



บริษัท ยูบิส (เอเชีย) จำกัด (มหาชน)
UBIS (ASIA) PUBLIC COMPANY LIMITED

(Translation)

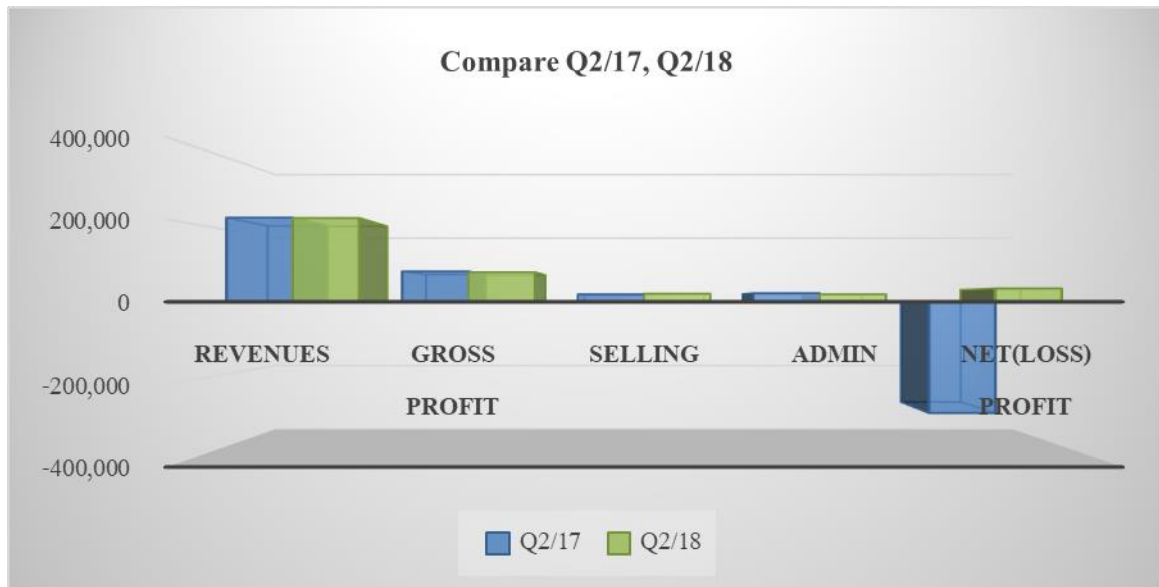
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August 10, 2018

Subject: Operating Result Clarification for Q2/2018 (Ending June 30, 2018)

To: Director and Manager of the Stock Exchange of Thailand

Ubis (Asia) Public Company Limited (“the Company”) would like to clarify on operating results and the financial position had varied over 20 percent for Q2/2018 ending on June 30, 2018 of the Company and its subsidiaries by having the main substance is as follows.



(Unit: Thousand Baht)

| | Revenues | Gross Profit | Selling | Admin | Net(loss) profit |
|----------|----------|--------------|---------|--------|------------------|
| Q2/17 | 222,225 | 80,232 | 19,957 | 22,698 | (293,091)** |
| Q2/18 | 221,202 | 78,238 | 21,637 | 19,916 | 35,335 |
| Change | -1,023 | -1,994 | 1,680 | -2,782 | 328,426 |
| % Change | (0.5) | (2.5) | 8.4 | (12.3) | 112.1 |

*** the Company and its subsidiaries recorded account receivable from the voiding of contract with allowance for doubtful debts in the amount of 320 MB in Q2/2017.

In overall, the Company and its subsidiaries had the net profit in Q2/2018 at 35.3 MB increased 328.4 MB by 112 percent when compared to Q2/2017 (in Q2/2017, the net profit will be increased 31 percent from Q2/2017 at 27 MB if having deduct allowance for doubtful debts from the voiding of contract. Therefore, the Company would like to clarify the operating results as following essential information:

- **Revenue**

Q2/2018, the Company and its subsidiaries had total revenue of 221.2 MB, increased from Q2/2017 at 1 MB by 0.5 percent that effected from decreasing of foreign sales revenue

- **Gross profit margin**

Q2/2018, the Company and its subsidiaries had the total gross profit of 78 MB decreased from Q2/2017 at 2 MB by 2.5 percent while the gross profit margin was 35.4 percent (36.1 percent in Q2/2017) which to be effected from the increasing of the main raw material

- **Sales Expenses**

Q2/2018, the Company and its subsidiaries had the expenses of 21.7 MB increased from Q2/2017 at 1.7 MB by 8.4 percent (20 MB in Q2/2017) mainly increased from the international trade fair etc.

- **Administrative Expenses**

Q2/2018, the Company and its subsidiaries had the expenses of 20 MB decreased from Q2/2017 at 2.7 MB by 12.3 percent (22.7 MB in Q2/2017) mainly decreased from Consultant Fee etc.

- **Finance Cost**

Q2/2018, the Company and its subsidiaries had the financial cost 2.3 MB decreased 3.8 MB by 63.1 percent from Q2/2017 (6.1 MB in Q2/2017)

The overall financial statuses of the Company and its subsidiaries as of June 30, 2018 with the comparison to the financial status as of December 31, 2017 are summarized as below:

- **Assets**

As of June 30, 2018, the Company and its subsidiaries had a total asset by 698.5 MB which decreased from December 31, 2017 at 5.7 MB and decreased when comparing with cash or equate with cash by 24.7 MB and increased 34.2 MB of account receivable and decreased of the inventory stocks at 8.7 MB and decreasing of the other current asset at 5.3 MB and 1.2 MB for the non-current asset

- **Liabilities**

As of June 30, 2018, the Company and its subsidiaries had a total liability of 373.1 MB decreased 68.9 MB from December 31, 2017 and having overdrawn and the short-term loan decreased 93.9 MB and account payable increased 24.3 MB and settle the long-term loan to the financial institute in 1 year decreased 3.1 MB and increasing 3.3 MB from Income Tax Payable and decreasing of the other liabilities 1.1 MB and employee benefit obligations increased 1.6 MB

- **Shareholders' Equity**

As of June 30, 2018, the Company and its subsidiaries had total shareholder equity of 325.4 MB, increased from December 31, 2017 at 63.2 MB due to the Company and its subsidiaries had net profit for Q2/2018 at 63.2 MB



- **Cash**

Based on the results for Q2/2018, the company had cash flow as following details

- Net cash flow from operating activities was 84 MB when compared with Q2/2017 will be increased 43 MB came from the decreasing of the financial cost and the inventory stocks in Q2/2018
- Cash flow from the investment 3 MB when compared with Q2/2017 decreased 5 MB from the fixed assets investment decreasing
- Cash flow from financing activities in Q2/2018 decreased 170 MB from the repayment of the short-term loan to the financial institution

Trend of Business and Company's Strategy Plan for year 2018

UBIS have challenge this year with the sales target by 20 percent higher than the last year which to be ended at 837 MB by focusing to the expanding in our business to the international markets. At this stage, 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 percent. 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 percent 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 company's policy in 2018 is to maintain its customer base and domestic sales both of the adjustment of the sales strategies and the products improvement to meet all needs of more customers. UBIS expect 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