

(Translation)

February 28, 2020

Subject: Clarification for operation performance of FY2019
Attention: The President of
The Stock Exchange of Thailand

Arrow Syndicate Public Company Limited ("Company") would like to report its financial results for the year 2019, which ended on December 31, 2019 with the profit of Baht 187.38 Million increased of Baht 43.10 Million or increased 29.87% compared to the same period of previous year which reported the profit was Baht 144.28 million due to the following reasons.

1. The company had sales and services revenue decreased of Baht 2.82 Million or decreased 0.19% compared to the same period of previous year because the government and private construction projects had stable demand of our products.
2. The gross profit from sales and services had increased of Baht 65.77 Million or the gross profit ratio increased of 21.48% 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 decreased of Baht 0.29 Million or decreased 0.46% of total revenue compared to the same period of previous year mostly relate with delivery expenses on sale.
4. The administrative expenses increased of Baht 2.44 Million or increased 2.43% compared to the same period of previous year due to the increased of administrative expenses of its subsidiaries from doubtful debt. In addition, there are the decreased of reserve for share-based payments of Employee Stock Ownership Program (ESOP-W2 and ESOP-W3) of the Company. However, the Company still investing in assets resulting in increased of depreciation.
5. The interest expense increased of Baht 1.48 Million or increased 23.21% compared to the same period of previous year because the increased debt from the financial institution to purchase raw materials, and leasing assets. 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