

No. CC20190804ELE

August 13, 2019

Re: Clarification of the changes in operation performance for the second quarter and the first half ended 30 June, 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 second quarter and the first half ended 30 June, 2019 compared to the second quarter and the first half ended June 30, 2018 as follow:

1. Sales revenues

For the second quarter of year 2019, the Company's sales revenue was USD 826.64 million (or equivalent to Baht 26,020.88 million), which decreased by 0.26% compared to second quarter of last year.

For the first half of year 2019, the sales revenues was USD 1,672.05 million (or equivalent to Baht 52,660.73 million), which increased by 3.62% compared to the first half of year 2018.

The increased sales revenue was mainly derived from telecommunication product such as set-top-box and printer products as compared to previous year.

2. Cost of sales

For the second quarter of year 2019, the Company's cost of sales was USD 778.08 million (or equivalent to Baht 24,492.23 million), or 94.13% of sales revenue which decreased from 95.20% of sales revenue in the second quarter of last year. The gross margin of second quarter of year 2019 increased from 4.80% to 5.87% as compared to the same period of last year.

For the first half of year 2019, the cost of sales was USD 1,583.39 million (or equivalent to Baht 49,868.72 million) or 94.70% of sales revenue which decreased from 95.98% in the same period of last year. The gross margin of the first half of year 2019 increased from 4.02% to 5.30% as compared to the same period of last year.

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 second quarter of year 2019, the Company's SG&A expenses was USD 35.65 million (or equivalent to Baht 1,122.18 million) or 4.31% of the total sales revenue which increased from 4.02 % during the second quarter of year 2018.

For the first half of year 2019, the Company's SG&A expenses was USD 69.78 million (or equivalent to Baht 2,197.72 million) or 4.17% of the total sales revenue which decreased from 4.23 % 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 second quarter of year 2019, the company had financial cost of USD 7.15 million (or equivalent to Baht 224.95 million), which increased by 26.01% from USD 5.67 million (or equivalent to Baht 182.78 million) as compared to the second quarter of year 2018.

For the first half of year 2019, the company had the financial cost USD 15.56 million (or equivalent to Baht 489.93 million), which increased by 42.80% from USD 10.89 million (or equivalent to Baht 346.32 million) as compared to the same period of last year.

The increased 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 same period of previous year.

### 5. Net Profit

For the second quarter of year 2019, the Company's net profit was USD 7.78 million (or equivalent to Baht 244.98 million), which increased by 270.77% as compared to the same period of last year. Nonetheless, the Company net profit margin on total revenue has increased from 0.25% to 0.94% compared to the same period of last year.

For the first half of year 2019, the Company's net profit was USD 10.11 million (or equivalent to Baht 318.34 million), which increased by 263.90% compared to same period of last year. Nonetheless, the Company net profit margin on total revenue has increased from -0.38% to 0.60% as compared to the same period of last 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 continuously shown an overall upstream performance as compared.

Please be informed accordingly

Sincerely Yours,

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(Mr. Khongsit Choukitcharoen)

Managing Director