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27 February 2017

Subject: Clarification of the Change in the Operating Result Exceeded 20% of  
Loxley Public Company Limited for Y2016 Ended 31 December 2016  
To: President  
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statements for Y2016 ended 31 December 2016 and the statements of income are summarized as follows:

THB:Million	2016	2015	% Change
Revenue from sale of goods and rendering of services	13,710	11,472	20%
Cost of sale of goods and rendering of services	(11,770)	(9,553)	23%
<b>Gross profit</b>	<b>1,940</b>	<b>1,919</b>	<b>1%</b>
Selling and administrative expenses	(2,329)	(2,278)	2%
Fees and other income	146	188	-22%
Share of profit of investment in associates and joint ventures, net	654	590	11%
<b>Earnings before interest and tax</b>	<b>410</b>	<b>419</b>	<b>-2%</b>
Financial costs	(190)	(155)	22%
Income tax expense	(43)	(41)	4%
Non-controlling interests	(5)	(13)	-64%
<b>Net profit</b>	<b>172</b>	<b>210</b>	<b>-18%</b>

According to the table presented above, the operating performance for Y2016 ended 31 December 2016 indicated that the Company had the revenue from sale of goods and rendering of services of 13,710 million Baht. This revenue increased by more than 20% compared to that of last year. This increment mainly came from higher in revenue from Technology and Service business segments. Nevertheless, the Company had net profit of 172 million Baht which decreased by 18% compared to that of last year. The Company would like to declare the details of these issues as follows:

**Revenue from sale of goods and rendering of services**

The Company recorded the revenue from sale of goods and rendering of services for Y2016 ended 31 December 2016 of 13,710 million Baht, increasing by 20% from 11,472 million Baht recorded last year. By considering the revenue structure, the proportion of revenue from Technology and Service business segments had increased. The increasing in Technology segment mainly came from order backlog on hand and more new projects that were awarded.

**Net Profit**

For Y2016 ended 31 December 2016, the Company’s net profit was 172 million Baht which decreased by 18% compared to that of last year. The decrease in net profit was caused

by 3 major factors. The first factor was that most projects had lower gross profit margin. In other words, the Company had gross profit margin of 14% compared to 17% of last year. The second factor was SG&A increased by 2% from 2,278 to 2,329 million Baht compared to that of last year which most of them were expenses spent in driving sales growth. Furthermore, the financial cost also increased from 155 million Baht to 190 million Baht which increased by 22% compared to that of last year. The third factor was fees and other income decreased by 23% from 188 million Baht to 146 million Baht compared to that of last year which there was an extra-ordinary other income in 2015.

Please be informed accordingly.

Sincerely yours,  
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)  
Company Secretary