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28 February 2019

Subject: Clarification of the Change in the Operating Result Exceeded 20% of  
Loxley Public Company Limited for Fiscal Year Ended 31 December 2018

To: President  
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statement for Fiscal Year Ended 31 December 2018 and the statements of income are summarized as follows:

<b>THB:Million</b>	<b>2018</b>	<b>2017</b>	<b>% Change</b>
Revenue from sale of goods and rendering of services	13,188	15,639	-16%
Cost of sale of goods and rendering of services	(11,296)	(13,550)	-17%
<b>Gross profit</b>	<b>1,892</b>	<b>2,089</b>	<b>-9%</b>
<i>% Gross profit</i>	<i>14%</i>	<i>13%</i>	<i>1.0%</i>
Distribution costs and administrative expenses	(2,300)	(2,618)	-12%
Fees and other income	395	289	36%
Share of profit of investment in associates and joint vent	355	483	-26%
<b>Earnings before interest and tax</b>	<b>342</b>	<b>243</b>	<b>41%</b>
Financial costs	(185)	(188)	-1%
Income tax expense	(83)	(57)	46%
Non-controlling interests	18	52	-65%
<b>Net profit</b>	<b>92</b>	<b>50</b>	<b>83%</b>

According to the table presented above, the operating performance for Fiscal Year Ended 31 December 2018 results in a net profit of 92 million Baht increased by 83% compared to that of last year, which mainly caused by a decrease in distribution cost and administrative expenses, an increase of gross profit margin together with an increase in fees and other income. The Company would like to declare the details of this issue as follows:

#### Distribution cost and administrative expenses

Distribution cost and administrative expenses for the fiscal year ended 31 December 2018 of 2,300 million Baht decreases by 12% from a prior year, 2,618 million Baht. The decrease mainly due to 1) a loss incurred in 2017 from debt restructuring of a subsidiary (Loxley Wireless Public Company Limited) on the receivable of office of the Welfare Promotion Commission for Teachers and Educational Personnel (“OTEP”) of

337 million Baht and at present the repayment has been made in according to a restructuring plan and 2) a decrease of expenses resulted from a re-organization of the business within the Group.

#### Gross Profit Margin

Gross Profit Margin of the Fiscal Year Ended 31 December 2018 is 14.3% increases from that of last year which was 13.4%. An increase mainly due to an improve of gross profit margin from 1) Information Technology Business Group which focus on providing a more valued added System Integrator services to the customer than product sale and 2) Network Solution Business Group where the gross profit margin has conformed to a usual level compared to a lower margin from Mega Project (completed already) last year where such project has already been delivered.

#### Fees and Others Income

Fees and Others Income for Fiscal Year Ended 31 December 2018 of 395 million Baht increased by 36% from 289 million Baht of a prior year. The increase mainly due to a reversal of provision for doubtful accounts during the year.

#### Net Profit

For Fiscal Year Ended 31 December 2018, the Company net profit of 92 million Baht increased by 83% from 50 million Baht of a prior year. The increase of net profit mainly caused by a decrease of distribution cost and administrative expenses, an increase of gross profit margin together with an increase in fees and other income as earlier clarified.

Please be informed accordingly.

Sincerely yours,  
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)  
Company Secretary