



Ref. No. 1708/043EN

August 11, 2017

Subject Management Discussion and Analysis for Q2/2017 (Ending June 30, 2017)

To Director and Manager of the Stock Exchange of Thailand

Ubis (Asia) Public Company Limited ("the Company") would like to clarify on the performance and the financial status which had changed over 20 percent for Q2/2017 ended June 30, 2017 of the Company and its subsidiaries, as shown below :

(Unit : Million Baht)	Q2/2017	Q2/2016	Change
Revenue	222	210	12
Gross profit margin	80	83	(3)
Expenses	20	20	-
Doubtful debts from the void contract	(320)	-	(320)
Finance cost	6	4	2
Net profit	(293)	31	(324)

In overall, the Company and its subsidiaries have a net loss in Q2/2017 of 293 MB by decreasing 324 MB or 1,045 percent when compared to Q2/2016 as following results:

- **Revenue**

Q2/2017, the Company and its subsidiaries have total revenue of 222 MB which increased from Q2/2016 by 12 MB or 6 percents which came from domestic and export sales especially from markets in Indonesia India Peru Philippines and Singapore

- **Gross profit margin**

Q2/2017, the Company and its subsidiaries have the total gross profit of 80 MB decreased from Q2/2016 by 3 MB or 4 percent while the gross profit margin is 36 percent (40 percent in Q2/2016) which effected from the adjustment of raw material price such as Latex and Solvent, even though the performance improved from last year.



- Sales Expenses

Q2/2017, the Company and its subsidiaries have the expenses of 20 MB decreased from Q2/2016

- Doubtful debts from the void contract

As of Q2/2017, the Company and its subsidiaries have recorded account receivable from voiding of the contract with allowance for doubtful debts in the amount of 320 MB but since June 2017, Management had attempted several times to collect the installment as RF Vision defaulted in the due payment at the 1st, 2nd installment and cheque has been bounced and intention to repay is now become uncertain.

The Board of Directors Meeting no. 7/2017 held on August 11, 2017 have reassessed the current situation including the ability and intention of RF Vision Company Limited and guarantor to repay in the near future then pass a unanimously resolution authorizing the Executive Committee to proceed to take legal actions immediately against related debtors and guarantor to collect the debts as much as possible.

- Finance Cost

Q2/2017, the Company and its subsidiaries have the loan interest 6 MB increased from Q2/2016 in the amount of 2 MB which is the result of the Company maintains foreign currency in the bank account (FCD) to reduce fluctuations in currency conversion.

Financial Status

The overall financial statuses of the Company and its subsidiaries as of June 30, 2017 with the comparison to the financial status as of June 30, 2016 are summarized as below:

- Assets

As of June 30, 2017, the Company and its subsidiaries have a total asset by 868 MB which decreased from March 31, 2017 by 279 MB and increased when comparing with cash or equate with cash by 34 MB and increased 13 MB of account receivable and inventory stocks and decreased 9 MB and decreased of other debtor from the nullification of shares agreement between UBIS and RF Vision Co., Ltd by 260 MB and decreasing of other current asset about 1 MB and 60 MB for non-current asset and increasing 0.9 MB for the tax income.

- Liabilities

As of June 30, 2017, the Company and its subsidiaries have a total liability of 646 MB increased from March 31, 2017 for 13 MB and having overdrawn amount 32 MB and account payable or creditor decreased 7 MB and settle the long-term loan to the financial institute increased 15 MB and decreasing of the pending of tax income by 7 MB and other liabilities decreased 0.12 MB, therefore in the total of long-term decreased 32 MB.



- Shareholders' Equity

As at June 30, 2017, the Company and its subsidiaries had total shareholder equity of 221 MB, decreased of 293 MB from March 31, 2017 due to the Company and its subsidiaries' net loss for Q2/2017 in the amount of 293 MB

Based on the results for Q2/2017, the company has cash flow as following details

- Net cash flow from operating activities was 41 MB or 10 percent when compared with Q2/2017 increased 4 MB.
- Cash flow from investing decreased 8 MB which came from the purchase of equipment and immaterial asset
- Cash flow from financing activities increased 58 MB and the short-term of loans from financial institutional increased 105 MB, the payment of long-term loans from financial institutions 36 MB, payment of interest 11 MB

Please be informed accordingly.

Sincerely yours,

(Ms. Sopha Nachanhom)

Company Secretary