

No. CC20200806ELE

Aug 13, 2020

Re: Clarification of the changes in operation performance for the second quarter and the first half ended 30 June 2020

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 2020 compared to the second quarter and the first half ended 30 June 2019 as follow:

1. Sales revenues

For the second quarter ended 30 June 2020, the Company's sale revenues were USD 712.60 million (or equivalent to Baht 22,592.62 million), which decreased 13.80% from last year.

For the first half of year 2020, the sales revenue was USD 1,404.40 million (or equivalent to Baht 44,597.65 million), which decreased by 16.01% compared to the first half of the year 2019.

The decreased in sales revenue was mainly due to the decrease in shipments of telecommunication and computer peripherals products, such as the set-top-box , the hard disk drive products and printers as compared to the previous year. The decreased sales revenue was mainly due to the COVID-19 situation causing the suppliers were at temporary closure in China and Malaysia and in resulting of raw materials shortage and postponed the shipments as compared to same period of last year.

2. Cost of sales

For the second quarter ended 30 June 2020, the Company's cost of goods sold was USD 676.89 million (or equivalent to Baht 21,460.57 million) or 94.99% of sale revenues which increased from 94.13% in the second quarter of last year, and the gross margin of the second quarter of the year 2020 decreased from 5.87% to 5.01% as compared to the same period of last year.

For the first half of year 2020, the cost of sales was USD 1,339.30 million (or equivalent to Baht 42,530.56 million) or 95.46% of sales revenue which increased from 94.70% in the same period of last year. The gross margin of the first half of the year 2020 decreased from 5.30% to 4.54% as compared to the same period of last year.

The decrease in gross profit margin was mainly due to differences in product mix and that some of the new products' implementation were postponed by the customers while the Company and its subsidiaries still need to prepare in advance for the incoming order therefore shall have relevant expenses during the period as compared to previous year.

3. Selling and Administrative Expenses

For the second quarter ended 30 June 2020, the Company's SG&A expenses were USD 33.30 million (or equivalent to Baht 1,055.94 million) or 4.67% of the total sales revenue which increased from 4.31% of sales revenue over the same period last year.

For the first half of the year 2020, the Company's SG&A expenses were USD 69.41 million (or equivalent to Baht 2,204.50 million) or 4.94% of the total sales revenue which increased from 4.16% during the same period of last year.

The increase in SG&A was mainly 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 second quarter ended 30 June 2020, the Company's financial cost was USD 4.30 million (or equivalent to Baht 136.47 million), which decreased by 39.77% as compared to the second quarter of the year 2019.

For the first half of year 2020, the company had the financial cost USD 9.73 million (or equivalent to Baht 309.05 million), which decreased by 37.45% from USD 15.56 million (or equivalent to Baht 489.93 million) as compared to the same period of last year.

The decrease of the financial cost was mainly related to support the Company operation as well as impact by the averaged lower interest rate as compared to the previous year.

5. Net Profit

For the second quarter ended 30 June 2020, the Company's net profit was USD -2.17 million (or equivalent to Baht -68.86 million) which decreased by 127.91%, as compared to the same period of last year. Nonetheless, the Company's net profit margin on total revenue has decreased from 0.94% to - 0.30% as compared to the same period of the last year.

For the first half of year 2020, the Company's net profit was USD 6.61 million (or equivalent to Baht 21.25 million), which decreased by 93.46% compared to the same period of last year. Nonetheless, the Company's net profit margin on total revenue has decreased from 0.60% to 0.05% as compared to the same period of last year.

The decreased net profit was mainly impacted by the Covid-19 that causing the sales downturn.

Please be informed accordingly

Sincerely Yours,

(Mr. Khongsit Choukitcharoen)
Managing Director