five directors in the Board.

#### 7. The Chairman of the Board and the Managing Director

The Board of Directors shall designate a director as the Managing Director other than Chairman of the Board so that their roles, authorities and duties are clearly separated to ensure balance between management and corporate governance.

#### 8. Terms of Directorship

The Directors shall serve a term of office of three years. Each year, one-third (1/3) of the directors shall retire. If the number of directors is not a multiple three parts, the number of directors nearest to one-third (1/3) shall retire. The directors retiring from their office in the first and second year after the registration shall be made by drawing lots. For subsequent years, the directors who have held office longest shall retire. The directors who vacate office is eligible for re-election by shareholders.

#### 9. Board of Directors' Meeting

The Board of Director shall set the meeting schedule of entire year in advance. The meeting is usually convened quarterly unless irregular meeting is needed. The chairman or designated director ensures that all directors receive all relevant documents prior to the meeting so that they have sufficient time to study all the issues before attending the meeting or casting their votes. The given documents must be clear, analytical and sufficient of recommendation.

---

## 10. The duties of the Board of Directors

1. To perform its duty in the most professional manner to comply with all laws, the company's objectives, articles of association and shareholder's resolutions as well as to preserve the Company's benefit and interests

2. To determine the company's direction and control all business operations in accordance with the related government entities' rules and regulations. To assure the disclosure of information to shareholders and related entities as well as perform transparency management to achieve optimal benefits to the company.

3. To ensure that business is operated efficiently and in compliance with all regulatory bodies such as the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

4. To ensure that the company has effective internal control systems and an internal audit unit that works closely with the audit committee.

5. The Board of Directors may establish an executive board and a management team or delegate control to other persons to manage the company under the Board of Directors' supervision. The delegation must be accompanied by responsibilities and limitation of the control and must not be delegated to persons in circumstances that would lead to conflicts of interest with the company and its subsidiaries.

6. To have the intention to run the business continuously and conduct themselves with honesty, and integrity and to be interested in the business in which they hold the directorship.

7. To be consistently responsive to the shareholders and protect their interests as well as providing to them fair, complete and transparent disclosure.

8. Consider the approval of business plans, annual budgets and sales/acquisitions of the asset exceeding 50 MB, joint ventures in expanding its business and approval of any other loans besides the working capital loans, which are solely authorized by the Executive Board

Effective date: February 19, 2008.

### **6.1.2 Policy Rights of Shareholders and Stakeholders**

Shareholders are the owners of the company. They control the company by appointing the Board of Directors to act as their representatives. Shareholders are eligible to make decisions on any of significant corporate changes. Therefore, the company encourages shareholders to exercise their rights.

Basic shareholder rights are rights to buy, sell, or transfer shares, share in the profit of the company, obtain relevant and adequate information on the company in a timely manner and on a regular basis, participate and vote in the shareholder meetings to elect or



remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the company such as dividends payment, amendments to the company's articles of association or the company's bylaws, capital increases or decreases, and the approval of extraordinary transactions, etc.

The Board of Directors realizes the importance of shareholders' meeting as revealed in the policies to facilitate all shareholders equally in attending the meeting, provide sufficient information timely in advance of the meeting so that the shareholders have enough time to decide whether to attend or to designate representatives to attend the meeting on their behalves. Shareholders are encouraged to query directors and allowed to propose an agenda item, the directors on the other hand are obliged to attend the meeting and answer the enquiries.

The Board of Directors must complete the minutes of the meeting and present to the shareholders through the website as soon as possible within 14 days after the meeting.

## **1. Rights of Shareholders**

The Company values the right of shareholders by convening the shareholders meeting annually as requested by the law. For year 2022, The Company has held the meeting on April 26, 2022 and 5 directors attended the meeting.

The Company has assigned Thailand Securities Depository Company Limited (TSD), the registrar of The Company security, to distribute all the meeting notice to all shareholders 14 days prior to the meeting (4 April, 2022).

The Company has allowed the shareholders to authorize representatives to attend the shareholders' meeting on their behalf, and if the shareholders cannot find one, The Company also proposes an independent director to take the task. In 2022, Independent director (Chairman of the Audit Committee) was Mr. Navin Vongchankit.

The Company encouraged the shareholders to express their opinions and ask questions during the 2022 annual shareholders' meeting, in which the directors are responsible for answering the questions. For this particular meeting The Company allow the shareholders to propose the agenda of the meeting on December 21, 2021 to January 21, 2022.

The Company has posted the meeting invitation on the website, [ww.tycons.com](http://ww.tycons.com), 30 days prior to 2022 annual shareholders' meeting and posted the minutes of meeting 3 days after the meeting.

## **2. Equitable Treatment of Shareholders**

The Company keeps updating its status quarterly through SET website in time as requested.

---

The policy to allow the shareholders to propose the director candidate prior to the meeting on December 21, 2021 to January 21, 2022.

The Board of Directors does not allow directors, managements and related parties of employees to trade The Company's securities one month prior to the announcement of the company financial statement. In 2021, the given parties have strictly complied with the policy.

The Board of Directors has required its members to disclose any of their information related to the related parties and conflict of interest to the board, so that, for the best of the company's benefit, the board can consider company business activity and take a prompt action that might be affected by that information. In 2022, there was no any of information related to the related parties and conflict of interest to the board.

### **3. Treatment of stakeholders**

The Company has been formulated the policy of corporate social responsibility (refer to item 10 corporate social responsibility), we comprehend the importance of helping and supporting society, community, and maintaining environment continuously; Tycoons also takes consideration of likely influence to stakeholders, such as creditor, stockholders, employees. The community where we belongs, customers, suppliers, government, societies and nations; we formulate the direction that allowed employees can participate our corporate social responsibility policy together.

Besides, the company also provides stakeholders with channels for contact, notice, suggestion, report and complaint. If there are any possible whistle-blowing concerns, stakeholders can contact the company secretary Mr. Wen, Chun-Feng through below channels in order for him to report to the Board of Directors. The contact information is as follows: Tycoons Worldwide Group (Thailand) Public Company Limited (TYCN) Address: 99 Moo1, Tumbon Nikompattana Amphur Nikompattana, Rayong 21180 Thailand Tel:(033)-658-558 Ext.1301 Fax:(038)- 636-822 E-mail: wen@tycons.com

#### **Guidelines and responsibility to each group of stakeholders are:**

##### **SHAREHOLDERS**

The Company is committed to create value for all shareholders with fairness by operating business in compliance with good governance and the Company's vision efficiently and treat shareholders with respect and as per the applicable laws and regulations to maximize benefits and values to shareholders continuously. The Company shall inform shareholders of correct and complete information, including disclosing such information in accordance with relevant rules and agreement.

##### **CUSTOMERS**

The Company devotes extensive efforts to satisfy our customers in every aspect. It strives to provide products and services to meet the needs of our customers as well as the development of quality products and services with warranty and service for the benefit and

satisfaction in terms of quality standards and fair prices. Development of products and services to meet the diverse needs and quality control, complaints about products and services, maintain client confidentiality includes not put customer data to generate benefits are also a return policy if it finds that the product is not quality or inferior.

## CREDITORS

The Company strictly complies with the conditions and requirement strictly of both trade creditors and lender and make timely payment, as well as following the affirmatives give to the creditors throughout the liable periods and provide information with accuracy, transparency, equity and fairness.

## 4. Disclosure and Transparency

The Board of Directors discloses the financial information, business activities, and other business performance accurately, completely, efficiently, and timely that reflects the actual financial status, complies with the Generally Accepted Accounting Principles (GAAP), and is audited by independent auditor. In addition, the audit committee which is composed of independent directors with no involvement with the company management will also help review the give information.

The Company places the timely and accurately disclosure of financial and other information that may affect the share price at priority through SET website. Moreover, the company has also established Investor Relations Office. For investors and those who are interested in obtaining the company's information, they may contact Investor Relation Officer at Tel:033-658-558or fax: 038-636-822 or E-mail Address: [iro@tycons.com](mailto:iro@tycons.com).

In 2021, IR officer has provided information to parities such as shareholders and analysts in many occasions such as quarterly performance and invest projects.

Director's remuneration; The Board of Directors has disclosed clearly the directors' remuneration policies which is in response to the contributions and responsibilities of each directors and the remuneration is approved by shareholders through shareholders' meeting.

Managements' remuneration: The Board of Directors has developed the management remuneration policy that is fair and attractive enough for qualified people to take the position and perform at high standard.

## 5. Responsibilities of the Board

### Leadership and vision

The Board of Directors has played a role in setting the company's goal, task, and budget, and moreover oversaw the company operation according to its goal. The Board of Directors has also made comments on the internal control/audit system to manage the risk and maximize the company's profitability.

---

## **Risk Management**

The Board of Directors has adopted a risk management system for all material and controllable risk and included the reporting and evaluating system in response the current situation. In 2022, the Board of Directors has considered political risk, which now does not affect the company directly. As for economic risk in exchange rate, the company has employed forward contract to minimize the risk. All managements are responsible for risk management. In assessing the risk, the chance of occurring and the impact it might create was examined, then prevention measures were proposed. The Company's internal audit has been performed audit in relation to risk and then reported to the committee, so that the committee could report to the Board of Directors in time.

### **6.2 Code of Ethics**

Ethics is an integral part of corporate governance. The Board of Directors established the code of ethics for management and staff which is considered to be their tasks. This covers penalty of punishment of those who fail to comply, therefore all the staff must follow strictly. The implication and supervision of the code of ethics is applied through the existing management system.

### **6.3 Corporate Governance Policy Compliance Report**

The Board of Directors established the policy that encourage all employees to behave honesty and properly and accountable to stakeholders, and shareholders at all time. This will, in turn, become the organization culture that values social responsible.

### **Independence and Impartiality of Directors**

The Board of Directors has performed its duty and exercised its discretion independently from the managements and major shareholders. Each director has the duty and is independence to ask questions, express opinions, make objection or vote as he/she sees fit in relation to all matters affecting the interests of the company, shareholders or stakeholders.

### **Qualifications of Directors**

The Board of Directors consisted of various qualities including age, profession, and knowledge which are beneficial for the company operation and can bring about fresh perspective. Directors had adequate time to perform their duties to the fullest extent with high ethical standard. In 2022, none of the directors of the Company served as director of other listed company more than 5 companies.

### **Duties of Chairman of the Board of Directors**

Key duties of the Chairman as leader are to ensure effective functioning of the Board. The Chairman is accountable to the board and function as a coordinator between the Board and the management through the President. The Chairman also has duty to further communicate the Board's resolutions as appropriate.

There is distinction of duty between the Chairman as policy leader and the President as leader for day-to-day management of the Company. The Company has a policy to separate the positions of Chairman of the Board and President. This ensures that there is no

abuse of the authority and decision making is fair and independent for long term interest of the company.

The Chairman's duties include the following:

Guiding the Board to ensure its effective functioning. Providing independent advice and counsel to the President. Consulting with the President and Company Secretary to draw up meeting agendas. Encouraging all board members to debate issues freely during meetings, ask questions and express opinions. Ensuring effective communication with the shareholders.

### **Qualifications of Independent Directors**

The Board of Directors has set the qualifications of independent directors according to the Stock Exchange of Thailand's requirements. In 2022, Mr. Navin Vongchankit, a highly experience person in accounting and financial field, was elected as independent director whose qualification is in line with the requirement.

### **Composition of the Board of Directors**

The Board of Directs has determined the number of the directors in the board according to the size of the company. The board now consists of four executive directors and three independent directors totaled up seven directors. In that, independent directors account for one third of the members.

### **The Chairman of the Board / the Managing Director**

The Board of Directors determined that the MD and the Chairman of the Board are different individuals, and their authorities and duties are clearly separated to ensure balance between management and corporate governance. In 2022, the Company's Chairman of the Board is Mr. Huang, Wen-Sung and the MD is Mr. Natthawat Thanapinyanun.

### **Terms of Directorship**

The term of directorship is three years. Each year, one third of the directors will complete their terms. In 2022, the followings directors retire by rotation and re-elect to return to the office.

The Annual General Shareholders' Meeting 2022, the number of directors who will retire by rotation in year 2022 is 2 persons consisting of Director Ms. Hwang, Feng-Mei Director, Mr. Jirawat Huang Independent Director propose the re-election of the retiring directors, to serve the position of director for another term.

### **Board of Directors' Meeting**

The Board of Directors sets the meeting schedule of entire year in advance. The meeting is usually convened quarterly unless irregular meeting is needed. The chairman or designated director ensures that all directors receive all relevant documents prior to the meeting so that they have sufficient time to study all the issues before attending the meeting or casting their votes. The given documents must be clear, analytical and sufficient of recommendation.

There were 6 times meetings held in 2022. Please see the attendance record of directors.

Name	Position	Time of Attendance
1. Mr. Huang, Wen-Sung *	Chairman of Board	6/6
2. Ms. Lu, Yen-Chuan *	Director	0/6
3. Mr. Natthawat Thanapinyanun	Director	6/6
4. Ms. Hwang, Feng-Mei	Director	6/6
5. Mr. Navin Vongchankit	Independent Director/ Chairman of the Audit Committee	6/6
6. Mr. Jirawat Huang	Independent Director	6/6
7. Mr. Phiphat Wangphichit	Independent Director	6/6

\*Appoint Mr. Huang Wen Sung director of the Board as the Chairman of the Board of Directors in replacement of Ms. Lu Yen Chuan resigned. This appointment shall be effective from 09 June, 2022 onwards.

### **Scope and Responsibility of the Board**

The Board of Directors has set a clear scope of responsibility of the board of directors (refer to page 62-65), which is followed strictly by the board in 2022.

### **Internal Control/Audit System**

The company has developed the internal control system to monitor and audit the area including finance and operation to ensure that they comply with the law and regulations. It would provide the balancing mechanism for the company to protect the shareholders' investment and the company asset. The company established internal auditing unit to audit and ensure that all departments are operated in accordance with the regulations, and moreover to assess the efficiency of the auditing work. The board of directors ensured that the internal auditing unit is independent and can serve as balancing mechanism. In 2022, the internal auditor has presented the report on the efficiency of the control system to the board of audit committee and board of directors for review.

## 7. Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

### 7.1 Management structure

The management structure of the company is composed of the Board of Directors, the audit committee and the management team, details of which are as follows:

### 7.2 Information on the Board of Directors

#### The Board of Directors as at Dec 31, 2022

No.	Name-Last Name	Position
1	Mr. Huang, Wen-Sung *	Chairman of Board
2	Ms. Lu, Yen-Chuan *	Director
3	Mr. Natthawat Thanapinyanun	Director
4	Ms. Hwang, Feng-Mei	Director
5	Mr. Navin Vongchankit	Independent director and Chairman of the Audit Committee
6	Mr. Jirawat Huang	Independent director and Audit Committee
7	Mr. Phiphat Wangphichit	Independent director and Audit Committee

\*Appoint Mr. Huang Wen Sung director of the Board as the Chairman of the Board of Directors in replacement of Ms. Lu Yen Chuan resigned. This appointment shall be effective from 09 June, 2022 onwards.

#### Directors authorized to sign on behalf of the company

The authorized directors who may sign to bind the company are two of the following Mr. Huang, Wen-Sung; Ms. Lu, Yen-Chuan; Mr. Natthawat Thanapinyanun and Miss Hwang, Feng-Mei who must jointly sign, together with the affixation of the official company stamp.

#### The Executive Board as at Dec 31, 2022

No.	Name-Last Name	Position
1	Mr. Huang, Wen-Sung *	Chairman of Board
2	Ms. Lu, Yen-Chuan *	Director
3	Mr. Natthawat Thanapinyanun	Director
4	Ms. Hwang, Feng-Mei	Director

\*Appoint Mr. Huang Wen Sung director of the Board as the Chairman of the Board of Directors in replacement of Ms. Lu Yen Chuan resigned. This appointment shall be effective from 09 June, 2022 onwards.

The Audit Committee as at Dec 31, 2022

No.	Name-Last Name	Position
1	Mr. Navin Vongchankit	Chairman of the Audit Committee
2	Mr. Jirawat Huang	Audit Committee
3	Mr. Phiphat Wangphichit	Audit Committee

Name of chief of internal auditor: Miss Huang Tsai - Ting

One audit committee member has basic knowledge in accounting and finance, namely: Mr. Navin Vongchankit graduated from Seattle University, Washington USA, Master of Business Administration.

### 7.3 Information on subcommittees

#### Sub-Committee of Board of Directors

The scope of work and responsibilities of the Board of Directors, Audit Committee Executive Board, Managing Director in accordance with Public Limited Company Act and related Acts are as follows:

#### The Board of Directors

1. To perform its duty in the most professional manner to comply with all laws, the company's objectives, articles of association and shareholder's resolutions as well as to preserve the company's benefit and interests.
2. To determine the company's direction and control all business operations in accordance with the related government entities' rules and regulations. To assure the disclosure of information to shareholders and related entities as well as perform transparency management to achieve optimal benefits to the company.
3. To ensure that business is operated efficiently and in compliance with all regulatory bodies such as the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
4. To ensure that the company has effective internal control systems and an internal audit unit that works closely with the audit committee.
5. The Board of Directors may establish an executive board and a management team or delegate control to other persons to manage the company under the Board of Directors' supervision. The delegation must be accompanied by responsibilities and limitation of the control and must not be delegated to persons in circumstances that would lead to conflicts of interest with the company and its subsidiaries.
6. To have the intention to run the business continuously and conduct themselves with honesty and integrity and to be interested in the business in which they hold the directorship.
7. To be consistently responsive to the shareholders and protect their interests as well as providing to them fair, complete and transparent disclosure.



8. Consider the approval of business plans, annual budgets and sales/acquisitions of the asset exceeding 50 MB, joint ventures in expanding its business and approval of any other loans besides the working capital loans, which are solely authorized by the Executive Board.

All aforementioned responsibilities can be enforced and approved by the Board of Director except for the following items, which require shareholders' approval.

- a. In compliance with the law, requiring a shareholders' resolution in regard to transfers or disposals of an entity, increases in paid-up capital, merger etc;
  - b. Connected transactions as set out in SET regulations;
- Apart from the resolution of a shareholder meeting, a vote of not less than three quarters of the total number of votes of shareholders who attend the meeting and have the right to vote is required to approve the following events:
- c. The sale or transfer of the whole or important parts of the business of the company to other persons;
  - d. The purchase or acceptance of transfer of the business of other companies or private companies by the company;
  - e. The making, amending or terminating of contracts with respect to the granting of a lease of the whole or important parts of the business of the company, the assignment of the management of the business of the company to any other persons or the amalgamation of the business with other persons with the purpose of profit and loss sharing;
  - f. The amending of the articles of association and memorandum of association;
  - g. The increase and reduction in company capital;
  - h. The merger or termination of the company; and
  - i. Any other relevant issue stipulated by law.

### **The Audit Committee**

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

1. To review the Company's financial process to ensure that it is accurate and adequate
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information

- a. an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - b. an opinion on the adequacy of the Company's internal control system,
  - c. an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - d. an opinion on the suitability of an auditor,
  - e. an opinion on the transactions that may lead to conflicts of interests,
  - f. the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - g. an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
  - h. other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. Appoint, revoke, transfer or terminate the Director of the Internal Audit Office (if any) or employ or change the employment of other Internal Audit Offices.
  8. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

### **The Executive Board**

1. Prescribe the policy, direction, strategy and structure of major management work for the business operation of the company to respond to and support the economic and competitive situation as prescribed and declared to the shareholders and to propose the same for approval of the Board of Directors.
2. Prescribe business plan, budget and management power of the company and propose the same for approval of the Board of Directors.
3. Inspect, follow up the policy and management guidelines in various aspects to determine whether it is properly implemented to benefit the business operation of the company.
4. Inspect and follow up the results of business operations to determine whether it is in accordance with the approved business plan.
5. Consider, as a preliminary matter, large investment projects of the company below 50 MB (if greater than 50 MB, it will be forwarded to the Board of Directors).
6. Perform other duties as being assigned by the Board of Directors from time to time.
7. In case of such matter is already prescribed in the business plan or budget duly approved by the Board of Directors, the Executive Board shall be entitled to take any action regardless of the amount of money involved.
8. In any matters other than those specified in clause 7, the Executive Board is empowered to approve items concerning working capital loans (any other loan will be forwarded to Board of Directors for consideration).
9. Approval on opening an account with any financial institution.

### **The Managing Director**

1. To be a chairman of all management.
2. To approve all operational plans of every department.

3. To manage and run the business according to the normal practices of the company. With respect to any significant matters, adversely affecting the company's reputation and financial status regarding the company's business, the managing director will consult the Board of Directors for their consideration.
4. Follow up the company's business operations to conform them to the company plan and assigned policy.
5. To approve requests from any department over which he has authority.
6. To preliminarily consider and propose investment plans or new businesses together with sales/acquisitions of asset in an amount exceeding 50 million baht before submitting such matters to the Board for approval through Executive Board
7. To propose the annual expense budget to be forwarded to the Board of Directors.
8. To consider merit of, appoint, transfer, punishing, discharging and recruiting managers.
9. To run the business following the policies set out by the Board of Directors.
10. To carry out such duties in good faith and with care to preserve the interests of the company.
11. To authorize the foregoing except the approval of connected transaction as per definition of the office of the Securities and Exchange Commission (SEC).
12. The managing director shall propose any borrowing or lending transactions, solicitation of facilities from financial institutions and granting of guarantees on behalf of any parties, to the Executive Board and/or Board of Directors to obtain approval. Working capital loans will be approved solely by the Executive Committee.

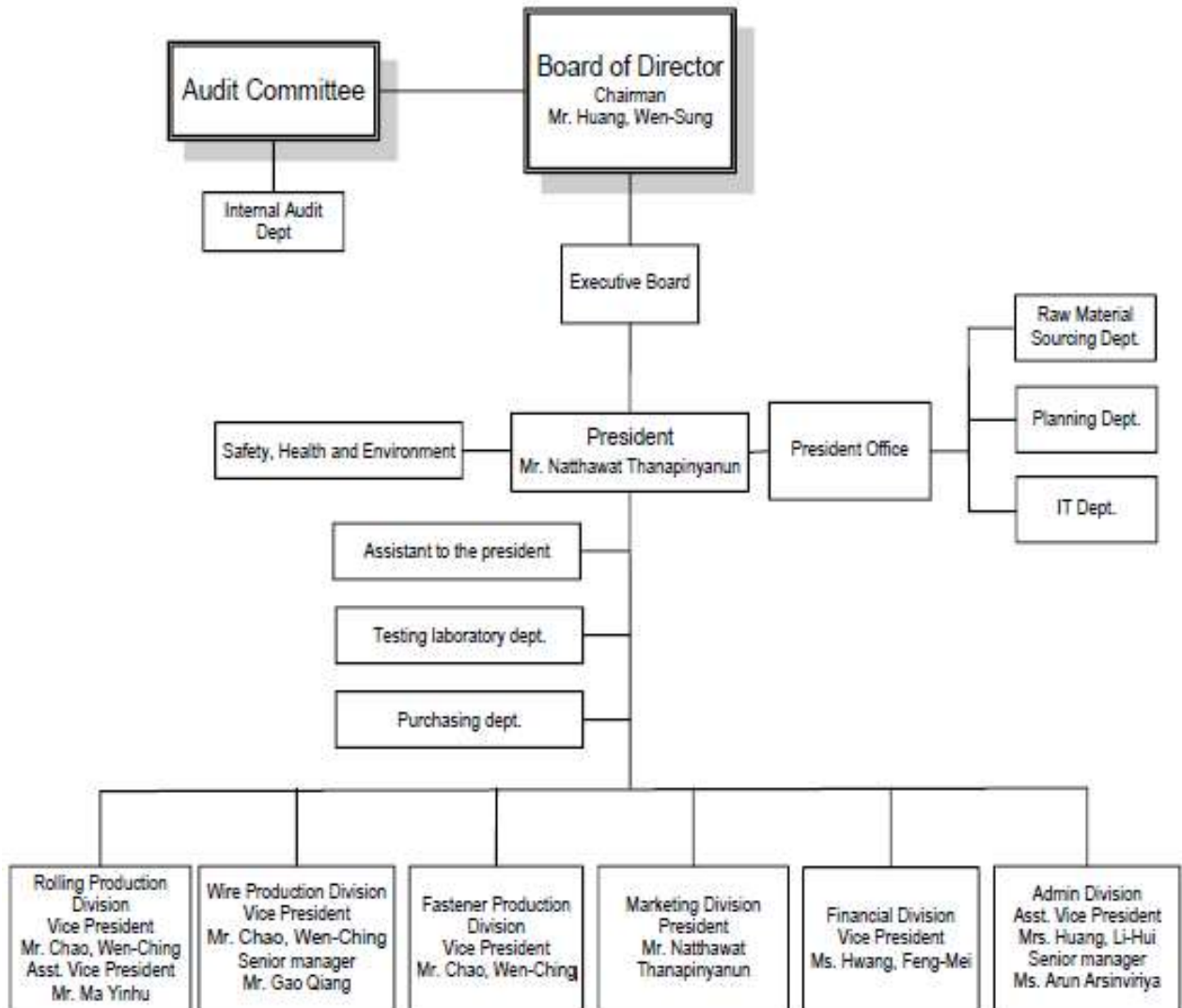
#### 7.4 Information on executives management

Names of the management team as at Dec 31, 2022

No.	Name-Last Name	Position
1	Mr. Huang, Wen-Sung *	Chairman and Executive Board
2	Ms. Lu, Yen-Chuan *	Director and Executive Board
3	Mr. Natthawat Thanapinyanun	President and Executive Board
4	Ms. Hwang, Feng-Mei	Vice President and Executive Board
5	Mr. Chao, Wen-Ching	Vice President
6	Mr. Huang, Li-Hui	Asst. Vice President
7	Ms. Arun Arsinviriya	Senior Manager
8	Mr. Ma Yinhu	Asst. Vice President
9	Mr. Gao Qiang	Senior Manager

\*Appoint Mr. Huang Wen Sung director of the Board as the Chairman of the Board of Directors in replacement of Ms. Lu Yen Chuan resigned. This appointment shall be effective from 09 June, 2022 onwards.

**Organization Chart.**



## 7.5 Information about employees

### Employee's Remuneration and Number of employees

The total number of employees of the company as at Dec 31 2022 and 2021 comprises 884 and 754 persons respectively, the company has paid remuneration to its employees as at Dec 31 2022 and 2021 was 324 and 305 MB. The remuneration included salary, overtime, variable bonus, allowance, social security and provident fund.

	2022	2021	2020
Management Employee (person)	37	33	33
Supervisory Employee (person)	218	128	135
Operational Employee (person)	492	444	449
Employee Headquarter (person)	137	149	150
Total (person)	884	754	767
Employee's Remuneration (MB)	324	305	276

During the past 3 years, the Company has no significant increase or decrease in employee's number and has not received any significant labor disputes.

The provident fund of the company has been in effect since August 1, 2003. Pursuant to the provident fund arrangements, the employees contribute 3% of their monthly compensation to the fund while the company makes a corresponding contribution of 5% of such employee's total monthly compensation.

The company relatively allocates 3% to employees who have been employed for less than 5 years, and 5% to employees who have worked for 5 years.

### Employee Development Policy

The company realizes the importance of its staff as they are considered valuable assets which play a major role in the success and growth of the company. Therefore, the company has a policy to develop the efficiency, knowledge and skill of its staff at all levels by having well-organized annual programs both at in and out of office. Training programs are designed to enrich staff knowledge, skills and develop good work attitude, to promote the development of staff functions, reserve management and professional personnel at all levels. But also encourage colleagues to learn, to enhance the quality of human resources, development of competition Force of human resources.

## 7.6 Other significant information

### 7.6.1 Company Secretary

The Board of Directors has resolved to appoint Mr. Wen, Chun-Feng served position as Company Secretary since 9 November 2016 Age 57 years Nationality : Taiwan

**Education :** Veterinary Medicine Dept./National Pingtung Technological College

**Company's Position :** Manager / President Office

**Working Experience :**

1999 – 2014 Section Manager/ Purchase Dept. / Tycoons Worldwide Group (Thailand) Plc.

2014 – 2016 Dept. Manager / Safety Health and Environment Dept. / Tycoons Worldwide Group (Thailand) Plc.

2016 – Current Manager / President Office / Tycoons Worldwide Group (Thailand) Plc.

The scope of work and responsibilities of the Company secretary as follows:

1. preparing and keeping the following documents:
2. a register of directors;
3. a notice calling director meeting, a minutes of meeting of the board of directors and an annual report of the company;
4. a notice calling shareholder meeting and a minutes of shareholders' meeting;
5. keeping a report on interest filed by a director or an executive;
6. performing any other acts as specified in the notification of the Capital Market Supervisory Board.

**Chief of internal auditor:** Miss Huang Tsai - Ting

The Company has assigned Miss Huang Tsai – Ting served position as Company Chief of internal auditor, Age 40 years Nationality : Taiwan

**Education :** Master's degree 2009 – 2011, Accounting /Providence University, Taiwan

**Director Training Program:** -

**Company's Position :** Chief of internal auditor

**Working Experience :**

2016 – Current Chief of internal auditor, Acting for the head of the department Tycoons Worldwide Group (Thailand) Plc.

2016 – 2014 Senior officer Internal Audit Department / TY Steel Co/ Ltd.

2014 – 2011 Senior officer : Deloitte / Taiwan

2008 – 2005 Auditor : Jiang Sheng & Co., DPAs. / Taiwan

---

### **7.6.2 Head of investor relations and contact information**

The Company has assigned Ms. Patcharee Klumboonsawat served position as Head of investor relations. Contacted at the address : Tycoons Worldwide Group (Thailand) Plc. 99 Moo1, Tumbon Nikompattana Amphur Nikompattana, Rayong 21180 Thailand Tel:(033)-658-558 Ext.1309 Fax:(038)-636-822 E-mail: [patcharee@tycons.com](mailto:patcharee@tycons.com)

### **7.6.3 Auditor remunerations**

#### 1). Audit Fee

The Company and its subsidiary financial Statement 2022 annual audited fee and quarterly reviewed fee amount 2,460,000 Baht and the financial Statement 2021 annual audited fee and quarterly reviewed fee amount 2,550,000 Baht.

#### 2). Non-Audit Fee

The Company pays compensation for other audit services which are Review the differences in the use of Thai and international financial reporting standards amount 160,000 Baht.

## **8. Report on key operating results on corporate governance**

### **8.1 Summary of duty performance of the Board of Directors in the past year**

#### **8.1.1 Selection, development and evaluation of duty performance of the Board of Directors.**

##### **(1) Independent director**

1. All Independent Director Members has requisite qualification in accordance with relevant SEC and SET rules and guidelines, (specifically, that such members has one accounting or finance backgrounds is Mr. Surabhon Kwunchaithunya).

2. All Independent Director Members have no relationships (e.g., parents, spouses, children, uncles and aunts) between the candidates and the management or majority shareholders of company or its affiliates.

3. All Independent Director members have no relationships with Company/ parent company/ affiliated and associated companies or juristic persons with potential conflicts of interest at present and during the past two years, as follows:

- Executive directors, staff, employees or advisers who earn salaries from Company.
- Professional service provider.
- Material business relationships with Company that may affect their independence.

##### **(2) Election of the directors and the management**

Selection of persons to be appointed as directors of the company does not involve the process of nominating committee whatsoever. Nevertheless, the company has laid down guidelines on the appointment of board of directors as follows:

1. Board of directors shall carry out its duties according to the laws, the objectives and the Articles of Association of the company, including the resolutions of the meetings of shareholders.
2. At every general shareholder's meeting, one-third of the directors shall vacate their office. In case the number of outgoing directors cannot be divisible by three, the number closet to one-third shall be applied.
3. The directors who resign at the first and second year, respectively, will be decided by draw. Thereafter, the directors required to resign will be those that have served the longest, but after resignation will be able to be re-appointed the following year.
4. The general shareholder's meeting may pass a resolution that any director be vacated from office before completing his term, which resolution must be passed



by votes of not less than three-fourths of the number of shareholders with the right to vote and attending the meeting and whose shares altogether constitute not less than one-half of the number of shares held by shareholders attending the meeting and have the right to vote.

5. One shareholder is entitled to one vote per share.
6. Each shareholder must use all of his votes under (5) to vote for the election of one to be directors. Shareholders must cast all of their votes for one nominee, and may not divide their votes.
7. The candidates obtaining the highest numbers of votes shall be appointed directors, until all vacancies are filled. Should be a tie vote, the chairman of the Board of Directors will make the determination. The appointment of president of the Company must be approved the Board of directors, and management of the Company directly appointed by the president.

### 8.1.2 Meeting attendance and remuneration payment to each Board member

#### Details of Attendance and service of the Board of Directors

Name	Number of attendances / Total of meeting		Number of years the directors have served
	2022	2021	2022 (years)
1. Mr. Huang, Wen-Sung ***	6/6	7/10	19.5
2. Ms. Lu, Yen-Chuan ***	0/6	0/10	19.5
3. Mr. Natthawat Thanapinyanun	6/6	10/10	16.5
4. Ms. Hwang, Feng-Mei	6/6	10/10	6.8
* Mr. Surabhon Kwunchaithunya	--	5/10	18.5
5. Mr. Navin Vongchankit**	6/6	2/10	1.2
6. Mr. Jirawat Huang	6/6	10/10	19.5
7. Mr. Phiphat Wangphichit	6/6	10/10	19.5

\* Mr. Surabhon Kwanchaithunya resigned from the position of independent director and Chairman of the Audit Committee effective from September 30, 2021 onwards.

\* Mr. Surabhon Kwunchaithunya resigned as an independent director on September 30, 2021.

\*\* Appoint Mr. Navin Vongchankit as Independent Director and Chairman of the Audit Committee effective from October 20, 2021 onwards.

\*\*\* Appoint Mr. Huang Wen Sung director of the Board as the Chairman of the Board of Directors in replacement of Ms. Lu Yen Chuan resigned. This appointment shall be effective from 09 June, 2022 onwards.

**Remuneration for director and management**  
Director's and Management remuneration

Type of remuneration	Director's remuneration persons (Baht)		Executives' remuneration persons (Baht)	
	2022	2021	2022	2021
Salary	1,640,000	1,080,000	17,502,207	14,056,250
Bonus		-	2,540,310	2,635,235
Premium		-		-
Profit-sharing		-		-
Other welfare		-		-
<b>Total</b>	<b>1,640,000</b>	<b>1,080,000</b>	<b>20,042,517</b>	<b>16,691,485</b>

Director's and Management remuneration (Salary& Bonus) in year 2022 and 2021 as above:

The directors' remuneration of the Company has not been approved by Remuneration Committee due to the Company didn't set the Committee up. However, the directors' remuneration has already been compared to other similar industries and taken account of other issues such as business expansion and growing up of profit. Eventually, it is approved by Board of directors with careful consideration and approved by shareholders through shareholders' meeting.

Name	Position	Salary& Bonus	
		2022	2021
1. Mr. Huang, Wen-Sung ***	Chairman of Board and Executive Board	270,000	120,000
2. Ms. Lu, Yen-Chuan ***	Director and Executive Board	250,000	240,000
3. Mr. Natthawat Thanapinyanun	Director and Executive Board	200,000	120,000
4. Ms. Hwang, Feng-Mei	Director and Executive Board	200,000	120,000
* Mr. Surabhon Kwunchaithunya	Independent director and Chairman of the Audit Committee	--	180,000
5. Mr. Navin Vongchankit**	Independent director and Chairman of the Audit Committee	320,000	60,000
6. Mr. Jirawat Huang	Independent director and Audit Committee	200,000	120,000
7. Mr. Phiphat Wangphichit	Independent director and Audit Committee	200,000	120,000
<b>Total</b>		<b>1,640,000</b>	<b>1,080,000</b>

\* Mr. Surabhon Kwanchaithunya resigned from the position of independent director and Chairman of the Audit Committee effective from September 30, 2021 onwards.

\*\*Appoint Mr. Navin Vongchankit as Independent Director and Chairman of the Audit Committee effective from October 20, 2021 onwards.

\*\*\*Appoint Mr. Huang Wen Sung director of the Board as the Chairman of the Board of Directors in replacement of Ms. Lu Yen Chuan resigned. This appointment shall be effective from 09 June, 2022 onwards.

#### Changes of Directors' Remuneration 2022

Due to the resolution of the 2022 Annual General Meeting of Shareholders on April 26, 2022. From May 2022 onwards, each director remuneration will be added 10,000 baht per month, so the total remuneration of the 7 directors in 2022 will be 1,640,000 Baht.

### **8.1.3 Supervision operations of its subsidiaries and associates**

The Company investment in subsidiaries or associated company must be approved by the Board of directors and authorized the Chairman/directors on behalf of the Company as the Chairman/directors of the subsidiaries and associated company by the proportion of shareholding.

### **8.1.4 Monitoring of compliance with the corporate governance policy and guidelines**

#### **(1) Supervision of internal information**

1. The company has a policy on supervision of usage of internal company information by its executives and staff for their own benefit. The executives and staff who come to possess internal company information are not permitted to buy or sell the securities of the company 1 month prior to the company announcing its results of operations (financial statements).

2. Significant information that may affect the price of securities. The company announces its results of operations within 45 days from the end of a financial quarter and 60 days after the end of the accounting year.

3. The company also requires that its executives prepare and submit to the Office of Securities and Exchange Commission reports on holdings of shares by them, their spouses and underage children, in listed companies in respect of which they are executives (according to the Securities and Exchange Act B.E. 2535 Section 59 and pursuant to Section 275 which stipulates that any director, manager, person who holds a management position or auditor who contravenes or fails to comply with Section 59 shall be liable to a fine not exceeding five hundred thousand Baht and a further fine not exceeding ten thousand Baht for every day during which non-compliance continues).

## (2) Principles for countering bribery and against corruption

Our policy for countering bribery and against corruption has been stipulated and approved by board of directors on November 13, 2014. Please refer to our web site (www.tycons.com) corporate governance of investor relations page. In 2020, the company's internal audit unit did not receive any complaints about violations of this policy.

### 8.2 Report on the results of duty performance of the Audit Committee in the past year

#### The report of the audit committee of year 2022 as follows:

The audit committee jointly reviewed the 2022 annual consolidated financial statements with the certified public accountant for presentation to the board of directors for acknowledgement; discussed with relevant parties at meetings; reviewed compliance to the provisions and laws; and deliberated on information disclosure of related items in conformity with provisions of the Securities Exchange of Thailand.

The audit committee reviewed the consolidated financial statements and has an opinion that the company prepared financial statements in accordance with generally accepted accounting standards; adequately disclosed information; maintained regulating and supervisory system; internal audit and risk management system is satisfactory with no significant discrepancies are observed.

#### 8.2.1 Specify the total number of the Audit Committee's meetings and the attendance of each member;

##### Details of Attendance and service of the Board of Audit Committee

No.	Name-Last Name	Number of attendances / Total of meeting	
		2022	2021
	Mr. Surabhon Kwunchaithunya*	-	3/4
1	Mr. Navin Vongchankit**	4/4	1/4
2	Mr. Jirawat Huang	4/4	4/4
3	Mr. Phiphat Wangphichit	4/4	4/4

\* Mr. Surabhon Kwanchaithunya resigned from the position of independent director and Chairman of the Audit Committee effective from September 30, 2021 onwards.

\*\*Appoint Mr. Navin Vongchankit as Independent Director and Chairman of the Audit Committee effective from October 20, 2021 onwards.

**8.2.2 Describe the results of duty performance of the Audit Committee.**

The audit committee jointly reviewed the 2021 annual consolidated financial statements with the certified public accountant for presentation to the board of directors for acknowledgement; discussed with relevant parties at meetings; reviewed compliance to the provisions and laws; and deliberated on information disclosure of related items in conformity with provisions of the Securities Exchange of Thailand.

The audit committee reviewed the consolidated financial statements and has an opinion that the company prepared financial statements in accordance with generally accepted accounting standards; adequately disclosed information; maintained regulating and supervisory system; internal audit and risk management system is satisfactory with no significant discrepancies are observed.

## **9. Internal control and Connected transactions**

### **9.1 Internal control**

At the company's Board of Director meeting No.1/2022 on February 23, 2022 which was attended by the three independent directors and the audit committee members, the board review the opinion of board of the audit committee and evaluated the internal controls of the company by asking certain information of management. The board reviewed the company's internal controls in five key areas:

- (1) Organization and environment;
- (2) Risk management;
- (3) Management control;
- (4) Information technology and communication measures;
- (5) Follow-up systems.

After such review, the board members were of the opinion that the company had adequate controls in place. The company has policies in place to regulate business transactions with major shareholders, directors and executive management so as to avoid conflicts of interest and to preserve its best interests. Further, the audit committee was of the opinion that the internal control system regarding connected transactions with interested parties (i.e. majority shareholders, directors, management and related persons aforementioned) is sufficient, which opinion was approved by the Board of Directors

#### **Chief of internal auditor of the Company**

- (1) Name of chief of internal auditor: Miss Huang Tsai - Ting
- (2) Opinion of Board of audit committee to the qualifications of chief of internal auditor  
Board of audit committee considered the qualifications of education 、 experience of the chief of internal auditor who can perform internal audit positions effectively.
- (3) Appointment, transfer and dismissal of the chief of internal auditor must be approved by the Board of audit committee.

#### **Internal Control/Audit System**

The company has developed the internal control system to monitor and audit the area including finance and operation to ensure that they comply with the law and regulations. It would provide the balancing mechanism for the company to protect the shareholders' investment and the company asset. The company established internal auditing unit to audit and ensure that all departments are operated in accordance with the regulations, and moreover to assess the efficiency of the auditing work. The board of directors ensured that the internal auditing unit is independent and can serve as balancing mechanism. In 2020, the internal auditor has presented the report on the efficiency of the control system to the board of audit committee and board of directors for review.

## 9.2 Related party transactions

9.2.1 During the year 2022 and 2021, the company has entered into connected transaction with persons/parties, which may create conflict of interest as follows:

Person who may have conflict of interest Relationship Transaction			Amount of connected transaction (MB)		Pricing policy /Necessity and Appropriateness /Remarks
			2022	2021	
1.Tycoons Group Enterprise (TGE)	Holding 100%	Revenue from sale	698	1,186	The audit committee reviewed and commented as follows:  (1) Sales for wire rod and annealed wire : The market in Taiwan is substantially large relative to Thai market, thus motivating TYCN selling to TGE in Taiwan. Some of wire rod and annealed wire sold to TGE will be used internally whilst most of it will be on sold to Taiwanese customers. The logic behind selling through TGE is due to TGE's long-term relationships and profile with Taiwanese customers. It can directly grasp the market information through it, and can avoid the sales expenses of the company to establish the marketing channel again or need to invest in marketing in Taiwan market.  (2) Materials, supplies and fixed assets. : The transactions between the Company and the parent company TGI and the associated company TY STEEL's for raw materials and fixed assets are based on the operation requirements and the transaction price is based on the market price. The raw materials purchased from TGE are mainly used to produce fasteners specifically, the annealed wire chemical component, die and machinery parts cannot be acquired locally, therefore will be sourced in Taiwan via TGE. The main consideration is still based on TGE understanding of the market and bargaining power in purchasing, which can reduce the waste of the company's manpower and time. The audit committee reviewed and commented that purchase item from the parent company is considered to be normal trading.  (3) Credit terms for the related party was set to be 30 - 60 days, because of the transportation, inventory and re-sale period of TGE to end-customers.  (4) The pricing policy for intercompany purchase and sale transactions with its related parties normal are at market price.
	Shares of Parent company	Total Purchase of raw material and supplies	131	953	
		Purchase of fixed assets	4	3	
2.Tycoons Group International (TGI)	Parent company	Total Purchase of raw material and supplies	-	-	
3.TY Steel Company Limited	5.94% owned of Parent company	Total Purchase of raw material	2,117	1,790	
		Sales	150	231	
	19.43% owned of TYCN	Other income	-	13	
		Purchase of goods	-	15	
4.Jing Hai Hardware Co., Ltd.	18.19% owned of parent company	Sales	78	339	
		Total Purchase of raw material		1	
5. HuangHua Jujin Hardware Products Co., Ltd.	Subsidiary of parent company	Sales of equipments	-	-	

Person who may have conflict of interest Relationship Transaction			Amount of connected transaction (MB)		<i>Pricing policy /Necessity and Appropriateness /Remarks</i>
			2022	2021	
6. Tycoons Vietnam Co., Ltd.	Subsidiary of parent company	Total Purchase of raw material	-	91	



## 9.2.2 Measures/Procedures of approving connected transactions

The Board of Directors had approved the principle of related party transactions in accordance with the laws and regulations. For normal trading transaction such as inter-company sales and purchases, the Board of Directors will review the general company policies and the specific agreement to determine whether the transaction is proposed to be conducted on a fair basis. If approved, the transaction is permitted to proceed on such terms. The audit committee must attend the Board of Directors meeting and approve the proposed arrangement in order to protect the best interest of the company. For such other significant transactions such as the sales/acquisitions of assets and loans between related companies, details of such transaction must be forwarded to the meeting of board of directors of the company for approval, which meeting must also be attended by the audit committee. Such transactions must also be in compliance with laws on securities and the regulations, announcements, orders and notifications of the SET and SEC.

## 9.2.3 Policy or trend of related party transactions

Should there be future related party transaction between the Company and its parent company or subsidiaries apart from those normal trades that might involve parties with conflicts of interest, the company will seek the opinion of the audit committee regarding the necessity of and accountability for such proposed transaction. In the event that the audit committee does not have the requisite expertise to evaluate the transaction, the company will seek the opinions of independent experts or its auditors. The board of directors will take into consideration such opinions. The company will also include any such transactions in the notes to its financial statements, which are audited by the Company's auditors.

In making future connected transactions, the company's directors will also comply with the laws on securities and the regulations, announcements, orders and notifications of the SET and SEC, as well as the regulations regarding disclosure of connected transactions and acquisitions and dispositions of significant assets of a listed company.

9.2.4 Reasons that persons who may have conflicts of interest hold shares in subsidiaries, associated company exceeds 10% instead of directly holding the Company's shares.

### **1. KDB Co., Ltd.**

The purchasing of beyond proportion shares from increasing of registered capital, has resulted KDB Co., Ltd., as the joint company. Moreover, the shareholding structure of KDB Co., Ltd., has fallen for a conflict-of-interest characteristic because the Directors of the company holds more than 10 percent of shares. In addition, the company has preventive measurement from the conflict of interest, in order to protect the best

---

interest of the company and investor as well as to prevent the transferring of assets and profit between both companies, as follows,

Executive Directors and employees of the company have to comply with the following rules and considerations.

1. Immediately disclose and submit interest information of their own and interested person to the Board of Director of the company in order to present relationship and transaction with the company and KDB Co., Ltd., which may create conflict of interest, before the transaction has taken place. Secretary of the company has an obligation to inspect interested transaction regularly at the end of each year. The inspection will be run by the Executive Directors, employees and interested person and further presents inspected information to the Board of Director for review. Likewise, the company shall arrange the Inspection Board of Directors or Auditor or independent Expertise; when appropriate to inspect and give an opinion of the appropriateness of price and reasonability of transaction. The transaction between them will be mentioned in the comment attached to Balance Sheet, that reviewed or audited by the auditor of the company, Annual Report Form (From 56-1 One Report).

2. Avoid any conflict of related party transaction between the company and KDB Co., Ltd., that may create conflict to the interest of the company or falls for a personal profit acquiring transaction. The necessary related party transaction shall be done by strictly complying with the regulations for related party transaction, according to the Securities and Exchange Commission Thailand.

3. Directors of the Company must not join any opinion hearing, meeting, voting, or approving in any matter; which that Director is an interested person or has direct or indirect conflict of interest.

When the result of voting regarding conflict of interest is equal, the company shall arrange decision making measurement. The decision shall be made through voting by the uninterested Directors.

4. The company issues corporate governance policy of the company, in order to comply with regulations of the organization, the Executive Directors and employees, as well as related party, shall not use internal information of the company or KDB Co., Ltd., for financial profit; except only the normal profit with the exception, that the information has already become publicly known. Moreover, the Executive Directors and employees, as well as related party shall not use assets or business opportunity of the company or KDB Co., Ltd., in the way; that violates regulations of the Securities and Exchange Commission Thailand and the Stock Exchange of Thailand.

5. Any other related party transaction; which is not a normal transaction shall be done in accordance to regulations of related party transaction under the Laws of Securities.

---

6. For normal transaction, under the trade agreement with general trade condition, in the way; that ordinary person may have concluded with their contractual party in the similar situation and trade bargaining power without influence as the Executive Director of the company or related party as principally approved by the Board of Directors. There should be a report regarding the mentioned transaction; when the transaction has been taken place, for notification and inspection as well as opinion of the Board of Directors of the Company every quarter.

7. Corporate governance and responsibility, the company and KDB Co., Ltd., shall arrange appropriate and effective as well as compact internal control system, risk management system, anti-corruption and dishonest system to ensure; that the company and KDB Co., Ltd., have operated business in compliance with policies, rule of the company, laws, and good corporate governance guideline of the listed company as well as relating regulations issued by

Thai Capital Market Supervisory Board, the Securities and Exchange Commission Thailand and the Stock Exchange of Thailand.

8. The Board of Directors of the company shall supervise the related party transaction between the company and KDB Co., Ltd., in accordance to Laws of Securities and other laws. The Board of Directors shall disclose information in accordance to regulations of the Stock Exchange of Thailand and also regulations of other relating sectors. The Company will place measurement for strictly compliance by KDB Co., Ltd.

9. The clear working system shall be completely arranged by December 2021, to show the constant, and trustworthy adequate system of KDB Co., Ltd., in disclosure of substantial transaction information in accordance with the regulations as well as having a channel for Directors of the Company and executive officer of the company to retrieve information of KDB Co., Ltd. Therefore, they are able to efficiently follow up and monitor the operation and financial status of related party transaction between KDB Co., Ltd., and Directors of the company, and executive officer, as well as substantial transaction of KDB Co., Ltd. Furthermore, there should be an inspection mechanism of the mentioned system in KDB Co., Ltd., independent Directors, Inspection Directors, and internal Auditor of the company are able to access into the information directly. There should also be an inspection report of the mentioned mechanism to Directors of the company, Inspection Directors, and executive officers of the company to ensure; that KDB Co., has constantly complied with arranged working system.

10. There should be a representative Director of the company and expert Directors in real estate field, to work in KDB Co., Ltd., for decision making process on business of the company. The expert Directors in real estate business has a sole discretion, when there is a conflict of opinion among Directors.

## 2. **Fastbolt International Pte. Ltd**

**The structure of joint venture with Fastbolt International Pte. Ltd. is a Conflict of Interest, due to TGI holds more than 10% of the shares. The reason for the forming this investment structure is for the benefits that TYCN will receive from the joint venture are as follow:**

1. The products that Fastbolt International Pte. Ltd. buys, if they are the products that TYCN manufactures, they will mainly buy from TYCN, which will benefit TYCN by being able to sell more products to increase sales volume and have more profits

2. TGI is a holding company. There is no production and distribution assembly activities. Therefore, it will not be a competitor to TYCN.

3. TYCN shall participate in the board of directors on an equal voting basis with TGI, enabling TYCN to create opportunities to expand and expand TYCN's merchandising market to EU and Chinese countries through Fastbolt International Pte. Ltd. and Fastbolt Group.

4. The company seeks for stable investments and helps the company survive and sustainably grow in a long term. As this is the first time in foreign investment, the company decide to proceed with a joint venture scheme with TGI that has more expertise and experience in foreign investment. In addition, Fastbolt Group is a company that has the potential to generate consistent income in the long run and grow in the future, to be able to generate stable income and profitability for the Company, which will lead to the creation of added value for shareholders, as well as generate good returns for all shareholders, including the Company. This will have a positive impact on the company's operating position in the future.

5. The joint venture in Fastbolt International Pte. Ltd. will be of great benefit to TYCN's business, the fact that TYCN will always have access to fastbolt group marketing information , which in this respect will be of great benefit to TYCN's business, especially for TYCN to be able to recognize the current situation and the demand for the various nuts, screws, clamps that TYCN manufactures and sells in the EU and Chinese markets, which will reflect the overall picture of the global market and the prices of steel products that are about to change more clearly. This enables TYCN to manage stock products to meet market demands and control the cost price of products to suit the global market prices that are changing significantly more accurately. TYCN may also be able to use this opportunity to increase TYCN's distribution and distribution channels to the EU and Chinese markets, thereby increasing the company's revenue opportunities.

### **Policy and Measurement to Prevent the Conflict of Interest**

1. Disclose and transmit the information of its interests and related persons to the Board of Directors of the Company in order to know the relationship and transactions with the Company and Fastbolt International Pte. Ltd. in a manner that may cause the conflict of interests immediately prior to the transaction. The Secretary of the Company shall be responsible for auditing transactions with interests on a regular basis at the end of the year. The auditing will include executives, employees or related persons, and

---

present the information to the Audit Committee. In addition, the Company will arrange for the Audit Committee or auditors or independent experts, as the case may be, to consider, audit and give opinions on the appropriateness of the price and reasonableness of the transactions, and will disclose such transactions in the notes to the audited or reviewed financial statements by the Company's auditors in the Annual Information Report Form (Form 56-1 One Report).

2. The Company has a corporate governance policy of the Company to comply with the requirements of the organization. The Directors Executives, including employees or related persons shall use no inside information of the Company or of Fastbolt International Pte. Ltd. for any financial benefit other than as may be normally required. Except as publicly available information and does not use the company's assets or business opportunities or that of Fastbolt International Pte. Ltd. in violation of the rules as prescribed by the Securities and Exchange Commission of Thailand and Securities and Exchange of Thailand.

3. Supervise and responsible the Company and Fastbolt International Pte. Ltd. to have an internal control system, risk management system and anti-corruption system appropriately, efficiently and concisely enough to ensure that the operations of the Company and Fastbolt International Pte. Ltd. are in accordance with various policies, company regulations, laws and guidelines regarding the corporate governance of listed companies, as well as relevant regulations and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission of Thailand and Securities and Exchange of Thailand.

4. The Board of Directors and Auditing Committee shall supervise the connected transactions between the Company and Fastbolt International Pte. Ltd. which shall comply with relevant regulations and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission of Thailand and Securities and Exchange of Thailand, and also to comply with the accounting standard and disclose the transactions on the remarks in the financial statement and on the yearly information report ( Form 56-1 One Report ). The company will have measures for Fastbolt International Pte. Ltd. to strictly follow.

5. In case of having transactions between them in particular, commercial transactions that are normal business and/ or support normal business must be done with commercial agreement and trade conditions in the manner that ordinary people should act with independent contractors in the same situation. With the power to negotiate the trade without influence (Arm's Length basis) and prepare a summary of such transactions to report to Audit Committee and Board of Directors for acknowledgment.

6. Other connected transactions which are not normal business transactions, must be presented to Audit Committee to consider and give opinions on the necessity of the entering the transactions to ensure that such transactions are reasonable based on business benefits and highest benefit to company including price appropriateness and conditions prior to transaction. Such connected transaction would be carried out as per connected transaction according to the stock Exchange of Thailand, The Security Exchange Commission Office and as specified by the Company.

### **Part 3**

**Financial statement and company  
performance Financial statement**

Tycoons Worldwide Group (Thailand) Public  
Company Limited and its subsidiary  
Report and consolidated financial statements  
31 December 2022



**EY Office Limited**  
 33rd Floor, Lake Rajada Office Complex  
 193/136-137 Rajadapisek Road  
 Klongtoey, Bangkok 10110  
 Tel: +66 2264 9090  
 Fax: +66 2264 0789-90  
 ey.com

บริษัท อัยการอิสระ จำกัด  
 ชั้น 33 อาคารเลครัชดา  
 193/136-137 ถนนรัชดาภิเษก  
 คลองเตย กรุงเทพฯ 10110  
 โทรศัพท์: +66 2264 9090  
 โทรสาร: +66 2264 0789-90  
 ey.com

## 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 subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, 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 subsidiary and of Tycoons Worldwide Group (Thailand) Public Company Limited as at 31 December 2022, 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 and loss of the Group. Moreover, the Group has many customers across a number of product groups and both local and overseas sales. There is therefore a risk of revenue being recognised at an inappropriate amount or earlier recognised revenue.

I have examined to ensure that the amount and timing of revenue recognition is appropriate when the significant risks and rewards of ownership of the goods have passed to the buyer.

The procedures that I performed included:

- Assessing the appropriateness and testing the effectiveness of 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 2022 amounting to Baht 2,021 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 that the provision set aside for diminution in the value of inventories will be inadequate, causing the Company to overstate the value of inventories.

I have assessed the appropriateness and tested the effectiveness of 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.

A handwritten signature in black ink, appearing to read 'Khitsada L.', followed by a period.

Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 23 February 2023

**Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary****Statement of financial position****As at 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statement		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	408,040,805	464,530,764	398,020,369	453,981,329
Trade and other receivables	8	310,908,072	420,536,697	310,908,072	420,536,697
Inventories	9	1,989,384,374	2,688,399,821	1,989,384,374	2,688,399,821
Advance payments for goods and services		10,693,449	37,560,951	10,693,449	37,560,951
Valued added tax refundable		96,542,521	78,109,076	96,542,521	78,109,076
Other current financial assets	28.1	-	12,052,641	-	12,052,641
Other current assets		2,206,390	6,175,111	2,200,148	6,174,989
<b>Total current assets</b>		<b>2,817,775,611</b>	<b>3,707,365,061</b>	<b>2,807,748,933</b>	<b>3,696,815,504</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	35,000,000	60,000,000	35,000,000	60,000,000
Investment in subsidiary	11	-	-	124,146,000	124,146,000
Investment in associate	12	166,852,514	-	167,901,150	-
Investment property	13	227,459,550	227,941,843	-	-
Property, plant and equipment	14	2,498,838,441	2,664,077,278	2,498,838,441	2,664,077,278
Deferred tax assets	22	43,278,345	10,157,106	43,278,345	10,157,106
Advance payment for share subscription	15	-	192,700,000	-	192,700,000
Other non-current financial assets	15	432,481,054	221,638,409	432,481,054	221,638,409
Other non-current assets		32,958,811	18,060,694	32,958,811	18,060,694
<b>Total non-current assets</b>		<b>3,436,868,715</b>	<b>3,394,575,330</b>	<b>3,334,603,801</b>	<b>3,290,779,487</b>
<b>Total assets</b>		<b>6,254,644,326</b>	<b>7,101,940,391</b>	<b>6,142,352,734</b>	<b>6,987,594,991</b>

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

**Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary****Statement of financial position (continued)****As at 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statement		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	16	1,276,953,880	1,833,088,100	1,276,953,880	1,833,088,100
Trade and other payables	17	212,582,787	351,174,870	212,529,723	351,146,870
Advance received from customers		99,159,625	398,562,661	99,159,625	398,562,661
Income tax payable		27,325,373	-	27,325,373	-
Other current financial liabilities	28.1	60,512,635	1,695,759	60,512,635	1,695,759
Other current liabilities		6,029,445	5,109,503	6,029,445	5,109,503
<b>Total current liabilities</b>		<b>1,682,563,745</b>	<b>2,589,630,893</b>	<b>1,682,510,681</b>	<b>2,589,602,893</b>
<b>Non-current liabilities</b>					
Provision for long-term employee benefits	18	52,702,262	43,825,857	52,702,262	43,825,857
<b>Total non-current liabilities</b>		<b>52,702,262</b>	<b>43,825,857</b>	<b>52,702,262</b>	<b>43,825,857</b>
<b>Total liabilities</b>		<b>1,735,266,007</b>	<b>2,633,456,750</b>	<b>1,735,212,943</b>	<b>2,633,428,750</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
596,748,900 ordinary shares of Baht 7.5 each					
(2021: 596,748,900 ordinary shares					
of Baht 10 each)					
	19	4,475,616,750	5,967,489,000	4,475,616,750	5,967,489,000
Issued and fully paid					
596,748,900 ordinary shares of Baht 7.5 each					
(2021: 596,748,900 ordinary shares					
of Baht 10 each)					
	19	4,475,616,750	5,967,489,000	4,475,616,750	5,967,489,000
Premium on treasury shares		-	20,018,190	-	20,018,190
Retained earnings					
Appropriated - statutory reserve	20	8,200,000	16,832,439	8,200,000	16,832,439
Unappropriated (deficits)		24,225,273	(1,656,501,160)	25,927,871	(1,656,395,242)
Other components of shareholders' equity		(102,678,329)	6,221,854	(102,604,830)	6,221,854
Equity attributable to owners of the Company		4,405,363,694	4,354,060,323	4,407,139,791	4,354,166,241
Non-controlling interests of the subsidiary		114,014,625	114,423,318	-	-
<b>Total shareholders' equity</b>		<b>4,519,378,319</b>	<b>4,468,483,641</b>	<b>4,407,139,791</b>	<b>4,354,166,241</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,254,644,326</b>	<b>7,101,940,391</b>	<b>6,142,352,734</b>	<b>6,987,594,991</b>
		-	-	-	-

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

Directors

## Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

## Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statement		Separate financial statements	
		2022	2021	2022	2021
<b>Revenues</b>					
Sales		9,364,383,972	9,060,385,413	9,364,383,972	9,060,385,413
Other income		56,277,225	32,722,839	56,277,225	32,710,629
<b>Total revenues</b>		<b>9,420,661,197</b>	<b>9,093,108,252</b>	<b>9,420,661,197</b>	<b>9,093,096,042</b>
<b>Expenses</b>					
Cost of sales		8,737,241,864	7,997,471,896	8,737,241,864	7,997,471,896
Reversal of inventory to net realisable value	9	17,125,077	(36,144,900)	17,125,077	(36,144,900)
		8,754,366,941	7,961,326,996	8,754,366,941	7,961,326,996
Selling and distribution expenses		204,950,205	210,615,808	204,950,205	210,615,808
Administrative expenses		198,031,808	169,354,106	196,990,022	169,106,493
Reversal of allowance for expected credit losses		(9,942,835)	(18,018,541)	(9,942,835)	(18,018,541)
Losses from raw material purchase contracts (reversal)		3,571,362	(7,483,181)	3,571,362	(7,483,181)
Impairment loss on non-financial assets (reversal)		(15,673,984)	227,636,626	(15,673,984)	227,636,626
Losses on exchange		8,514,381	92,526,111	8,514,381	92,526,111
Loss (gain) on change in classification on investment		-	(52,792,222)	-	349,609,319
<b>Total expenses</b>		<b>9,143,817,878</b>	<b>8,583,165,703</b>	<b>9,142,776,092</b>	<b>8,985,319,631</b>
<b>Operating profit</b>		<b>276,843,319</b>	<b>509,942,549</b>	<b>277,885,105</b>	<b>107,776,411</b>
Share of loss from investment in associate	12	(975,137)	(87,873,410)	-	-
Finance income		624,783	536,926	613,233	536,926
Finance cost		(66,772,493)	(37,731,647)	(66,772,493)	(37,731,647)
<b>Profit before income tax expenses</b>		<b>209,720,472</b>	<b>384,874,418</b>	<b>211,725,845</b>	<b>70,581,690</b>
Income tax expenses	22	(48,112,867)	(8,043,469)	(48,112,867)	(8,043,469)
<b>Profit for the year</b>		<b>161,607,605</b>	<b>376,830,949</b>	<b>163,612,978</b>	<b>62,538,221</b>

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



**Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary**  
**Statement of comprehensive income (Continued)**  
**For the year ended 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statement		Separate financial statements	
		2022	2021	2022	2021
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(73,499)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(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)	-
Gain (loss) on changes in value of equity investment designated at fair value through other comprehensive income - net of income tax		(108,826,684)	342,249	(108,826,684)	342,249
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(110,639,428)	342,249	(110,639,428)	342,249
<b>Other comprehensive income for the year</b>		<b>(110,712,927)</b>	<b>342,249</b>	<b>(110,639,428)</b>	<b>342,249</b>
<b>Total comprehensive income for the year</b>		<b>50,894,678</b>	<b>377,173,198</b>	<b>52,973,550</b>	<b>62,880,470</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		162,016,298	376,960,434	163,612,978	62,538,221
Non-controlling interests of the subsidiary		(408,693)	(129,485)		
		<u>161,607,605</u>	<u>376,830,949</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		51,303,371	377,302,683	52,973,550	62,880,470
Non-controlling interests of the subsidiary		(408,693)	(129,485)		
		<u>50,894,678</u>	<u>377,173,198</u>		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	23	<u>0.27</u>	<u>0.63</u>	<u>0.27</u>	<u>0.10</u>

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

## Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

## Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements									
	Retained earnings				shareholders' equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
	Issued and paid-up share capital	Premium on treasury shares	Appropriated statutory reserve	Unappropriated (deficits)	Other comprehensive income		Total			
					Exchange differences on translation of financial statements in foreign currency	Gains (losses) on investment in equity designated at fair value		Other components of shareholders' equity		
<b>Balance as at 1 January 2021</b>	5,967,489,000	20,018,190	16,832,439	(2,033,461,594)	-	5,879,605	5,879,605	3,976,757,640	-	3,976,757,640
Profit (loss) for the year	-	-	-	376,960,434	-	-	-	376,960,434	(129,485)	376,830,949
Other comprehensive income for the year	-	-	-	-	-	342,249	342,249	342,249	-	342,249
Total comprehensive income for the year	-	-	-	376,960,434	-	342,249	342,249	377,302,683	(129,485)	377,173,198
Non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	114,552,803	114,552,803
<b>Balance as at 31 December 2021</b>	<u>5,967,489,000</u>	<u>20,018,190</u>	<u>16,832,439</u>	<u>(1,656,501,160)</u>	<u>-</u>	<u>6,221,854</u>	<u>6,221,854</u>	<u>4,354,060,323</u>	<u>114,423,318</u>	<u>4,468,483,641</u>
<b>Balance as at 1 January 2022</b>	5,967,489,000	20,018,190	16,832,439	(1,656,501,160)	-	6,221,854	6,221,854	4,354,060,323	114,423,318	4,468,483,641
Profit (loss) for the year	-	-	-	162,016,298	-	-	-	162,016,298	(408,693)	161,607,605
Other comprehensive income for the year	-	-	-	(1,812,744)	(73,499)	(108,826,684)	(108,900,183)	(110,712,927)	-	(110,712,927)
Total comprehensive income for the year	-	-	-	160,203,554	(73,499)	(108,826,684)	(108,900,183)	51,303,371	(408,693)	50,894,678
Reduce share capital with deficit (Note 19)	(1,491,872,250)	(20,018,190)	(16,832,439)	1,528,722,879	-	-	-	-	-	-
Transferred to statutory reserve (Note 20)	-	-	8,200,000	(8,200,000)	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	<u>4,475,616,750</u>	<u>-</u>	<u>8,200,000</u>	<u>24,225,273</u>	<u>(73,499)</u>	<u>(102,604,830)</u>	<u>(102,678,329)</u>	<u>4,405,363,694</u>	<u>114,014,625</u>	<u>4,519,378,319</u>

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

## Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

## Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on treasury shares	Retained earnings		Other components of shareholders' equity	
			Appropriated statutory reserve	Unappropriated (deficits)	Other comprehensive income	
					Gains (losses) on investment in equity designated at fair value	
<b>Balance as at 1 January 2021</b>	5,967,489,000	20,018,190	16,832,439	(1,718,933,463)	5,879,605	4,291,285,771
Profit for the year	-	-	-	62,538,221	-	62,538,221
Other comprehensive income for the year	-	-	-	-	342,249	342,249
Total comprehensive income for the year	-	-	-	62,538,221	342,249	62,880,470
<b>Balance as at 31 December 2021</b>	<b>5,967,489,000</b>	<b>20,018,190</b>	<b>16,832,439</b>	<b>(1,656,395,242)</b>	<b>6,221,854</b>	<b>4,354,166,241</b>
<b>Balance as at 1 January 2022</b>	5,967,489,000	20,018,190	16,832,439	(1,656,395,242)	6,221,854	4,354,166,241
Profit for the year	-	-	-	163,612,978	-	163,612,978
Other comprehensive income for the year	-	-	-	(1,812,744)	(108,826,684)	(110,639,428)
Total comprehensive income for the year	-	-	-	161,800,234	(108,826,684)	52,973,550
Reduce share capital with deficit (Note 19)	(1,491,872,250)	(20,018,190)	(16,832,439)	1,528,722,879	-	-
Transferred to statutory reserve (Note 20)	-	-	8,200,000	(8,200,000)	-	-
<b>Balance as at 31 December 2022</b>	<b>4,475,616,750</b>	<b>-</b>	<b>8,200,000</b>	<b>25,927,871</b>	<b>(102,604,830)</b>	<b>4,407,139,791</b>

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

**Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary****Cash flow statement****For the year ended 31 December 2022**

(Unit: Baht)

	<b>Consolidated financial statement</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>				
Profit before tax	209,720,472	384,874,418	211,725,845	70,581,690
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	241,136,656	262,410,217	240,654,363	262,345,039
Amortisation	12,077,545	12,869,551	12,077,545	12,869,551
Bad debt	-	2,601,654	-	2,601,654
Reversal of allowance for expected credit losses	(9,942,835)	(18,018,541)	(9,942,835)	(18,018,541)
Decrease of inventory to net realisable value (reversal)	17,125,077	(36,144,900)	17,125,077	(36,144,900)
Losses from raw material purchase contracts (reversal)	3,571,362	(7,483,181)	3,571,362	(7,483,181)
Gains on disposal of equipment	(59,996)	(919,620)	(59,996)	(919,620)
Losses on write-off of building and equipment	4,353,817	9,099,707	4,353,817	9,099,707
Impairment loss on non-financial assets (reversal)	(15,673,984)	227,636,626	(15,673,984)	227,636,626
Share of losses from investment in associate	975,137	87,873,410	-	-
Provision for long-term employee benefits	7,741,562	3,410,734	7,741,562	3,410,734
Unrealised losses (gains) on fair value of derivatives	60,512,635	(10,356,882)	60,512,635	(10,356,882)
Unrealised losses (gains) on exchange	(60,196,116)	12,237,549	(60,196,116)	12,237,549
Loss (gain) on reclassification of investment	-	(52,792,222)	-	349,609,319
Finance income	(624,783)	(536,926)	(613,233)	(536,926)
Finance cost	66,772,493	37,731,647	66,772,493	37,731,647
Profit from operating activities before changes in operating assets and liabilities	537,489,042	914,493,241	538,048,535	914,663,466
Operating assets (increase) decrease				
Trade and other receivables	117,651,119	9,319,660	117,651,119	9,319,660
Inventories	681,890,370	(490,907,558)	681,890,370	(490,907,558)
Other current assets	22,754,292	40,727,857	22,760,412	40,727,979
Other non-current assets	(12,683,045)	(15,304,034)	(12,683,045)	(15,304,034)
Operating liabilities increase (decrease)				
Trade and other payables	(138,942,124)	21,606,670	(138,967,188)	21,728,670
Other current liabilities	(303,750,215)	(567,008,600)	(303,750,215)	(567,008,600)
Payment for long-term employee benefits	(1,131,087)	-	(1,131,087)	-
Cash flows from (used in) operating activities	903,278,352	(87,072,764)	903,818,901	(86,780,417)
Cash paid for corporate income tax	(24,542,079)	-	(24,542,079)	-
<b>Net cash flows from (used in) operating activities</b>	<b>878,736,273</b>	<b>(87,072,764)</b>	<b>879,276,822</b>	<b>(86,780,417)</b>

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

**Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary****Cash flow statement (continued)****For the year ended 31 December 2022**

(Unit: Baht)

	<b>Consolidated financial statement</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities</b>				
Restricted bank deposits decrease	25,000,000	-	25,000,000	-
Cash paid for investment of equity instrument	(154,176,000)	-	(154,176,000)	-
Acquisition of land, building and equipment	(64,014,363)	(74,614,240)	(64,014,363)	(74,614,240)
Acquisition of investment properties	-	(170,000,000)	-	-
Cash received from sales of equipment	60,000	919,626	60,000	919,626
Cash received from business acquisition	-	106,782	-	-
Cash paid for investment in subsidiary company	-	-	-	(124,146,000)
Cash paid for investment in associated company	(167,901,150)	-	(167,901,150)	-
Cash paid for share subscription	-	(192,700,000)	-	(192,700,000)
Cash paid for deposits for equipment	(14,292,617)	(8,636,992)	(14,292,617)	(8,636,992)
Cash receipt from Interest income	644,715	583,899	633,165	583,899
<b>Net cash flows used in investing activities</b>	<b>(374,679,415)</b>	<b>(444,340,925)</b>	<b>(374,690,965)</b>	<b>(398,593,707)</b>
<b>Cash flows from financing activities</b>				
Payment of interest expenses	(66,475,902)	(34,834,039)	(66,475,902)	(34,834,039)
Increase (decrease) of short-term loans				
from financial institutions	(494,070,915)	855,005,171	(494,070,915)	855,005,171
Repayment of short-term loan from related person	-	(29,220,000)	-	-
Repayment of long-term loans	-	(41,767,606)	-	(41,767,606)
Cash receipt from share capital increased				
from non-controlling interests of the subsidiary	-	85,809,000	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>(560,546,817)</b>	<b>834,992,526</b>	<b>(560,546,817)</b>	<b>778,403,526</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(56,489,959)</b>	<b>303,578,837</b>	<b>(55,960,960)</b>	<b>293,029,402</b>
Cash and cash equivalents at beginning of year	464,530,764	160,951,927	453,981,329	160,951,927
<b>Cash and cash equivalents at end of year</b>	<b>408,040,805</b>	<b>464,530,764</b>	<b>398,020,369</b>	<b>453,981,329</b>
	-	-	-	-
<b>Supplementary cash flow information</b>				
Non-cash transaction				
Purchase equipment but has not yet paid	81,000	68,000	81,000	68,000
Transfer from advance payment for share subscription				
to other non-current financial assets	192,700,000	-	192,700,000	-

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

## Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended 31 December 2022

#### 1. General information

Tycoons Worldwide Group (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Tycoons Group International Co., Ltd. which was incorporated in Cayman. The parent company of the group is Tycoons Group Enterprise Co., Ltd which was incorporated in Taiwan. The Company is principally engaged in the manufacture and distribution of steel wire rods, steel annealing wire, reinforced concrete bar, steel screw and wire products. The registered address is at 99 Moo 1, Tambol Nikompattana, Amphur Nikompattana, Rayong.

#### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Tycoons Worldwide Group (Thailand) Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u> (Percent)	<u>2021</u> (Percent)
	Invest in real estate			
K D B Company limited	projects	Thailand	44.99	44.99

- 
- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
  - e) The assets and liabilities in the financial statements of overseas associated companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
  - f) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
  - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiary and associate under the cost method

### **3 New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

---

### **3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The Group's management believes that adoption of these does not have any significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

#### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.



### 4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

### 4.4 Investments in subsidiary and associate

Investment in associate is accounted for in the consolidated financial statements is applied using the equity method.

Investments in subsidiary and associate are accounted for in the separate financial statements using the cost method less accumulated impairment (if any).

### 4.5 Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties - buildings is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

### 4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives, except for machinery and equipment for main production, which are depreciated based on estimated units of production:

Land improvement	-	30 years	straight-line
Building and attached facilities	-	5 - 30 years	straight-line
Motor vehicles	-	5 years	straight-line
Furniture and office equipment	-	3 - 10 years	straight-line
Minor machinery and equipment for production	-	5 - 20 years	straight-line
Main machinery and equipment for production	-	Estimated units of production at a total of 0.02 - 7.02 million tons	

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.7 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associates and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group's operations.

#### **4.8 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.9 Impairment of non-financial assets**

At the end of reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and investment property whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

---

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.10 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### ***Defined contribution plans***

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### ***Defined benefit plans***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

---

#### **4.11 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.12 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.13 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

---

**Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives.

**Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any

fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **4.14 Derivatives**

The Group uses forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

---

#### **4.15 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Decrease of inventories to net realisable value**

In determining an decrease of inventories to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of their selling price, cost and expenses directly relating to events occurring after the end of the period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and their current condition.

## 6. Related party transactions

The followings are relationships with related parties.

Name of entities	Country of incorporation	Nature of relationships
Fastbolt International Pte.Ltd.	Singapore	Associated Company
Tycoons Group Enterprise Co., Ltd.	Taiwan	Ultimate parent company
Tycoons Group International Co., Ltd.	Cayman	Parent company
Tycoons Vietnam Co., Ltd.	Vietnam	Subsidiary of parent company
Huanghua Jujin Hardware Products Co., Ltd.	China	Subsidiary of parent company
Huanghua Jujin Import & Export Trading Co., Ltd.	China	Subsidiary of parent company
TY Steel Co., Ltd.	Thailand	5.94% holding by parent company 19.43% holding by the Company
Jin Hai Hardware Co., Ltd.	Thailand	18.19% holding by parent company

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated/Separate financial statements		Pricing policy
	<u>2022</u>	<u>2021</u>	
<b>Transactions with ultimate parent company</b>			
Sales	698	1,186	With reference to market price
Purchases of raw materials	131	953	With reference to market price
Purchases of fixed assets	4	3	Contract price
<b>Transactions with associated company</b>			
Sales	-	231	With reference to market price
Other income	-	13	With reference to market price
Purchases of raw materials	-	1,790	With reference to market price
Purchases of goods	-	15	With reference to market price
<b>Transactions with related companies</b>			
Sales	228	339	With reference to market price
Purchases of raw materials	2,117	-	With reference to market price



As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
<b><u>Trade receivables - related parties</u></b> (Note 8)		
Ultimate parent company	10,419	21,970
Related company (related by common shareholder)	7,549	79,983
Total trade receivables - related parties	<u>17,968</u>	<u>101,953</u>
<b><u>Other receivables - related parties</u></b> (Note 8)		
Related company (related by common shareholder)	627	2,244
Total other receivable - related parties	<u>627</u>	<u>2,244</u>
<b><u>Trade payables - related parties</u></b> (Note 17)		
Ultimate parent company	9,304	17,998
Total trade payables - related parties	<u>9,304</u>	<u>17,998</u>
<b><u>Other payable - related party</u></b> (Note 17)		
Ultimate parent company	289	310
Total other payable - related party	<u>289</u>	<u>310</u>

**Directors and management's benefits**

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	21.7	17.8
Post-employment benefits	3.1	1.4
Total	<u>24.8</u>	<u>19.2</u>

**7. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	299	367	298	303
Bank deposits	407,742	464,164	397,722	453,678
<b>Total cash and cash equivalents</b>	<b>408,041</b>	<b>464,531</b>	<b>398,020</b>	<b>453,981</b>

As at 31 December 2022, bank deposits in saving accounts carried interests between 0.0 and 0.3 percent per annum (2021: between 0.0 and 0.2 percent per annum).

**8. Trade and other receivables**

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
<b><u>Trade receivables - related parties</u></b>		
Aged on the basis of due dates		
Not yet due	17,968	75,399
Past due		
Up to 3 months	-	26,554
<b>Total trade receivables - related parties</b>	<b>17,968</b>	<b>101,953</b>
<b><u>Trade receivables - unrelated parties</u></b>		
Aged on the basis of due dates		
Not yet due	109,955	142,766
Past due		
Up to 3 months	181,965	173,550
Over 12 months	20,780	25,895
<b>Total</b>	<b>312,700</b>	<b>342,211</b>
Less: Allowance for expected credit losses	(21,175)	(31,118)
<b>Total trade receivables - unrelated parties, net</b>	<b>291,525</b>	<b>311,093</b>
<b>Total trade receivables - net</b>	<b>309,493</b>	<b>413,046</b>
<b><u>Other receivables</u></b>		
Other receivables - related parties	627	2,244
Other receivables - unrelated parties	769	5,208
Interest receivables	19	39
<b>Total other receivables</b>	<b>1,415</b>	<b>7,491</b>
<b>Total trade and other receivables - net</b>	<b>310,908</b>	<b>420,537</b>

The normal credit term is 7 to 60 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
Beginning balance	31,118	49,137
Reversal of provision for expected credit losses	(4,828)	(10,017)
Bad debt	-	(2,602)
Amount recovered	(5,115)	(5,400)
Ending balance	<u>21,175</u>	<u>31,118</u>

## 9. Inventories

	(Unit: Thousand Baht)					
	Consolidated/Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Raw materials	378,811	1,098,325	(5,895)	(2,702)	372,916	1,095,623
Work in process	320,915	312,478	(1,055)	(4,147)	319,860	308,331
Finished goods	440,101	743,522	(22,628)	(7,662)	417,473	735,860
Spare parts, factory supplies and scrap	364,581	349,003	(746)	(40)	363,835	348,963
Goods in transit	516,807	199,777	(1,507)	(154)	515,300	199,623
Total	<u>2,021,215</u>	<u>2,703,105</u>	<u>(31,831)</u>	<u>(14,705)</u>	<u>1,989,384</u>	<u>2,688,400</u>

During the current year, the Company reduced cost of inventories by Baht 64 million (2021: Baht 14 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 47 million (2021: Baht 50 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities that carried interests between 0.15 and 0.70 percent per annum (2021: between 0.15 and 0.50 percent per annum).

## 11. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		(Unit: Thousand Baht) Carrying amount based on cost method	
	2022	2021	2022	2021	2022	2021
			(Percent)	(Percent)		
K D B Company Limited	159,636	159,636	44.99	44.99	124,146	124,146

Since the Company and the Company's directors are major shareholders and have the ability to direct significant activities, such company is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

## 12. Investment in associate

### 12.1 Details of an associate:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Consolidated financial statements Carrying amounts based on equity method	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
Fastbolt International Pte. Ltd.	Holding Company	Singapore	49	-	167,901	-	166,853	-
Total					167,901	-	166,853	-

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments	(Unit: Thousand Baht) Separate financial statements Carrying amounts based on cost method - net		
			2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)						
Fastbolt International Pte. Ltd.	Holding Company	Singapore	49	-	167,901	-	-	-	167,901	-
Total					167,901	-	-	-	167,901	-

## 12.2 Share of comprehensive income

During the years, the Company has recognised its share of loss from investment in associate in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of loss from investment in associate during the year		Share of other comprehensive income from investments in associates during the year	
	2022	2021	2022	2021
Fastbolt International Pte. Ltd.	(975)	-	(73)	-
TY Steel Company Limited	-	(87,873)	-	-
Total	(975)	(87,873)	(73)	-

## 12.3 Summarised financial information about material associates

## Summarised information about financial position

(Unit: Million Baht)

	Fastbolt International Pte. Ltd.	
	2022	2021
Current assets	340	-
Net assets	340	-
Shareholding percentage (%)	49	-
Carrying amounts of associates based on equity method	167	-

## Summarised information about comprehensive income

(Unit: Million Baht)

	Fastbolt International Pte. Ltd.	
	2022	2021
Loss from continuing operations	(1)	-
Total comprehensive income	(1)	-

## 12.4 Details of changes in investments in associates

### **Fastbolt International Pte. Ltd.**

On 5 September 2022, the Company's Board of Directors Meeting passed a resolution approving the acquisition of 4,557,000 newly issued ordinary shares of Fastbolt International Pte. Ltd. in Singapore (49 percent of the issued and paid-up capital of this company). On 14 September 2022, the Company made a full payment for the shares amounting to EUR 4,557,000 (Baht 167,901,150) and received the share transfer of Fastbolt International Pte. Ltd.

### **TY Steel Company Limited**

On 16 June 2021, the Extraordinary General Meeting of Shareholders of TY Steel Co., Ltd. (associated company) passed a resolution approving the following matters:

- a) A decrease in share capital from Baht 2,590,000,000 (259,000,000 ordinary shares with a par value of Baht 10 per share) to Baht 647,500,000 (64,750,000 ordinary shares with a par value of Baht 10 per share). The Company reduced its capital in a greater ratio than that of Ton Shun Industry Co., Ltd. (The parent company of the associated company). As a result, the Company's shareholding percentage in this associate decreased from 30.84 percent to 28.20 percent.
- b) An increase in share capital from Baht 647,500,000 (64,750,000 ordinary shares with a par value of Baht 10 per share) to Baht 947,500,000 (94,750,000 ordinary shares with a par value of Baht 10 per share) by issuing capital increase in ordinary shares Baht 300,000,000 (30,000,000 new ordinary shares with a par value of Baht 10 per share). The parent company of the associated company shall subscribe all the newly issued shares only. The capital increase resulted in the Company's shareholding percentage in this associate decreasing from 28.20 percent to 19.27 percent. 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"

The associate registered the capital decrease and increase, as mentioned above, with the Ministry of Commerce on 29 October 2021 and 24 November 2021, respectively.

**13. Investment property**

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

	(Unit: Thousand Baht)
	<u>Land and buildings</u>
31 December 2022	
Cost	231,062
<u>Less: Accumulated depreciation</u>	<u>(3,602)</u>
Net book value	<u>227,460</u>
31 December 2021:	
Cost	231,062
<u>Less: Accumulated depreciation</u>	<u>(3,120)</u>
Net book value	<u>227,942</u>

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)	
	2022	2021
Net book value at beginning of year	227,942	-
Increased from the acquisition of the subsidiary - net book value	-	58,007
Acquisition of asset during the period - at cost	-	170,000
Depreciation charged for the period	(482)	(65)
Net book value at end of year	<u>227,460</u>	<u>227,942</u>

The fair value of the investment property in the consolidated financial statement as at 31 December 2022 and 2021 stated below:

	(Unit: Thousand Baht)	
	2022	2021
Land and buildings	285,962	285,962

The fair value has been determined based on valuation performed by an independent valuer, using market approach.

#### 14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements						Total
	Land and land improvement	Building and attached facilities	Machinery and equipment	Motor vehicles	Furniture and office equipment	Assets under installation and construction	
<b>Cost</b>							
1 January 2021	590,614	1,817,281	5,409,400	295,854	64,705	185,402	8,363,256
Additions	20,645	5,781	36,233	10,233	1,434	356	74,682
Disposals/write-off	-	(1,856)	(48,386)	(19,780)	(788)	-	(70,810)
Transfers in /out	-	13,849	9,634	1,684	-	(25,167)	-
31 December 2021	611,259	1,835,055	5,406,881	287,991	65,351	160,591	8,367,128
Additions	9,627	13,012	25,609	4,527	9,719	1,601	64,095
Disposals/write-off	-	(70,833)	(115,903)	(28,611)	(1,555)	(158,555)	(375,457)
31 December 2022	620,886	1,777,234	5,316,587	263,907	73,515	3,637	8,055,766
<b>Accumulated depreciation</b>							
1 January 2021	91,254	1,216,613	3,204,013	285,254	60,094	-	4,857,228
Depreciation for the year	5,473	63,978	185,707	4,958	2,229	-	262,345
Depreciation on disposals/write-off	-	(1,230)	(39,913)	(19,780)	(788)	-	(61,711)
31 December 2021	96,727	1,279,361	3,349,807	270,432	61,535	-	5,057,862
Depreciation for the year	5,528	71,278	156,033	5,799	2,016	-	240,654
Depreciation on disposals/write-off	-	(31,657)	(43,281)	(28,589)	(1,539)	-	(105,066)
31 December 2022	102,255	1,318,982	3,462,559	247,642	62,012	-	5,193,450
<b>Allowance for impairment loss</b>							
1 January 2021	-	55,690	361,862	-	-	-	417,552
Increase during the year	-	-	69,082	-	-	158,555	227,637
31 December 2021	-	55,690	430,944	-	-	158,555	645,189
Increase during the year	-	-	643	-	-	-	643
Reverse	-	(16,317)	-	-	-	-	(16,317)
Decrease during the year	-	(38,400)	(69,082)	-	-	(158,555)	(266,037)
31 December 2022	-	973	362,505	-	-	-	363,478
<b>Net book value</b>							
31 December 2021	514,532	500,004	1,626,130	17,559	3,816	2,036	2,664,077
31 December 2022	518,631	457,279	1,491,523	16,265	11,503	3,637	2,498,838
<b>Depreciation for the year</b>							
2021 (Baht 245 million included in manufacturing cost, and the balance in selling and administrative expenses)							262,345
2022 (Baht 218 million included in manufacturing cost, and the balance in selling and administrative expenses)							240,654

As at 31 December 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,794 million (2021: Baht 1,797 million).

The Company has mortgaged most of its property, plant and machinery with banks as collateral against credit facilities granted by commercial banks.



**15. Other non-current financial assets**

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2022	2021
<u>Equity instruments designated at FVOCI</u>		
Non-listed equity instruments		
Thai Union Fasteners Company Limited	67,563	67,777
TY Steel Company Limited	364,918	153,861
Total other non-current financial assets	432,481	221,638

Equity instruments designated at FVOCI include non-listed equity investments which the Group considers these investments to be strategic in nature.

The Company changed the classification of investment in TY Steel Co., Ltd. from “Investment in associate” to “Equity investments designated at fair value through other comprehensive income” as described in Note 12 to the financial statements.

Details of changes in equity instruments of TY Steel Company Limited

- a) On 14 December 2021, the Company’s Board of Directors Meeting passed a resolution approving the acquisition of shares for capital increase in TY Steel Company Limited, whereby TY Steel Co., Ltd. increased its share capital from Baht 947,500,000 (94,750,000 ordinary shares with a par value of Baht 10 per share) to be Baht 1,947,500,000 (194,750,000 ordinary shares with a par value of Baht 10 per share) through issuance of new ordinary shares of Baht 1,000,000,000 (100,000,000 ordinary shares with a par value of Baht 10 per share). The Company purchased 19,270,000 ordinary shares of the additionally issued ordinary shares and made full payment amounting to Baht 193 million. The Company presented this as “Advance payment for share subscription” as of 31 December 2021.

TY Steel Co., Ltd. registered the share capital increase with the Ministry of Commerce on 5 January 2022

- b) On 10 May 2022, the Company’s Board of Directors Meeting passed a resolution approving the acquisition of shares for capital increase in TY Steel Company Limited, whereby TY Steel Co., Ltd. increased its share capital from Baht 1,947,500,000 (194,750,000 ordinary shares with a par value of Baht 10 per share) to be Baht 2,724,492,000 (272,449,200 ordinary shares with a par value of Baht 10 per share) through issuance of new ordinary shares of Baht 776,992,000 (77,699,200 ordinary shares with a par value of Baht 10 per share). The Company purchased 15,417,600 ordinary shares of the additionally issued ordinary shares and made full payment

amounting to Baht 154 million. The capital increase resulted in the increase of the Company's shareholding percentage from 19.27 percent to 19.43 percent.

TY Steel Co., Ltd. registered the share capital increase with the Ministry of Commerce on 15 June 2022

## 16. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (%)		Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trust receipts	2.07 - 7.50	1.73 - 3.20	1,156,954	1,483,320
Promissory notes	3.25	1.73 - 2.75	120,000	349,768
Total short-term loans				
from financial institution:			<u>1,276,954</u>	<u>1,833,088</u>

Short-term loans from financial institutions are guaranteed by the Company's director, the ultimate parent company, pledged of fixed deposits as described in Note 10 to the financial statements and mortgaged of most of its property, plant and machinery as described in Note 14 to the financial statements.

## 17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties	9,304	17,998	9,304	17,998
Trade payables - unrelated parties	107,979	237,476	107,979	237,476
Other payable - related party	289	310	289	310
Other payable - unrelated parties	127	100	86	72
Interest payable	3,478	3,182	3,478	3,182
Accrued expenses	91,406	92,109	91,394	92,109
Total trade and other payables	<u>212,583</u>	<u>351,175</u>	<u>212,530</u>	<u>351,147</u>

**18. Provision for long-term employee benefits**

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
<b>Provision for long-term employee benefits at beginning of year</b>	43,826	40,415
Included in profit or loss:		
Current service cost	2,913	2,723
Interest cost	726	688
Past service costs and gains or losses on settlement	4,103	-
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	2,518	-
Financial assumptions changes	(7,956)	-
Experience adjustments	7,703	-
Benefits paid during the year	(1,131)	-
<b>Provision for long-term employee benefits at end of year</b>	<u>52,702</u>	<u>43,826</u>

The Company made a revision to its employee benefit plans, reducing a retirement age of 65 years to 60 and 63 years, effective from 24 March 2022. Such change was considered amendments to post-employment benefit plans, leading to increased long-term employee benefit liabilities of the Company amounting to Baht 4 million. The Company reflected the change by recognising past service costs as expenses in the income statement of the current year.

The Company expect to pay Baht 2.4 million of long-term employee benefits during the next year (2021: Baht 2.2 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2021: 16 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
Discount rate	2.8	1.8
Future salary increase rate	3.0 - 4.5	3.0 - 4.5
Staff turnover rate	0.0 - 50.0	0.0 - 50.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	As at 31 December 2022		As at 31 December 2021	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(3)	3	(3)	3
Salary increase rate	3	(3)	4	(3)

## 19. Share capital

On 26 April 2022, the Annual General Meeting of the shareholders of the Company passed a resolution approving a decrease of Baht 1,492 million in the Company's registered and fully paid-up capital to be Baht 4,476 million, by reducing the par value of the shares from Baht 10.00 to Baht 7.50 each. The share capital of Baht 1,492 million, the statutory reserve of Baht 17 million, and premium on treasury shares of Baht 20 million, based on the Company's statement of financial position as of 31 December 2021, are to be used to offset the Company's deficit of Baht 1,656 million. The capital reduction have no effect to the existing shares. The capital reduction has already been registered with the Ministry of Commerce on 8 July 2022, which effected on 15 July 2022.

## 20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate financial	
	financial statements		statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salaries and wages and other employee benefits	323,937	304,605	323,937	304,605
Depreciation and amortization	253,214	275,280	252,731	275,215
Transportation expenses	171,290	178,196	171,290	178,196
Raw materials and consumables used	7,055,268	6,813,760	7,055,268	6,813,760
Changes in inventories of finished goods and work in progress	294,984	(345,181)	294,984	(345,181)

## 22. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>		
Current income tax charge	53,574	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(5,461)	8,043
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>48,113</u>	<u>8,043</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
Deferred tax relating to		
Actuarial loss	(453)	-
Gains (loss) on investment in equity designated at fair value	(27,207)	85
	<u>(27,660)</u>	<u>85</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	209,720	384,874	211,726	70,582
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	41,944	76,975	42,345	14,116
Temporary differences of unrecognised tax losses that is used to reduce current tax expense	(7,891)	(115,829)	(7,891)	(115,829)
Effects of:				
Non-deductible expenses	13,696	29,392	13,696	109,873
Additional expense deductions allowed	(37)	(117)	(37)	(117)
Effect of consolidated financial statements	253	17,575	-	-
Others	148	47	-	-
Total	14,060	46,897	13,659	109,756
Income tax expenses reported in the statement of comprehensive income	<u>48,113</u>	<u>8,043</u>	<u>48,113</u>	<u>8,043</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
<b>Deferred tax assets</b>		
Allowance for diminution in value of inventories	6,366	2,941
Provision for losses from raw material purchase contracts	721	6
Provision for long-term employee benefits	10,540	8,765
Losses on investment in equity designated at fair value	25,651	-
<b>Deferred tax liability</b>		
Gains on investment in equity designated at fair value	-	(1,555)
<b>Total</b>	<u>43,278</u>	<u>10,157</u>

### 23. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the year (Thousand Baht)	162,016	376,960	163,613	62,538
Weighted average number of ordinary shares (Thousand shares)	596,749	596,749	596,749	596,749
Basic earnings per share (Baht/share)	0.27	0.63	0.27	0.10

### 24. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its products and services.

The Company business operations involve four principal segments: (1) manufacture steel wire rods and reinforced concrete bar (2) manufacture steel annealing wire (3) manufacture screw and bolt and (4) trading. These operations are mainly carried on in Thailand. Below is the financial information for the years ended 2022 and 2021 by segment.

(Unit: Million Baht)

	Manufacture steel wire rods and reinforced concrete bar		Manufacture steel annealing wire		Manufacture screw and bolt		Trading		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>										
Domestic sales	5,594	4,826	389	388	97	85	-	97	6,080	5,396
Export sales	380	247	801	1,192	2,076	1,440	27	785	3,284	3,664
<b>Total revenues</b>	<u>5,974</u>	<u>5,073</u>	<u>1,190</u>	<u>1,580</u>	<u>2,173</u>	<u>1,525</u>	<u>27</u>	<u>882</u>	<u>9,364</u>	<u>9,060</u>
<b>Results</b>										
Segment profit (loss)	(10)	510	53	153	185	90	(6)	(6)	222	747
<b>Unallocated profit and expenses:</b>										
Losses on exchange									(9)	(93)
Finance income									1	1
Other income									56	33
Losses on write-off of building and equipment									(4)	(9)
Reversal Impairment (loss) on non-financial assets									16	(228)
Reversal (Losses) from raw material purchase contracts									(4)	7
Share of loss from investment in associate									(1)	(88)
Gain on change in classification on investment									-	53
Finance cost									(67)	(38)
<b>Profit before income tax expenses</b>									210	385
Income tax expenses									(48)	(8)
<b>Profit for the year</b>									<u>162</u>	<u>377</u>

### Major customers

For the year 2022, the Company has revenue from one major customers in amount of Baht 1,029 million, arising from sales by the manufacture steel wire rods and reinforced concrete bar, manufacture steel annealing wire and trading segment (2021: the Company has revenue from one major customers in amount of Baht 1,186 million, arising from sales by the manufacture steel wire rods and reinforced concrete bar, manufacture steel annealing wire and trading segment).



## 25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contributed to the fund monthly at the rate of 5 and 3 percent of basic salary respectively. The fund, which is managed by Kasikorn Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 4 million (2021: Baht 4 million) were recognised as expenses.

## 26. Commitments and contingent liabilities

As at 31 December 2022, the Company had the following outstanding commitments and contingent liabilities.

### 26.1 Raw material purchase commitments

The Company entered into raw material purchase agreements amounting of USD 5 million and HKD 39 million (2021: USD 8 million). The materials will be shipped to the Company within 69 - 142 days from the contract dates.

### 26.2 Guarantees

There were outstanding bank guarantees of approximately Baht 56 million (2021: Baht 57 million) issued by banks on behalf of the Company in respect of certain performance bonds to guarantee electricity use among others.

### 26.3 Capital commitments

The Company had capital commitments relating to the acquisition of building and attached facilities and machinery and equipment were as follows.

	2022	2021
	(Unit: Million)	
Currency:		
Baht	16.2	8.0
US dollar	0.4	0.8
Taiwan dollar	2.3	-

**27. Fair value hierarchy**

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated/ Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Financial assets measured at FVOCI				
Equity investments	-	-	432.5	432.5
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	60.5	-	60.5
<b>Assets for which fair value are disclosed</b>				
<b>(Consolidated only)</b>				
Investment properties	-	-	286.0	286.0

(Unit: Million Baht)

	Consolidated/ Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Financial assets measured at FVOCI				
Equity investments	-	-	221.6	221.6
Derivatives				
Foreign currency forward contracts	-	12.1	-	12.1
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	1.7	-	1.7
<b>Assets for which fair value are disclosed</b>				
<b>(Consolidated only)</b>				
Investment properties	-	-	286.0	286.0

## 28. Financial instruments

### 28.1 Derivatives

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
<b>Derivative assets</b>		
Derivative assets not designated as hedging instruments		
Foreign exchange forward contracts	-	12,053
<b>Total derivative assets</b>	<u>-</u>	<u>12,053</u>
<b>Derivative liabilities</b>		
Derivative assets not designated as hedging instruments		
Foreign exchange forward contracts	60,513	1,696
<b>Total derivative liabilities</b>	<u>60,513</u>	<u>1,696</u>

#### Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 6 months.

### 28.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, investments, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Group is exposed to credit risk primarily with respect to loan, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

---

**Trade receivables**

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of guarantee or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Company does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type and coverage by letters of guarantee and other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

**Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidate financial statement						
As at 31 December 2022						
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate	
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalent	-	-	385	23	408	Refer to Note 7
Trade and other receivables	-	-	-	311	311	-
Restricted bank deposits	35	-	-	-	35	Refer to Note 10
	<u>35</u>	<u>-</u>	<u>385</u>	<u>334</u>	<u>754</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	213	213	-
Short-term loans	1,277	-	-	-	1,277	Refer to Note 16
	<u>1,277</u>	<u>-</u>	<u>-</u>	<u>213</u>	<u>1,490</u>	

(Unit: Million Baht)

Consolidate financial statement						
As at 31 December 2021						
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate	
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalent	-	-	364	101	465	Refer to Note 7
Trade and other receivables	-	-	-	421	421	-
Restricted bank deposits	60	-	-	-	60	Refer to Note 10
	<u>60</u>	<u>-</u>	<u>364</u>	<u>522</u>	<u>946</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	351	351	-
Short-term loans	1,833	-	-	-	1,833	Refer to Note 16
	<u>1,833</u>	<u>-</u>	<u>-</u>	<u>351</u>	<u>2,184</u>	

(Unit: Million Baht)

Separate financial statement						
As at 31 December 2022						
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate	
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalent	-	-	375	23	398	Refer to Note 7
Trade and other receivables	-	-	-	311	311	-
Restricted bank deposits	35	-	-	-	35	Refer to Note 10
	<u>35</u>	<u>-</u>	<u>375</u>	<u>334</u>	<u>744</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	213	213	-
Short-term loans	1,277	-	-	-	1,277	Refer to Note 16
	<u>1,277</u>	<u>-</u>	<u>-</u>	<u>213</u>	<u>1,490</u>	

(Unit: Million Baht)

Separate financial statement						
As at 31 December 2021						
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate	
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalent	-	-	353	101	454	Refer to Note 7
Trade and other receivables	-	-	-	421	421	-
Restricted bank deposits	60	-	-	-	60	Refer to Note 10
	<u>60</u>	<u>-</u>	<u>353</u>	<u>522</u>	<u>935</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	351	351	-
Short-term loans	1,833	-	-	-	1,833	Refer to Note 16
	<u>1,833</u>	<u>-</u>	<u>-</u>	<u>351</u>	<u>2,184</u>	

### Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions and borrowings that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within six month.

As at 31 December 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4.63	4.62	32.94	47.00	34.5624	33.4199
Euro	3.83	3.01	0.07	0.25	36.8274	37.8948
New Taiwan dollar	0.01	0.01	0.26	0.26	1.1264	1.2087

### Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank loans. Approximately 97% of the Company's debt will mature in less than one year at 31 December 2022 (2021: 98%) based on the carrying value of borrowings reflected in the financial statements. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)				
	Consolidated financial statement				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	-	1,305,103	-	-	1,305,103
Trade and other payables	-	212,583	-	-	212,583
<b>Total non-derivatives</b>	-	1,517,686	-	-	1,517,686
<b>Derivatives</b>					
Derivative liabilities: net settled	-	60,513	-	-	60,513
<b>Total</b>	-	60,513	-	-	60,513

(Unit: Thousand Baht)

Consolidated financial statement					
As at 31 December 2021					
On demand	Less than 1 year	1 to 5 years	> 5 years	Total	
<b>Non-derivatives</b>					
Short-term loans from financial institutions	-	1,846,352	-	-	1,846,352
Trade and other payables	-	351,175	-	-	351,175
<b>Total non-derivatives</b>	-	<b>2,197,527</b>	-	-	<b>2,197,527</b>
<b>Derivatives</b>					
Derivative liabilities: net settled	-	1,696	-	-	1,696
<b>Total</b>	-	<b>1,696</b>	-	-	<b>1,696</b>

(Unit: Thousand Baht)

Separate financial statement					
As at 31 December 2022					
On demand	Less than 1 year	1 to 5 years	> 5 years	Total	
<b>Non-derivatives</b>					
Short-term loans from financial institutions	-	1,305,103	-	-	1,305,103
Trade and other payables	-	212,530	-	-	212,530
<b>Total non-derivatives</b>	-	<b>1,517,633</b>	-	-	<b>1,517,633</b>
<b>Derivatives</b>					
Derivative liabilities: net settled	-	60,513	-	-	60,513
<b>Total</b>	-	<b>60,513</b>	-	-	<b>60,513</b>



(Unit: Thousand Baht)

	Separate financial statement				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	-	1,846,352	-	-	1,846,352
Trade and other payables	-	351,147	-	-	351,147
<b>Total non-derivatives</b>	-	<u>2,197,499</u>	-	-	<u>2,197,499</u>
<b>Derivatives</b>					
Derivative liabilities: net settled	-	1,696	-	-	1,696
<b>Total</b>	-	<u>1,696</u>	-	-	<u>1,696</u>

### 28.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

### 29. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio for the consolidated financial statement was 0.39:1 (2021:0.60:1) and the Company's debt-to-equity ratio for the separate financial statement was 0.39:1 (2021:0.60:1).

### 30. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 23 February 2023.

## Part 4

### Certification of Information for Submission of 56-1 One Report of Non-listed Company

The annual registration statement / annual report shall be certified by the director(s) with binding authority\* by affixing signature and the Company's seal (if any) wherein, and authorizing a person to sign on the documents of the annual registration statement on his/her/their behalf. The certification shall contain the following statements in the following format:

“The Company has reviewed the information on this annual registration statement /annual report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in this annual registration statement /annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;

(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on the latest date available to the auditor and the Audit Committee, which covers deficiencies, significant changes to the internal control system, and wrongful acts that may affect the preparation of financial report of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Mr. Natthawat Thanapinyanun to sign on every page of the documents, and the absence of the authorized signature of Mr. Natthawat Thanapinyanun... on any document shall be deemed that such unsigned document has not been certified by the Company.

	Name	Position	Signature
1.	<u>Mr. Natthawat Thanapinyanun</u>	<u>Director</u>	.....
2.	<u>Ms. Hwang, Feng-Mei</u>	<u>Director</u>	.....

	Name	Position	Signature
Authorized person:	<u>Mr. Natthawat Thanapinyanun</u>	<u>Director</u>	.....

**TYC NS** 聚亨企業集團(泰國)大眾有限公司



TYCOONS WORLDWIDE GROUP (THAILAND) PUBLIC CO.,LTD.

บริษัท ไทยคูน เวิลด์ไวด์ กรุ๊ป (ประเทศไทย) จำกัด (มหาชน)

### Report of the Board of Directors' Responsibilities for the Financial Statements

The main priority of the Board of Directors is to supervise the Company's operations, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the Company's annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through systems which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the Company's financial statements as at 31 December 2022 which the Company's auditor has audited based on the generally-accepted accounting standards. The auditor is of the opinion that the financial statements present fairly the Company's financial position and the results of its operations in accordance with generally accepted accounting principles.

Tycoons Worldwide Group (Thailand) Public CO., Ltd.

Mr. Huang, Wen - Sung  
(Chairman of the Board)

求新求變 • 超越自我

99 Moo1, Tumbon Nikompattana, Amphur Nikompattana, Rayong 21180 Thailand. Tel: +66 (33) 658558 Fax +66 (38) 636969 E – mail : tycoons@tycoons.com

99 หมู่ 1 ตำบล นิคมพัฒนา อำเภอ นิคมพัฒนา จังหวัด ระยอง 21180 โทร : +66 (33) 658558 โทรสาร : +66 (38) 636969 E – mail : tycoons@tycoons.com

**Attachment 1**

**Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company**

## 1. CV of Executive and Management team 2022

### 1.1 Director and Management team

Name - Surname Position (Appointing date)	Age (Year)	Educational Background/ Background	Training	Number of Shares / Shareholding structure (%)	Relation among family within the Company	Working Experience	
						Period	Position & Working office
1. Mr. Huang, Wen-Sung Chairman / (12/08/2003) Director / (21/08/2019) Chairman / (09/06/2022)	67	Business Professional High School		1 / -	Son / Natthawat Thanapinyanun	2003 - 2019 2022 - Current 2003 - 2019 2019 - 2022 2022 - Current 2009 - 2019 2005 - 2018 2008 - 2018 2011 - 2021 2018 - 2022 2019 - 2022 2022 - Current 2022 - Current	Chairman / Tycoons Group Enterprise Co., Ltd. Chairman / Tycoons Group Enterprise Co., Ltd. Chairman / Tycoons Group International Co., Ltd. Director / Tycoons Group International Co., Ltd. Chairman / Tycoons Group International Co., Ltd Director / Chairman Tycoons Worldwide Group (Thailand) Plc Director, Vice Chairman / Baw Heng Steel (Vietnam) Co., Ltd. Director / ALL Manage International Limited Director / TY Steel Co., Ltd. Chairman / Viettycoons Steel Co., Ltd. Director / Tycoons Worldwide Group (Thailand) Plc. Chairman / Tycoons Worldwide Group (Thailand) Plc. Chairman / Fastbolt International Pte. Ltd.
2. Ms. Lu, Yen-Chuan Director / (12/08/2003) Chairman / (21/08/2019) Director / (09/06/2022)	68	Ming-Juan Commercial Junior College Electrical Calculation Dept. Director's Accreditation Program (DAP) Class 57/2006 Thai Institute Of Directors (IOD)		1 / -	Son / Natthawat Thanapinyanun	2003 - 2019 2019 - 2022 2022 - Current 2019 - 2022 2022 - Current 2009 - 2019 2003 - 2006 2006 - 2009 2005 - 2018 2019 - 2022 2022 - Current	Director / Tycoons Group Enterprise Co., Ltd. Chairman / Tycoons Group Enterprise Co., Ltd. Director / Tycoons Group Enterprise Co., Ltd. Chairman / Tycoons Group International Co., Ltd Director / Tycoons Group International Co., Ltd. Director, Vice Chairman / Director, Executive Vice President / Director, President / Tycoons Worldwide Group (Thailand) Plc. Director / Baw Heng Steel (Vietnam) Co., Ltd Chairman / Tycoons Worldwide Group (Thailand) Plc. Director / Tycoons Worldwide Group (Thailand) Plc.

Name - Surname Position (Appointing date)	Age (Year)	Educational Background/ Training Background	Number of Shares / Shareholding structure (%)	Relation among family within the Company	Working Experience	
					Period	Position & Working office
3.Mr. Natthawat Thanapinyanun Director/ President (27/03/2006)/(11/05/2012)	42	Seattle University Business Management Director's Accreditation Program (DAP) Class 57/2006 Thai Institute Of Directors (IOD)	112,600/ 0.02	Son of Mr.Huang Wen-Sung & Ms. Lu, Yen-Chuan	2006 - 2010 2010 - 2012 2012 - Current 2011 - 2021 2018 - 2019 2021 - Current	Director, Senior Sale Manager / Director, Assistant Vice President / Director, President /Tycoons Worldwide Group (Thailand) Plc. Director / TY Steel Co., Ltd. President / TY Steel Co., Ltd. Director / KDB Co.,Ltd.
4. Miss Hwang, Feng- Mei Director / Vice President (01/12/2015)	57	National Central University(Taiwan) Business Administration Dept.	7,700 /-	-	2000 - 2010 2011 - 2015 2015 - 2016 2016 - Current 2021 - Current	Senior manager of Financial Division / Asst. Vice President of Financial Division / Vice President of Financial Division/ Director / Vice President of Financial Division / Tycoons Worldwide Group (Thailand) Plc. Director / KDB Co.,Ltd.
5.Mr. Navin Vongchankit** Independent Director/ Chairman of Audit Committee (20/10/2021)	47	A Bachelor of Engineering at King Mongkut University of Technology Master of Business Administration at Seattle University, Washington USA	-	-	2016 - Current 2021 - Current	Acting President/ Thai Alloy and Associates Co., Ltd Independent Director / Chairman of Audit Committee / Tycoons Worldwide Group (Thailand) Plc.
6.Mr. Jirawat Huang Independent Director / Audit Committee (12/08/2003)	67	Chin Yun Industry College (Taiwan) Director's Accreditation Program (DAP) Class 29/2004 Thai Institute Of Directors (IOD)	-	-	2003 - Current 2003 - Current	Manager Director / Lee Chemical Products Co., Ltd. Independent Director , Audit Committee / Tycoons Worldwide Group (Thailand) Plc.
7. Mr. Phiphat Wangphichit Independent Director / Audit Committee (12/08/2003)	85	Pingtung Agriculture Collage (Taiwan) Agriculture Dept. Director's Accreditation Program (DAP) Class29/2004, which was organized by Thai Institute Of Directors (IOD)	-	-	2003 - Current 2003 - Current 2003 - Current 2003 - Current	Managing Director / United Industrial Gas Co., Ltd Managing Director / Canking Engineering (Thailand)Co., Ltd Managing Director / Chachoengsao Oxygen Co., Ltd. Independent Director , Audit Committee / Tycoons Worldwide Group (Thailand) Plc.
8. Ms. Huang, Li- Hui Asst. Vice President	63	Tamkang University Statistics Dept.	20,100 /-	-	2001 - 2010	Senior manager of IT Dept. Tycoons Worldwide Group (Thailand) Plc

Name - Surname Position (Appointing date)	Age (Year)	Educational Background/ Training Background	Number of Shares / Shareholding structure (%)	Relation among family within the Company	Working Experience	
					Period	Position & Working office
(01/12/2011)					2011 - Current	Assistant Vice President of Admin Division in Tycoons Worldwide Group (Thailand) Plc
9. Mr. Chao, Wen-Ching Vice President (01/11/2013)	47	Kao Yuan University Department of Mechanical and Automation Engineering	15,000 / -	-	2011 - 2013 2013 - 2016 2016 - Current	Manager Fastener Division / Tycoons Worldwide Group (Thailand) Plc Assistant Vice President of Fastener and Annealing Wire Division / Tycoons Worldwide Group (Thailand) Plc. Vice President of Fastener and Annealing Wire and Rolling Mill Division / Tycoons Worldwide Group (Thailand) Plc.
10. Miss. Arun Arsinviriya Senior Manager (13.03/2560)	55	Rajabhat University Management Dept.	-	-	2013 - 2015 2015 - Current	Department Manager Admin Division / Senior Manager / Tycoons Worldwide Group (Thailand) Plc.
11. Mr. Ma, Yin hu Senior Manager (20/10/2021) Asst. Vice President (08/04/2022)	53	Lower than Bachelor Degree / Wei School	-	-	2016 - 2019 2019 - Current	Rolling Production Division Manager Senior Manager / Tycoons Worldwide Group (Thailand) Plc.
12. Mr. Gao, Qiang Senior Manager (20/10/2021)	44	Lower than Bachelor Degree / Wei School	-	-	2016 - 2019 2019 - Current	Annealing Wire Division Manager Senior Manager / Tycoons Worldwide Group (Thailand) Plc.
13. Mr. Wen, Chun - Feng Company Secretary (09/11/2016)	57	National Pingtung Technological College Veterinary Medicine Dept.	-	-	2014 - 2016 2016 - Current	Department Manager of Safety, Health and Environment Dept. / Manager of President Officer / Tycoons Worldwide Group (Thailand) Plc.

---

**1.2 The scope of work and responsibilities of the Company secretary as follows:**

1. preparing and keeping the following documents:
  - A. a register of directors;
  - B. a notice calling director meeting, a minutes of meeting of the board of directors and an annual report of the company;
  - C. a notice calling shareholder meeting and a minutes of shareholders' meeting;
2. keeping a report on interest filed by a director or an executive;
3. performing any other acts as specified in the notification of the Capital Market Supervisory Board.



**Attachment 2**  
**Details of the directors of subsidiaries**

Fill in the names of the directors of the subsidiaries in the table below:

Names of Subsidiaries and Names of directors	Tycoons Worldwide Group (Thailand )Plc.)	Tycoons Group Enterprise Co., Ltd.	Tycoons Group International Co., Ltd.	Baw Heng Steel (Vietnam) Co., Ltd	KDB Co., Ltd.	Fastbolt International Pte. Ltd.
1. Mr. Huang, Wen-Sung	X,///	X,///	/	/		/
2. Ms. Lu, Yen-Chuan	/,///	/,///		/		
3. Mr. Natthawat Thanapinyanun	/,///				/	
4. Mr. Navin Vongchankit**	/,xx,//					
5. Mr. Jirawat Huang	/,//					
6. Mr. Phiphat Wangphichit	/,//					
7. Ms. Hwang, Feng-Mei	/,///				/	
8. Ms. Huang, Li-Hui	///					
9. Mr. Chao, Wen-Ching	///					
10. Miss. Arun Arsinviriya	///					
11. Mr. Ma, Yin hu	///					
12. Mr. Gao, Qiang	///					

Remarks:

1. /= Director      X = Chairman      // = Executive director
2. Subsidiary means any significant subsidiary with characteristics such as earnings more than 10 percent of the total income in the consolidated profit and loss statement of the most recent financial year.

**Attachment 3**  
**Details of the Heads of the Internal Audit**  
**and Compliance Units**

---

**Details of the Heads of the Internal Audit**

**Chief of internal auditor:** Miss Huang Tsai – Ting served position as Company Chief of internal auditor, Age 40 years Nationality: Taiwan

**Education :** Master's degree 2009 – 2011, Accounting /Providence University, Taiwan

**Director Training Program :** -

**Company's Position :** Chief of internal auditor

**Working Experience :**

2016 – Current	Chief of internal auditor, Acting for the head of the department Tycoons Worldwide Group (Thailand) Plc.
2016 – 2014	Senior officer Internal Audit Department /TY Steel Co. Ltd.
2014 – 2011	Senior officer : Deloitte / Taiwan
2008 – 2005	Auditor : Jiang Sheng & Co., DPAs. / Taiwan

**Attachment 4**  
**Details of asset appraisal**

Details of asset appraisal

- No -

**Attachment 5**  
**Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company in the following matters:**

---

**Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company in the following matters:****1. The Principles of Good Corporate Governance Policy for the Company**

Tycoons Worldwide Group (Thailand) Public Co., Ltd. is operated under the supervision of its Board of Directors. Being a responsible organization, the company is determined to comply with the principles of corporate governance for all companies listed in Thailand, which is stipulated in the Securities and Exchange Act B.E. 2535 for the best benefit of shareholders, stakeholders and the company's sustainability. The principles are as follows.

**1 Rights of Shareholders**

Shareholders are the owners of the company. They control the company by appointing the Board of Directors to act as their representatives. Shareholders are eligible to make decisions on any of significant corporate changes. Therefore, the company encourages shareholders to exercise their rights.

Basic shareholder rights are rights to buy, sell, or transfer shares, share in the profit of the company, obtain relevant and adequate information on the company in a timely manner and on a regular basis, participate and vote in the shareholder meetings to elect or remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the company such as dividends payment, amendments to the company's articles of association or the company's bylaws, capital increases or decreases, and the approval of extraordinary transactions, etc.

The Board of Directors realizes the importance of shareholders' meeting as revealed in the policies to facilitate all shareholders equally in attending the meeting, provide sufficient information timely in advance of the meeting so that the shareholders have enough time to decide whether to attend or to designate representatives to attend the meeting on their behalves. Shareholders are encouraged to query directors and allowed to propose an agenda item, the directors on the other hand are obliged to attend the meeting and answer the enquiries.

The Board of Directors must complete the minutes of the meeting and present to the shareholders through the website as soon as possible within 14 days after the meeting.

**2 Equitable Treatment of Shareholders**

The Board of Directors values the right of every shareholder equally as reflected in the company's policy of disclosure of information that the company constantly informs shareholders the status of the company through the website of SET. Moreover, the company allows the minority shareholder to nominate director positions in advance and vote by proxy.

The company also has the policy to prevent the use of inside information for abusive self dealing such as insider trading or related party transactions. Particularly, they are not allowed to trade their shares of the company one month prior to the announcement of the company's financial report.

---

All directors and executives are obliged to disclose to the board whether they and their related parties have any interest in any transaction or matter directly affecting the company. Directors and executives who have such interests should not participate in the decision making process on such issues.

### **3 Role of Stakeholders**

The Board of Directors values the right of stakeholders that they provide a mechanism to promote cooperation between the company and its stakeholders along with customers, employees, suppliers, shareholders, investors, creditors, the community the company operates in, society, the government, competitors, external auditors, etc. based on business ethic and fair treatment policy for each and every stakeholder that all information relevant stakeholders are disclosed in equality manner.

The company has a policy that through independent directors or audit committee, stakeholders can communicate with the board any concerns about illegal or unethical practices, incorrect financial reporting, insufficient internal control, etc. So that the investigation can carried out and reported to the Board of Directors.

### **4 Disclosure and Transparency**

The Board of Directors ensures that financial information that all information presented in the financial reports is correct, in accordance with generally accepted accounting principles and standards, and has been audited by an independent external auditor. The given information and other important information relevant to the company operation in accurately, sufficiently and timely manner that reflects the actual status and financial performance of the company that is audited and complies with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Board of Directors endeavors to comply strictly with the laws and regulations concerning the disclosure of information. Nonetheless, the Board of Directors shall appoint investor relation officer to communicate with shareholders and facilitate shareholders and analysts equally and disclose information on website in both English and Thai.

The Board of Directors must disclose clearly the directors' remuneration policies that correspond to the contributions and responsibilities of each person and other companies of similar size in the same industry. The directors' remuneration must be approved by shareholders through shareholders' meeting.

The Board of Directors contended that the executives' remuneration policy must be fair and attractive enough for qualified people to take the position and perform at high standard

### **5 Responsibilities of the Board**

#### **5.1 Leadership and vision**

The Board of Directors plays a role in setting the company's goal, mission of the company, and budget, and moreover oversees the company operation in response to its goal. The Board of Directors also makes comments on the internal control and audit system along with manage the risk to maximize the company's profitability.



---

## 5.2 Risk management

The Board of Directors adopted a risk management system for all material and controllable risk which is related to the company's business objective, business strategy, finance, production and operation. Risk management is carried out on the basis of probability that an identified risk may materialize and the likely impact of it on the business may be presented. In response to that, clear preventive and mitigation measures must be established and the systems to assess monitor and report on risks shall be set up. Management of the company is responsible for regularly reporting to the Audit Committee and the Board on its operation plans and performance.

## 5.3 Code of Ethics

Ethics is an integral part of corporate governance. The Board of Directors established the code of ethics for management and staff which is considered to be their tasks. This covers penalty of punishment of those who fail to comply, therefore all the staff must follow strictly. The implication and supervision of the code of ethics is applied through the existing management system.

## 5.4 Independence and Impartiality of Directors

The Board of Directors shall perform its duty and exercise its discretion independently from the Management and major shareholders. Each director has the duty and independence to ask questions, express opinions or make objection and vote as he or she sees fit in relation to all matters affecting the interests of the company , shareholders or stakeholders.

## 5.5 Qualifications of Directors

The Board of Directors shall consist of various qualities including age, profession, and knowledge which are beneficial for the company operation and can bring about fresh perspective. Directors must be prepared to give adequate time and effort to perform their duties to the fullest extent with high ethical standard.

## 5.6 Qualifications of Audit Committee / Independent Directors

The Board of Directors shall ensure that the qualifications of independent directors are in line with the Stock Exchange of Thailand's requirements as follows:

1. Holding shares of no more than five percent of the paid-up registered capital of the Company, affiliated companies, associated companies or other related companies. This shall include shares held by related persons.
2. Being a non-executive director of the Company, affiliated companies, associated companies and related companies or its major shareholders including not being an employee, staff or consultant receiving salary on the payroll of the Company, affiliated companies, associated companies, related companies or the Company's major shareholders.
3. Being a director without direct or indirect financial and managerial interests or stake in the Company, affiliated companies, associated companies or its major shareholders;
4. Being a director who is not related to or not being a closed relative with the Company's executives or major shareholders.
5. Being a director not appointed as an agent to protect the interests of the Company's directors, major shareholders or shareholders relating to the Company's major shareholders.
6. Being able to act and express his opinions independently

### **5.7 Composition of the Board of Directors**

The Board of Directors is responsible for determining the business direction and policy. The Board of Directors shall consist of a chairman, a vice chairman and directors who can act independently to counterbalance the management. In that the board may consist of executive directors in response to the size of the organization and give an effective performance. There shall not be less than five directors in the Board.

### **5.8 The Chairman of the Board and the Managing Director**

The Board of Directors shall designate a director as the Managing Director other than Chairman of the Board so that their roles, authorities and duties are clearly separated to ensure balance between management and corporate governance.

### **5.9 Terms of Directorship**

The Directors shall serve a term of office of three years. Each year, one-third (1/3) of the directors shall retire. If the number of directors is not a multiple three parts, the number of directors nearest to one-third (1/3) shall retire. The directors retiring from their office in the first and second year after the registration shall be made by drawing lots. For subsequent years, the directors who have held office longest shall retire. The directors who vacate office is eligible for re-election by shareholders.

### **5.10 Board of Directors' Meeting**

The Board of Director shall set the meeting schedule of entire year in advance. The meeting is usually convened quarterly unless irregular meeting is needed. The chairman or designated director ensures that all directors receive all relevant documents prior to the meeting so that they have sufficient time to study all the issues before attending the meeting or casting their votes. The given documents must be clear, analytical and sufficient of recommendation.

### **5.11 The duties of the Board of Directors**

1. To perform its duty in the most professional manner to comply with all laws, the company's objectives, articles of association and shareholder's resolutions as well as to preserve the company's benefit and interests.
2. To determine the company's direction and control all business operations in accordance with the related government entities' rules and regulations. To assure the disclosure of information to shareholders and related entities as well as perform transparency management to achieve optimal benefits to the company.
3. To ensure that business is operated efficiently and in compliance with all regulatory bodies such as the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
4. To ensure that the company has effective internal control systems and an internal audit unit that works closely with the audit committee.
5. The Board of Directors may establish an executive board and a management team or delegate control to other persons to manage the company under the Board of Directors' supervision. The delegation must be accompanied by responsibilities and limitation of the

---

control and must not be delegated to persons in circumstances that would lead to conflicts of interest with the company and its subsidiaries.

6. To have the intention to run the business continuously and conduct themselves with honesty and integrity and to be interested in the business in which they hold the directorship.
7. To be consistently responsive to the shareholders and protect their interests as well as providing to them fair, complete and transparent disclosure.
8. Consider the approval of business plans, annual budgets and sales/acquisitions of the asset exceeding 50 MB, joint ventures in expanding its business and approval of any other loans besides the working capital loans, which are solely authorized by the Executive Board.

Effective date: February 19, 2008.

## **2. Policy of Anti-bribery and corruption**

Tycoons Worldwide Group (Thailand) Public Co., Ltd. (hereinafter referred to as the Company) and its subsidiaries operate the business in compliance with all legal and regulatory requirements to ensure that legitimate business and importance to anti-bribery and corruption. In addition the policy's goal is to operate the company based on the principle of honest, fairness, and transparent management, it's responsible for all interested parties. The behavior of directors, management, and employees are abiding by Business Ethics, Code of Conduct. It's a part of the "Corporate Governance". The Company also stipulates anti-bribery and corruption policy as guidelines of business operating and therefore directors, management and all employees have to follow the implementation. The main contents are as follows:

### **Definition of bribery and corruption**

Bribery & Corruption means one gives or receives gifts, fees, rewards or any other favors to influence governmental officers or any other personnel in the business circle. This behavior triggers dishonest, illegalness, and fraud violating principle to gain commercial or financial advantage.

### **Policy of anti-bribery and corruption**

Directors, management, and employees of the Company and its subsidiaries are prohibited to give or receive directly or indirectly bribery and corruption in any manner whether it is accepted, giving or offering the monetary or non-monetary bribe with the relevant government agencies or private entities of the company's business operations or contact. The Company will execute the policy of anti-bribery and corruption strictly.

### **Responsibilities**

1 The board of directors is responsible for setting policy and to support and establish the effective anti-bribery and corruption systems for the management to understand the importance of anti-bribery and corruption, and instilled into the culture of the Company.

---

2 The board of audit committee is responsible for reviewing the financial and accounting report, internal control systems, internal audit system and risk management system to ensure that is suitable, effective and in accordance with the provisions of the standard.

3 President and management are responsible for setting systems, supporting and promoting the anti-bribery and corruption policy for all the employees and related personnel know. Its responsibilities also include review of the system to meet the change of the business regulations and laws.

4 Chief of internal audit is responsible for execution, examining and reviewing the correction of the job compliance with the anti-bribery and corruption policy. Reporting to the board of audit committee.

### **Guidelines of practice**

1 Directors, management, and employees of the Company and its subsidiaries must strictly comply with the policy of anti-bribery and corruption and code of conduct, as follows;

1.1 No receive and give or offer bribes to any other person to obtain improper benefits with government agencies and private units at work contact.

1.2 No accept gifts, entertainment, funding or other favors from client or vendor which worth more than the standard prescribed. Employees must report to the company when they accept the worth of gifts or entertainment is more than the company stipulation (provisions of the Code of conduct) for customs and rituals necessary.

1.3 The Company has established internal control systems, stipulate the procedures of job execution in order to prevent bribery and corruption, people who has responsibility for approving payment must have clear evidence and be in accordance with company policy.

1.4 Employees should not neglect or ignore the bribery and corruption or the behavior may occur bribery and corruption, must report to the management or report by the trail route of anti-bribery and corruption policy immediately. Employees and the informers who report the bribery and corruption will be protected by the Company.

2 The Company will provide related training courses in anti-bribery and corruption policies to employees, and encourage employees to perform their duties in an honest and responsible behavior.

3 Employees who breach or non-compliance with anti-bribery and corruption policy will be punished by regulations of the company and related laws.

---

## **Complaint notification of bribery and corruption**

The Board of directors has a clear path of notification bribery and corruption clues or reporting bribery and corruption directly to the company. If the bribery and corruption report are related with management, it will be submitted to the Board of audit committee to review and make the determination.

### **Clues notice or complaint items**

1 Find the bribery and corruption is related with the Company, either directly or indirectly. For example: discovery company personnel giving / accepting bribes to/from governmental officers or private entities personnel.

2 Find a job procedure is not executed in accordance with the company regulations or affect the internal control system of the Company.

3 Find the behavior cause the loss of profits or reputation of the Company.

4 Find illegal, unethical conduct or breach of the code of conduct.

### **Complaint window of the bribery and corruption, channel of clues notice**

Employees or complainant must specify the details of clues or complaint of bribery and corruption, and provide contact names, address and telephone number to internal audit department.

### **Protection and confidentiality**

The Company will protect the rights of the complainant. Person who receives the personal information of complainant, the evidence, and the information provided by the complainant has the custody to keep its confidential. The information are prohibited to reveal unless the disclosure in accordance with the law.

### **Investigation and punishment procedures**

1 After received clues, management and the Board of audit committee take the responsibility to investigate the truth.

2 During the investigation, management and the Board of audit committee may appoint any representatives (internal auditors) to report the progress of investigation results to complaints regularly.

3 After completed the truth of the investigation, the company will inform the complaine if the information or evidence are reasonable and credible. The complanee has the rights to prove its innocence by providing some more evidences and information.

---

4 If the complainee violates the anti-bribery corruption policy and conduct code of the company, it will be punished in accordance with the policy and regulation of the Company. If the bribery and corruption behavior violate the law at the same time, it may be subject to punishment of laws regulations. The punishment of company discipline will be judged by the Board of audit committee as an end.

When the event of complaints occur, management and the Board of audit committee are responsible for receiving complaints, surveying the information, investigating the truth, joining the examination, making an appropriate punishment, and reporting to the Board of directors.

### **Dissemination of anti-bribery and corruption policy**

In order to all employees of the Company understand the policy of anti-bribery and corruption, the Company will perform the following items:

1 The Company will disclose the anti-bribery and corruption policy through the company website, Annual Registration Statement (56-1), etc.

2 The Company will have the training courses of the anti-bribery and corruption policy for all new employees.

3 The company will review the implementation of anti-bribery and corruption policy every year.

Effective date: November 13, 2014.

### **3. Policy of corporate social responsibilities (CSR)**

Tycoons Worldwide Group (Thailand) Public Co., Ltd. (hereinafter referred to as Tycoons) has been formulated the policy of corporate social responsibility, we comprehend the importance of helping and supporting society, community, and maintaining environment continuously; Tycoons also takes consideration of likely influence to stakeholders, such as stockholders · employees, the community where we belongs, customers, suppliers, government, societies and nations; we formulate the direction that allowed employees can participate our corporate social responsibility policy together, there are the following eight points:

#### **1. Equitable Business**

Tycoons complies with laws and regulations, and when we are in the process of manufacturing, we producing the products with safe, reliable, well packaged, good performance and in accordance with standards. To our customers, we abides by the contracts, competes fairly, do product advertising honestly and sincerely, takes response action immediately while clients complains happened, and provides products information completely and correctly. To our suppliers, we select suppliers fairly. We must follow contracts· arrangements which already committed trading conditions and fulfilled the contracts to complete the transactions. Moreover,

---

we treat suppliers in an impartial manner and create a mutual beneficial situation aggressively. According to corporate governance, we disclose financial information, business situations and organization structure, and respect for intellectual property rights.

## **2. Anti-bribery and corruption**

We formulate the policy that prohibit company's directors, management levels and staffs conducted or accepted various forms of bribe and corruption, either directly or indirectly, and make sure in accordance with policy to execute and review.

## **3. Respecting human rights**

We respect the rights of employees and other stakeholders, we have no discrimination with races, colors, religions, genders, nationalities, ages, disability or other situations that been considered as human rights. Our company will esteem human rights appropriately and spread around the corporate operation, to eliminate unfair, discrimination, harass and infringe on various rights.

## **4. Do justice to employees**

The most important thing in corporate operation is employees, therefore, we should improving employees' job satisfaction and treat every employees in fair, helping their development and obtaining remuneration and appropriate welfare, providing safe and healthy work environment to our employee. The caring responsibilities should include offer necessary facilities of health and emergency first aid, eliminate enforced labor in any forms, repeal child labor, eliminate the discrimination of hired and profession, provide equal opportunities of employment is the company's main responsibilities and regard as the social responsibilities.

## **5. Take responsible to consumers**

Provide service with high quality, offer safe, useful and applicable products, provide information in correct, on time, and the system of supervision with intact and well-structured, which have characteristics with check and track, it can disclose sufficient information about important issue of company.

## **6. Environmental protection**

For the sustainable development of the company and the survival of mankind, we fulfill our environmental responsibilities in pollution prevention and environment protection, the Company set up the environmental management system with effective implementation, obey environmental law and enforce to practice, reduce pollution for continuative improvement and pollution prevention of environmental by concerning technique, save resources and valuable resources, enforce prevention of all possible accidents and stop the expanding of accident.

## **7. Participate community or society developing**

The Company realize level of education, culture, quality of life, safe and sanitation of community, and considering enterprise's operation will influence environment, we will actively participate government and community's activities, contributing to economic welfare of community and social development, encouraging our employees join community's public service activities.

## **8. Implement innovation about responsibilities for social 、 environmental and stakeholders, and disseminate innovation**

Tycoons will seeking newer, better and timely management and production mode constantly in our operation, improve and implement well corporate governance, create profit to stockholders as feedback, respect the rights of other stakeholders, maintain and improve safety and health of employees, cultivate mutual trust between enterprise and society where we operated in, participation in social care, maintain and improve facilities to saving energy 、 reduce wastewater 、 litter 、 exhaust emissions, reduce pollution, protection of environmental sustainability.

Effective date: November 13, 2014.

## **4. Dividend Policy**

The dividend payment policy of the Company must be taken into consideration first before deciding to pay a dividend, including operation results and financial status, the company's liquidity, business expansion and other factors related to management of the Company, and prepared the profits distribution list by the board of directors in the following order, and only for dividend payment must be agreed upon at shareholders meeting.

If there is any profit after the final accounts of such fiscal year, the company may allocate the profits in the following order, provided that the company shall first apply such profits to pay off its tax payment then compensate for its accumulated losses:

1. Set five percent of the remaining profits as reserve fund.
2. Upon properly reserving reserve fund, set one percent of the remainder of the profits as directors' bonus.
3. Upon properly reserving reserve fund, the employees' bonus shall be set in the range between two to five percent of the remainder of the profits.
4. After items 1 to 3 are properly reserved, at least forty percent of the remainder of the profits plus retained earnings-unappropriated of previous year shall be set as dividends (deducting the distributed interim dividends). The dividends to be distributed in the form of cash shall not be less than fifty percent of the distributable dividends. No distribution shall be allowed if divided per share is less than THB 0.2.



**Attachment 6**  
**Report of the Audit Committee**



**รายงานคณะกรรมการตรวจสอบ**

คณะกรรมการตรวจสอบได้สอบทานงบการเงินรวมของบริษัทและบริษัทย่อยประจำปี 2565 ร่วมกับผู้สอบบัญชี เพื่อนำเสนอต่อคณะกรรมการบริษัทรับทราบรายงานการตรวจสอบ ประชุมหารือร่วมกับฝ่ายที่เกี่ยวข้องสอบทานการปฏิบัติตามข้อกำหนด และกฎหมายรวมทั้งพิจารณาการเปิดเผยข้อมูลรายการที่เกี่ยวข้องกันให้เป็นไปตามเกณฑ์ตลาดหลักทรัพย์แห่งประเทศไทย

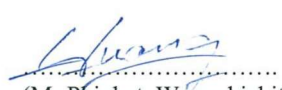
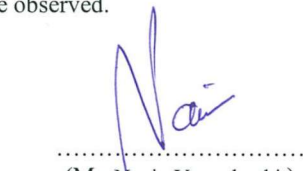
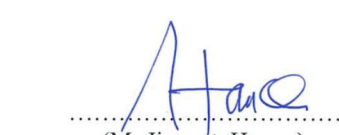
คณะกรรมการตรวจสอบได้พิจารณางบการเงินดังกล่าวมีความเห็นว่า บริษัทมีการจัดทำรายงานทางการเงินเป็นไปตามมาตรฐานบัญชีที่รับรองทั่วไป มีการเปิดเผยข้อมูลเพียงพอ มีระบบการควบคุมภายใน ระบบตรวจสอบภายใน และระบบบริหารความเสี่ยงที่น่าพอใจ ไม่มีข้อที่ต้องปรับปรุงอย่างเป็นสาระสำคัญ

		
(นายพิพัฒน์ หวังพิชิต)	(นายนาวิน ว่องชาญกิจ)	(นายจิรวัดน์ หวาง)
กรรมการตรวจสอบ	ประธานคณะกรรมการตรวจสอบ	กรรมการตรวจสอบ

**REPORT OF THE AUDIT COMMITTEE**

The audit committee jointly reviewed the 2022 annual consolidated financial statements with the certified public accountant for presentation to the board of directors for acknowledgement; discussed with relevant parties at meetings; reviewed compliance to the provisions and laws; and deliberated on information disclosure of related items in conformity with provisions of the Securities Exchange of Thailand.

The audit committee reviewed the consolidated financial statements and has an opinion that the company prepared financial statements in accordance with generally accepted accounting standards; adequately disclosed information; maintained regulating and supervisory system; internal audit and risk management system is satisfactory with no significant discrepancies are observed.

		
(Mr.Phiphat Wangphichit)	(Mr. Navin Vongchankit)	(Mr.Jirawat Huang)
Audit Committee	Audit Committee Chairman	Audit Committee

求新求變 · 超越自我

99 Moo1, Tumbon Nikompattana, Amphur Nikompattana, Rayong 21180 Thailand. Tel: +66 (33) 658558 Fax +66 (38) 636969 E – mail : tycoons@tycoons.com

99 หมู่ 1 ตำบล นิคมพัฒนา อำเภอนิคมพัฒนา จังหวัด ระยอง 21180 โทร : +66 (33) 658558 โทรสาร : +66 (38) 636969 E – mail : tycoons@tycoons.com



# TYCONS

*TYCOONS WORLWIDE GROUP (THAILAND) PUBLIC CO., LTD.*



[WWW.TYCONS.COM](http://WWW.TYCONS.COM)

*Established in 1996, Tycoons Worldwide Group (Thailand) Public Co., LTD. is dedicated to becoming the best partner for consumers worldwide with the concept of "Innovation and changes, beyond ourselves. " Tycoons (Thailand) takes advantage of its vertical integration technology, world-class flexible mass production capability, complete production line, as well as operation of international organizations in order to provide a complete solution from wire rods, spheroidized annealing wire, to screws, creating the immediate benefits for its consumers.*