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Tor 27/2017

13 November 2017

Subject: Clarification of the Change in the Operating Result Exceeded 20% of
Loxley Public Company Limited for Q3/2017 Period Ended 30 September 2017

To: President
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statements for Q3/2017 Period Ended 30 September 2017 and the statements of income are summarized as follows:

| THB:Million | Q3/2017 | Q3/2016 | % Change |
|---|-------------|------------|--------------|
| Revenue from sale of goods and rendering of services | 4,144 | 3,500 | 18% |
| Cost of sale of goods and rendering of services | (3,643) | (2,999) | 21% |
| Gross profit | 500 | 501 | 0% |
| Selling and administrative expenses | (782) | (520) | 50% |
| Fees and other income | 133 | 29 | 365% |
| Share of profit of investment in associates and joint ventures, net | 88 | 149 | -41% |
| Earnings (Loss) before interest and tax | (61) | 158 | -138% |
| Financial costs | (48) | (50) | -3% |
| Income tax expense | (15) | (15) | -3% |
| Non-controlling interests | 40 | (4) | > 100% |
| Net profit (loss) | (84) | 89 | -194% |

According to the table presented above, the operating performance for Q3/2017 period ended 30 September 2017 showed that the Company had the revenue from sale of goods and rendering of services of 4,144 million Baht and net loss of 84 million Baht. This net profit 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

The revenue from sale of goods and rendering of services for Q3/2017 period ended 30 September 2017 was 4,144 million Baht, increasing by 18% compared to that of the same period of last year of 3,500 million Baht. The increase of the revenue came from Technology business group whose revenue increased substantially from a continuously received order backlog.

Selling and Administrative Expenses

The Company had selling and administrative expenses in Q3/2017 period ended 30 September 2017 of 782 million Baht, increasing by 50% compared to that of the same period of last year of 520 million Baht. The increase in selling and administrative expenses came mostly from the provision set for a doubtful account of Loxley Wireless Public Company Limited, the subsidiary, for accounts receivable of Office of the Welfare Promotion Commission for Teachers and Educational Personnel ("OTEP") with the value of 247 million Baht. This accounts receivable is more than 6 months long and is in the negotiating process for the repayment. The provision of 247 million Baht was the difference between a) the current remaining debt and b) the present value of the expected repayment from this client. Hence, the selling and administrative expenses jumped in the third quarter.

Fees and other income

The Company had fees and other income in Q3/2017 period ended 30 September 2017 of 133 million Baht, increasing by 365% compared to that of the same period of last year which was 29 million Baht. The increase came from the sales of the investment in the subsidiary (L Solar 1 Company Limited) whose shares were held by the Company for 70%. The Company recorded the gain on sales of this investment for 97 million Baht

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 Q3/2017 period ended 30 September 2017 of 88 million Baht, declining by 41% compared to that of the same period of last year of 149 million Baht. The decrease came mostly from a drop in operating performance of coated steel business.

Net profit (loss)

For Q3/2017 period ended 30 September 2017, the Company recorded a net loss of 84 million Baht, decreasing by 194% from the net profit of 89 million Baht, being recorded in the same period of last year. The decrease in net profit was due mainly to the provision set for doubtful account of 247 million Baht recorded in selling and administrative expenses and a drop in share of profit of investment in associates and joint ventures, net.

In that case that the provision set for doubtful account of 247 million Baht and other income from gain from sales of investment of 97 million Baht were not taken into account, the Company would record the net profit of 66 million Baht for Q3/2017 period ended 30 September 2017.

Please be informed accordingly.

Sincerely yours,
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)
Company Secretary