

No. CC20200204ELE

February 28, 2020

Re: Clarification of the changes in operation performance for the year ended 31 December 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 year ended 31 December 2019 compared to the year ended 31 December 2018 as follow:

1. Sales revenues

For the year 2019, the Company's sales revenue was USD 3,309.02 million, (or equivalent to Baht 102,493.85 million) which decreased by 4.95% compared to last year. 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 year 2019, the Company's cost of sales was USD 3,132.95 million (or equivalent to Baht 97,040.46 million), or 94.68% of sales revenue which decreased from 95.10% of sales revenue in the last year. The gross profit margin increased from 4.90% in the year 2018 to 5.32% in the year 2019. The increased of gross profit margin for the year 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 year compared to previous year.

3. Selling and Administrative Expenses

For the year 2019, the Company's SG&A expenses was USD 143.53 million (or equivalent to Baht 4,441.08 million), or 4.34% of the total sales revenue which increased from 3.90% of sales revenue in the year 2018. 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 year 2019, the company had financial cost of USD 29.27 million (or equivalent to Baht 907.19 million) which increased by 15.97% from USD 25.24 million (or equivalent to Baht 818.90 million) in the year 2018. The increased of financial cost was mainly in related to support the Company's and its subsidiaries' operation as well as impact the averaged higher interest rate as compared to the previous year.

5. Net Profit

For the year 2019, the Company's net profit was USD 10.97 million (or equivalent to Baht 347.53 million), which increased by 53.71% as compared to the previous year. The Company's net profit margin on total revenue has increased from 0.20% to 0.33% compared to the same period of last year.

The increased net profit for year 2019 was mainly in respond to the product mix during the year 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