



Arrow Syndicate Public Company Limited

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(Translation)

August 11, 2022

Subject: Clarification for operation performance 6 months ended June 30, 2022

Attention: The President of
The Stock Exchange of Thailand

Arrow Syndicate Public Company Limited ("Company") would like to report its financial results for 6 months, which ended on June 30, 2022 with the profit of Baht 45.01 Million decreased of Baht 51.53 Million or decreased 53.37% compared to the same period of previous year which reported the profit was Baht 96.54 Million due to the following reasons.

1. The company had sales and services revenue increased of Baht 85.73 million or increased 14.88% 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 81.71 Million or decrease of 40.92% compared to the same period of previous year from several reasons such as,
 - Steel raw material cost, which is the company's main cost increased continuously since the 2H of 2021 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 1.63 Million or increased 14.32% compared to the same period of previous year from receiving duty refund from importing raw materials, revenue from scrap sales, and the recovery of bad debts.
4. Distribution Cost increased of Baht 2.60 Million or increased 11.88% compared to the same period of previous year mostly from reducing of local shipping cost which were less than the increase in sales. Due to the reduction of transportation charges.
5. The administrative expenses decreased of Baht 15.26 Million or decreased 25.62% compared to the same period of previous year due to 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 0.63 Million or increased 18.32% 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 has the financial strength and has ability to pay interest and debt.
7. Corporate income tax decrease of Baht 15.20 Million or decreased 53.75% compared to the same period of previous year due to decrease of operating profit.

Please be informed accordingly,

Sincerely yours,

(Mr. Tanin Tanprawat)

Managing Director