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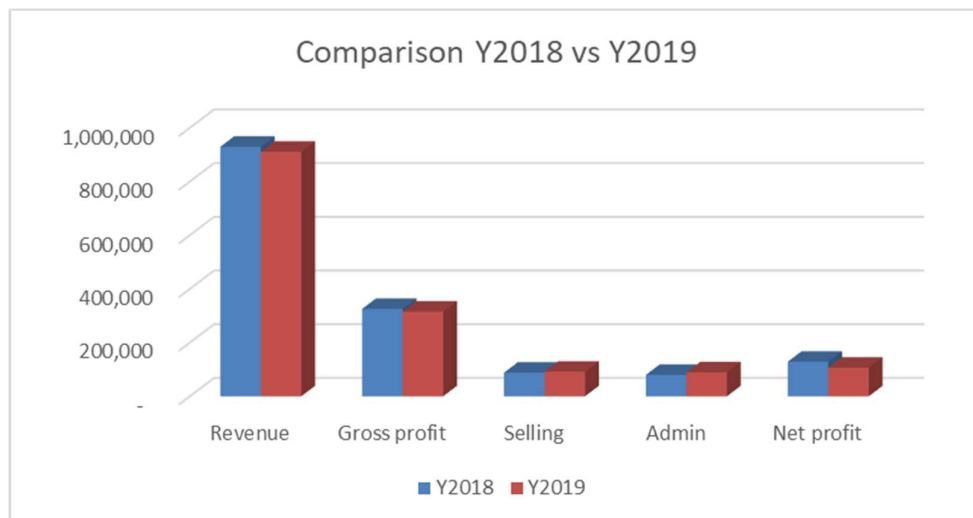
February 20, 2019

Subject Management Discussion and Analysis for the year 2019 (Ending December 31, 2019)  
(Revise Template)

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 2019 ended December 31, 2019 of the Company and its subsidiaries, as shown below:

(Unit : Thousand Baht)	2019	2018	Change	%Change
Revenue	910,707	929,354	(18,647)	(2.01%)
Gross profit margin	315,647	325,527	(9,880)	(3.04%)
Selling Expenses	91,735	88,001	3,734	4.24%
Admin Expenses	89,134	79,800	9,334	11.70%
Net profit	106,678	128,745	(22,067)	(17.14%)
Finance cost	3,867	8,282	(4,415)	(53.31%)



In overall, the Company and its subsidiaries had a net profit in the year 2019 of 106.6 MB with decrease of 22.0 MB or 17.14 percent, when compared to the year 2018 as following results:

- **Revenue**

In the year 2019, the Company and its subsidiaries had total revenue of 910.7 MB, decreased from the year 2018 in the amount of 18.6 MB or 2.0 percent (Domestic sales increase 0.9 percent and Export sales decrease 4.0 percent)

- **Gross profit margin**

In the year 2019, the Company and its subsidiaries had the total gross profit of 315.6 MB decreased from the year 2018 in the amount 9.8 MB or 3.0 percent with the gross profit margin of 34.6 percent (35.0 percent in the year 2018). The decrease of gross profit was the result of the appreciation of the BAHT against the Foreign Currency.

- **Sales Expenses**

In the year 2019, the Company and its subsidiaries had the expenses of 91.7 MB, increased from the year 2018 in the amount 3.7 MB or 4.2 percent (88.0 MB in the year 2018) as result from the higher in promotion expenses.

- **Administrative Expenses**

In the year 2019, the Company and its subsidiaries had the admin expenses of 89.1 MB, which increased from the year 2018 in the amount 9.3 MB, or 11.7 percent (79.8 MB in the year 2018) as result the higher in professional and consultation expenses.

- **Finance Cost**

In the year 2019, the Company and its subsidiaries had the financial cost 3.8 MB which decreased 4.4 MB from the year 2018 or 53.3 percent (8.2 MB. in the year 2018) as result from better the interest payable management.

### Financial Status

The overall financial status of the Company and its subsidiaries as of December 31, 2019 with the comparison to the financial status as of December 31, 2018 are summarized as below:

- **Assets**

As of December 31, 2019, the Company and its subsidiaries had a total asset by 730.3 MB which increased from December 31, 2018 by 27.6 MB as a result of the increase in cash and cash equivalents by 0.7 MB, the decrease of trade and other receivables by 16.5 MB, decrease in inventory by 7.6 MB and increase in other current assets by 0.7 MB, and increase in non-current assets, Fixed deposits pledged as collateral, PPE , intangible asset, deferred income tax assets and other non-current assets by 0.5 MB, 47.9 MB, 1.4 MB and 0.5 MB respectively.

- **Liabilities**

As of December 31, 2019, the Company and its subsidiaries had a total liability of 282.1 MB which decreased by 29.2 MB from December 31, 2018 due to the decrease of bank overdraft and short-term borrowings



by 13.0 MB, account payable and other payables by 21.0 MB, income tax payable by 3.8 MB and the increase in other current liabilities 0.6 MB and the increase in employee benefit obligations by 8.0 MB.

- Shareholders' Equity

As of December 31, 2019, the Company and its subsidiaries had total shareholder equity of 448.1 MB which increased from December 31, 2018 in amount of 56.8 MB due to profit from operation (including other comprehensive expense) 102.0 MB, the increased in other components of equity 0.4 MB and the dividend paid out 45.6 MB.

- Cash Flow

Based on the results for the year 2019, the company's cash flow as follows:

- Net cash flow from operating activities was 122.2 MB, decreased by 16.3 MB when compare with the year 2018 due to the increasing of Trade and other payables, Employee benefit paid and Corporate Income tax paid
- Net cash flows from the investing activities was 58.9 MB, increased by 54.6 MB when compare with the year 2018 due to the increase of fixed assets and intangible asset.
- Net cash flows from financing activities was 76.7 MB, decreased 100.8 MB when compare with the year 2018 due to the decrease in long-term loans of the financial institution and decrease in short-term financing loan.

### The company's strategy for the year 2020

The Company targets to grow 10% in sales from 2019 by maintaining our market share in domestic market and improving our sales strategy as well as developing new products and driving to expand in export market. After the Company has expanded our reach to Latin America, Brazil, Mexico and Peru, we have studied the new market group in Africa, such as Egypt, Turkey etc. We will try to get the acceptance in our products from major customers, while maintaining and controlling in product cost position including managing Foreign Exchange more efficiency.

Moreover, the Company has operated to get product approval from Brand Owners. In the year 2019, one of our compound was listed in the approved list of a big brand of beverage company in China and also a global beverage brand.

Please be informed accordingly.

Sincerely yours,

(Mr. Nawat Triyapongpattana)

Managing Director

