



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

November 9, 2018

Subject : Clarification on the Consolidated Financial Statements as at 30 September 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 30 September 2018 of the Company and its subsidiaries, as shown below;

Overall performance results of the Company and its subsidiaries for the quarter ending 30 September 2018, compared to the same period last year are provided below;

	<u>2018Q3</u>	<u>2017Q3</u>	(Unit: Million Baht) <u>% Change</u>
Revenue from sale of goods and rendering of services	2,089	2,255	-7%
Cost of Goods Sold	1,698	1,871	-9%
Selling and General Administrative Expenses	168	167	+1%
Net Profit	243	225	+8%

Performance Analysis and Discussion

In the third quarter of 2018, net profit of the Company and its subsidiaries was Baht 243 million, a Baht 18 million or 8% increase from the same period last year. The increase was mainly driven by higher profit from operation and lower interest expense.

Total Revenue

In the third quarter of 2018 and 2017, total revenues of the Company and its subsidiaries was Baht 2,118 million and Baht 2,276 million, respectively. The revenue from sale of goods and rendering of services was 2,089 million for 2018, a decrease of Baht 166 million or 8% from the same period last year. This can be explained by the fact that the 2017 figure included sale from spring business, which was transferred to the joint venture company at 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 third quarter 2018 would have been higher compared to the same period last year driven by 4% increase in automotive industry, 3% increase in agricultural machineries industry, and also additional sale from new orders this year.

Cost of Goods Sold and Service

In the third quarter of 2018 and 2017, total cost of goods sold and rendering of services was Baht 1,698 million and Baht 1,871 million, respectively, a Baht 173 million or 9% decrease compared to last year as spring business was included in the third quarter last year. If the figure from spring business were to be excluded in 2017,



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the cost of goods sold and rendering of services for 2018Q3 would have been higher compared to last year due to higher sale volume.

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

Overall financial position of the Company and its subsidiaries as of 30 September 2018, compared to the statement of financial position as of 31 December 2017, was Baht 8,953 million and Baht 9,572 million, respectively, a decrease of Baht 619 million or 6%, which can be explained as follows.

Total Assets

As at 30 September 2018, total assets was Baht 8,953 million, decreased by Baht 619 million from the ended 31 December 2017 as cash and cash equivalents decreased by Baht 607 million mainly as a result of loan payment and dividend paid during the period while fixed-assets decreased by Baht 238 million (the depreciation on period was Baht 486 million while the additional investment was Baht 268 million).

Total Liabilities

As at 30 September 2018, total liabilities was Baht 2,299 million, decreased by Baht 853 million from the ended 31 December 2017. The long-term loan from bank decreased by Baht 617 million due to the repayment and the short-term loan from bank decreased by Baht 200 million. Account payable – trade decreased by Baht 31 million.

Shareholders' Equity

As at 30 September 2018, shareholder equity was Baht 6,654 million increased by Baht 234 million from Baht 6,420 million as at 31 December 2017. The increase can be explained by net profit from operating for the period amount of Baht 661 million, which was partly offset by dividends paid amount of Baht 425 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