

May 8, 2019

Re : Management Discussion and Analysis for Q1/2019

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 in Q1/2019 was recorded at Baht 598 million, lower 5 % Y-O-Y or Baht 29 million, which can be summarized by sales channel as follows:

- Project down 5% Y-O-Y due largely to major public and private projects delays to Q2/2019 and Q3/2019;
- Wholesales/Retails down 6% Y-O-Y mainly from a highly competitive environment and weak consumer spending;
- Whilst Export rose 7% Y-O-Y driven by a favorable sales growth in Myanmar, Cambodia, Laos, Malaysian and Indonesian markets.

**Profit for the period**

L&E's consolidated profit for the period of Q1/2019 was posted at Baht 15.7 million, down 21% or Baht 4.2 million from a year earlier, which can be summarized as follows:

- Despite the sales down 5% but Gross Profit including Other Income up 2% Y-O-Y or Baht 3.3 million due primarily to higher Gross Profit Margin from 33.5% in Q1/ 2018 to 36.1% in Q1/2019 as a result of fruitful continued product cost reduction;
- Whilst SG&A including Interest expenses up 5% Y-O-Y or Baht 9.0 million because of annual salaries adjustment and a factory testing run cost incurred out of our subsidiary L&E Vietnam;
- and a lower CIT Baht 1.5 million Y-O-Y mainly from decrease of the above profit.

Yours sincerely,

Mr. Anant Kittivittayakul  
Managing Director