

August 11, 2020

Re : Management Discussion and Analysis for Q2/2020

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 Q2/2020 was recorded at Baht 485 million, lower 11% Y-O-Y or Baht 63 million from a year earlier, largely attributed to the negative impact of Covid-19 pandemic on the goods deliveries including inbound and outbound shipments to customers getting stranded and delayed during this period. In addition, the delayed deliverables at several of L&E's completed turnkey projects, pending the full members of owner's acceptance committee in place for the final handover inspection, caused delays in revenue recognition to next quarters accordingly.

Profit for the period

L&E's consolidated profit for the period of Q2/2020 was posted at a loss of Baht 6.3 million compared to a loss of Baht 16.2 million in Q2/2019, considerably improved 61% Y-O-Y or ascended Baht 9.9 million from a year earlier, driven by:

- Gross Profit including Other Income down Baht 24.9 million Y-O-Y due primarily to the lower sales, caused by the impact of Covid -19 pandemic as mentioned above and lower Gross Profit Margin from 34.9 % in Q2/2019 to 34.3 % in Q2/2020 resulting from a higher related freight charges added to production costs and an unfavorable product mix;

- SG&A including Interest expenses down Baht 36.4 million Y-O-Y mainly from the reduction of revenue -related variable costs, travelling and marketing – related expenses due to the impact of Covid -19 pandemic;

- and a higher CIT Baht 1.6 million Y-O-Y.

Yours sincerely,

Mr. Anant Kittivittayakul

Managing Director