



Arrow Syndicate Public Company Limited

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(Translation)

May 10, 2023

Subject: Clarification for operation performance 3 months ended March 31, 2023
Attention: The President of
The Stock Exchange of Thailand

Arrow Syndicate Public Company Limited ("Company") would like to report its financial results for 3 months ended March 31, 2023, with a profit of Baht 11.03 Million decreased of Baht 19.29 Million or decreased 63.61% compared to the same period of the previous year which reported the profit Baht 30.32 Million due to the following reasons.

1. The company had sales and services revenue increased of Baht 28.94 million or increased 8.85% 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 6.42 Million or decreased of 10.08% 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 decreased of Baht 5.18 Million or decreased 43.82% compared to the same period of previous year from revenue from scrap sales, reversal of doubtful accounts, and less receiving duty refund from importing raw materials.
4. Distribution Cost increased by Baht 3.47 Million or increased 29.25% from the same period of the previous year mainly due to an increase in local shipping cost and promotional costs.
5. The administrative expenses increased by Baht 8.36 Million or decreased 34.93% compared to the same period of the previous year due to an increase in doubtful debts.
6. Financial cost – interest expense increased by Baht 0.70 Million or increased by 38.76% compared to the same period of the previous year. The Company had purchase of raw materials by using more credit from financial institutions while an interest rate increasing. 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 4.83 Million or decreased 63.56% from the same period of previous year due to decrease of operating profit.

Please be informed accordingly,

Sincerely yours,

(Mr. Tanin Tanprawat)

Managing Director