



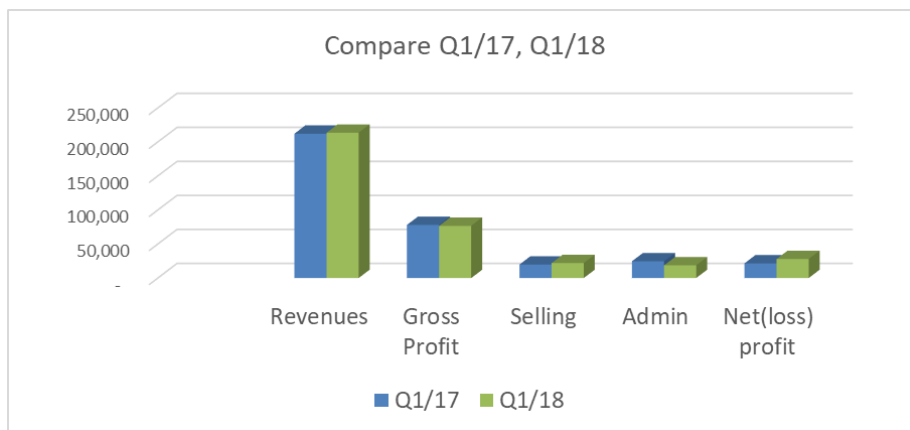
Ref. No. 1805/025EN

May 14, 2018

Subject Management Discussion and Analysis for Q1/2018 (Ending March 31, 2018)

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 Q1/2018 ended March 31, 2018 of the Company and its subsidiaries, as shown below:



(Unit: Thousand Baht)

	Revenues	Gross Profit	Selling	Admin	Net(loss) profit
Q1/17	212,140	78,137	19,861	24,659	21,584
Q1/18	213,552	76,707	21,974	18,709	27,898
% Change	0.67	(1.83)	10.64	(24.13)	29.25

In overall, the Company and its subsidiaries have a net profit in Q1/2018 of 28 MB by increasing 6 MB or 29.3 percent when compared to Q1/2017 as following results:

- Revenue

Q1/2018, the Company and its subsidiaries have total revenue of 213 MB, increased from Q1/2017 by 1 MB, or 0.7 percent which having more sales in Domestic market 3.5 MB or 4.2 percent. Meanwhile, sales revenue from China decreased 3.9 MB or 7.3 percent and other exports sales increased 1.8 MB or 2.4% consist of Peru, Philippines, and Saudi Arabia etc.



- **Gross profit margin**

Q1/2018, the Company and its subsidiaries have the total gross profit of 77 MB decreased from Q1/2017 by 1 MB or 1.8 percent while the gross profit margin is 35.9 percent (36.8 percent in Q1/2017) which to be effected from the increasing of the main raw material and the currency fluctuations in exchange rates and increased of labor costs

- **Sales Expenses**

Q1/2018, the Company and its subsidiaries have the expenses of 22 MB increased from Q1/2017 by 2 MB or 10.6 percent (20 MB in Q1/2017) mainly increased from the uncontrollable of sales expenses such as oversea travelling expenses etc.

- **Administrative Expenses**

Q1/2018, the Company and its subsidiaries have the expenses of 19 MB decreased from Q1/2017 by 6 MB or 24.1 percent (25 MB in Q1/2017) mainly decreased from Consultant Fee, Accounting Software Amortization etc.

- **Finance Cost**

Q1/2018, the Company and its subsidiaries have the financial cost 3 MB decreased by 2 MB from Q1/2017 or 39.2 percent (5 MB in Q1/2017)

Financial Status

The overall financial statuses of the Company and its subsidiaries as of March 31, 2018 with the comparison to the financial status as of March 31, 2018 are summarized as below:

- **Assets**

As of March 31, 2018, the Company and its subsidiaries have a total asset by 703 MB which decreased from December 31, 2017 by 1 MB and decreased when comparing with cash or equate with cash by 6 MB and increased 24 MB of account receivable and decreased of the inventory stocks by 13 MB and decreasing of the other current asset by 5 MB and 1 MB for the non-current asset

- **Liabilities**

As of March 31, 2018, the Company and its subsidiaries have a total liability of 412 MB decreased 30 MB from December 31, 2017 and having overdrawn amount 31 MB and settle the long-term loan to the financial institute in 1 year decreased 2 MB and increasing 4 MB from Income Tax Payable, decreased of the other liabilities 1 MB

- **Shareholders' Equity**

As of March 31, 2018, the Company and its subsidiaries had total shareholder equity of 290 MB, increased from December 31, 2017 in amount of 28 MB due to the Company and its subsidiaries had net profit for Q1/2018 by 28 MB



- Cash

Based on the results for Q1/2018, the company has cash flow as following details

- Net cash flow from operating activities was 37 MB when compared with Q1/2017 will be increased 32 MB due to the fact that the increasing of cash from stock inventory decreased in Q1/2018
- Cash flow from the investment 0.9 MB when compared with Q1/2017 increasing 0.6 MB came from fixed assets investment
- Cash flow from financing activities in Q1/2018 decreased 52 MB from the repayment of the financial institution in short-term loans

Trend of Business and Company's Strategy Plan for year 2017

We challenge this year sales target at 1,000 million baht or 20% higher than the last year from 883 million baht. UBIS would like to expand our business to the more export market. At the present, Thailand is currently the largest exporter of canned tuna in the world including the canned fruit market such as pineapple, is also a leader in the global market. However, Thailand sales have been declining every year and in 2017 has decreased by almost 10%. However, the company's business is still growing at about 1.50%. Therefore, the company has a policy of increasing business opportunities and expect to become a distributor for the additional channel of sales. Targeted in international markets, it accounts for 60% of total sales of the Company and mostly from Asian customers but it has added to the Middle East market, South America Market and South African market. In addition, there are more appointment of international distributors such as Mexico and many countries are still in the negotiation. The company has a potential to operate along with cost control and foreign exchange rates including more attend in the international events. The market in China reduced considerably due to the growth of saturated, the price competition, and the merger of the business of many companies etc.

The company's policy in 2018 is to maintain its customer base and domestic sales both of adjust the sales strategies and products improvement to meet the needs of more customers. We want to expand our customer base in the international market that has been pioneering for more than 2 years, and to create acceptance for our products from major customers

Please be informed accordingly.

Sincerely yours,

(Ms. Sopha Nachanhom)

Company Secretary