



## Arrow Syndicate Public Company Limited

163 Mu. 9, Soi Bearing 68, Sukhumvit 107 Rd., Samrong Naur, Meang, Samutprakarn 10270  
Tel. 02-749-8135 (Auto) Fax. 02-749-8140 www.arrowpipe.com



(Translation)

November 11, 2022

Subject: Clarification for operation performance 9 months ended September 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 9 months, which ended on September 30, 2022, with a profit of Baht 58.87 Million decreased of Baht 52.16 Million or decreased 46.98% compared to the same period of the previous year which reported the profit was Baht 111.03 Million due to the following reasons.

1. The company had sales and services revenue increased of Baht 231.40 million or increased 29.62% 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 85.84 Million or decreased of 33.12% 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 1.02 Million or increased 5.40% compared to the same period of previous year from receiving duty refund from importing raw materials, revenue from scrap sales, and revenue from delivery.
4. Distribution Cost increased by Baht 7.83 Million or 25.83% from the same period of previous year mainly due to local shipping cost and promotional costs which increased in line with increased sales.
5. The administrative expenses decreased of Baht 27.46 Million or decreased 25.62% compared to the same period of previous year due to no 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 by Baht 1.70 Million or increased by 33.53% compared to the same period of the previous year. The Company had increased the purchase of raw materials by using more credit from the institutions. Causing interest expenses from using loans to increase. However, the Company has the financial strength and the ability to pay interest and debt.
7. Corporate income tax decrease of Baht 19.20 Million or decreased 53.25% from the same period of previous year due to decrease of operating profit.

Please be informed accordingly,

Sincerely yours,

(Mr. Tanin Tanprawat)

Managing Director