

(Translation)

May 13, 2020

Subject: Clarification for operation performance 3 months ended March 31, 2020
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, which ended on March 31, 2020 with the profit of Baht 60.02 million increased of Baht 26.97 million or increased 81.62% compared to the same period of previous year which reported the profit was Baht 33.05 million due to the following reasons.

1. The company had sales and services revenue decreased of Baht 3.11 Million or decreased 0.86 % compared to the same period of previous year mostly from revenue decrease of its subsidiaries due to the postpone order of its clients.
2. The gross profit from sales and services had increased of Baht 36.92 Million or the gross profit ratio increased of 50.62 % compared to the same period of previous year from several reasons such as,
 - The raw material price in global market decreased in the 2H of 2019 to early of 2020. The company considered to increase the sell target, production efficiency, and to increase sell price of some produces to maintain net profit margin and the competitiveness level.
 - Sales and services of its subsidiaries also decreased because cost control to meet the sale target.
3. Other revenue increase of Baht 2.14 Million of increase 38.51% compared to the same period of previous year due to the company has protected the exchange rate from the depreciation of the baht.
4. The selling expenses decreased of Baht 1.36 Million or decreased 9.07% compared to the same period of previous year mostly relate with delivery expenses on sale including the decreased of fuel price.
5. The administrative expenses increased of Baht 6.83 Million or increased 30.54% 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.
6. The interest expense decreased of Baht 0.16 Million or decreased 8.19% compared to the same period of previous year. The Company had financial facilities from the institutions to purchase raw materials, build the office, and leasing assets. However, the Company had financial strength and have ability to pay interest and debt.
7. Corporate income tax increase of Baht 6.72 Million or increased 109.39% compared to the same period of previous year due to increase of operating profit and some of product group had fully used tax privileges from BOI.

Please be informed accordingly,

Sincerely yours,



(Mr.Tanin Tanprawat)

Managing Director