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15 November 2021

Subject: Clarification of the Change in the Operating Result Exceeded 20% of
Loxley Public Company Limited for the 3rd Quarter Ended 30 September 2021

To: President
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statement for the quarter ended 30 September 2021 which is summarized as follows:

THB:Million	Quarter3		Change	
	2021	2020	MB	%
Revenue from sale of goods and rendering of services	2,712	3,071	(359)	-12%
Cost of sale of goods and rendering of services	(2,774)	(3,074)	(300)	-10%
Gross profit (loss)	(62)	(3)	(59)	->100%
Distribution costs and administrative expenses	(394)	(443)	(49)	-11%
Other income and gain on fair value adjustment	34	57	(23)	-41%
Profit (loss) from operating activities	(422)	(389)	33	9%
Reversal of impairment loss in accordance with TFRS9	779	6	773	>100%
Share of profit of associates and joint ventures, net	121	174	(53)	-31%
Finance costs/Income tax/ NCI	(84)	(48)	36	76%
Net Profit (loss)	394	(257)	651	>100%

According to the table presented above, the operating performance for the 3rd quarter ended 30 September 2021 results in revenue of 2,712 million Baht and a net profit of 394 million Baht which is changed more than 20% compared to that of last year. The Company would like to declare the details of the changes as follows:

Revenue from sale of goods and rendering of services

Revenue from the sale of goods and rendering of services for the 3rd quarter ended 30 September 2021 of 2,712 million Baht decreased 359 million Baht or 12% from that of last year partially due to the lately lockdown measures preventing of COVID-19 outbreak which caused the delay of progress and delivery of projects. However, the lockdown and government expenditure stimulus

measures resulted in increased sales of consumer products and chemical raw materials for daily life products in Trading Business Group of 283 million Baht from the same period of last year.

Profit (loss) from operating activities

Profit (loss) from operating activities for the 3rd quarter ended 30 September 2021 was loss 422 million Baht changed 33 million Baht from the loss of 389 million Baht of the same period of last year. The main reason was from additional recording provision of 486 million Baht for project loss of Network Solutions Business Group with a state enterprise in 2021 (In 2020, the amount was 320 million Baht). During the year 2021, there has been a new ripple COVID-19 outbreak and there was an announcement from the government to stop activities. Moreover, there was an increase in estimation cost required on system testing which affects the operation of the project resulting in increasing the project's operation costs and expenses. Accordingly, the Company revised cost estimation of project and recorded additional loss from the said project. As at 30 September 2021, the work progress of such project was over 84%.

Nevertheless, if one considers normal operating result without effect from provision for the above project loss, in the 3rd quarter of year 2021, the Group gained profit from operating activities of 64 million Baht, increased from loss of 69 million Baht or increased by 133 million Baht from that of last year resulting from better gross profit margin of Trading and Project Business Groups as well as from the Group's administrative expenses reduction measures.

Reversal of impairment loss in accordance with TFRS 9

In the 3rd quarter of 2021, the Company shall receive a repayment of loan and accrued interest income amounting to 771 million Baht from an associate which the Company recorded full impairment loss. This is the result of the associate's receiving compensation of 2,099 million Baht from the Government Lottery Office of Thailand according to the Supreme Administrative Court's judgment. The Company then reversed the allowance for impairment loss to reflect the repayment amount from the associate. As at 30 September 2021, the Company partially received the repayment amounting to 636 million Baht.

Share of profit of associates and joint ventures – net

Share of profit of associates and joint ventures for the quarter ended 30 September 2021 amounted 121 million Baht decreased from that of last year of 174 million Baht; the main factor for decrease came from share of profit of an associate from the lubricant industry of 75 million Baht. The increase of world crude oil price over 70% in last year caused the higher cost of base oil

used as raw material in production. However, share of profit of associates from steel coated group improved from the increase of market share, including other associates, being 22 million Baht.

Net profit

The Company net profit was 394 million Baht which changed from net loss of 257 million Baht from the same period of last year. The positive factor for such change was from the reversal of impairment loss in accordance with TFRS 9, and the negative factor was from the recording of provisions for project loss in Network Solutions Business Group as described above.

Please be informed accordingly.

Sincerely yours,
Loxley Public Company Limited

(Mr. Pichai Mooputtarak)
Company Secretary