



UBIS (ASIA) PUBLIC COMPANY LIMITED

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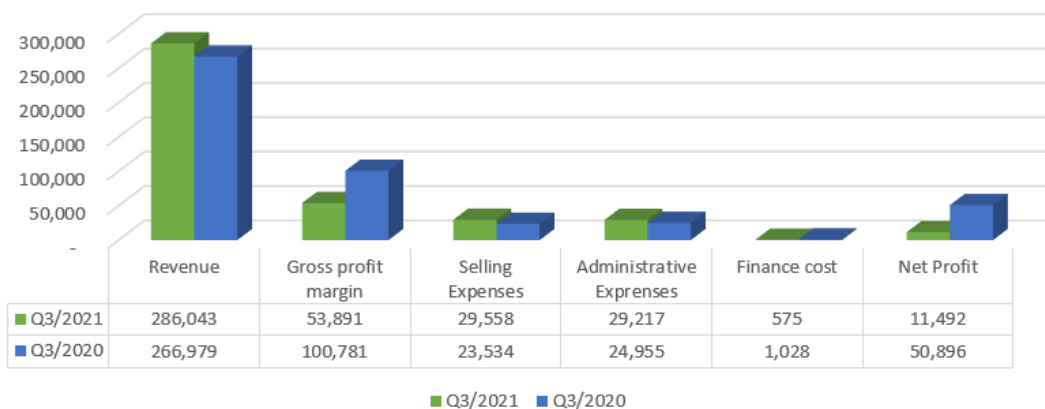
Subject: Management Discussion and Analysis for the Q3/2021 (Ending September 30, 2021)

To: Director and Manager of the Stock Exchange of Thailand

UBIS (Asia) Public Company Limited (“the Company”) would like to inform on operating results and the financial position changed more than 20 percent for the Q3/2021 ending September 30, 2021 of the company and its subsidiaries by having the main substance is as follows:

(Unit : Thousand Baht)	Q3/2021	Q3/2020	Change	% Change
Revenue	286,043	266,979	19,064	7.1%
Gross profit margin	53,891	100,781	(46,890)	-46.5%
Selling Expenses	29,558	23,534	6,024	25.6%
Administrative Expenses	29,217	24,955	4,262	17.1%
Finance cost	575	1,028	(453)	-44.1%
Net Profit	11,492	50,896	(39,404)	-77.4%

Comparison Q3/2021 VS Q3/2020





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In overall, the Company and its subsidiaries had a net profit in Q3/2021 of 11.5 MB which has decreased by 39.4 MB or 77.4 percent (Net profit of Q3/2020 was 50.9 MB). The Company would like to inform the following significant changes in the Company's and its subsidiaries' operational results:

- **Revenue**

Q3/2021, the Company and its subsidiaries had total revenue of 286 MB, which has increased from Q3/2020 by 19 MB or 7.1 percent. (Divided into domestic sales decreased by 3.67 percent and an international sale up to 13.92 percent).

- **Gross profit margin**

Q3/2021, the Company and its subsidiaries generated a total gross profit of 53.9 MB, which had decreased from Q3/2020 46.9 MB or 46.5 percent. In Q3/2021, the gross profit margin is 18.8 percent (Gross profit margin of 37.7 percent in the Q3/2020). The constant decrease was due to the continuous increase in the cost of raw materials used in the manufacturing of canned coating products.

- **Selling Expenses**

Q3/ 2021, the Company and its subsidiaries had the selling expenses of 29.5 MB which has increased from Q3/2020 in the amount 6 MB or 25.6 percent (In Q3/2020 had the selling expense of 23.5 MB). The increase of selling expenses were due to higher transportation prices and increased local and international sales volumes.

- **Administrative Expenses**

Q3/2021, the Company and its subsidiaries had the administrative expenses of 29.2 MB which has increased from Q3/2020 in the amount 4.2 MB or 17.1 percent. (In Q3/2020 had the administrative expense of 25 MB). In comparison to the Q3/2020, the management costs were due to the adjustments on the employee's salary, and the increased provision for NRV of inventory.

- **Finance Cost**

Q3/2021, the Company and its subsidiaries had the financial cost 0.6 MB which decreased from Q3/2020 in the amount of 0.4 MB or 44.1 percent. (In Q3/2020 had a financial cost of 1 MB.)





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- Gain (Loss) on Foreign Exchange

Q3/2021, the Company and its subsidiaries received a profit of 10.6 MB from the exchange rate which increased from Q3/2020 in the amount 2.6 MB or 32.5 percent (Gained from exchange rate of 8.0 MB in Q3/2020)

The overall financial status of the Company and its subsidiaries as of September 30, 2021 with the comparison to the financial status as of December 31, 2020 are summarized as below:

- Assets

As of September 30, 2021, the Company and its subsidiaries had a total asset by 986.1 MB which increased from December 31, 2020 by 149.8 MB as a result of the increase in cash and cash equivalents by 20.5 MB, the increase in trade and other current receivables by 31.2 MB, the increase in inventory by 99.3 MB and the increase in other current assets by 2.2 MB. In terms of non-current assets, property, plant and equipment increase of 1.9 MB. Right of use assets decreased by 5.2 MB and other non-current assets decreased by 0.1 MB.

- Liabilities

As of September 30, 2021, the Company and its subsidiaries had a total liability of 444.5 MB which increased by 83.1 MB from December 31, 2020 due to the reduced overdrafts and short-term loans of 8.9 MB, increased of trade and other current payables by 69.8 MB, the increase of borrowing of 1 year maturity of long term from financial institutions by 8.9 MB, decreased of lease liabilities within 1 year maturity by 2.1 MB, decreased of income tax payable by 5.7 MB, decreased of other current liabilities by 9.2 MB for the part of non-current liabilities. The long-term borrowing from financial institutions increased by 34.4 MB, decreased of lease liabilities by 3.0 MB, and the decreasing in non-current provisions for employee benefits obligations by 1.1 MB.

- Shareholders' Equity

As of September 30, 2021, the Company and its subsidiaries had total shareholder equity of 541.6 MB which increased from December 31, 2020 in amount of 66.8 MB due to the accumulated profit to Q3/2021 amount 64.6 MB, and the other comprehensive income by 2.2 MB.





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- Cash Flow

Based on the results for Q3/2021, the company had cash flow as following details:

- Net cash flow from operating activities were 2.1 MB, decreased by 138.6 MB. In comparison with Q3/2020 because of less profit in the period and increase in inventory. Trade accounts receivable and other current receivables increased, and the payment of current liabilities increased in Q3/ 2021, the company cash flow from operation decreased.
- In Q3/2021, net cash flow from investment was 11.1 MB, decreased from 5.6 MB or 33.7 percent when compared with Q3/2020 (Cash flow from investment was 16.7 MB in Q3/2020). The company's expenditure in investment for equipment acquisitions declined in Q3/2021.
- In Q3/2021, net cash flow from financing activities was 27.3 MB, increased from 99.9 MB when compared with Q3/2020, because of there will be no dividend payment in Q3/2021 and have a higher long-term debt.

The company 's strategy for the year 2021

The possible business trend in the Q3/2021 . Thailand is still facing COVID-19 related problems The company has followed the lockdown restrictions as announced by the government and has taken out preventive procedures in the spreading of the virus by regularly cleaning and sanitizing all areas of the company's head quarter and the factory. Furthermore, throughout all the employees are encouraged to be vaccinated as soon as possible. Along with the "Work from Home" policy to be confident that if there were to be emergencies, business procedures would be able to proceed per usual. As well as managing the technical staffs on their tasks in order to prevent it from impacting the handing over of work and the customers' needs

Under this circumstance, the metal packaging business continues to grow due to the increase in demand, both domestic and international markets. Moreover, the purchasing power in China begins to increase again.

In addition, due to the Anti-dumping regulations, the manufacturer in China has expanded production of Coated Steel Sheet and transported it back to Thailand for sale. As a result, overseas client sales soared.





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In part of the raw material prices have increased due to rising demand and suppliers not being able to deliver the materials. However, the situation in Q4/2021 had impact factor, is the logistic & transportation hurdles caused by the shortage of containers leading to the highest sea freight cost which requires the company to monitor the situation effectively.

The company's target for 2021 is to grow 10 percent in sales from 2020 by considering the positive effects COVID - 19 has got on food industries by focusing on domestic and international customer base. As well as the expanding and developing of new product's markets with customers whom we have been jointly working with from the year 2020 to the year 2021 to meet with customers' demand. Due to the high fluctuation of the cost of raw materials, the company will have to manage the production cost and the exchange rate closely. Other than this, experts in the research and development team will aim to improve the products to meet its rules and regulations as well as improving products to meet customers' needs.

Sincerely yours,

(Mr. Pruetthipong Tharaphimaan)

Authorized Person to Disclose

