

(Translation)

August 14, 2019

Subject: Clarification for operation performance 6 months ended 30 June 2019

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 30 June 2019 with the profit of Baht 86.22 million increased of Baht 21.24 million or increased 32.69% compared to the same period of previous year which reported the profit was Baht 64.98 million due to the following reasons.

1. The company had sales and services revenue increased of Baht 46.55 million or increased 6.75% 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 increased of Baht 38.44 million or the gross profit ratio increased of 26.87% compared to the same period of previous year from several reasons such as,
 - The raw material price in global market decreased and more stable in year 2019, in addition, the company considered to increase the sell target, production efficiency, and to increase sell price to maintain net profit margin and the competitiveness level.
 - However, there are some high level of cost of sales and services of its subsidiaries, due to investment projects of its subsidiaries are not achieved target and the high competition market in services business and face with high material and labor cost of construction projects.
3. The selling expenses increased of Baht 1.71 million or increased 6.01% of total revenue compared to the same period of previous year mostly from delivery expenses increased on sale.
4. The administrative expenses increased of Baht 3.16 million or increased 5.95% compared to the same period of previous year from several reasons such as, 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 1.54 million or increased 56.97% compared to the same period of previous year because the company increase outstanding of the credit line from the financial institution to purchase raw materials and leasing new machine. However, the Company had financial strength and have ability to pay interest and debt.

Please be informed accordingly,

Sincerely yours,



(Mr.Tanin Tanprawat)

Managing Director