

No. CC20191103ELE

November 12, 2019

Re: Clarification of the changes in operation performance for the third quarter and the nine-month period ended 30 September 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 third quarter and the nine-month period ended 30 September 2019 compared to the third quarter and the nine-month period ended September 30, 2018 as follow:

1. Sales revenues

For the third quarter of year 2019, the Company's sales revenue was USD 850.42 million, (or equivalent to Baht 26,088.88 million) which decreased by 6.31% compared to third quarter of last year.

For the nine-month period of year 2019, the sales revenues were USD 2,522.47 million (or equivalent to Baht 78,749.61 million) which decreased by 0.04% compared to the nine-month period of year 2018.

The decreased 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 2019, the Company's cost of sales was USD 804.47 million (or equivalent to Baht 24,679.25 million), or 94.60% of sales revenue which increased from 94.23% of sales revenue in the third quarter of last year. The gross margin of third quarter of year 2019 decreased from 5.77% to 5.40% as compared to the same period of last year.

For the nine-month period of year 2019, the cost of sales was USD 2,387.87 Million (or equivalent to Baht 74,547.97 million), or 94.66% of sales revenue which decreased from 95.34% in the same period of last year. The gross margin of the nine-month period of year 2019 increased from 4.66% to 5.34% as compared to the same period of last year.

The increased of gross profit margin for the nine-month period 2019 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 third quarter of year 2019, the Company's SG&A expenses was USD 35.75 million (or equivalent to Baht 1,096.82 million), or 4.20% of the total sales revenue which decreased from 4.21 % during the third quarter of year 2018.

For the nine-month period of year 2019, the Company's SG&A expenses was USD 105.54 million (or equivalent to Baht 3,294.54 million), or 4.18% of the total sales revenue which decreased from 4.22 % 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 2019, the company had financial cost of USD 6.85 million (or equivalent to Baht 210.05 million) which increased by 6.77% from USD 6.41 million (or equivalent to Baht 210.49 million) as compared to the third quarter of year 2018.

For the nine-month period of year 2019, the company had the financial cost USD 22.40 million (or equivalent to Baht 699.98 million) which increased by 29.29% from USD 17.33 million (or equivalent to Baht 556.81 million) as compared to the same period of last year.

The increased of financial cost was mainly in proportional to the Company's and its subsidiaries' operation as well as impact the averaged higher interest rate as compared to same period of previous year.

5. Net Profit

For the third quarter of year 2019, the Company's net profit was USD 6.71 million (or equivalent to Baht 205.75 million), which decreased by 9.59% as compared to the same period of last year. The Company net profit margin on total revenue has decreased from 0.82% to 0.79% compared to the same period of last year.

For the nine-month period of year 2019, the Company's net profit was USD 16.82 million, (or equivalent to Baht 524.09 million) which increased by 1,040.58% compared to same period of last year. The Company net profit margin on total revenue has increased from 0.06% to 0.67% as compared to the same period of last year.

The increased net profit for the nine-month period 2019 was mainly in respond to the product mix during the period and that the impacts derived from the currencies appreciation is at lesser level due to the Company has adopted its functional currency to be USD since beginning of year

2019 in order to better fit the Company's recent operation and that the impacts derived from the materials shortages back in year 2018 has now resumed back to its normal condition as compared. Consequently, the Company has continuously shown an overall upstream performance as compared.

Please be informed accordingly

Sincerely Yours,

(Mr. Khongsit Choukitcharoen)

Managing Director