



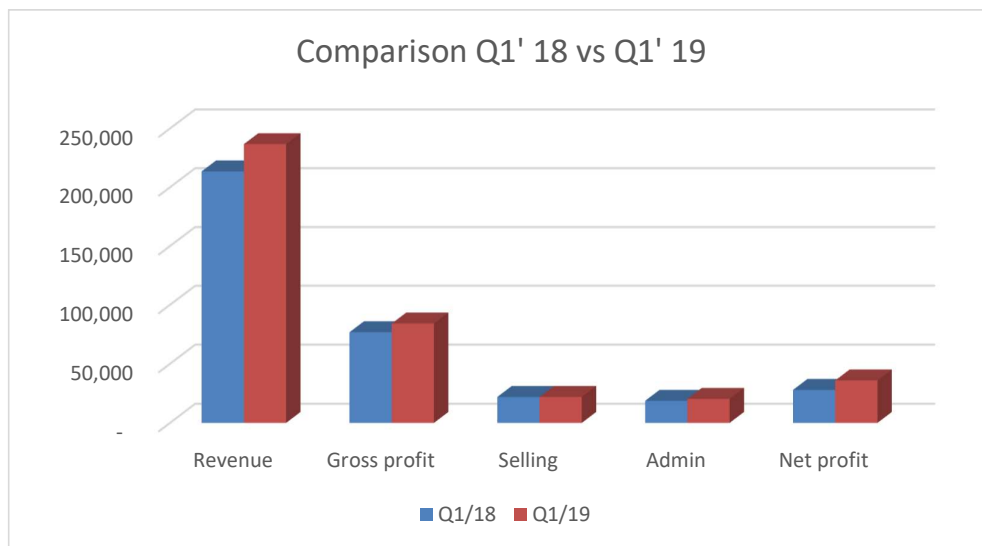
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May 9, 2019

Subject Management Discussion and Analysis for Q1/2019 (Ending March 31, 2019)

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 had varied over 20 percent for Q1/2019 ended March 31, 2019 of the Company and its subsidiaries, as shown below:



(Unit: Thousand Baht)

	Revenue	Gross profit	Selling	Admin	Net profit
Q1/18	213,552	76,707	21,974	18,709	27,898
Q1/19	236,732	84,100	22,010	20,368	35,928
Change	23,180	7,393	36	1,659	8,030
% Change	10.85%	9.64%	0.16%	8.86%	28.78%



In overall, the Company and its subsidiaries had a net profit in Q1/2019 of 35.9 MB with increase of 8 MB or 28.78 percent, when compared to Q1/2018 as following results:

- Revenue

Q1/2019, the Company and its subsidiaries had total revenue of 236.7 MB, increased from Q1/2018 in the amount of 23.2 MB, or 10.85 percent. (Domestic sales increased 20.07 percent and Export sales increased 4.57 percent)

- Gross profit margin

Q1/2019, the Company and its subsidiaries had the total gross profit of 84.1 MB, increased from Q1/2018 in the amount 7.4 MB or 9.64 percent with gross profit margin of 35.5 percent (35.9 percent in Q1/2018). The increase of gross profit was the result of low overhead cost due to high production volume and Sales increasing.

- Sales Expenses

Q1/2019, the Company and its subsidiaries had the selling expenses of 22 MB which is rather flat when compare to Q1/2018 (21.97 MB in Q1/2018) as result from better management and control of selling expenses.

- Administrative Expenses

Q1/2019, the Company and its subsidiaries had the admin expenses of 20.4 MB, increased from Q1/2018 by 1.7 MB or 8.86 percent (18.7 MB in Q1/2018) due to the one time Operating Fee for trade mark in China and the change on accounting record of the audit fee expense etc.

- Finance Cost

Q1/2019, the Company and its subsidiaries had the financial cost 1.1 MB decreased by 1.8 MB from Q1/2018 or 62.0 percent (2.9 MB in Q1/2018)

Financial Status

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

- Assets

As of March 31, 2018, the Company and its subsidiaries had a total asset by 680.8 MB which decreased from December 31, 2018 by 21.8 MB as a result of the increase in cash and cash equivalents 1.4 MB



and other current assets 1.1 MB, the decrease of trade and other receivables 20.3 MB, inventories 2.1 MB and non-current assets decreased in PPE 1.8 MB and other asset 0.1 MB.

- **Liabilities**

As of March 31, 2019, the Company and its subsidiaries had a total liability of 253.6 MB, decreased 57.7 MB from December 31, 2018 due to decrease of bank overdraft and short-term borrowings 43.0 MB, account payable and other payables 18.9 MB, other current liabilities 2.5 MB and increase of income tax payable 5.7 MB and employee benefit obligations 1 MB.

- **Shareholders' Equity**

As of March 31, 2019, the Company and its subsidiaries had total shareholder equity of 427.2 MB, increased from December 31, 2018 in amount of 35.9 MB due to the Company's profit for Q1/2019 of 35.9 MB

- **Cash Flows**

Based on the results for Q1/2019, the company's cash flow is as follows:

- Net cash flows from operating activities was 46.8 MB when compared with Q1/2018, increased 10 MB due to the decreasing of inventories.
- Net cash flows from the investing activities was 1.1 MB when compared with Q1/2018, increased 0.2 MB from increase of fixed assets.
- Net cash flows from financing activities was 27.3 MB when compared with Q1/2018, decreased 20 MB from the repayment of the financial institution in short-term loans.

The company's strategy for 2019

The Company targets to grow 10% in sales from 2018 (929 Million THB) by focusing on both domestic and export markets. The latest announcement in Jan 2019 from The European Commission which delists Thailand from the group of "warned countries" as recognition of the progress in tackling illegal, unreported and unregulated fishing (IUU Fishing). This shall enhance the growth in export canned products from Thailand in coming years.

Export market accounts for 60% of the total Company sales, therefore, it remains very critical to the Company to expand our reach to new regions such as Middle East, Latin America, Europe and Africa. Following the appointments distributors and agents in Mexico, Chile, Brazil, Peru and Egypt, we have realized some repeated orders which means these are potential markets.



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

We will work hard to maintain our market share in domestic market by improving our sales strategy, developing new products fulfilling market needs and continuing to grow our export market by strengthen our brand among multinational companies.

Please be informed accordingly.

Sincerely yours,

(Ms. Sopha Nachanhom)

Company Secretary

