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February 20, 2018

Subject Management Discussion and Analysis for the year 2017 (Ending December 31, 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 for the year 2017 ended December 31, 2017 of the Company and its subsidiaries, as shown below :

(Unit : Million Baht)	2017	2016	Change
Revenue	837	849	-1.4%
Gross profit margin	293	342	-16.7%
Selling Expenses	80	96	-20.0%
Doubtful debts from the voiding of contract	320	-	100.0%
Finance cost	21	19	9.5%
Net profit	-236	113	308.5%

In overall, the Company and its subsidiaries have a net profit in the year 2017 of -236 MB by decreasing 349 MB or 308.5 percent when compared to the year 2016 as following results:

- **Revenue**

Year 2017, the Company and its subsidiaries have total revenue of 837 MB which decreased from year 2016 by 12 MB or -1.4 percent which came from the decrease of sales markets

- **Gross profit margin**

Year 2017, the Company and its subsidiaries have the total gross profit of 293 MB decreased from year 2016 by 49 MB or -16.7 percent while the gross profit margin is 35 percent (39 percent in year 2016) which from the effects from the increasing of the main raw material and the currency fluctuations in exchange rates



- Sales Expenses

Year 2017, the Company and its subsidiaries have the expenses of 80 MB decreased from year 2016 by 16 MB or 20 percent mainly decreased from the controllable of sales expenses such as entertain and commission expenses, etc

- Doubtful debts from the voiding of contract

Year 2017, the Company and its subsidiaries have recorded account receivable from the voiding of contract with allowance for doubtful debts in the amount of 320 MB. Management had evaluated and decided to take immediately the legal actions against related debtors and guarantor to collect the debts

- Finance Cost

Q3/2017, the Company and its subsidiaries have the loan interest 21 MB increased from year 2016 in the amount of 2 MB which is the result of the Company more maintain foreign currency in FCD account and manage the capital circulation in short-term liquidity

Financial Status

The overall financial statuses of the Company and its subsidiaries as of December 31, 2017 with the comparison to the financial status as of December 31, 2016 are summarized as below:

- Assets

As of December 31, 2017, the Company and its subsidiaries have a total asset by 704 MB which decreased from year 2016 by 331 MB and decreased when comparing with cash or equate with cash by 32 MB and increased 6 MB of account receivable and increased of the inventory stocks by 15 MB and decreased of other debtor from the nullification of shares agreement between UBIS and RF Vision Co.,Ltd by 320 MB and decreasing of the other current asset by 4 MB and 3 MB for the non-current asset and increasing 1 MB from the tax income

- Liabilities

As of December 31, 2017, the Company and its subsidiaries have a total liability of 442 MB decreased from December 31, 2016 for 101 MB and having overdrawn amount 37 MB and account payable or creditor decreased 17 MB and settle the long-term loan to the financial institute decreased 66 MB and decreasing 5 MB from the current liabilities, decreased of the employee's benefit obligation 2 MB and decreased 48 MB from the long-term loan

- Shareholders' Equity

As at December 31, 2017, the Company and its subsidiaries had total shareholder equity of 262 MB, decreased from December 31, 2016 in amount of 230 MB due to the Company and its subsidiaries' net profit for year 2017 by 236 MB and having actuarial gains by estimated based on the actuarial assumptions 6 MB



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UBIS (ASIA) PUBLIC COMPANY LIMITED

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

- Net cash flow from operating activities was 85 MB or 34 percent when compared with year 2017 will be decreased 44 MB due to the fact that the increasing of cash from account receivable decreased
- Cash flow from the investment 12 MB came from purchase of intangible assets and equipment
- Cash flow from financing activities decreased 83 MB from the paid of the financial institution loans

Please be informed accordingly.

Sincerely yours,

(Ms. Sopha Nachanhom)

Company Secretary