

Ocean Glass Public Company Limited

Management Discussion and Analysis

Consolidated Financial Results
For the period ended March 31, 2017

Operating Results

In the 1st quarter of 2017, Ocean Glass Public Company Limited and Subsidiaries (“the Company”) reported consolidated revenue of Baht 515.3 million, increased by 29.5% compared with quarterly on quarterly (QoQ). The Company’s gross profit demonstrated at 37.2% to sales value, declined from last quarter which reported at 41.8% mainly due to the increment of sales volume in decorative items. The Company reported total expenses of Baht 477.3 million, increased by 20.9% compared with QoQ, mainly due to the increment of cost of goods sold in line with sales increased. As a result, the Company reported net profit of Baht 31.6 million, increased Baht 30.0 million, compared with QoQ. Earnings per share presented at Baht 1.48.

Statement of Comprehensive Income

- **Total Revenues (Million Baht)**

	Quarterly		Change
	1/2017	1/2016	%
Sales			
Domestic Sales	136.8	120.7	13.3
Export Sales	376.0	271.9	38.3
Total Sales	512.8	392.6	30.6
Foreign Exchange Gain	1.0	4.8	(79.8)
Other Income	1.5	0.6	141.1
Total Revenues	515.3	398.0	29.5

The Company reported total sales revenues of Baht 512.8 million increased by 30.6% compared with QoQ. Proportion of domestic sales was 26.7% and export sales was 73.3% of total sales. Domestic sales increased by 13.3%, mainly from B2B customers, while export sales increased by 38.3%, primary from higher sales volume in B2B International and sales growth in Asia market especially China, India, and Indonesia. The Company reported gain from foreign exchange of Baht 1.0 million due to foreign exchange hedging. Other income reported Baht 1.5 million comprised of sales of cullet and recognized revenues from mold supplies during the period.

▪ **Total Expenses (Million Baht)**

	Quarterly		Change
	1/2017	1/2016	%
Cost of Goods Sold	321.8	228.3	40.9
Temporary Shutdown Expenses	33.2	35.4	(6.2)
Selling Expenses	86.4	98.2	(12.0)
Administrative Expenses	29.2	24.1	12.4
Finance Costs	6.7	8.9	(24.3)
Total Expenses	477.3	394.9	20.9

Total cost of goods sold reported at the amount of Baht 321.8 million, increased by 40.9% compared with QoQ, in line with incremental in sales volume. The Company's selling expenses reported at Baht 86.4 million decreased by 12.0% compared with QoQ, mainly from decreased in selling and marketing expenses, while administrative expenses reported at Baht 29.2 million increased by 12.4% compared with QoQ, primarily due to write off obsolete finished goods during the period.

The Company reported shutdown expenses for inventory management against sales volume at Baht 33.2 million decreased by 6.2% compared with QoQ.

Statements of Financial Position as at March 31, 2017

	March 31, 2017 (Million Baht)	December 31, 2016 (Million Baht)	Change (%)
Current Assets	1,243.4	1,360.2	(8.6)
Non-Current Assets	1,856.2	1,665.6	11.4
Total Assets	3,099.7	3,025.8	2.4
Current Liabilities	504.9	641.9	(21.4)
Non-Current Liabilities	695.3	689.3	0.9
Total Liabilities	1,200.2	1,331.2	(9.8)
Total Shareholders' Equity	1,899.5	1,694.6	12.1
Current Ratio (times)	2.46	2.12	
Debt to Equity Ratio (times)	0.63	0.79	

As of March 31, 2017, total assets presented at Baht 3,099.7 million, increased by 2.4% comprised of current assets of Baht 1,243.4 million, decreased by 8.6% mainly from payment in trade and other receivables during the period, and decreased in cash and cash equivalent from repayment of short-term and long-term loans. Non-current assets presented at Baht 1,856.2 million, increased by 11.4%, due to the recording of land fair value which determined by Independent appraiser during the period.

As of March 31, 2017, total liabilities presented at Baht 1,200.2 million, decreased by 9.8%, mainly due to repayments of short-term and long-term loans during the period. Total shareholders' equity presented at Baht 1,899.5 million, increased by 12.1% from the recognition of gain on land revaluation and net profit during the period.