



Arrow Syndicate Public Company Limited

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(Translation)

May 12, 2022

Subject: Clarification for operation performance 3 months ended March 31, 2022

Attention: The President of
The Stock Exchange of Thailand

Arrow Syndicate Public Company Limited ("Company") would like to report its financial results for 3 months, which ended on March 31, 2022 with the profit of Baht 30.32 million decreased of Baht 11.63 million or decreased 27.72 % compared to the same period of previous year which reported the profit was Baht 41.95 million due to the following reasons.

1. The company had sales and services revenue increased of Baht 33.79 million or increased 11.52% compared to the same period of previous year mostly from clients' demand increased.
2. The gross profit from sales and services had decreased of Baht 24.85 million or decrease of 28.06% compared to the same period of previous year from several reasons such as,
 - The raw material price in global market increased in significantly high since the 2H of 2020 to the present. The company considered to increase the sell target to maintain production efficiency.
 - Gross profit and gross profit margin decreased due to higher cost of steel raw materials while adjusting the selling price of some products and services is slower. However, the Company has a policy to adjust the selling price to be in line with the market price while maintaining the gross profit margin at a competitive level.
3. Other revenue increase of Baht 5.91 million of decrease 100.02% compared to the same period of previous year from receiving duty refund form importing raw materials, revenue from scrap sales, and the recovery of doubtful debts.
4. Distribution Cost increased of Baht 0.60 million or increased 5.32% compared to the same period of previous year mostly from reducing of local shipping cost which were less then the increase in sales. Due to the reduction of transportation charges.
5. The administrative expenses decreased of Baht 4.39 million or decreased 15.49% compared to the same period of previous year due to the decreased of assets depreciations, the decreased of reserve for share-based payments of Employee Stock Ownership Program (ESOP) of the Company and the decreased of doubtful debts.
6. Financial cost – interest expense increased of Baht 0.01 million or increased 0.51% compared to the same period of previous year. The Company has increased purchase of raw materials by using credit facilities from the institutions. However, the Company had financial strength and have ability to pay interest and debt.
7. Corporate income tax decrease of Baht 3.53 million or decreased 31.73% compared to the same period of previous year due to decrease of operating profit without tax privileges from BOI.

Please be informed accordingly,

Sincerely yours,

(Mr.Tanin Tanprawat)

Managing Director