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Tor 11/2557

14 August 2014

Subject: Notification of Resolutions of Board of Directors' Meeting No. 4/2014

To: The President
The Stock Exchange of Thailand

Attachment: Summary of preliminary information concerning warrant No.1 (LOXLEY-W) to be offered to existing shareholders and general investors pursuant to the resolutions of the Annual General Meeting of Shareholders 2013.

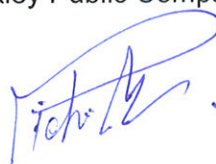
Loxley Public Company Limited (the "Company") would like to inform of the resolutions of Board of Directors' Meeting No. 4/2014 held on 14 August 2014, which can be summarized as follows:

1. Approved the Interim Financial Statements for Q2/2014 ended 30 June 2014 which were reviewed by the Company's auditors.
2. Approved to propose to the Extraordinary General Meeting of Shareholders No.1/2014 for the consideration and approval to verify the issuance and offering of Warrants to purchase ordinary shares of Company No.1 (LOXLEY-W) in the amount not exceeding 66,250,000 units pursuant to approval of the resolution of the Annual General Meeting of Shareholders 2013 on 29 April 2013. The Company shall finish the issuance and offering of Warrant to purchase ordinary shares of Company No.1 (LOXLEY-W) within 6 months from the date that the Securities and Exchange Commission ("SEC") has informed of the approval or within the period that is extended by the SEC. Such extension period shall not exceed 12 months from the date that the SEC has informed of the approval (The resolution of the Annual General Meeting of Shareholders 2013 has previously determined to be within 1 year from the date of the shareholders' resolution to approve the Company to offer the LOXLEY-W i.e. within 29 April 2014). In this regard, the details of allotment, issuance and offering including the delegation of power as well as other matters related thereto (excluding the offering date) shall be in accordance with the approval from the resolution of the Annual General Meeting of Shareholders 2013 in all respects.
3. Approved the convening of the Extraordinary General Meeting of Shareholders No. 1/2014 of the Company on 12 September 2014 at 2.00 p.m. at Queen's Park 2, 2nd floor, Imperial Queen's Park Hotel, address no. 199 Sukhumvit Soi 22, Klong Tan, Klong Toey, Bangkok, to consider the following agendas:
 - Agenda 1 To consider and adopt the Minutes of the Annual General Meeting of Shareholders 2014 held on 29 April 2014.
 - Agenda 2 To consider and approve the verification of the issuance and offering of sale of Warrants to purchase ordinary shares of Company No.1 (LOXLEY-W) in the amount not exceeding 66,250,000 units pursuant to the approval of the resolution of the Annual General Meeting of Shareholders 2013 on 29 April 2013.
 - Agenda 3 Other business (if any).

The Record Date on which the shareholders have the right to attend the Extraordinary General Meeting of Shareholders No. 1/2014 shall be on 28 August 2014 (Record Date). Furthermore, 29 August 2014 shall be the Company's share register book closing date for collection of shareholders names under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended).

Please be informed accordingly.

Yours sincerely,
Loxley Public Company Limited

A handwritten signature in blue ink, appearing to read 'Pichai Mooputtarak', is written over the typed name. The signature is stylized and includes a large loop at the top.

(Mr. Pichai Mooputtarak)
Company Secretary

Summary preliminary information concerning Warrant No.1 (LOXLEY-W) to be allocated to existing shareholders and general investors pursuant to the resolutions of the Annual General Meeting of Shareholders 2013

1. The preliminary detail of warrant No. 1 (LOXLEY-W)

Subject	Detail
1. Type and Category	Warrant to purchase new ordinary shares of the Company No.1 (LOXLEY-W). The Warrants are specified name and transferable.
2. No. of Warrant	Not exceed 66,250,000 units
3. No. of shares reserve for exercising LOXLEY-W	66,250,000 shares accounted for 3.31% of total paid up capital of 2,000,000,000 shares as of 15 March 2013
4. Maturity	3 Years from issue date of warrant
5. Offering Price	THB 0 per unit
6. Distribution Method	<p>1) LOXLEY-W in the amount not exceeding 25,000,000 units to be allotted free to existing shareholders who are entitled to receive stock dividends, according to Annual General Meeting of Shareholder 2013, at the ratio of 4:1 (4 stock dividends to 1 unit of LOXLEY-W or equivalent to 80 existing shares to 1 warrant unit) (any fraction will be discarded). The names of shareholders to attend Annual General Meeting 2013 were specified on 22 March 2013 (Record Date) and, by the section 225 in Securities and Exchange Act, including amendments, the names of shareholders were compiled by closing the shareholders register book on 25 March 2013.</p> <p>2) LOXLEY-W in the amount not exceeding 41,250,000 units to be allotted free to general investors who subscribe for newly issued ordinary shares, according to Annual General Meeting of Shareholder 2013, at the ratio of 4:1 (4 new shares to 1 unit of LOXLEY-W) (any fraction will be discarded).</p>
7. Exercise Ratio	1 unit of warrant has the right to purchase 1 new ordinary share subjected to change in accordance with the condition for adjustment
8. Exercise Price	7.00 Baht per share subjected to change in accordance with the condition for adjustment

Subject	Detail
9. Exercise Period	<p>On the last business day of March, June, September, and December throughout the tenor of LOXLEY-W</p> <p>The last exercise date shall be the date which is the 3rd anniversary from the issuance and offering date of LOXLEY-W. In case the last exercise date is not a business day of the Company, the last exercise date shall be changed to the last business day of the Company prior to the maturity date of LOXLEY-W.</p>
10. Submission Period	<p>Warrant holders who wish to exercise their rights to purchase ordinary shares of the company can submit the intention form on every company's business day within 7 days before each of the exercise date. Except the last exercise date, warrant holders can submit the intention form within 15 days before the last exercise date.</p>
11. Adjustment of Right of the warrants	<p>The Company will adjust the exercise price and/or the exercise ratio, upon the incurrence of the following events with the aim to protect the warrant holders' benefit</p> <ol style="list-style-type: none"> 1. The change to the par value resulting from the amalgamation or division of share 2. The new offering of share at the low price 3. When the company offers convertible bond or warrant at low price 4. When the company pays partial or whole dividend by issuing new shares to shareholders 5. When the company pays dividend in exceeding of the rate that specified in the term and condition of warrant adjustment 6. Any other similar event to those of clause 1 to 5 which results in the warrant holder are considered less benefit
12. Issuance and offering Date	<p>The Company shall finish the issuance and offering within period specified under relevant laws (within 6 months from the date that the SEC has informed of the approval or within the period that is extended by the SEC which is not exceeding 12 months from the date that the SEC has informed of the approval).¹</p>
13. Secondary market for the warrants	<p>The company shall list the warrants on the Stock Exchange of Thailand (SET)</p>
14. Secondary market for the exercised ordinary shares	<p>The company shall list the exercised ordinary shares on the Stock Exchange of Thailand (SET)</p>

¹ The Board of Directors considered it is appropriate to propose the Extraordinary General Meeting of Shareholders no. 1/2557 to consider approve the amendment of issuance date according to the resolution of the Annual General Meeting of Shareholder 2013 which was approved that "Within 1 year after the approval from the shareholder meeting offer LOXLEY-W"

2. Effects on the existing shareholders

The abbreviations have definitions as follows,

- When Q_O = Total paid-up shares, which are 2,000 million shares as of 15 March 2012
 Q_D = The number of shares increased from the stock dividends, which are 100 million shares
 Q_{WE} = The number of shares reserved for the exercise of LOXLEY-W, which are issued and offer to existing shareholders who are entitled to the stock dividend, which are 25 million shares
 Q_{PO} = The number of shares increased from the subscription of general investors, which is 165 million shares (It is assumed that the general investors will fully subscribe the newly issued shares.)
 Q_{WN} = The number of shares reserved for the exercise of LOXLEY-W, which are issued and offer to general investors in the amount of 41.25 million shares

1) Control Dilution

The control dilution from the issuing securities can be separated into 2 cases as follows,

1. In case that the existing shareholder, who receive stock dividend and warrant to purchase new ordinary shares of LOXLEY-W, do not exercise the warrant. On the other hand, the person who is not the existing shareholder of the Company fully exercises the warrant from the aforementioned warrant.

$$\text{Control Dilution} = (Q_{WE} + Q_{PO} + Q_{WN}) / (Q_O + Q_D + Q_{WE} + Q_{PO} + Q_{WN})$$

$$\begin{aligned}\text{Therefore, Control Dilution} &= (25 + 165 + 41.25) / (2,000 + 100 + 25 + 165 + 41.25) \\ &= 9.92\%\end{aligned}$$

2. In case that the existing shareholder, who receive stock dividend and warrant to purchase new ordinary shares of LOXLEY-W, do fully exercise the aforementioned warrant.

$$\text{Control Dilution} = (Q_{PO} + Q_{WN}) / (Q_O + Q_D + Q_{WE} + Q_{PO} + Q_{WN})$$

$$\begin{aligned}\text{Therefore, Control Dilution} &= (165 + 41.25) / (2,000 + 100 + 25 + 165 + 41.25) \\ &= 8.85\%\end{aligned}$$

2) Earnings Dilution

$$\text{Earnings Dilution} = (\text{EPS}_O - \text{EPS}_N) / \text{EPS}_O$$

The net profit is based on the net income of the parent company from consolidated financial statement of 2012, which is 526.06 million Baht

$$\begin{aligned}\text{EPS}_O &= \text{Net Income} / Q_O \\ &= 526.06 / 2,000 \\ &= 0.26 \text{ Baht per share}\end{aligned}$$

$$\begin{aligned}\text{EPS}_N &= \text{Net Income} / (Q_O + Q_D + Q_{WE} + Q_{PO} + Q_{WN}) \\ &= 526.06 / (2,000 + 100 + 25 + 165 + 41.25) \\ &= 0.23 \text{ Baht per share}\end{aligned}$$

$$\begin{aligned} \text{Earnings Dilution} &= (\text{EPS}_O - \text{EPS}_N) / \text{EPS}_O \\ &= (0.26 - 0.23) / (0.26) \\ &= 14.21\% \end{aligned}$$

3) Price Dilution

$$\text{Price Dilution} = (P_O - P_N) / P_O$$

When P_O = The market price before the offering at 6.46 Baht per share, which is the weighted average market price of the company that is trading in the SET (15 consecutive days of the market price before Board of Directors meeting on March 7, 2013)

P_N = The market price after the offering = [(market price before the offering x paid up shares) + (exercise price of LOXLEY-W x total number of shares reserved for the exercise of LOXLEY-W)] / (paid up shares + total number of shares reserved for the exercise of LOXLEY-W + total number of shares increased from the stock dividends)

$$\begin{aligned} P_N &= [(6.46 \times 2,000) + (7 \times 66.25)] / (2,000 + 66.25 + 100) \\ &= 6.18 \text{ Baht per share} \end{aligned}$$

$$\text{Price Dilution} = 4.36\%$$

However, this issuance and offer the sale of ordinary shares will be offering via public offering (PO), which has not designated the PO price yet. Therefore, if the PO price has a discount from the market price, then the company will face additional price dilution.