



Somboon Advance Technology Public Company Limited

Registration No. 0107574700660

129 Moo.2 15th Km. Bangna-Trad Road Bangchalong Bangplee Samutprakarn 10540 THAILAND

Tel. 0 2080 8123 Fax. 0 2080 8198

May 11, 2018

Subject : Clarification on the Consolidated Financial Statements as at 31 March 2018

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 2018 of the Company and its subsidiaries, as shown below;

Overall performance results of the Company and its subsidiaries for the quarter ending 31 March 2018, compared to the same period last year are provided below;

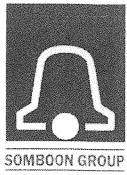
	<u>2018Q1</u>	<u>2017Q1</u>	(Unit: Million Baht) <u>% Change</u>
Revenue from sale of goods and rendering of services	1,991	2,093	-5%
Cost of Goods Sold	1,629	1,760	-7%
Selling and General Administrative Expenses	151	167	-10%
Net Profit	235	171	+37%

Performance Analysis and Discussion

In the first quarter of 2018, net profit of the Company and its subsidiaries was Baht 235 million, a Baht 64 million increase (+37%) from the same period last year. The increase was mainly driven by higher profit from operation, lower selling and administrative expenses, lower interest expense and higher share of profit from investment in associates and joint venture.

Total Revenue

In the first quarter of 2018 and 2017, total revenues of the Company and its subsidiaries was Baht 2,020 million and Baht 2,109 million, respectively. The total revenue decreased Baht 89 million (-4%). The revenue from sale of goods and rendering of services was 1,991 million for 2018, a Baht 102 million decrease (-5%) from the same period last year. This can be explained by the fact that sale for the first quarter 2017 included sale from spring business, which was transferred to the joint venture company toward the end of 2017. If sale from spring business were to be excluded in 2017, the revenue from sale of goods and rendering of services of the first quarter 2018 would have been higher compared to the same period last year as it was driven by 11% increase in automotive industry, 24% increase in agricultural machineries industry, and also additional sale from new orders this year.



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Cost of Goods Sold and Service

In the first quarter of 2018 and 2017, total cost of goods sold and rendering of services was Baht 1,629 million and Baht 1,760 million, respectively, a Baht 131 million (-7%) decrease compared to last year because the cost of goods sold from the spring business was included in the first quarter of 2017. If excluding cost of goods sold from the spring business in 2017, the cost of goods sold and rendering of services would have been higher compared to last year as sale volume increased. However, gross margin percentage has improved based on an increase in sale volume.

Financial Position (in comparison with as of 31 December 2017)

Overall financial position of the Company and its subsidiaries as of 31 March 2018, compared to the statement of financial position as of 31 December 2017, amounted to Baht 9,128 million and Baht 9,572 million, respectively, decreased by Baht 444 million or -4.6% based on factors as summarized below;

Total Assets

As at 31 March 2018, total assets was Baht 9,128 million, decreased by Baht 444 million from the ended 31 December 2017 as cash and cash equivalents decreased by Baht 499 million due to the repayment of loans from financial institutions of Baht 460 million. The fixed-assets decreased by Baht 106 million. The depreciation on period was Baht 162 million and the additional investment was Baht 57 million in the line expansion and improvement.

Total Liabilities

As at 31 March 2018, total liabilities was Baht 2,473 million, decreased by Baht 679 million from the ended 31 December 2017. The long-term loan from bank decreased by Baht 260 million due to the repayment. At the same time, short-term loan from bank decreased by Baht 200 million and the account payable – trade decreased by Baht 165 million.

Shareholders' Equity

As at 31 March 2018, shareholder equity was Baht 6,656 million increased by Baht 236 million from Baht 6,420 million as at 31 December 2017 mainly due to the net profit from operating for the period by Baht 235 million.

Your acknowledgement of the above mention clarification is highly appreciated

Yours faithfully,

N. Yanpirat.

(Mr. Nuttakajorn Yanpirat)

Vice President - Finance & Accounting and Information Technology