

(Translation)

February 28, 2019

Subject: Clarification for operation performance of FY2018
Attention: The President of
The Stock Exchange of Thailand

Arrow Syndicate Public Company Limited ("Company") would like to report its financial results for the year 2018, which ended on 31 December 2018 with the profit of Baht 144.28 million decreased of Baht 49.64 million or decreased 25.60% compared to the same period of year 2017 which reported the profit was Baht 193.92 million due to the following reasons.

1. The company had sales and services revenue increased of Baht 34.49 million or increased 2.40% compared to the same period of previous year because the government and private construction projects had been increasing lead to the increasing demand of our products.
2. The gross profit from sales and services had decreased of Baht 55.97 million or the gross profit ratio decreased of 14.77% compared to the same period of previous year from several reasons such as,
 - The raw material price in global market continues increase since the early of 2017 while the company had committed sell price to some clients of our backlog, some of production line had not reach their full capacity which made a higher cost of production, and the service revenue had a higher cost. However, the company considered to increase the sell target, production efficiency, and to increase sell price to maintain net profit margin and the competitiveness level.
 - The increased of cost of sales and services of its subsidiaries, due to some of investment projects are not achieved the target and had high cost of services because the labor problems of construction business.
3. The selling expenses decreased from Baht 2.23million or decreased 2.71% of total revenue compared to the same period of previous year mostly from the restructure to reduce marketing expenses.
4. The administrative expenses increased from Baht 19.95 million or increased 24.77% compared to the same period of previous year from several reasons such as, the increased of administrative expenses from restructure of its subsidiary, increased of doubtful debt and bad debt of its subsidiary, the increased of depreciation expenses and reserve for share-based payments of ESOP-W2.
5. The interest expense increased of Baht 1.67 million or increased 35.72% compared to the same period of previous year because the company using the credit line from the financial institution to purchase new machines and the materials.

Please be informed accordingly,

Sincerely yours,



(Mr.Tanin Tanprawat)

Managing Director