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28 February 2022

Subject: Clarification of the Change in the Operating Result Exceeded 20% of
Loxley Public Company Limited for year ended 31 December 2021

To: President
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statements for the year ended 31 December 2021 which is summarized as follows:

THB:Million	2021	2020	Change	
			MB	%
Revenue from sale of goods and rendering of services	11,696	14,311	(2,615)	-18%
Cost of sale of goods and rendering of services	(10,576)	(13,079)	(2,503)	-19%
Gross profit	1,120	1,232	(112)	-9%
Distribution costs and administrative expenses	(1,650)	(1,689)	(39)	-2%
Other income and gain on fair value adjustment	242	195	47	24%
Profit (loss) from operating activities	(288)	(262)	(26)	10%
Reversal of impairment loss in accordance with TFRS9	662	(15)	677	>100%
Share of profit of associates and joint ventures, net	501	543	(42)	-8%
Finance costs/Income tax/ NCI	(357)	(243)	114	47%
Profit from continuing core operations	518	23	495	>100%
Profit from discontinued operation, net of tax	-	44	(44)	-100%
Net Profit	518	67	451	>100%

According to the table presented above, the operating performance for the year 2021 ended 31 December 2021 is changed more than 20% compared to last year. For 2021 performance, the Company had revenue from sales and services at 11,696 million Baht and a net profit of 518 million Baht. In addition, the Company would like to declare the details of changes as follows:

Revenue from sale of goods and rendering of services

Revenue from the sale of goods and rendering of services for year 2021 ended 31 December 2021 of 11,696 million Baht decreased 2,615 million Baht or 18% 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 884 million Baht or 26% from last year.

Profit (loss) from operating activities

Profit (loss) from operating activities for the year 2021 ended 31 December 2021 was loss 288 million Baht changed 26 million Baht from the loss of 262 million Baht of that of the last year. The main reason was from additional recording provision of 566 million Baht for project loss of Network Solutions Business Group with a state enterprise (In 2020, the amount was 320 million Baht) which resulting from new ripple COVID-19 outbreak in 2021 and government measures to stop activities. Moreover, there was an additional cost for test and commissioning which affect to increasing of costs and expenses of project. Accordingly, the Company revised cost estimation of project and recorded additional loss from the said project. As at 31 December 2021, the work progress of such project was over 87%.

Nevertheless, if considering the normal operating result excluding the impact of the provisions of project liabilities and losses in 2021, the Group gained profit from operating activities of 278 million Baht, increased from last year's profit of 58 million Baht or an increased of 220 million Baht as a result of better gross profit margin of Trading and Project Business Groups.

Reversal of impairment loss in accordance with TFRS 9

In 2021, the Company received 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 from the Government Lottery Office of Thailand according to the Supreme Administrative Court's judgment. Therefore, the Company reversed the allowance for impairment loss to reflect the amount that would be recovered from the associated company. As at December 31, 2021, the Company has received partial repayment of 669 million Baht.

Share of profit of associates and joint ventures – net

Profit share of associates and joint ventures for the year ended 31 December 2021 amounted 501 million Baht decreased from that of last year of 543 million Baht. The decreased change was mainly due to the increase of loss of 27 million Baht from a joint-venture in security services business due to the increase in operating expense following from COVID-19 pandemic. In addition, the increase of global crude oil price by more than 70% last year caused the higher cost of base oil used as raw material in production has made an affect in lubricant industry and caused a 15% dropped in profit share from associate. However, the share of profit of associates in the coated steel business increased driven from the growing of market share, including other associates.

Net profit

The Company recorded net profit of 518 million Baht which changed from last year at 67 million Baht. The positive factor for such change was due to the reversal of impairment loss in accordance with TFRS9, and the negative factor was from the recording of provisions for project loss in Network Solutions Business Group as detailed above.

Please be informed accordingly.

Sincerely yours,
Loxley Public Company Limited

(Mrs. Manisara Janewithyapun)
Company Secretary