



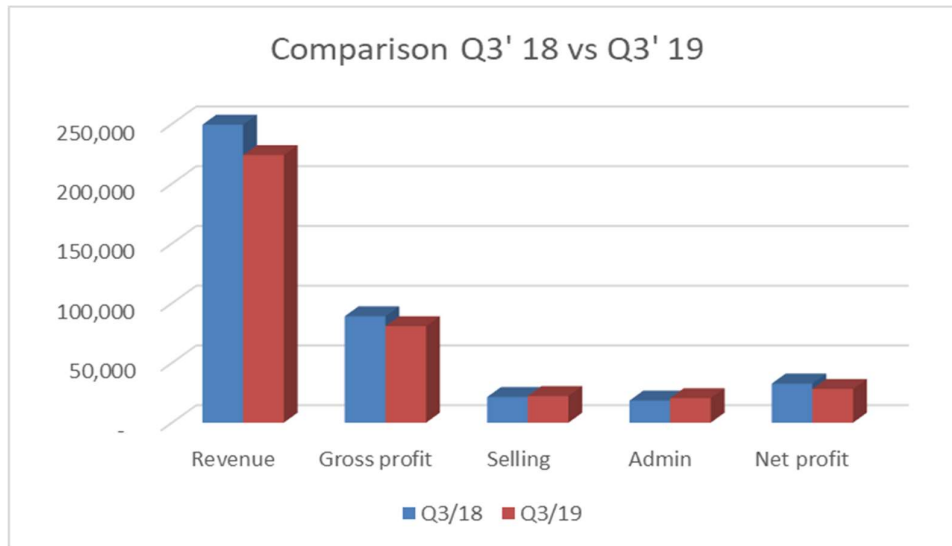
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November 12, 2019

Subject Management Discussion and Analysis for Q3/2019 (Ending September 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 performance and the financial for Q3/2019 ended September 30, 2019 of the Company and its subsidiaries as shown below:



(Unit: Thousand Baht)

	Revenue	Gross profit	Selling	Admin	Net profit
Q3/18	249,407	89,092	21,509	18,502	32,736
Q3/19	223,900	80,751	22,292	20,512	28,222
Change	(25,507)	(8,341)	783	2,010	(4,514)
% Change	(10.23%)	(9.36%)	3.64%	10.86%	(13.79%)

In overall, the Company and its subsidiaries had a net profit in Q3/2019 of 28.2 MB with decrease of 4.5 MB or 13.8 percent, when compared to Q3/2018 (net profit in Q3/2019 of 32.7 MB) as following results:



- Revenue

The Company and its subsidiaries had total revenue of 223.9 MB in Q3/2019, which decreased from Q3/2018 in the amount of 25.5 MB or 10.2 percent. (Domestic sales decreased 6.6 percent and Export sales decreased 12.6 percent)

- Gross profit margin

The Company and its subsidiaries had the total gross profit of 80.8 MB in Q3/2019, which decreased from Q3/2018 in the amount 8.3 MB or 9.4 percent with gross profit margin of 36.1 percent (35.7 percent in Q3/2018). The increase of gross profit was the result of the appreciation of the BAHT against the Dollars, causing the decrease in imported raw material prices.

- Selling Expenses

The Company and its subsidiaries had the selling expenses of 22.3 MB in Q3/2019, which increased from Q3/2018 by 0.8 MB or 3.6 percent (21.5 MB in Q3/2018) as result from the higher in travel expense.

- Administrative Expenses

The Company and its subsidiaries had the admin expenses of 20.5 MB in Q3/2019, which increased from Q3/2018 by 2.0 MB or 10.9 percent (18.5 MB in Q3/2018) due to the change on accounting record of the audit fee expense and provision expense recording based on accounting standard.

- Finance Cost

The Company and its subsidiaries had the financial cost 1.0 MB in Q3/2019 which decreased by 0.7 MB from Q3/2018 or 41.3 percent (1.7 MB in Q3/2018)

Financial Status

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

- Assets

As of September 30, 2019, the Company and its subsidiaries had a total asset by 698.3 MB which decreased from December 31, 2018 by 4.4 MB as a result of the increase in cash and cash equivalents by 7.0 MB, the decrease of trade and other receivables by 44.1 MB, increase in inventory by 1.3 MB and increase in other current assets by 3.0 MB, and increase in non-current assets, PPE, intangible asset, and total of deferred income tax assets and other non-current assets by 27.8 MB, 0.1 MB and 0.5 MB respectively.



- Liabilities

As of September 30, 2019, the Company and its subsidiaries had a total liability of 259.8 MB which decreased by 51.6 MB from December 31, 2018 due to the decrease of bank overdraft and short-term borrowings by 38.6 MB, account payable and other payables by 9.9 MB, income tax payable by 4.1 MB and other current liabilities 1.7 MB and the increase in employee benefit obligations by 2.7 MB.

- Shareholders' Equity

As of September 30, 2019, the Company and its subsidiaries had total shareholder equity of 438.5 MB which increased from December 31, 2018 in amount of 47.2 MB due to the Dividend payment from the Company's profit 45.6 MB and profit from operation 92.8 MB of this year.

- Cash Flow

Based on the results for Q3/2019, the company's cash flow is as follows:

- Net cash flows from operating activities was 130.6 MB increased by 9.4 MB when compare with Q3/2018 due to the increasing of trade and other receivable and the decreasing of inventory, other current asset and trade and other payables.
- Net cash flows from the investing activities was 36.1 MB increased by 32.5 MB when compare with Q3/2018 due to the increase of fixed assets and intangible asset.
- Net cash flows from financing activities was 69.8 MB decreased 74.5 MB when compare with Q3/2018 due to the decrease of the financial institution in short-term loans by 120.1 MB and dividend payment of 45.6 MB.

The company's strategy for the fourth Quarter of 2019

Our key strategy is to maintain our market share in domestic market by improving our sales strategy and developing new products, which will complete our product offering in metal packaging industry. After some of new products sample had been introduced to customers for testing, we start to receive orders from Thailand customers in the end of 3rd quarter. Our plan is to launch these products to other customer both domestically and internationally. Moreover, we will begin to launch other new products hoping to have them evaluated and to get with the customers some results by 4th quarter of this year to support our sales plan in the Year 2020.

Please be informed accordingly.

Sincerely yours,

(Mr. Nawat Triyapongpattana)

Managing Director

