

Ref. No. 2405/012EN

May 14, 2024

Subject: Operating Result Clarification for the Q1/2024 (Ending March 31, 2024)

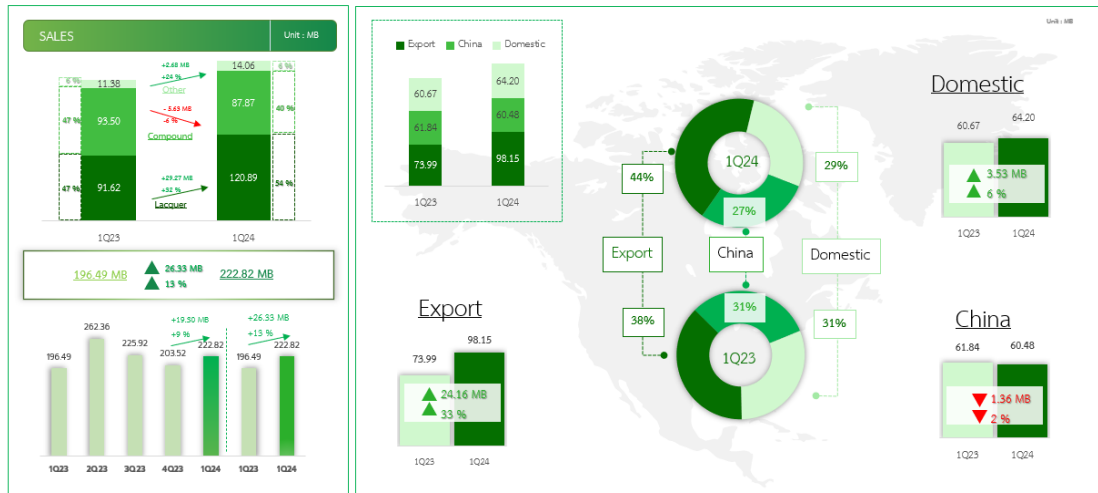
To: Director and Manager of the Stock Exchange of Thailand

UBIS (Asia) Public Company Limited (“the Company”) would like to inform on operating results and the financial position which changed more than 20% for the Q1 Ending March 31, 2024, of the company and its subsidiaries with main substance as follows:

(Unit: MB)	Q1/2023	Q1/2024	Change	% Change
Sales	196.49	222.82	26.33	13%
Cost of goods sold	154.89	156.23	1.34	1%
Gross profit	41.60	66.59	24.99	60%
Other income	0.92	2.56	1.64	178%
Distribution cost	27.16	23.06	(4.10)	(5%)
Administrative expenses	30.16	29.28	(0.88)	(3%)
Gain/(loss) on foreign exchange	0.38	10.79	10.41	2,768%
Profit (loss) from operating activities	(14.42)	27.60	42.01	291%
Finance cost	1.98	2.82	0.84	42%
Tax expense	2.68	0.14	(2.54)	(95%)
Profit (Loss) for the period	(17.34)	22.27	39.61	228%
Profit (Loss) Per Share	(0.06)	0.08	0.14	228%

Overall, the Company and its subsidiaries had a net profit in 1/2024 of 22.27 MB which has increased by 39.61 MB or 228% from 1/2023 (Net Loss of 1/2023 was 17.34 MB). The Company would like to inform the following significant changes in the Company’s and its subsidiaries’ operational results:

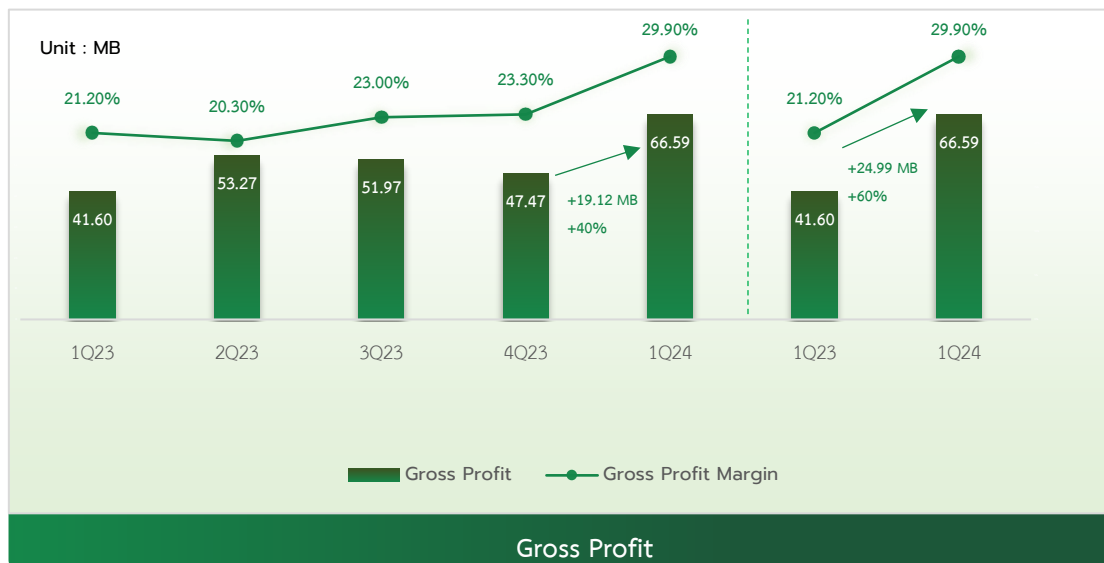
Sales



Q1/2024, the Company and its subsidiaries had total sales of 222.82 MB, which has increased from Q1/2023 by 26.33 MB or 13%. This increase was mainly due to higher sales in exports which increased by 24.16 MB, or 33%. Domestic sales also increased by 3.53 MB, or 6%, rebounding after contracting in several previous quarters. Sales in China decreased slightly by approximately 1.36 MB, or 2%. In QOQ comparison with 4Q2023, sales increased by 19.30 MB, or 9%.

Further analysis of sales by product category in 1Q2024 VS 1Q2023 revealed intriguing insights. Lacquer sales increased by 29.27 MB, or 32%, while Compound sales decreased slightly by 5.6 MB, or 6%. Sales of other products increased by 2.68 MB, or 24%.

Gross profit



Gross Profit

In 1Q2024, the company and its subsidiaries achieved a gross profit of 66.59 MB, marking a significant increase of 24.99 MB or 60% compared to Q1/2023, and a QOQ increase of 19.12 MB or 40% from Q4/2023. The gross profit margin for the company in 1/2024 stood at 29.90%, contrasting with 21.20% in 1/2023 (YOY) and 23.30% in 4/2023 (QOQ). The improved profit margins for both QOQ and YOY were primarily attributed to gradually decreasing raw material prices as the effects of the COVID-19 situation began to subside and oil prices stabilized. This reduction in raw material costs resulted in higher profit margins for the company.

Distribution cost and Administrative Expenses

(Unit: MB)	Q1/2023	Q1/2024	Change	% Change
Distribution costs	27.16	23.06	(4.10)	(5%)
Administrative expenses	30.16	29.28	(0.88)	(3%)
Total	57.32	52.34	(4.98)	(9%)

In 1Q2024, the company and its subsidiaries incurred distribution costs and administrative expenses of 52.34 MB. This figure decreased from the same period in the previous year, which was 57.32 MB, representing a reduction of 4.98 MB or 9%.

Breaking down the expenses:

- Distribution costs amounted to 23.06 MB, which have decreased from 1Q2023 by 4.1 MB, or 5%. This decrease was attributed to adjustments in delivery costs.
- Administrative expenses totaled 29.28 MB, showing a decrease of 0.88 MB compared to 1Q2023, representing a reduction of 3%.

Finance cost

1Q2024, the Company and its subsidiaries had the financial cost 2.82 MB which increased from 1Q2023 in the amount of 0.84 MB (In 1Q2023 had a financial cost of 1.98 MB). Due to increasing interest rates.

Gain (Loss) on foreign exchange

1/2024, the Company and its subsidiaries gain from foreign exchange rate of 10.79 MB which increased from 1/2023 in the amount 10.41 MB or 2768% (Gain from exchange rate of 0.38 MB in 1Q2023) This substantial increase in gain from exchange rates in Q1/2024 compared to Q1/2023 was due to the depreciation of the Thai Baht and the increased proportion of exports by the company.

The overall financial status of the Company and its subsidiaries as of March 31, 2024 with the comparison to the financial status as of December 31, 2023 are summarized as below:

(Unit: MB)	31 Dec 2023	31 Mar 2024	Change	% Change
Total Assets	1,031.97	1,111.12	79.15	8%
Total Liabilities	404.30	459.89	55.59	14%
Total Equity	627.67	651.23	23.56	4%

Assets

As of March 31, 2024, the Company and its subsidiaries have total asset of 1,111.12 MB. This increased from December 31, 2023, by 79.15 MB, or 8%. The main reasons for this increase were:

- An increase in cash and cash equivalents by 36.52 MB. By the end of 1Q2024, the company had total cash of 286.93 MB.
- An increase in accounts receivable by 34.72 MB. By the end of 1Q204, the company had total accounts receivable of 324.40 MB.
- An increase in inventories by 9.25 MB. By the end of 1Q2024, the company had total inventories of 186.56 MB.

Liabilities

As of March 31, 2024, the company and its subsidiaries had total liabilities of 459.89 MB. This increased from December 31, 2023, by 55.59 MB, or an increase of 14%. The main reasons for this increase were:

- An increase in accounts payable by 107.79 MB. As a result, by the end of the quarter, the company had total accounts payable of 196.59 MB.
- A reduction in short-term liabilities from financial institutions by 49.39 MB. Consequently, by the end of the quarter, the company had total short-term liabilities from financial institutions of 205.61 MB.

Equity

As of March 31, 2024, the company and its subsidiaries had a total equity of 651.23 MB. This increased from December 31, 2023, by 23.56 MB, or an increase of 4%. The main reasons for this increase were:

- Allocation of retained earnings to legal reserves increased by 2.58 MB. Consequently, by the end of 1Q2024, the legal reserves of the company amounted to 28.5 MB, representing 10% of registered capital as required.
- Accumulated profits increased by 19.95 MB. As a result, by the end of 1Q2024, the company had retained earnings 143.86 MB.

Cash flow

Based on the results for 1Q2024, the company had cash flow as following details:

- Net cash flow from operational activities in 1Q/2024 amounted to 88.91 MB, compared to 1Q2023, where it was 53.38 MB. The primary reason for this increase was the rise in accounts payable of 106.69 MB. Additionally, the company recorded a profit from operations in 1Q/2024 of 22.27 MB, while accounts payable increased by 26.74 MB during the same period.
- The net cash flow from investment activities in 1Q/2024 amounted to 0.41 MB, contrasting with the net cash flow used in investment activities in 1Q/2023, which was 8.51 MB. The primary cause of the decline in long-term property investments and the rise in interest received.
- The net cash flow used in financing activities in 1Q/2024 amounted to 54.72 MB. The primary reason for this was the repayment of short-term debts to financial institutions to reduce the burden of interest expenses during the upward trend.



PRECISION
MAKERS

UBIS (ASIA) PUBLIC CO., LTD.
238, 15th Floor, Unit 4-6, TRR Tower,
Naradhiwas Rajanagarindra Road,
Chong Nonsi, Yannawa,
Bangkok 10120, Thailand

Tel. +66-(0)2-683-0008
Fax +66-(0)2-294 2014
Tax ID : 0107547000826
www.ubisasia.com



Sincerely yours,

(Mr. Piyakun Kritayanutkul)
Authorized Person to Disclose