

Subject : Clarification of the Change in the Operating Result Exceeded 20% of Loxley Public Company Limited for the Year Ended 31 December 2014

To : President  
The Stock Exchange of Thailand

Loxley Public Company Limited ("the Company") has submitted the consolidated financial statement for the year ended 31 December 2014 and the statements of income are summarized as follows:

<b>THB'Million</b>	<b>2014</b>	<b>2013</b>	<b>% Change</b>
Revenue from sale of goods and rendering of services	14,476	14,929	(3%)
Cost of sale of goods and rendering of services	12,195	12,704	(4%)
<b>Gross profit</b>	<b>2,280</b>	<b>2,225</b>	<b>2%</b>
Selling and administrative expenses	2,417	2,309	5%
Fees and other income	112	109	3%
Share of profit (loss) of equity accounted investees	543	739	(26%)
<b>Profit before finance costs and income tax expense</b>	<b>519</b>	<b>764</b>	<b>(32%)</b>
Finance costs	163	216	(25%)
Income tax expense	125	105	19%
Gain from sales of investments	155	185	(16%)
Non-controlling interests	34	38	(10%)
<b>Profit for the period</b>	<b>353</b>	<b>590</b>	<b>(40%)</b>

According to the table above, the consolidated financial statement for the year ended 31 December 2014 showed the revenue from sales of goods and rendering of services of Baht 14,476 million, decreasing by 3% from the previous year due mainly to Technology Business whose major projects were completed. Additionally, the project biddings were delayed due to 2014's economic and political circumstances.

In terms of net profit, the Company recorded the net profit of Baht 353 million, decreasing by 40% from that of last year. Therefore, the Company would like to clarify that the decrease in net profit which exceeded 20% was mainly caused by lower share of profit of equity accounted investees and higher selling and administrative expenses (additional provision for doubtful account). The details are as follows;

#### **Share of profit of equity accounted investees**

The Company recorded share of profit of equity accounted investees as at 31 December 2014 at Baht 543 million, dropping from Baht 764 million in 2013 by 26%. This resulted from the operating performance of the associated companies which was influenced by the economic fluctuation and the political instability in 2014 which had an impact on overall domestic consumption.

#### **Selling and administrative expenses**

For the year ended 31 December 2014, the Company recorded the selling and administrative expenses of Baht 2,417 million, increasing by 5% from last year's Baht 2,309 million. The major increase was due to some additional provisions for doubtful accounts which had to be set accordingly to the accounting policies. Major items included impairment losses on assets and investments and others provision for doubtful accounts. The Company, then, recorded selling and administrative expenses/revenue at 16.7% compared to 15.5% in the previous year.

Please be informed accordingly.

Sincerely yours,  
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)  
Company Secretary