

February 20, 2019

Re: Management Discussion and Analysis for full year 2018

To: Director and Manager of the Stock Exchange of Thailand

**Revenue from sales and rendering of services**

L&E's consolidated revenue from sales of goods and rendering of services for full year 2018 was recorded at Baht 2,923 million, higher 14% Y-O-Y. The revenue increased in most channels as follows:

- Project sales up 17% Y-O-Y driven by the continued growth in construction industry and further renovation/expansion of retail stores and new Shopping complexes despite revenue recognition delays from some turnkey projects to next quarters in 2019;

- Wholesales/Retails sales up 8% Y-O-Y thanks to same-store sales increase from their Lighting Solution Centers at both Ratchadapisek and Ratchapruk branches;

- Export sales up 12% Y-O-Y due primarily to its market share increase in Malaysia, Vietnam and Cambodia, notwithstanding the products delivery postponement from some project delays in Myanmar and Vietnam to early 2019.

**Profit for the year of 2018**

L&E's consolidated profit for full year 2018 was posted at Baht 116.9 million, up 90% or Baht 55.5 million from a year earlier, which can be summarized as follows:

1. Gross Profit including Other Income up 19% Y-O-Y or Baht 158.4 million driven by higher sales and Gross Profit Margin from 31.4% in FY 2017 to 32.9% in FY 2018;

2. SG&A including Interest expenses up 12% Y-O-Y or Baht 85.4 million mainly from variable expenses that rose along with revenues, annual salaries adjustment, and non-recurring items i.e. the pre-opening expenses of L&E Vietnam together with all registration related fees for the representative office set-up in Malaysia and Indonesia;

- 3 and a higher CIT of Baht 17.5million resulting from higher Earning before Tax.

Yours sincerely,

Mr. Anant Kittivittayakul

Managing Director