

May 12, 2020

Re : Management Discussion and Analysis for Q1/2020

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 Q1/2020 was recorded at Baht 568 million, lower 5% Y-O-Y or Baht 30 million, largely attributed to the temporary lockdowns of cities and/or countries worldwide including Thailand to prevent the spread of Covid-19 outbreak. And the negative impact of Covid -19 pandemic on the shipping industry were getting goods stranded, not capable of being shipped in and out to customers during this period and therefore making goods delivery delayed next quarters accordingly.

Profit for the period

L&E's consolidated profit for the period of Q1/2020 was posted at Baht 8.8 million, down 44% Y-O-Y or Baht 6.9 million from a year earlier, driven by:

- Gross Profit including Other Income down 8% Y-O-Y or Baht 17.3 million due primarily to the impact of Covid -19 pandemic as mentioned above and lower Gross Profit Margin from 36.1% in Q1/2019 to 35.1 % in Q1/2020 as a result of a higher related freight charges added to production costs;

- SG&A including Interest expenses down 4% Y-O-Y or Baht 8.2 million mainly from the effectiveness of all SG&A expenses controls and the reduction of revenue -related variable costs despite an increase of Baht 2.5 million in pre-operating spending on the preparation of facilities and production lines to support the ongoing process of exporting its manufactured goods destined for customers in USA and Europe expected to start in this Q3;

- and a lower CIT Baht 2.2 million Y-O-Y.

Yours sincerely,

Mr. Anant Kittivittayakul

Managing Director