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Tor 14/2558

13 August 2015

Subject : Clarification of the Change in the Operating Result Exceeded 20% of
Loxley Public Company Limited for Q2/2015 Period Ended 30 June 2015

To : President
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statement for Q2/2015 period ended 30 June 2015 and the statements of income are summarized as follows:

THB:Million	Q2'2015	Q2'2014	% Change
Revenue from sale of goods and rendering of services	2,420	2,923	(17%)
Cost of sale of goods and rendering of services	(1,993)	(2,403)	(17%)
Gross profit	427	520	(18%)
Selling and administrative expenses	(578)	(532)	9%
Fees and other income	40	29	38%
Share of profit of investments in associates and joint ventures, net	155	125	24%
Earnings before interest and tax	44	141	(69%)
Finance costs	(38)	(48)	(21%)
Income tax expense	(6)	(25)	(77%)
Non-controlling interests	(4)	(12)	(67%)
Net profit	(4)	56	(108%)

According to the table above, the overall operating performance for the 3-month period ended 30 June 2015 showed that the Company recorded the revenue of Baht 2,420 million with a gross profit margin of 18% and selling and administrative expenses of Baht 578 million. By comparing this year performance to that of last year, the revenue decreased, gross profit margin was stable and the selling and administrative expenses increased. A share of profit of investments in associates and joint ventures increased by 24% from an improved operating performance of associates. However, the Company recorded a net loss of Baht 4 million, decreasing from the previous year's net profit by more than 20%. This was caused mainly by a drop in revenue and higher selling and administrative expenses. The Company would like to clarify the details as follows:

Revenue from sale of goods and rendering of services

The revenue from Trading Business and Service Business increased slightly compared to those of last year. However, the revenue from Technology Business dropped which resulted in declining overall revenue for the second quarter of 2015. A drop in revenue from Technology Business was caused mainly by lower revenue from project based business due to an economic slowdown and a sluggish movement in government spending. However, currently, the Company has an order backlog of approximately Baht 8,300 million where Baht 4,800 million was received during the first 6 months of this year. This order backlog will be a base revenue for project based business in the second half of this year.

Selling and administrative expenses

The Company recorded the selling and administrative expenses of Baht 578 million for the second quarter of 2015, increasing by Baht 46 million or 9% compared to that of last year. Overall, the normal selling and

administrative expenses was stable compared to the same period of previous year. The increase in selling and administrative expenses was mainly caused by a hike in accounting allowance of Baht 54 million which came from a declining value of the investment in associates and an impairment of assets. This accounting allowance is considered as a non-cash item.

Please be informed accordingly.

Sincerely yours,
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)
Company Secretary