

No. CC20181103ELE

November 12, 2018

Re: Clarification of the changes in operation performance for the third quarter and the nine-month period ended 30 September 2018

Attn: The President
The Stock Exchange of Thailand

Cal-Comp Electronics (Thailand) Plc. ("the Company") would like to submit the analysis performance for the third quarter and the nine-month period ended 30 September 2018 compared to the third quarter and the nine-month period ended September 30, 2017 as follow:

1. Sales revenues

For the third quarter of year 2018, the Company's sales revenue was Bt. 29,793.23 million, which increased by 5.62% compared to third quarter of last year.

For the nine-month period of year 2018, the sales revenues were Bt. 81,094.66 million which increased by 3.89% compared to the nine-month period of year 2017.

The increased sales revenue was mainly derived from the hard disk drive and PCBA products as compared to previous year.

2. Cost of sales

For the third quarter of year 2018, the Company's cost of sales was Bt. 28,206.18 million or 94.67% of sales revenue which increased from 94.52% of sales revenue in the third quarter of last year. The gross margin of third quarter of year 2018 decreased from 5.48% to 5.33% as compared to the same period of last year.

For the nine-month period of year 2018, the cost of sales was Bt. 77,447.25 Million or 95.50% of sales revenue which increased from 94.28% in the same period of last year. The gross margin of the nine-month period of year 2018 decreased from 5.72% to 4.50% as compared to the same period of last year.

The decrease of gross profit margin for the nine-month period 2018 was mainly due to differences in product mix and the impact from currencies appreciation as compared to same period of previous year.

3. Selling and Administrative Expenses

For the third quarter of year 2018, the Company's SG&A expenses was Bt. 1,124.11 million or 3.77% of the total sales revenue which decreased from 3.90 % during the third quarter of year 2017.

For the nine-month period of year 2018, the Company's SG&A expenses was Bt. 3,295.33 million or 4.06% of the total sales revenue which increased from 3.96 % during the same period of last year.

The SG&A was mainly in related to the consolidated expense of supporting the Company itself and its overseas subsidiaries as well as marketing and managing expense to support existing customers.

4. Financial Cost

For the third quarter of year 2018, the company had financial cost of Bt. 210.49 million which increased by 49.16% from Bt. 141.11 million as compared to the third quarter of year 2017.

For the nine-month period of year 2018, the company had the financial cost Bt. 556.81 million which increased by 45.70% from Bt. 382.16 million as compared to the same period of last year.

The increased of financial cost was mainly in proportional to the Company's sales revenues and supporting operation as compared to same period of previous year.

5. Net Profit

For the third quarter of year 2018, the Company's net profit was Bt. 243.50 million, which increased by 19.15% as compared to the same period of last year. The Company net profit margin on total revenue has increased from 0.72% to 0.82% compared to the same period of last year.

For the nine-month period of year 2018, the Company's net profit was Bt. 47.38 million, which decreased by 94.59% compared to same period of last year. The Company net profit margin on total revenue has decreased from 1.12% to 0.06% as compared to the same period of last year.

The decreased net profit for the nine-month period 2018 was mainly impacted by the currencies appreciation during beginning of the year as compared to the same period of last year. Nonetheless, the Company has continuing in enhance its performance and has shown improvements under its business operation consideration.

Please be informed accordingly

Sincerely Yours,

(Mr. Khongsit Choukitcharoen)

Managing Director