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29 February 2016

Subject : Clarification of the Change in the Operating Result Exceeded 20% of
Loxley Public Company Limited for the Year Ended 31 December 2015

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 2015 and the statements of income are summarized as follows:

THB:Million	2015	2014	% Change
Revenue from sale of goods and rendering of services	11,472	14,476	(21%)
Cost of sale of goods and rendering of services	(9,553)	(12,196)	(22%)
Gross profit	1,919	2,280	(16%)
Selling and administrative expenses	(2,278)	(2,417)	(6%)
Fees and other income	172	112	53%
Share of profit of investments in associates and joint ventures, net	590	544	9%
Earnings before interest and tax	403	519	(22%)
Finance costs	(155)	(163)	(5%)
Gain on sales of investments	16	155	(90%)
Income tax expense	(41)	(125)	(67%)
Non-controlling interests	(13)	(34)	(62%)
Net profit	210	353	(40%)

According to the table presented above, the operating performance as of 31 December 2015 showed that The Company had the revenue from sale of goods and rendering of services of 11,472 million Baht and net profit of 210 million Baht. These revenue and net profit decreased by more than 20% from those of last year due to the contracted revenue from Technology business group. The Company would like to declare the details of this issue as follows:

Revenue from sale of goods and rendering of services

For the year ended 31 December 2015, The Company recorded the revenue of 11,472 million Baht, decreasing by 21% compared to that of last year. By considering the revenue structure, the proportion of revenue from Trading and Service businesses increased while the revenue from Technology business declined. The decrease in revenue from Technology business was mainly due to a sluggish economy and a slow movement in government’s investment which caused several project delays as well as a declining number of new projects in the previous year. However, The Company had a gross margin at 17%, increasing from 16% last year. At present, The Company has an order backlog and the projects that are in the process of contract signing of 9,470 million Baht, which will be a good revenue base from project based works in 2016.

Share of profit of investments in associates and joint ventures, net

For the period ended 31 December 2015, share of profit of investments in associates and joint ventures, net was 590 million Baht, increasing by 9% compared to that of last year as overall operating performance of associates became better.

In addition, the net profit in 2015 was lower compared to the previous year because The Company recorded the extraordinary profit received from gain on sales of investments of 155 million Baht in 2014.

Please be informed accordingly.

Sincerely yours,
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)
Company Secretary