

No. 2205/013EN

May 17, 2022

Subject: Operating Result Clarification for the Q1/2022 (Ending March 31, 2022)

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 Q1/2022 ending March 31, 2022 of the company and its subsidiaries by having the main substance is as follows:

(Unit : Thousand Baht)	Q1/2022	Q1/2021	Change	% Change
Revenue	264,143	271,718	(7,575)	-2.8%
Gross profit margin	47,856	75,694	(27,838)	-36.8%
Selling Expenses	31,810	27,732	4,078	14.7%
Administrative Expenses	30,343	31,874	(1,531)	-4.8%
Finance cost	1,251	797	454	57.0%
Net Profit	(8,399)	20,252	(28,651)	-141.5%

Comparison Q1/2022 VS Q1/2021



In overall, the Company and its subsidiaries had a net loss in Q1/2022 of 8.4 MB which has decreased by 28.65 MB or 141.47 percent from Q1/2021 (Net profit of Q1/2021 was 20.25 MB). The Company would like to inform the following significant changes in the Company's and its subsidiaries' operational results:

**Revenue**

Q1/2022, the Company and its subsidiaries had total revenue of 264.14 MB, which has decreased from Q1/2021 by 7.6 MB or 2.79 percent. (Divided into domestic sales decreased by 17.88 percent and an international sale up to 10.15 percent).

Gross profit margin

Q1/2022, the Company and its subsidiaries generated a total gross profit of 47.86 MB, which had decreased from Q1/2021 which amount 27.84 MB or 36.78 percent. In Q1/2022, the gross profit margin is 18.12 percent (Gross profit margin of 27.86 percent in the Q1/2021). 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

Q1/ 2022, the Company and its subsidiaries had the selling expenses of 31.81 MB which has increased from Q1/2021 in the amount 4.1 MB or 14.71 percent (In Q1/2021 had the selling expense of 27.73 MB). The increase of selling expenses were due to higher freight prices.

Administrative Expenses

Q1/2022, the Company and its subsidiaries had the administrative expenses of 30.34 MB which has decreased from Q1/2021 in the amount 1.53 MB or 4.8 percent (In Q1/2021 had the administrative expense of 31.87 MB). In comparison to the Q1/2021, the decreasing of administrative expenses were due to decrease of management expenses and the consultation fees.

Finance Cost

Q1/2022, the Company and its subsidiaries had the financial cost 1.25 MB which increased from Q1/2021 in the amount of 0.45 MB or 56.96 percent (In Q1/2021 had a financial cost of 0.80 MB.) due to the increased of financial operation transaction.

Gain (Loss) on Foreign Exchange

Q1/2022, the Company and its subsidiaries gain profit of 1.9 MB from the exchange rate which decreased from Q1/2021 in the amount 3.8 MB or 67.0 percent (Gained from exchange rate of 5.7 MB in Q1/2021)

The overall financial status of the Company and its subsidiaries as of March 31, 2022 with the comparison to the financial status as of December 31, 2021 are summarized as below:

Assets

As of March 31, 2022, the Company and its subsidiaries had a total asset by 1,263.5 MB which increased from December 31, 2021 by 286.0 MB as a result of the increase in cash and cash equivalents

by 209.7 MB, the increase in trade and other current receivables by 24.3 MB, the increase in inventory by 39.9 MB and the increase in other current assets by 2.1 MB. In terms of non-current assets, property, plant and equipment increase of 11.6 MB, right of use assets decreased by 1.6 MB.

**Liabilities**

As of March 31, 2022, the Company and its subsidiaries had a total liability of 545.6 MB which increased by 67.5 MB from December 31, 2021 due to the increased overdrafts and short-term loans of 21.9 MB, increased of trade and other current payables by 49.1 MB, the increase of borrowing of 1 year maturity of long term from financial institutions by 0.2 MB, increased of income tax payable by 0.9 MB, decreased of lease liabilities within 1 year maturity by 0.2 MB and decreased of other current liabilities by 1.3 MB. For the part of non-current liabilities, the long-term borrowing from financial institutions decreased by 2.5 MB, the increasing in non-current provisions for employee benefits obligations by 0.8 MB and decreased of lease liabilities by 1.4 MB.

**Shareholders' Equity**

As of March 31, 2022, the Company and its subsidiaries had total shareholder equity of 717.9 MB which increased from December 31, 2021 in amount of 218.4 MB due to the increased of issued and paid-up share capital 57 MB, share premium on ordinary shares 171 MB. However, the company losses from the period of Q1/2022 which amount 8.4 MB, retained earnings with unappropriated decreased by 8.4 MB. The other component of shareholders' equity decreased by 1.2 MB.

**Cash Flow**

Based on the results for Q1/2022, the company had cash flow as following details:

- Q1/2022, net cash flow from operating activities were 18.0 MB, increased by 20.4 MB. In comparison with Q1/2021 because of loss for the period, increasing of trade and other current receivables and increasing of trade and other current payables.
- Q1/2022, net cash flow from investment was 16.3 MB, increased from 11.1 MB when compared with Q1/ 2021 because of the increased of company's expenditure in investment for fixed asset.
- Q1/2022, net cash flow from financing activities was 246.9 MB, increased from 235.8 MB when compared with Q1/2021, because of proceeds from issue of shares and short-term borrowings from financial institutions. .

## The company 's strategy for the year 2022

Due to the situation of the epidemic of the new strain of COVID- 19, Omicron, which has spread faster but less severe than the previous strain around the world, has begun to ease and there has been a relief in terms of travel. Including each country, there has been a campaign to increase vaccination to build immunity among many countries. As a result, the rate of consumption and consumption outside of the home began to rise. However, in the metal packaging industry, there is a tendency of falling rate because they are worried about the lock down of each country there is a huge amount of pre-ordering and stocking of canned food around the world on last year. As a result, in this year, the production of metal packaging products which is the main customers of our company tends to decline from last year including the impact of price increasing of key raw materials such as steel, oil, metal packaging coatings in production and especially for the conflict of Russia and Ukraine that was significantly affected to the crude oil prices to rise continually. However, environmental awareness campaigns are still ongoing which is the strength of metal packaging and is a positive factor for the market that has an advantage over other types of packaging because it can be recycled and used for recycling does not increase waste pollution. It is estimated that the growth of the metal packaging industry in 2022 may grow slightly by 2-3% compared with the previous year.

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 because China has no any policy for open country.

In addition, 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.

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 throughout during 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 and the cause of impaction on 2022.

The company's strategy for 2022 is to grow 10 percent in sales from 2021 by considering and 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 2021 to the year 2022 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 including looking for opportunities in the market that can bring the original product group to continue in research and development to meet the needs of customers for both packaging domestically and internationally.

Sincerely yours,

(Mr. Pruetthipong Tharaphimaan)

Authorized Person to Disclose Information