



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

May 12, 2017

Subject : Clarification on the Consolidated Financial Statements as at 31 March 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 31 March 2017 of the Company and its subsidiaries, as shown below;

Overall performance results of the Company and its subsidiaries for the quarter ending 31 March 2017, compared to the same period last year are provided below;

| | <u>2017Q1</u> | <u>2016Q1</u> | <u>% Change</u> |
|--|---------------|---------------|-----------------|
| Revenue from sale of goods and rendering of services | 2,093 | 2,194 | -5% |
| Cost of Goods Sold | 1,760 | 1,889 | -7% |
| Selling and General Administrative Expenses | 167 | 178 | -6% |
| Net Profit | 171 | 151 | +13% |

(Unit: Baht Million)

Performance Analysis and Discussion

In the first quarter of 2017 and 2016, the net profit of the Company and its subsidiaries was Baht 171 million, a Baht 20 million increase (+13%) from the same period last year. The increase was mainly driven by lower production cost, selling and general administrative expense, and finance cost, while total revenue declined due to lower production volume in the automotive sector.

Total Revenue

In the first quarter of 2017 and 2016, total revenues of the Company and its subsidiaries was Baht 2,109 million and Baht 2,229 million, respectively. The total revenue declined Baht 120 million (-5%). Revenue from sale of goods and rendering of services was 2,093 million for 2017, a Baht 101 million decrease (-5%) from the same period last year. The decrease can be explained by 4% decline in automotive production and 1% increase in agricultural machineries sector.

17 21



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

Cost of Goods Sold and Service

In the first quarter of 2017 and 2016, total cost of goods sold and rendering of services was Baht 1,760 million and Baht 1,889 million (respectively), a Baht 129 million less (-7%) than the same period last year. This can be explained by decreased in sale volume and also improvement in production cost.

Administrative expenses and others expenses

In the first quarter of 2017 and 2016, selling and general administrative expenses was Baht 167 million and Baht 178 million (respectively), a decrease of Baht 11 million or (-6%) 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 31 March 2017, compared to the statement of financial position as of 31 December 2016, amounted to Baht 9,439 million and Baht 9,421 million, respectively, increased by Baht 18 million or +0.2% due to factors as summarized below;

Total Assets

As at 31 March 2017, total assets was Baht 9,439 million, increased by Baht 18 million from the ended 31 December 2016 mainly due to trade accounts receivable increased by Baht 94 million from increasing in sale volume over the receipt from main customers at the end of the quarter and cash and cash equivalents increased by Baht 57 million. Fixed-assets decreased by Baht 143 million; the depreciation on period was Baht 189 million and the additional investment was Baht 46 million in the line expansion to serve the customer's demand.

Total Liabilities

As at 31 March 2017, total liabilities was Baht 3,382 million, decreased by Baht 152 million from the ended 31 December 2016. The long-term loan from bank was decreased by Baht 169 million due to the repayment while the income tax payable was increased by Baht 16 million.



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

Shareholders' Equity

As at 31 March 2017, shareholder equity was Baht 6,058 million increased by Baht 171 million from Baht 5,887 million as at 31 December 2016 mainly due to the net profit from operating for the period.

Your acknowledgement of the above mention clarification is highly appreciated

Yours faithfully,

(Ms. Napatsorn Kitaphanich)

Executive Vice President – Corporate Office