



Somboon Advance Technology Public Company Limited

Registration No. 0107574700660

129 Moo.2 15th Km. Bangna-Trad Road Bangchalong Bangplee Samutprakarn 10540 THAILAND
Tel. 0 2728 8500 Fax. 0 2728 8513

August 11, 2017

Subject : Clarification on the Consolidated Financial Statements as at 30 June 2017

To : President of the Stock Exchange of Thailand

Somboon Advance Technology Public Company Limited ("the Company") would like to make clarification on the consolidated performance results for the quarter ending 30 June 2017 of the Company and its subsidiaries, as shown below;

Overall performance results of the Company and its subsidiaries for the quarter ending 30 June 2017, compared to the same period last year are provided below;

	<u>2017Q2</u>	<u>2016Q2</u>	<u>% Change</u>
Revenue from sale of goods and rendering of services	1,936	1,970	-2%
Cost of Goods Sold	1,651	1,690	-2%
Selling and General Administrative Expenses	164	165	-1%
Net Profit	135	118	+14%

(Unit: Baht Million)

Performance Analysis and Discussion

In the second quarter of 2017, the net profit of the Company and its subsidiaries was Baht 135 million, a Baht 170 million increase (+14%) from the same period last year. The increase was mainly driven by lower production cost and finance cost, and increase in share of profit of investment in associates.

Total Revenue

In the second quarter of 2017 and 2016, total revenues of the Company and its subsidiaries was Baht 1,958 million and Baht 1,993 million, respectively. The total revenue declined Baht 35 million (-2%). Revenue from sale of goods and rendering of services was 1,936 million for 2017, a Baht 34 million decrease (-2%) from the same period last year. The decrease can be explained by 4% decline in automotive production and 44% increase in agricultural machineries sector.

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Cost of Goods Sold and Service

In the second quarter of 2017 and 2016, total cost of goods sold and rendering of services was Baht 1,651 million and Baht 1,690 million (respectively), a Baht 39 million less (-2%) than the same period last year. This can be explained by lower production align with the automotive sector and maximized efficiency in production cost.

Administrative expenses and others expenses

In the second quarter of 2017 and 2016, selling and general administrative expenses was Baht 164 million and Baht 165 million (respectively), a decrease of Baht 1 million or (-1%) as a result of cost control measures.

Financial Position (in comparison with as of 31 December 2016)

Overall financial position of the Company and its subsidiaries as of 30 June 2017, compared to the statement of financial position as of 31 December 2016, amounted to Baht 9,217 million and Baht 9,421 million, respectively, decreased by Baht 204 million or -2.2% due to factors as summarized below;

Total Assets

As at 30 June 2017, total assets was Baht 9,217 million, decreased by Baht 204 million from the ended 31 December 2016 mainly due to fixed-assets decreased by Baht 266 million. The depreciation on period was Baht 383 million and the additional investment was Baht 119 million in the line expansion to serve the customer's demand. Cash and cash equivalents increased by Baht 48 million.

Total Liabilities

As at 30 June 2017, total liabilities was Baht 3,200 million, decreased by Baht 334 million from the ended 31 December 2016. The long-term loan from bank was decreased by Baht 375 million due to the repayment while the account payable – purchasing of assets was increased by Baht 26 million.

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Shareholders' Equity

As at 30 June 2017, shareholder equity was Baht 6,017 million increased by Baht 130 million from Baht 5,887 million as at 31 December 2016 mainly due to the net profit from operating for the period by Baht 305 million and the dividend paid by Baht 174 million.

Your acknowledgement of the above mention clarification is highly appreciated

Yours faithfully,

(Ms. Napatsorn Kitaphanich)

Executive Vice President – Corporate Office

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