

-Translation-

Tor 13/2018

11 May 2018

Subject: Clarification of the Change in Net Profit Exceeded 20% of
Loxley Public Company Limited for Q1/2018 period ended 31 March 2018

To: President
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statements for Q1/2018 period ended 31 March 2018 and the statements of income are summarized as follows:

THB:Million	Quarter 1 2018	Quarter 1 2017	% Change
Revenue from sale of goods and rendering of services	3,223	3,891	-17%
Cost of sale of goods and rendering of services	(2,824)	(3,295)	-14%
Gross profit	399	596	-33%
Distribution costs and administrative expenses	(520)	(529)	-2%
Fees and other income	71	33	117%
Share of profit of investment in associates and joint ventures, net	122	177	-31%
Earnings before interest and tax	72	277	-74%
Financial costs	(48)	(45)	7%
Income tax expense	(8)	(21)	-63%
Non-controlling interests	3	(11)	-131%
Net profit	19	200	-90%

According to the table presented above, the operating performance for Q1/2018 period ended 31 March 2018 showed that the Company had the revenue from sale of goods and rendering of services of 3,223 million Baht and net profit of 19 million Baht. The net profit had decreased by more than 20% compared to that of last year. The Company would like to declare the details of this issue as follows:

Revenue from sale of goods and rendering of services and Gross profit

The revenue from sale of goods and rendering of services for Q1/2018 period ended 31 March 2018 was 3,223 million Baht, decreasing by 17% compared to that of the same period of last year of 3,891 million Baht. Regarding our 5 Strategic Business Group (“SBG”), the decrease of the revenue came from Food Services & Distribution SBG due to the lower sales in consumer products. Moreover, Energy SBG and Network Solutions SBG also had an obstacle in project delays that affect the revenue recognition to be postponed. Nevertheless, IT SBG and Services SBG’s revenue increased from a continuously received order backlog and customer base expansion to public sector.

The gross profit for Q1/2018 period ended 31 March 2018 was 399 million Baht, decreasing by 33% compared to that of the same period of last year of 596 million Baht which due mainly to the decrease in revenue from sale of goods and rendering of services as mentioned above and gross profit margin from high competitive market condition.

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

The Company had share of profit of investment in associates and joint ventures, net in Q1/2018 period ended 31 March 2018 of 122 million Baht, declining by 31% compared to that of last year of 177 million Baht. The decrease came mostly from a drop in operating performance of coated steel business.

Net profit (loss)

For Q1/2018 period ended 31 March 2018, the Company recorded a net profit of 19 million Baht, decreasing by 90% from the net profit of 200 million Baht, being recorded in the same period of last year. The decrease in net profit was due mainly to the drop in revenue from sale of goods and rendering of services, gross profit margin, and share of profit of investment in associates and joint ventures as mentioned above.

Please be informed accordingly.

Sincerely yours,
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)
Company Secretary