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11 November 2022

Subject: Clarification of the changing of Net Profit in Consolidated Financial Statement exceeding 20% compared to the same period of the previous year of Loxley Public Company Limited for Q3/2022 ended 30 September 2022

To: President  
The Stock Exchange of Thailand

Loxley Public Company Limited (“the Company”) has submitted the consolidated financial statements for the quarter ended 30 September 2022 which is summarized below:

THB:Million	Quarter 3		Change	
	2022	2021	MB	%
Revenue from sale of goods and rendering of services	3,167	2,712	455	17%
Cost of sale of goods and rendering of services	(2,779)	(2,774)	5	0%
<b>Gross profit (loss)</b>	<b>388</b>	<b>(62)</b>	<b>450</b>	<b>&gt;100%</b>
Distribution costs and administrative expenses	(421)	(394)	27	7%
Other income and gain on fair value adjustment	49	34	15	43%
<b>Profit (loss) from operating activities</b>	<b>16</b>	<b>(422)</b>	<b>438</b>	<b>&gt;100%</b>
Reversal of impairment loss in accordance with TFRS9	4	779	(775)	(99%)
Share of profit of associates and joint ventures, net	12	121	(109)	(90%)
Finance costs/Income tax/ NCI	(75)	(84)	(9)	(11%)
<b>Net profit (loss)</b>	<b>(43)</b>	<b>394</b>	<b>(437)</b>	<b>(111%)</b>

According to the table presented above, the operating results for the third quarter ended 30 September 2022, the Company had a revenue of 3,167 million baht and a net loss of 43 million baht, which is a change of more than 20 percent compared to the same period of the previous year. The Company would like to clarify the details for such change as follows:

**Revenue from sale of goods and rendering of services**

Revenue from the sale of goods and rendering of services for the third quarter ended 30 September 2022 was 3,167 million Baht, an increase of 455 million baht or 17% from the same period of the previous year. Revenue from Trading Business Group was 1,177 million baht and Services Business Group was 354 million baht, which continually grow from last year by 19% and 38%, respectively. These are as a result of the measures to open the country and alleviate concerns about the spread of COVID-19. However, revenue from Network Solutions Business Group amounted to 553 million baht, decreased of 15% from last year due to labor shortages and supply chains shortages which expected to be gradually resolved.

**Profit (loss) from operating activities**

The Company realized profit from operating activities for the quarter ended 30 September of 2022 16 million baht, increased from the same period of last year that was a loss of 422 million baht. As a consequence of loss recognition in 2021 from project with a state enterprise of Network Solutions Business group which affected from the pandemic and government measures, including the additional costs during operation. In the third quarter ended September 30, 2022, the company have considered additional necessary project's operating costs, personnel wages, salary and foreign specialist personnel in addition to the extension of the project for another 8 months and recorded the project provisions loss increased by 80 million baht. As of September 30, 2022, the project has progressed more than 90%. In addition, the Company made a letter to the employer to request for refrain or decrease penalty or extension of contract work period from the effects of COVID-19 epidemic which is under consideration by the employer.

However, if considering the normal operating results, excluding the impact of the provisions of the aforementioned project liabilities, in the third quarter of 2022 and 2021, the Company had profit from operating activities at 96 million baht and 64 million baht, respectively, or an increase of 50 percent from the same period of the previous year, as a result of the increased sales growth of the said Trading Business Group and Services Business Group which mentioned above.

**Reversal of impairment loss in accordance with TFRS 9**

In the third quarter of 2021, the Company had one-time revenue of 771 million baht from receiving loan repayment and accrued interest income from associated companies which had already recorded full impairment loss. This is the result of the associate's receiving compensation from the Government Agency according to the Supreme Administrative Court's judgment.

**Share of profit of associates and joint ventures – net**

Share of profit of associates and joint ventures for the three-month period ended 30 September 2022 amounted to 12 million baht, decreased from the previous year of 121 million baht. Such changes of more than 70% decreased was mostly occurred from the decline of share of profits of associates in the coated steel business affected from the price of hot-rolled coil raw material and the selling price of coated steel products was fluctuated, decline continuously. As a result, the gross profit margin has decreased. However, the market volatility is expected to be temporary and will result in cost management to return to normal.

**Net profit**

The Company recorded a net loss of 43 million Baht, a decrease from the same period previous year that had a net profit of 394 million baht. Such changes are influenced by the details described above.

Please be informed accordingly.

Sincerely yours,  
Loxley Public Company Limited

(Mrs. Manisara Janewithayapun)  
Company Secretary