



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

February 17, 2017

Subject : Clarification on the Consolidated Financial Statements as at 31 December 2016

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 year ending 31 December 2016 of the Company and its subsidiaries, as shown below;

Overall performance results of the Company and its subsidiaries for the year ending 31 December 2016, compared to the same period previous year were provided below;

	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Revenue from sale of goods and rendering of services	8,299	8,644	-4%
Cost of Goods Sold	7,062	7,383	-4%
Selling and General Administrative Expenses	670	680	-1%
Net Profit	608	642	-5%

(Unit: Baht Million)

Performance Analysis and Discussion

In 2016, the Company and its subsidiaries' net profit was Baht 608 million, a Baht 34 million decrease (-1%) from the same period last year. The decrease was mainly caused by lower production volume in agricultural machineries sector. With lower production cost and finance cost, net profit was slightly decreased.

Total Revenue

In 2016 and 2015, total revenues of the Company and its subsidiaries was Baht 8,397 million and Baht 8,808 million, respectively. The decline was a Baht 411 million (-5%) from the same period last year. Revenue from sale of goods and rendering of services was 8,299 million for the year 2016, a Baht 345 million decrease (-4%) from the same period last year. The decrease can be explained by 9% decline in agricultural machineries sector while 1% increase in automotive production but there is a change in customers' market shares.



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Cost of Goods Sold and Service

In 2016 and 2015, total cost of goods sold and rendering of services was Baht 7,062 million and Baht 7,383 million (respectively), a Baht 321 million less (-4%) 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 2016 and 2015, selling and general administrative expenses was Baht 670 million and Baht 680 million (respectively), a decrease of Baht 10 million or (-1%) as a result of cost control measures.

Financial Position (in comparison with as of 31 December 2015)

Overall financial position of the Company and its subsidiaries as of 31 December 2016, compared to the statement of financial position as of 31 December 2015, amounted to Baht 9,421 million and Baht 9,634 million, respectively, decreased by Baht 213 million or -2% due to factors as summarized below;

Total Assets

As at 31 December 2016, total assets was Baht 9,421 million, decreased by Baht 213 million from the ended 31 December 2015 mainly due to fixed-assets decreased by Baht 295 million. The depreciation on period was Baht 798 million and the additional investment was Baht 508 million in the line expansion to serve the customer's demand. Inventory was reduced by Baht 113 million; the inventory level was adjusted to satisfy customer demand.

Total Liabilities

As at 31 December 2016, total liabilities was Baht 3,534 million, decreased by Baht 569 million from the ended 31 December 2015. The long-term loan from bank was decreased by Baht 496 million due to the repayment 741 million and the drawdown 258 million for the investment. The accounts payable - trading was decreased by Baht 97 million due to the payment of imported raw material at the end of the quarter.



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Shareholders' Equity

As at 31 December 2016, shareholder equity was Baht 5,887 million increased by Baht 356 million from Baht 5,531 million as at 31 December 2015 mainly due to the net profit from operating for the period by Baht 608 million and the dividend paid by Baht 251 million.

Your acknowledgement of the above mention clarification is highly appreciated

Yours faithfully,

(Ms. Napatsorn Kitaphanich)

Executive Vice President – Corporate Office