



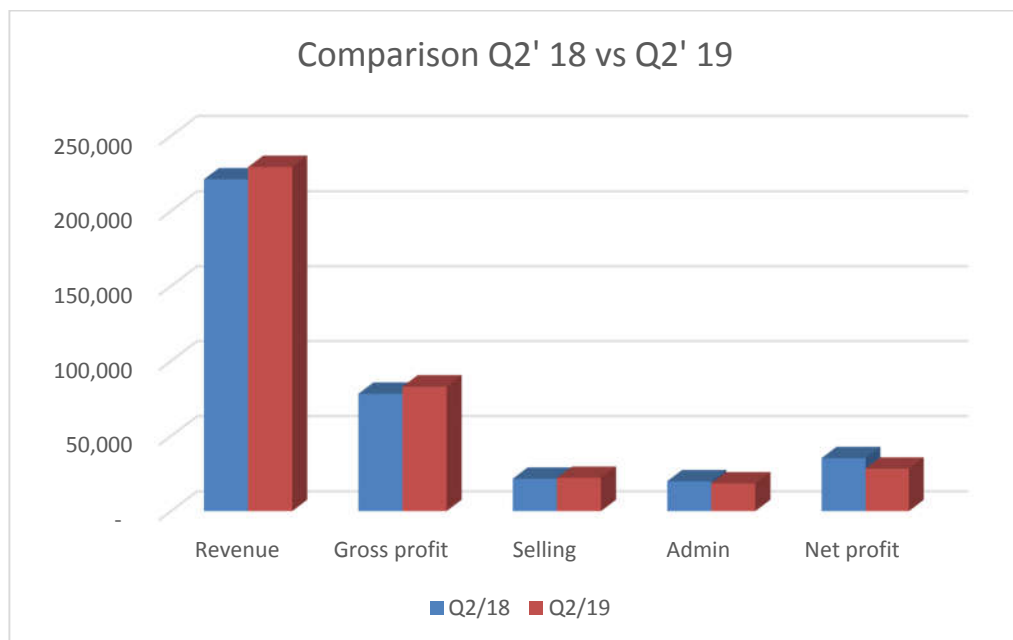
Ref. No. 1908/028EN

June 13, 2019

Subject Management Discussion and Analysis for Q2/2019 (Ending June 30, 2019)

To Director and Manager of the Stock Exchange of Thailand

Ubis (Asia) Public Company Limited (“the Company”) would like to clarify on the change in the performance and the financial status over 20 percent for Q2/2019 ended June 30, 2019 of the Company and its subsidiaries as shown below:



(Unit: Thousand Baht)

	Revenue	Gross profit	Selling	Admin	Net profit
Q2/18	221,202	78,238	21,637	19,916	35,335
Q2/19	229,355	83,001	22,124	18,495	28,250
Change	8,153	4,763	487	(1,421)	(7,085)
% Change	3.7%	6.1%	2.3%	(7.1%)	(20.1%)



In overall, the Company and its subsidiaries had a net profit in Q2/2019 of 28.2 MB with decrease of 7.0 MB or 20.1 percent, when compared to Q2/2018 (net profit in Q2/2019 of 35.3 MB) as following results:

- **Revenue**

The Company and its subsidiaries had total revenue of 229.3 MB in Q2/2019 which increased from Q2/2018 in the amount of 8.1 MB or 3.7 percent. (Domestic sales decreased 0.8 percent and Export sales increased 6.9 percent)

- **Gross profit margin**

The Company and its subsidiaries had the total gross profit of 83.0 MB in Q2/2019 which increased from Q2/2018 in the amount 4.8 MB or 6.1 percent with gross profit margin of 36.2 percent (35.4 percent in Q2/2018). The increase of gross profit was the result of low overhead cost due to high production volume and the higher in sales.

- **Selling Expenses**

The Company and its subsidiaries had the selling expenses of 22.1 MB in Q2/2019 which increased from Q2/2018 by 0.5 MB or 2.3 percent (21.6 MB in Q2/2018) as result from the higher in transportation expense which was in line with sales volume.

- **Administrative Expenses**

The Company and its subsidiaries had the admin expenses of 18.4 MB in Q2/2019 which decreased from Q2/2018 by 1.4 MB or 7.1 percent (19.9 MB in Q2/2018) due to lower travelling expense from last year.

- **Finance Cost**

The Company and its subsidiaries had the financial cost 0.9 MB in Q2/2019 which decreased by 1.3 MB from Q2/2018 or 58.0 percent (2.2 MB in Q2/2018)

Financial Status

The overall financial status of the Company and its subsidiaries as of June 30, 2019 with the comparison to the financial status as of December 31, 2018 are summarized as below:

- **Assets**

As of June 30, 2019, the Company and its subsidiaries had a total asset by 677.7 MB which decreased from December 31, 2018 by 24.9 MB as a result of the increase in cash and cash equivalents by 1.6 MB, the decrease of trade and other receivables by 26.3 MB, small increase in inventory by 0.2 MB and increase



in other current assets by 1.9 MB, and decrease in non-current assets and PPE by 2.6 MB and decrease in other asset by 0.2 MB and the increase in deferred income tax assets by 0.5 MB.

- **Liabilities**

As of June 30, 2019, the Company and its subsidiaries had a total liability of 267.6 MB which decreased by 43.8 MB from December 31, 2018 due to the decrease of bank overdraft and short-term borrowings by 26.3 MB, account payable and other payables by 19.2 MB, other current liabilities 2.1 MB and the increase in income tax payable by 2.0 MB and employee benefit obligations by 1.8 MB.

- **Shareholders' Equity**

As of June 30, 2019, the Company and its subsidiaries had total shareholder equity of 410.1 MB which increased from December 31, 2018 in amount of 18.8 MB due to the Dividend payment from the Company's profit 45.6 MB and little increase of profit from operation 64.4 MB of this year.

- **Cash Flow**

Based on the results for Q2/2019, the company's cash flow is as follows:

- Net cash flows from operating activities was 78.0 MB decreased by 6.6 MB when compare with Q2/2018 due to the increasing of trade and other receivable and the decreasing of trade and other payables.
- Net cash flows from the investing activities was 2.3 MB decreased by 0.4 MB when compare with Q2/2018 due to the decrease of fixed assets.
- Net cash flows from financing activities was 54.3 MB decreased 56.6 MB when compare with Q2/2018 due to the decrease of the financial institution in short-term loans by 102.2 MB and dividend payment of 45.6 MB.

The company's strategy for the second half of 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 had enhanced the growth on January – June 2019 in export of seafood products from Thailand of 11% however the export of fruits and vegetables canned products from Thailand decreased by 13% due to the bad weather affecting the farmer's production output.



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

The export market was still in the ratio for 60% of the total Company sales. Main market is in Asia zone but it remains very critical to the Company to expand our reach to new regions such as Middle East, Latin America, Europe and Africa. Due to the upcoming trade war and the slowdown in the world economy, the company is monitoring the situation closely as these might be a risk and affect our business performance in the second half of year.

Our key strategy is to work hard to maintain our market share in domestic market by improving our sales strategy and developing new products. The company has plan to invest in the additional machineries to produce new product ranges to fulfill market needs. These new products will complete our product portfolio in metal packaging industry. At this time the new product sample have already been introduced and sent to customers for testing.

Please be informed accordingly.

Sincerely yours,

(Mr. Nawat Triyapongpattana)

Managing Director

