

No. CC20190505ELE

May 14, 2019

Re: Clarification of the changes in operation performance for the first quarter ended 31 March 2019

Attn: The President
The Stock Exchange of Thailand

Cal-Comp Electronics (Thailand) Plc. ("the Company") would like to submit the analysis performance for the first quarter ended 31 March 2019 compared to the first quarter ended 31 March 2018 as follow:

1. Sales revenues

For the first quarter ended 31 March 2019, the Company's sale revenues were USD 845.40 million (or equivalent to Baht 26,639.85 million), which increased 7.80% from last year. The increase of sales was mainly due to increased demand in telecommunication product such as set-top-box and printer products compared to previous year.

2. Cost of sales

For the first quarter ended 31 March 2019, the Company's cost of goods sold was USD 805.31 million (or equivalent to Baht 25,376.49 million) or 95.26% of sale revenues which decreased from 96.83% in year 2018, and the gross margin increased from 3.17% in 2018 to 4.74% in 2019. The increase of gross profit margin was mainly due to differences in product mix and the impact derived from adoption of USD as the Company's functional currency which in resulting of lowered cost evaluation caused from price variance during the period as compared to previous year.

3. Selling and Administrative Expenses

For the first quarter ended 31 March 2019, the Company's SG&A expenses were USD 34.13 million (or equivalent to Baht 1,075.54 million) or 4.04% of the total sales revenue which was decreased from 4.46% of sales revenue over the same period last year. The decreased SG&A was mainly in related to the consolidated expense of supporting the Company itself and its overseas subsidiaries' operation as well as marketing and managing expense to support existing customers as compared.

4. Financial Cost

For the first quarter ended 31 March 2019, the Company's financial cost was USD 8.41 million (or equivalent to Baht 264.97 million), increased by 61.24% from year 2018. The increase of financial cost was mainly in related to support the Company's and its subsidiaries' operation as well as impact by the averaged higher interest rate as compared to previous year.

5. Net Profit

For the first quarter ended 31 March 2019, the Company's net profit was USD 2.33 million (or equivalent to Baht 73.37 million) which increased by 127.66%, and the Company's net profit margin increased from -1.07% to 0.28% as compared to same period of previous year. The increase of net profit was mainly in respond to the product mix and other income during the period as compared. In additional, the impacts derived from the currencies fluctuation is at a lesser level due to the Company has adopted its functional currency to be USD since year 2019 in order to better fit the Company's recent operation and that the impacts derived from the material shortages back in year 2018 has now resumed back to its normal condition. Consequently, the Company has shown an overall upstream performance as compared.

Please be informed accordingly

Sincerely Yours,

(Mr. Khongsit Choukitcharoen)
Managing Director