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Tor 12/2562

14 August 2019

Subject: Clarification of the Change in the Operating Result Exceeded 20% of Loxley Public Company Limited for the Quarter Ended 30 June 2019

To: President  
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statement for the Quarter Ended 30 June 2019 and the consolidated statements of income are summarized as follows:

<b>THB:Million</b>	<b>Quarter 2 2019</b>	<b>Quarter 2 2018</b>	<b>% Change</b>
Revenue from sale of goods and rendering of services	2,771	3,101	-11%
Cost of sale of goods and rendering of services	(2,414)	(2,652)	-9%
<b>Gross profit</b>	<b>357</b>	<b>449</b>	<b>-21%</b>
<b>% Gross profit</b>	<b>12.9%</b>	<b>14.5%</b>	<b>-1.6%</b>
Distribution costs and administrative expenses	(590)	(508)	16%
Fees and other income	49	114	-57%
Share of profit of investment in associates and joint ventures, net	107	66	62%
<b>Earnings (loss) before interest and tax</b>	<b>(77)</b>	<b>121</b>	<b>164%</b>
Financial costs	(47)	(44)	7%
Income tax expense	(14)	(31)	-53%
Non-controlling interests	2	2	-1%
<b>Net profit (loss)</b>	<b>(136)</b>	<b>48</b>	<b>386%</b>

According to the table presented above, the operating performance for Quarter Ended 30 June 2019 results in revenue of 2,771 million Baht and a net loss of 136 million Baht where such loss increased exceed 20% compared to that of last year. The Company would like to declare the details of this issue as follows:

#### Gross Profit Margin

Gross Profit Margin of the Quarter Ended 30 June 2019 is 12.9% decreases from that of last year which was 14.5%. A decrease mainly due to a lower margin of mega project of Network Solutions Business Group which is lower than turnkey project in general.

#### Distribution cost and administrative expenses

Distribution cost and administrative expenses for the Quarter Ended 30 June 2019 increases by 16% from that of last year resulted from additional expenses of 96 million bath for employee benefit obligation in accordance to an amendment of Labor Protection Act where employee with service year above 20 years is eligible for 400 days compensation.

#### Fees and Others Income

Fees and Others Income for Quarter Ended 30 June 2019 decreases by 57% from that of last year mainly due to a reverse of allowance for doubtful accounts as income in the same period of last year.

#### Share of Profit of Investment in Associates and Joint Ventures

Share of Profit of Investment in Associates and Joint Ventures increases by 62% from that of last year resulted from an improving performance of Associates in Steel Coated product group.

#### Net Profit

For the Quarter Ended 30 June 2019, the Company net loss of 136 million Baht decreased exceeding 20% of the same quarter prior year. The decrease of net profit mainly causes by a decrease of gross profit margin and fees and other income and an increase of distribution cost and administrative expenses as earlier clarified.

Please be informed accordingly.

Sincerely yours,  
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)  
Company Secretary