

November 14, 2018

Subject: Clarification for 9 months operating result of 2018  
Attention: The President of  
The Stock Exchange of Thailand

Arrow Syndicate Public Company Limited ("Company") would like to report its financial results for the 9 months of 2018, ended on 30 September 2018 with the net profit of Baht 109.06 million or decreased of Baht 39.45 million or 26.56% compared to the same period of 2017 which reported the net profit was Baht 148.51 million due to the following reasons.

1. The company had sales revenue decrease of Baht 11.36 million or decreased 1.20% because the construction industry had been declined lead to the decreased demand of our products especially post-tension and air duct. Although the company had total revenue increased of Baht 29.77 million or increase 2.77%, but mostly increased from services revenue of its subsidiary.
2. The increasing of steel price in global market since 2017 which affected to increase of raw material cost while the company had committed selling price to our backlog. In addition, the services revenue of its subsidiary increased of Baht 40.83 million that normally generated low gross profit margin. Then, the gross profit from sales and services revenue had decreased from 27.42% to 21.74% or decreased of 18.53 percent. However, the company and its subsidiary considered to increase the sale price to maintain net profit margin and the competitiveness level.
3. The increased of administrative expenses of Baht 17.09 million or increase of 27.97% from total revenue mostly derived from administrative expenses of its subsidiary had loss from the cancellation of some project and bad debt total of Baht 9.70 million, the increased of the reserved for share-based payments of ESOP-W2 project of the Company in the amount of Baht 4.50 million, doubtful debt of the Company increased of Baht 1.20 million, increased of unused exchange losses of Baht 1.0 million and increased of other expenses of Baht 0.7 million.

Please be informed accordingly,

Sincerely yours,



(Mr. Tanin Tanprawat)  
Managing Director