



Arrow Syndicate Public Company Limited

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(Translation)

February 23, 2023

Subject: Clarification for operation performance year ended December 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 year ended on December 31, 2022, with a profit of Baht 92.63 Million decreased of Baht 36.11 Million or decreased 28.05% compared to the same period of the previous year which reported the profit was Baht 128.74 Million due to the following reasons.

1. The company had sales and services revenue increased of Baht 280.40 million or increased 26.33% 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 95.87 Million or decreased of 29.29% 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 5.11 Million or increased 20.50% compared to the same period of previous year from receiving duty refund form importing raw materials, revenue from scrap sales, and revenue from delivery.
4. Distribution Cost increased by Baht 11.62 Million or increased 28.17% 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 54.92 Million or decreased 41.32% 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 2.74 Million or increased by 41.52% compared to the same period of the previous year. The Company had increased the purchase of raw materials by using more credit from the financial 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 18.56 Million or decreased 44.86% from the same period of previous year due to decrease of operating profit.

Please be informed accordingly,

Sincerely yours,

(Mr. Tanin Tanprawat)
Managing Director