



# ANNUAL REPORT 2019

OCEAN GLASS PUBLIC COMPANY LIMITED  
รายงานประจำปี 2562 บริษัท โอเชียนกลาส จำกัด (มหาชน)

**RIMS COLLECTION**

AWARD WINNER



Thailand - Japan Design Award Partnership

แบรนด์โอเชียน เสริมสร้าง  
ความเชี่ยวชาญให้แก่  
ผู้ประกอบการ ร้านอาหาร  
และบาร์ ผ่านกิจกรรมการให้  
ความรู้ และการสร้างสรรค์  
ค็อกเทล “The Minimalist  
Cocktails” ผ่านผลิตภัณฑ์  
คอนเนกชั่น จัดขึ้นที่เมือง  
ฮานอย ประเทศเวียดนาม

Ocean strengthened  
expertise of restaurants  
and bars in Hanoi  
Vietnam through the  
exclusive seminar ‘The  
Minimalist Cocktails’  
featuring Connexion



Brand Activities and Roadshows





## ความภาคภูมิใจของแบรนด์ลูคาร์ริส The pride of LUCARIS



ริมส์ (RIMS) แก้วค็อกเทลคริสตัลหฐุ ด้ร้บร้งร้งล Good Design Award 2019 (GMARK) เป็นหนึ่งในสี่ร้งร้งลดีไซ์นระดับนานาชาติ ที่ด้ร้บการยอรับมากที่สุดทั่วโลก กว่า 60 ปี จากประเทศญี่ปุ่น และ Design Excellence Award 2019 (DEmark) ซึ่งเป็ร้งร้งลอันทรวงเกียรติสำหรับผลงานออกแบบอันโดดเด่น จากประเทศไทย RIMS, cocktail glassware for high-end bars, won Good Design Award 2019 (GMARK), one of the World's most famous Design Awards from Japan as well as Design Excellence Award 2019 (DEmark) from Thailand

ลูคาร์ริสแต่งตั้ง โซนอล ฮอลแลนด์ มาสเตอร์ออฟไวน์ เป็นพฐุทของแบรนด์ลูคาร์ริส (LUCARIS Brand Ambassador) ในประเทศอินเดีย โซนอล ฮอลแลนด์ มาสเตอร์ออฟไวน์คนแรก และคนเดียวในประเทศอินเดีย ด้ร้บร้งร้งลมากมายที่เก็ยข้องใว้ร้งการไวน์และเป็รฐุจกัในประเทศอินเดียกว่าหนึ่งพันล้านคน

Sonal Holland MW has been appointed as the LUCARIS Brand Ambassador in India. Master of Wine Sonal Holland is India's most accomplished wine professional. The first Indian to have been bestowed with this prestigious global title, she has won numerous awards in her incredible journey to become the only Master of Wine in a nation of one billion people.



### LUCARIS announces Master of Wine Sonal Holland as its Brand Ambassador in India

Luxury crystal glassware brand, LUCARIS, announces that it has appointed the first Indian Master of Wine and the country's most qualified beverage professional as its brand ambassador in India. This marks the luxury crystal glassware brand's affinity to the Indian consumer and the introduction of unique designs of crystal glassware collections. LUCARIS in Asia has been bringing the finest of crystal glassware that is rising long-standing global brand leaders, with their impeccable quality and innovative designs. The brand's crystal glassware is now available in India through its exclusive distributor, Sonal Holland MW. The brand's crystal glassware is now available in India through its exclusive distributor, Sonal Holland MW. The brand's crystal glassware is now available in India through its exclusive distributor, Sonal Holland MW.



### Glass act

THE nice news is that luxury crystal glassware brand Lucaris has announced Sonal Holland, India's only Master of Wine, as its brand ambassador in India. This marks the brand's affinity to the Indian consumer and the introduction of unique designs of crystal glassware collections. The brand is growing dynamically by launching several new, high-quality crystal glassware collections and adding momentum to its distribution network with the aim of making its presence felt across the hospitality and restaurant business and addressing the high-end household demand for sophisticated drinking experiences. Sonal Holland, it is felt, brings in a dash of freshness and energy to the brand and epitomises qualities that clearly define the attributes of Lucaris that include mastery, luxury, charisma and aspirations. Cheers to that!





ลูคาร์ริส สปอนเซอร์ Hotelier India Awards 2019 งานประกาศผลรางวัลสำหรับบุคคลากรโรงแรมที่ใหญ่ที่สุดในอินเดีย  
LUCARIS was the exclusive networking partner for the Hotelier India Awards 2019.



ลูคาร์ริส สปอนเซอร์การแข่งขัน  
ซอมเมอลิเยร์ของประเทศจีน  
ประจำปี 2019 ที่โรงแรมโอคุระ  
การ์เด้น นครเซี่ยงไฮ้  
LUCARIS sponsored 2019  
China Sommelier  
Competition at the Okura  
Garden Hotel, Shanghai



ส่งมอบความเชี่ยวชาญของแบรนด์ลูคาร์ริส ผ่านมาสเตอร์คลาส โดย โซนอล ฮอลแลนด์ มาสเตอร์ออฟไวน์  
Delivered Mastery brand value through LUCARIS Masterclass presented by Sonal Holland MW

# TABLE OF CONTENT

General Information	6
Message from Chairman	7
Board of Directors and Management Team	8
Vision Mission Core Values	10
Key Financial Information	11
Management's Discussion and Analysis	12
Business Structure	
1. Business Overview	16
2. Business Operation	19
3. Risk Factors	22
Corporate Code of Conduct	
4. Shareholders Structure	23
5. Organization Structure	24
6. Corporate Governance	33
7. Corporate Social Responsibilities	47
8. Internal Control and Risk Management	51
9. Related Party Transaction	53
Directors Profile	54
Executives Profile	63
The Board of Directors' Report on the Accountability of Financial Reports	68
Report of the Audit Committee	69
Report of the Nomination and Remuneration Committee	71
Financial Statements and Report of Certified Public Accountant	73

## GENERAL INFORMATION

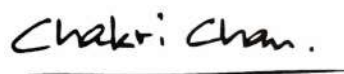
Company Name	Ocean Glass Public Company Limited
Head Office	75/88-91 Ocean Tower 2, 34th Floor,  Sukhumvit 19 Road (Soi Wattana), North Klongtoey, Wattana,  Bangkok 10110, Thailand  Tel +66 (0) 2661 6556      Facsimile +66 (0) 2661 6550
Type of Business	Manufacturer, local distributor and exporter of glass tableware
Registration No.	0107536000153
Registered Capital	500,000,000 Baht, Common share 50,000,000 at Baht 10 par
Paid-Up Capital	213,307,150 Baht, Common share 21,330,715 at Baht 10 par
Home Page	<a href="https://www.oceanglass.com/">https://www.oceanglass.com/</a> , <a href="https://ocean-tableware.com/">https://ocean-tableware.com/</a>
Email	<a href="mailto:contact@oceanglass.com">contact@oceanglass.com</a> , <a href="mailto:ir@oceanglass.com">ir@oceanglass.com</a>
Factory	365-365/1 Moo 4, Bangpoo Industrial Estate, Sukhumvit Road,  Tambol Praksa, Amphur Muang, Samutprakarn 10280  Tel +66 (0) 2324 0422-4, 2324 0191-2      Facsimile +66 (0) 2324 0420
Showroom	Asoke (Ocean Shop)  175 Sukhumvit 21 Road, North Klongtoey, Wattana, Bangkok 10110  Tel: +66 (0) 2661 6556 Ext. 371, 449      Facsimile +66 (0) 2258 0484

# MESSAGE FROM CHAIRMAN

In 2019, rapid changes in the business environment and consumer behavior, and challenges from global trade uncertainties intensified the competition in the glass tableware industry.

In the midst of these changes and challenges, the Company has developed a new business unit by initiating the E-Commerce platform for the food services segment together with continuing improvement of new glassware products. The Company was quite honored when the Lucaris RIMS cocktail crystal glassware won two international design awards: the Good Design Award 2019 (GMARK) and the Design Excellence Award 2019 (DEmark). For production, the Company continuously improves its efficiency by adding new technology into the production line in order to reduce production cost and control operating cost. As a result, the Company has been able to maintain its profitability for six consecutive years. Apart from various developments to increase competitiveness, the Company steadfastly remains committed to conduct business in accordance with good corporate governance, and social and environmental responsibility, by continually promoting corporate social responsibility activities for the fifth year. In addition, the Company also initiated the solar roof project, which is environmental friendly and will help reduce global warming.

With our commitment to drive business growth and sustain our Company's profitability, on behalf of the Board of Directors, the management, and the staff, I would like to extend my gratitude to our shareholders, customers, business partners, for your trust and continued support.



Mr. Chakri Chanruangvanich

Chairman of the Board

Nomination and Remuneration Committee Member



## BOARD OF DIRECTORS



Mr. Chakri Chanruangvanich  
Chairman of the Board, and Nomination  
and Remuneration Committee Member



Mr. Kirati Assakul  
Director



Mr. Woragan Xuto  
Independent Director, and Chairman of  
the Audit Committee



Mr. Chatchawin Charoen-Rajapark  
Independent Director, Chairman of the  
Nomination and Remuneration  
Committee, and Audit Committee  
Member



Mr. Tatchapol Poshyanonda  
Independent Director, and  
Audit Committee Member



Mr. Chaipranin Visudhipol  
Independent Director, and  
Audit Committee Member



Mr. Matthew Kichodhan  
Independent Director



Mr. Naputt Assakul  
Director, and Nomination and  
Remuneration Committee Member



Ms. Jariya Sangchaiya  
Managing Director



## MANAGEMENT TEAM



Ms. Jariya Sangchaiya  
Managing Director



Mrs. Yada Andaris  
Executive Director - Human Resources



Mr. Sathien Srisaikhram  
Executive Director – Finance and  
Accounting, and Information Technology



Mr. Uday Verma  
Executive Director – Customer & Channel Development



Mr. Kritsana Pairoj  
Executive Director - Manufacturing

# VISION MISSION CORE VALUES

## VISION

To Be A World-Class Market Leader Through Business Innovation,  
Corporate Values and Operational Excellence,  
While Consistently Maintaining Customer Satisfaction  
and Achieving Business Growth and Profitability

## MISSION

Providing Life's Pleasure with Quality Glassware

## CORE VALUES



QUALITY

HONESTY &  
INTEGRITY

OPPORTUNITY

RESPECT  
FOR THE  
INDIVIDUALS

# KEY FINANCIAL INFORMATION

(Million Baht)

Consolidated Financial Statement	2019	2018	2017
Net Sales	1,867	2,021	2,148
Total Revenue	1,898	2,031	2,167
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	200	215	271
Net Profit	18	24	66
Total Assets	3,229	3,266	3,053
Total Liabilities	1,356	1,393	1,170
Total Shareholders' Equity	1,873	1,873	1,883
Net Profit Margin	0.96	1.20	3.05
Return on Equity	0.97	1.30	3.69
Return on Assets	1.20	1.91	3.54
Basic Earnings per Share	0.85	1.15	3.09
Dividends per Share	0.57*	0.57	1.55
Dividend Payout Ratio (%)	67%	50%	50%
Book Value per Share	87.80	87.81	88.27



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Performance for the Period Ended December 31, 2019

In 2019, Ocean Glass Public Company Limited and its subsidiaries ("the Company") reported consolidated revenues of Baht 1,898.43 million, decreased by 6.53 % compared to last year. Sales revenues reported at Baht 1,867.21 million, decreased by 7.59 %, majorly due to stronger Thai Baht that has impacted on sales revenue, most of which were accounted on export sales. Export sales declined by 8.26% while domestic sales declined by 5.70% mostly due to substitute products in B2B segment and decrease in the numbers of opening of the new hotel and restaurant projects as well as lack of repurchase from them. Domestic sales portion ended up at 26.57% and export sales stood at 73.43% of the total sales revenue.

The Company reported gain from foreign exchange hedging at Baht 21.69 million. Other income came at Baht 9.53 million from mold supplier, transportation, sales of scraps, and obsolete equipment.

Gross profit margin increased from 32.41% to 33.48% in 2019 thanks to favorable energy prices and improved production efficiency. Total expenses were Baht 1,877.07 million, decreased by 5.68% on account of tight budget control. However, due to the increment of temporary shutdown expenses and the adjustment of severance payment for labor retirement benefits, the Company reported net profit of Baht 18.13 million, declined by 25.85% from last year. Earnings per share reported at Baht 0.85.

## Statement of Comprehensive Income

	2019 (Million Baht)	2018 (Million Baht)	Change (%)
Sales	1,867.21	2,020.63	(7.59)
- Domestic Sales	496.09	526.08	(5.70)
- Export Sales	1,371.12	1,494.55	(8.26)
Foreign exchange gain	21.69	6.67	225.40
Other income	9.54	3.80	151.19
<b>Sales</b>	<b>1,898.44</b>	<b>2,031.10</b>	<b>(6.53)</b>

	2019 (Million Baht)	2018 (Million Baht)	Change (%)
Cost of goods sold	1,242.09	1,365.73	(9.05)
Temporary shutdown expenses	123.35	75.92	62.46
Allowance for the decline in value of inventory	9.71	32.63	(70.24)
Selling expenses	311.03	347.26	(10.43)
Administrative expenses	173.16	149.15	16.10
Finance costs	17.73	19.52	(9.16)
<b>Total expenses</b>	<b>1,877.07</b>	<b>1,990.21</b>	<b>(5.68)</b>
Profit before income tax expense	21.36	40.89	(47.75)
Income tax expense	3.23	16.43	(80.35)
<b>Profit for the year</b>	<b>18.13</b>	<b>24.46</b>	<b>(25.85)</b>
Other comprehensive income (loss) for the year, net of tax	(6.26)	(1.13)	(457.38)
<b>Total comprehensive income for the year</b>	<b>11.87</b>	<b>23.33</b>	<b>(49.14)</b>
<b>Basic earnings per share (Baht)</b>	<b>0.85</b>	<b>1.15</b>	<b>(26.09)</b>

- **Cost of goods sold**

Total cost of goods sold presented at Baht 1,242.09 million, decreased by 9.05% from last year along with declining in sales value. Cost per unit decreased due to the decrement of energy cost and production efficiency in Crystalline Product.

- **Temporary shutdown expenses**

Shutdown expenses presented at Baht 123.35 million, increased by 62.46% from last year. The expenses comprised of shutdown for cold repair (Furnace A) amounted Baht 14.19 million, shutdown for cold repair (Furnace B) amounted Baht 36.47 million and shutdown for inventories management amounted Baht 72.69 million.

- **Allowance for the decline in value of inventory**

The Company presented allowance for the decline in value of obsolete and long-aged finished products from sales and adjusting product to be ready for sale at Baht 9.71 million, decreased by 70.24% from last year.

- **Selling and administrative expenses**

Selling expenses presented at Baht 311.03 million decreased by 10.43% from last year along with declining in sales and expenses controlled while administrative expenses presented at Baht 173.16 million, increased by 16.10% due to the adjustment of severance payment for labor retirement benefits according to Labor Protection Act amounted Baht 22.87 million.

- Finance costs

Finance costs presented at Baht 17.73 million, decreased by 9.16% due to repayments of long-term loans.

- Other comprehensive loss, net with tax

Other comprehensive loss presented at Baht 6.26 million, increased Baht 5.14 million from the recognition on re-measurement of employee benefit obligation net with tax amounted Baht 3.36 million.

## Statements of Financial Position as at December 31, 2019

	2019 (Million Baht)	2018 (Million Baht)	Change (%)
Current Assets	1,342.77	1,336.01	0.51
Non-Current Assets	1,886.44	1,929.91	(2.25)
<b>Total Assets</b>	<b>3,229.21</b>	<b>3,265.92</b>	<b>(1.12)</b>
Current Liabilities	966.18	1,093.45	(11.64)
Non-Current Liabilities	390.21	299.36	30.35
<b>Total Liabilities</b>	<b>1,356.39</b>	<b>1,392.81</b>	<b>(2.61)</b>
<b>Total Shareholders' Equity</b>	<b>1,872.82</b>	<b>1,873.11</b>	<b>(0.02)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,229.21</b>	<b>3,265.92</b>	<b>(1.12)</b>

■ **Total Assets**

As of 31 December 2019, total assets presented at Baht 3,229.21 million, decreased by 1.12% as per details below:

- Cash and cash equivalent decreased by 43.16% from investment in assets, repayments of long-term loans, and dividend payment during the year.
- Trade and other receivables increased by 19.95%, from advance payment for purchasing machine and equipment.
- Value added tax receivables decreased by 37.66% from receiving value added tax refund from the Revenue Department.
- Property, plant and equipment decreased by 1.95% from the depreciation net with investment in fixed assets.

■ **Total Liabilities**

As of 31 December 2019, total liabilities presented at Baht 1,356.39 million, decreased by 2.61%, from repayment of long-term loans.

■ **Total Shareholders' Equity**

Total shareholders' equity presented at Baht 1,872.82 million, decreased by 0.02% from net profit of the year, net with dividend payment.



## Financial Ratio Analysis

Profitability Ratio	Unit	Jan – Dec 2019	Jan – Dec 2018
Gross Profit Margin	%	33.48	31.43
Operating Profit Margin	%	0.42	2.47
Net Profit Margin	%	0.96	1.20
Return on equity	%	0.97	1.30
Basic earnings per Share	Baht / Share	0.85	1.15
Efficiency Ratio	Unit	Jan – Dec 2019	Jan – Dec 2018
Return on Assets	%	1.20	1.91
Liquidity Ratio	Unit	31 Dec 2019	31 Dec 2018
Current Ratio	Times	1.39	1.22
Quick Ratio	Times	0.34	0.29
Average Collection Period	Day	39	35
Inventory Days	Day	174	141
Accounts Payable Days	Day	44	43
Cash Cycle	Day	169	133
Leverage & Financial Policy	Unit	31 Dec 2019	31 Dec 2018
Debt to Equity Ratio	Times	0.72	0.74
Interest Coverage Ratio	Times	11.29	11.03
Debt Service Coverage Ratio	Times	0.60	0.21

According to the liquidity ratio and financial leverage policy, the analysis showed that the Company still has liquidity and sufficient cash for interest payment and other financial obligations. Moreover, the Company was able to maintain debt to equity ratio according to the restriction of long-term loans from local financial institutions.

# BUSINESS STRUCTURE

## 1. Business Overview

Ocean Glass Public Company Limited was established in 1979 with the registered capital of 100 million Baht. The objective is to manufacture and sell dining table glassware under investment promotion from Board of Investment (BOI) in an early stage of business operation. In 1993, the Company was transformed into a public company and listed in the Stock Exchange of Thailand. Presently, the Company's registered capital is 500 Million Baht, with paid-up registered capital of 213.31 million Baht.

The Company's main business is manufacturing and selling of dining table glassware worldwide over 90 countries under Ocean trademarks for soda-lime glassware, and Lucaris trademark for premium level of lead-free crystal glass. The Company aims for production of high quality glass designed to respond for customer demands of both design-printed and clear glass products with modern production technology and machineries.

For marketing and sales, the customer targets are classified into three groups, including customer group in food and beverage business (Food Service), retail customer group that purchases for household use (Retail), and institute customer group that uses glassware as premium (B2B).

### Vision, Mission, Core Value, and Business Strategies

Vision	To be a world-class market leader through business innovation, corporate values and operational excellence, while consistently maintaining customer satisfaction and achieving business growth and profitability
Mission	Providing Life's Pleasure with Quality Glassware
Core Value	Quality, Honesty & Integrity, Opportunity, Respect for the Individuals

The Board of Directors formulates vision, mission and core value of the organization for determination of united direction and target. Vision is the determinant of highest expectation vision. Mission is the practice adhered by the organization in business operation. Core value is the mutual principle applied by the executives and employees for operation to achieve target. The Company's vision is reviewed in accordance with the business strategy every year. In 2019, the Board of Directors reviewed the Company's vision and agreed to formulate a strategy by focusing on the increment of market share in the core market and expanding product distribution in extended markets, online channel, along with creating demand in high value products to increase profits.

In determining strategy, the Company considers on the business operation opportunity, marketing competition, and business environment both in domestic and abroad, as well as the aspect of risk in various areas. In each year, the executive will apply the said factors to support the preparation of business plan and strategy to be consistent with the Company's vision 1) brand building 2) develop customers channel 3) operational excellence 4) build people capability & employee engagement and propose to the Board of Directors for consideration and approval. The Company adopted Balanced Scorecard method by applying four perspectives:

- 1) Financial perspective
- 2) Customer perspective
- 3) Internal business process perspective, and
- 4) Learning and growth perspective.

In addition, the Company defines Key Performance Indicator of each business unit to be aligned with the performance management based on the strategy and business plan.

### Significant Changes and Developments for the Past 5 Years

2015	The Company established Research and Development for products innovation
2016	The Company established a subsidiary, Crystal Clear Innovation on 31 August 2016 with registered capital 100,000 Baht for the purpose of research and product development.
2017	Lucaris Desire Collection with Airlumer signature won the China Good Design Award for the year 2017.
2018	Lucaris Desire Collection won iF Design Award 2018 from Germany. The Award was recognized worldwide as an arbiter of the good quality design.
2019	Lucaris RIMS Collection won Good Design Award 2019 (GMark) from Japan, and Design Excellence Award 2019 (DEmark) from Department of International Trade Promotion, Thailand.
	Ocean CONNEXION Collection won Tableware International Awards 2019 from England
	The Company also won Thai Star Packaging Awards 2019 from Department of Industrial Promotion, Thailand



## Group Structure of the Company and its subsidiaries



Ocean Glass Public Company Limited has commenced the business engagement of manufacture and distribution of glassware for use on dining table since 1979. Later, in 2006, the Company registered to establish Ocean Glass Trading (Shanghai) Co., Ltd. for business engagement in import and distribution of Ocean Glass products in Republic of China. In 2013, the Company registered to establish Ocean Glass Trading India Private Limited in New Delhi, India for expansion of distribution channel and market development. In 2016, the Company registered to establish Crystal Clear Innovation Co., Ltd. in Thailand for research and product development.

Company/Address	Type of Business	Registered Capital	Shares Type	Number of issued shares	Paid-up capital	Shares holding	
						Number of Shares	% Shares
<b>Ocean Glass Trading (Shanghai) Ltd.</b> Room 1902, Jin Hang Tower, 83 Wan Hang Du Road, Jing An District, Shanghai, People's Republic of China Tel :+86 ( 9505 6135 (21 Fax : +86 (21) 6135 9428	Importer and Distributor of Ocean Glass's Products	USD 150,000	Common Share	5,636	USD 150,000	5,636	100.00
<b>Ocean Glass Trading India Private Limited</b> 574 Third Floor, Main Road, Chirag Delhi, New Delhi, India 110017 Tel : +91 (11) 4183 4111	Business engagement as permitted by laws of India	INR 500,000	Common Share	50,000	INR 500,000	49,999	99.99
<b>Crystal Clear Innovation Co., Ltd.</b> 75/88-91 Sukhumvit 19 (Soi Wattana) North Klongtoey, Wattana, Bangkok 10110	Research and Product Development	Baht 100,000	Common Share	20,000	Baht 100,000	19,998	99.99

## 2. Business Operation

### Our Products

All of the Company's products are glassware for use on dining table. The products are manufactured through high technology, quality, and modern design, proper for use with distinct and beautiful colorful printing designs. As a result, our products are needed in the markets. The Company has been certified in accordance with ISO 9001:2008, OHSAS18001:2007, TIS 18001:1999 and TIS 2546-603 standards.

Glassware products of the Company are distributed under Ocean trademarks for soda lime glassware and Lucaris trademark for lead-free crystalline glassware in premium level. Such trademarks have been widely accepted by the customers with quality equal to work market leaders. The products are distributed directly and through both abroad and local distributor networks.

The Company's products are classified into 3 types in accordance with production process as follows.

- 1) Blownware: long cylinder or rectangular shape feature with thin wall glassware produced by Press & Blow Process e.g. glass and storage jar;
- 2) Pressware: round and flat glassware with handle or other shapes with thick wall glassware produced by Press Process e.g. plate, bowl, saucer, ashtray, vase, beer mug, etc.
- 3) Stemware: glassware with high stem for holding without handle produced by Glass Blow & Blow and Press Process.

### Marketing and Competition

The Company sells glassware products both in domestic and export to foreign countries worldwide. In 2019, domestic sales portion ended up at 26.57% and export sales stood at 73.43% of the total sales revenue. There are 3 main customers as follows.

- 1) Food Service or the customer that run beverage and food service business such as hotel and restaurant, etc.
- 2) Retail or the customer that runs retail business such as retail stores
- 3) Business to Business (B2B) or the customers that are companies, shops or governmental agencies using the Company's products for sales promotion or gift such as beverage companies and banks

The Company sells through the distributors of the Company for domestic markets and the Company sells through local distributors of those countries for foreign markets. In addition, the Company starts its online business through e-commerce provider, department store platform, and local distributors.

### Competitive in the Industry

Last year, the situation of the baht appreciation continuously affecting to the Company that mainly sales through exports which accounted for 73.43% of total sales, while Thai Baht appreciation allowed domestic trader import substation products from China, Europe, and Turkey in competitive price. As a result, this price competition affecting to B2B and retails markets. However, the Company continues to expand its distribution channels to potentially growth emerging markets along with promoting of brand awareness in core markets such as China, India, and Vietnam through marketing activities by strengthen expertise in food and beverages for entrepreneurs' restaurant and bar.

In 2019, the Company conducted customer satisfaction survey. Ocean brand has built brand awareness through social media, which has increased 26,589 followers in Weibo China and 40,405 people on Facebook, Thailand and India. Average brand engagement via Thailand and India social media was at 12.04%. For Lucaris, brand awareness through social media increased to 38,227 followers in Weibo China and 32,200 people on Facebook, India. In addition, New Year Gift Set was accepted in the market and has increased sales of festive gift sets by 109% compared to 2018.

### Production for Sales

The Company's factory is located at Bangpoo Industrial Estate, Samut Prakarn Province on the area of 11.5-2-82 rais. At present, the main machineries are 3 glass furnaces, 12 sets of glass forming machine and glass oven (production lines). The 3<sup>rd</sup> furnace and the 12<sup>th</sup> glass-forming machine were finished for installation and started actual production in 2010. Total production capacity as of 31 December 2019 is as follows.

	2019	2018	2017	2016	2015
Actual Capacity (Ton)	50,310	54,087	50,154	51,944	54,052
Actual Capacity (Million Pieces)	121	132	123	126	128

Remark : There was some shutdown for machine maintenance and inventory management.

### Raw Materials

The main raw materials of the Company are small quartz, limestone and glass scraps which can be procured from foreign and domestic raw material sources without shortage. The Company has continuously procured other important raw materials and chemicals such as soda ash from domestic distributor in several countries through execution in accordance with general procurement standard.

### Environmental Impact

The Company emphasizes and adheres as the policy in high quality manufacture and work safety with minimum negative environmental effect. Therefore, the executives have supported all level of employees to comply with ISO 9001:2008 Quality Standard including the application of OHSAS 18001:2007 occupational health and safety standard system in the entire organization.

In addition, the Company aims to the excellence of product manufacture and service provision and operates with concern and care in environmental and natural conservation under below operations of the Company.

- Abatement of air pollution and sewage in all production processes
- Decrease in usage, increase in recycle and use in other purposes as well as loss management
- Focus on safety of all employees in every establishment of the Company

The Company was certified ISO 14001 Environmental Management System Standard on February 9, 2016.

### 3. Risk Factors

#### Foreign Exchange Rate Fluctuation Risk

The Company has exported products for sales in foreign countries. The revenue incomes mostly are foreign currency. As a result, fluctuation in foreign exchange is directly affected to the Company's turnover. The Company has managed risk in order to reduce such effect by using forward contracts to reduce its exposure to currency fluctuations.

#### Liquidity Risk

The Company sells and procures production under condition of cash and credit. The credit facility obligation has been granted from financial institutions both short-term for working capital and long-term credits used for production capacity expansion and fixed asset procurements. However, the risk from inability to allocate sufficient working capital and debts payment has been in low level, since the Company can maintain sufficient level of cash and cash equivalents to provide production resources and other operations. In addition, the Company can manage account receivable and maintain sufficient credit facility to support business operations.

#### Credit Risk

The Company sells products under credit conditions both in domestic and foreign customers. Hence, it has been risky for failure of payment to the Company in accordance with agreed conditions. The Company monitors such risks by determining credit policy and regular review and analysis customer's financial status in order to ensure that the customers have healthy financial status, security deposit of the customers for credit facility limit in case of high risk customers. The Company manages to get L/C from Customers in case if their financial status has potentially high risk.

#### Risk from Change in Interest Rate

The Company's business operations have been independent of changes in market interest rate. All interest rate and derivative transactions are subject to the approval of the Chief Financial Officer. Therefore, the Company's interest rate risk has been in low level.

#### Production Risk

Most of raw materials used in production have been supplied by the Company from local raw material sources and import agencies. The last raw material prices have varied in controllable level. However, due to high energy required for glass production, the increase in energy cost particularly natural gas and liquefied petroleum gas cost has directly affected production cost. The Company has realized on such impact and then mechanization and efficiency improvement have been continuously planned with emphasis on energy saving process in each production procedure, defect quantity reduction as well as product manufacture to be consistent with quality standard expected by the Company. In addition, the imports of the machinery spare parts and components have been mostly required from foreign manufacturers. The Company's continuous development in knowledge and skill of technicians and engineers can make equipment and machineries usable in full capacity and longer usability duration extension.



# CORPORATE CODE OF CONDUCT

## 4. Shareholders Structure

Top 10 major shareholders as appeared in the registration book as of 31 December 2019

No.	Name-Last Name	No. of Shares	%
1	Ocean Holding Company Limited	7,000,000	32.82
2	Mr. Kirati Assakul and Spouse	2,076,330	9.73
3	Mr. Virayudh Assakul and Spouse	1,632,131	7.65
4	Toyo-Sasaki Glass Company Limited	630,715	2.96
5	Mrs. Nusara Banyatpiyaphod	517,613	2.43
6	Mr. Surapol Assakul	245,218	1.15
7	Mr. Naputt Assakul	94,239	0.44
8	Thailand Securities Depository Company Limited for Depositors	94,100	0.44
9	Ms. Sudarat Witayatankorn	32,800	0.15
10	Mr. Taran Osiri	5,000	0.02

The majority shareholder, Ocean Holding Co., Ltd. has 7,000,000 shares or 32.82%. The Assakul family group has hold the majority shareholding of Ocean Holding Co., Ltd., of 9,492,792 shares or 62.45% of paid up capital. The Group main business is life insurance and real estate development.

### Dividend Policy

In consideration for dividend payment, the Company will take into account for the earnings and long-term return on equity to Shareholders. The dividend payment will be made in accordance with the Articles of Association No.45, determined that dividends shall not be paid other than out of profits. If the Company still has an accumulated loss, no dividends shall be distributed. The Board of Directors may pay interim dividends to the Shareholders from time to time if the Board believes that the profits of the Company justify such payment. After the dividends paid, such dividend payment shall be reported to the Shareholders at the next meeting.

Dividend payments of the Company in the past 5 years are as follows.

Operating results for the year	Net Profit (Loss) Per Share (Baht/Share)	Dividend Per Share (Baht)	Dividend Payout Ratio (%)
2558	6.26	3.13	50
2559	4.43	2.22	50
2560	3.09	1.55	50
2561	1.15	0.57	50
2562*	0.85	0.57	67

\*Note : Annual dividend payment is subjected to the approval from Shareholders' Meeting.

## 5. Organization Structure

Management Structure of the Company consists of Board of Directors, Audit Committee, and Nomination and Remuneration Committee. The Executive Management will oversee main functional lines which are 1) Customer and Channel Development 2) Manufacturing 3) Finance & Accounting and Information Technology 4) Human Resources.



### Board of Directors

The Board of Directors comprises of 9 directors comprised of 1 Executive Director, 3 Directors, and 5 Independent Directors that are more than half of the entire Board.

As of 31 December 2019, the Board of Directors consisted of the following person.

Name	Title
1. Mr. Chakri Chanruangvanich	Chairman of the Board Nomination and Remuneration Committee Member
2. Mr. Kirati Assakul	Director
3. Mr. Woragan Xuto	Independent Director Chairman of the Audit Committee
4. Mr. Chatchawin Charoen-Rajapark	Independent Director Chairman of Nomination and Remuneration Committee Audit Committee Member
5. Mr. Tatchapol Poshyanonda	Independent Director Audit Committee Member
6. Mr. Chaipranin Visudhipol	Independent Director Audit Committee Member

Name	Title
7. Mr. Matthew Kichodhan	Independent Director
8. Mr. Naputt Assakul	Independent Director Nomination and Remuneration Committee Member
9. Ms. Jariya Sangchaiya	Managing Director

#### Authorized Directors

Mr. Kirati Assakul, Mr. Chakri Chanruangvanich, Mr. Naputt Assakul, Ms. Jariya Sangchaiya two out of four jointly sign and affix the Company's seal.

#### Responsibilities of the Board of Directors

The Company clearly divides roles, duties and responsibilities between the Board and the Executive, and determines authorities and responsibilities in the Criteria of Corporate Governance according to the Principle of the Company's Corporate Governance. The Board of Directors is responsible for shareholders. Each director is considered as the representative of all shareholders and must maintain independence of governance on the Company's operation for benefits of all shareholders and stakeholders.

1. Determining and approving the vision, mission, values, business ethics, direction and policies of the Company for sustained and balanced benefits of all stakeholders in general, and for continuous value creation for shareholders in particular.
2. Overseeing that the Company is managed with the highest integrity, in the best interest of its business, in accordance with applicable laws and regulations, and consistent with the objectives of the Company, the Articles of Association, and the resolutions of shareholders meetings.
3. Reviewing and approving major strategies and budgets proposed by management.
4. Ensuring an effective internal control system and an appropriate risk management framework.
5. Ensuring an effective audit system for implementation by both internal and external auditors.
6. Reviewing and approving quarterly and annual financial reports for public disclosure.
7. Supervising management to ensure it performs its responsibilities in an effective manner, under a manageable level of risk, within the framework of good corporate governance, and without any conflict of interest. Management shall present regular reports to the Board.
8. Reviewing and approving management succession plans and remuneration policy.

### Board of Directors' Meeting

Board of Directors has set up monthly meeting and special meeting to consider a significant issue. The Company Secretary will schedule the meeting and inform the Board in the last meeting at end of the year. Agenda of the meeting will be determined in advance before the meeting. Monthly business performance will be set as regular meeting agenda. In Board of Directors' Meeting, the Company Secretary will send the invitation letter, meeting agenda and supporting documentation at least 5 days in advance so that the Board had adequate time to study the information. In each meeting, Chairman of the Board performed Chairman of the Meeting. In case that Chairman of the Board absent in the meeting or could not perform duty, a director who attended the meeting will be selected to preside the Meeting.

In consideration on different issues in accordance with meeting agenda, Chairman of the Meeting allocated sufficient time in the meeting and gave the opportunity for directors to freely express their opinions in different issues. The meeting resolution should adhere majority votes provided that a director has one vote unless that director has stakes in any issues is not entitled to vote in that issue. In case of equal vote, Chairman of Meeting votes more vote to be the casting vote. Moreover, the Board of Directors gives precedence to management on conflict of interest provided that reporting of security holding issue as well as reporting for stake holding of directors and executives in the Board of Directors' Meeting. In each meeting, the Company Secretary performs duty in preparing minutes of the meeting and collect approved minutes at the Office of the Company Secretary including meeting documentation for reference.

In the year 2019, the Board of Directors held 12 meetings and a Long-Term Strategic Meeting. For sub-committee meeting, there were 4 meetings for Audit Committee and 3 meetings for Nomination and Remuneration Committee. During the year, non-executive directors convened at least 1 meeting to discuss on the business direction without executive management.

### Meeting attendance of Directors for the year 2019

Name	Board of Directors' Meeting	Long-Term Strategic Meeting	Audit Committee's Meeting	Nomination and Remuneration Committee's Meeting	Annual General Meeting of Shareholders (No. 40)
1. Mr. Chakri Chanruangvanich	8/12	1/1	-	3/3	1/1
2. Mr. Kirati Assakul	10/12	1/1	-	-	1/1
3. Mr. Woragan Xuto	9/12	1/1	4/4	-	-
4. Mr. Chatchawin Charoen-Rajapark	9/12	1/1	4/4	3/3	1/1
5. Mr. Tatchapol Poshyanonda	11/12	1/1	2/4	-	1/1
6. Mr. Chaipranin Visudhipol	10/12	1/1	4/4	-	-

Name	Board of Directors' Meeting	Long-Term Strategic Meeting	Audit Committee's Meeting	Nomination and Remuneration Committee's Meeting	Annual General Meeting of Shareholders (No. 40)
7. Mr. Matthew Kichodhan	5/12	1/1	-	-	1/1
8. Mr. Naputt Assakul	11/12	1/1	-	3/3	1/1
9. Ms. Jariya Sangchaiya	11/12	1/1	-	-	1/1

#### Changes in Shareholdings of Directors

Name	1 January 2019 (Shares)	Trading during the year (Shares)	31 December 2019 (Shares)
1. Mr. Chakri Chanruangvanich	-	-	-
2. Mr. Kirati Assakul	2,076,330	-	2,076,330
3. Mr. Woragan Xuto	-	-	-
4. Mr. Chatchawin Charoen-Rajapark	-	-	-
5. Mr. Tatchapol Poshyanonda	-	-	-
6. Mr. Chaipranin Visudhipol	-	-	-
7. Mr. Matthew Kichodhan	-	-	-
8. Mr. Naputt Assakul	94,239	-	94,239
9. Ms. Jariya Sangchaiya	-	-	-

#### The Executive Management

As of 31 December 2019, the Management of the Company consisted of 5 executives as follows.

- |                                     |  |
|-------------------------------------|--|
| 1. Ms. Jariya Sangchaiya            | Managing Director  |
| 2. Mrs. Yada Andaris                | Executive Director - Human Resources                                 |
| 3. Mr. Sathien Srisaikhram          | Executive Director - Finance & Accounting and Information Technology |
| 4. Mr. Uday Verma                   | Executive Director - Customer & Channel Development                  |
| 5. Mr. Kritsana Pairoj <sup>1</sup> | Executive Director – Manufacturing                                   |

<sup>1</sup>Mr. Kritsana Pairoj has been appointed as Executive Director – Manufacturing since 1 May 2019



### The Executive Committee

The Executive Committee has set up monthly meeting and special meeting with the managers in order to assess market situation and competitive environment in the industry. In 2019, the Executive Committee held 12 meetings and 1 special meeting with the managers.

### Responsibilities of the Executive Committee

1. Preparing and proposed to the Board of Directors for consideration
  - Policy, strategy, and annually budgeting
  - Investment project such as production machine
  - Manpower planning, welfare, and compensation for employees
2. Monitoring and reporting to the Board of Directors
  - Implementing the strategic plan and budgeting according to the approval from the Board of Directors
  - Monthly reporting of the Company performance, sales, financial, and manufacturing
  - Monitoring that the quarterly risk management plan has been prepared in order to ensure that the corporate risks have been effectively managed.
3. Others as assigned by the Board of Directors

### Changes in Shareholdings of the Executive Management

Name	1 January 2019 (Shares)	Trading during the year (Shares)	31 December 2019 (Shares)
1. Ms. Jariya Sangchaiya	-	-	-
2. Mrs. Yada Andaris	-	-	-
3. Mr. Sathien Srisaikham	-	-	-
4. Mr. Uday Verma	-	-	-
5. Mr. Kritsana Pairoj	-	-	-

### Company Secretary

The Board of Directors resolved the appointment of Mrs. Rakdee Pakdeechumpol as Company Secretary. The responsibility is to organize Board of Directors, Subcommittees, and Shareholders' Meeting as well as prepare the Minutes of Meetings, Annual Registration Statement (56-1), Annual Report (56-2), and other information as required law. The Company Secretary is the person who specialized in the company secretary work in accordance with law, rule and regulation and good corporate governance principle. The Company Secretary has been trained for several courses from Thai Institute of Directors.

Name	Age	Educational	Period	Title
Mrs. Rakdee Pakdeechumpol	45	- Master of Science Program in Corporate Governance, Chulalongkorn University	2015 – Present	Company Secretary and Corporate Risk Manager
		- Bachelor of Arts, Thai Chamber of Commerce University	2014 – 2015	Assistant Company Secretary Ocean Glass Plc.

### Remuneration of Director and Executive

The remuneration of director is in line with the principle and policy determined and agreed by the Board of Directors in accordance with the responsibility of each director and in consistence with the Company's overall operation, financial status, and business operation strategy. Nomination and Remuneration Committee shall consider and propose proper remuneration to the Board of Directors for consideration on proposal to the Shareholders' Meeting for approval.

For the executive's remuneration, the Company's consideration process for appropriate remuneration applies remuneration values of the companies in the same industry and similar size as well as the Company's turnover and operating performance for consideration.

#### **a) Remuneration of Director and Subcommittee**

In the meeting of Annual General Meeting of Shareholders for the year 2019 (No. 40) approved the remuneration of the Board of Directors, Audit Committee, Nomination and Remuneration Committee for the year 2019 and their bonus at the rate of 1.3% of annual dividend round up / down to the full amount 10,000 Baht, equivalent to 160,000 Baht; and assigned the Board of Director to consider and allocate as appropriated.

1. Monthly Remuneration	2019 (Baht)	2018 (Baht)
<u>Board of Directors</u>		
Chairman of the Board	81,000	81,000
Director	45,000	45,000
<u>Audit Committee</u>		
Chairman of the Audit Committee	25,200	25,200
Audit Committee Member	18,000	18,000
<u>Nomination and Remuneration Committee</u>		
Chairman of the Nomination and Remuneration Committee	15,700	15,700
Nomination and Remuneration Committee Member	11,200	11,200

## 2. Bonus remuneration

- As assigned from the Shareholders, the Board of Directors Meeting No. 5/2019 dated 13 May 2020, therefore, allocated bonus to 8 Non-Executive Directors at the amount of 20,000 Baht each.

## 3. Other benefits

- None

In 2019, monthly remuneration for 9 Directors and Sub Committees amounted 6,699,600 Baht. Details are as follows.

(Unit : Baht)

Name	Director	Audit Committee	Nomination and Remuneration	Bonus	Total
1. Mr. Chakri Chanruangvanich	972,000	-	134,400	20,000	1,126,400
2. Mr. Kirati Assakul	540,000	-	-	20,000	560,000
3. Mr. Woragan Xuto	540,000	302,400	-	20,000	862,400
4. Mr. Chatchawin Charoen-Rajapark	540,000	216,000	188,400	20,000	964,400
5. Mr. Tatchapol Poshyanonda	540,000	216,000	-	20,000	776,000
6. Mr. Chaipranin Visudhipol	540,000	216,000	-	20,000	776,000
7. Mr. Matthew Kichodhan	540,000	-	-	20,000	560,000
8. Mr. Naputt Assakul	540,000	-	134,400	20,000	694,400
9. Ms. Jariya Sangchaiya	540,000	-	-	-	540,000

## b) Remuneration of the Executives

### 1. Monetary Remuneration

- In 2019, monetary remuneration consisted of salaries, transportations, travel-telephone allowances, and annual bonus to 5 executives totaling Baht 25,206,822.

### 2. Other Benefits

- Provident Fund, the Company provides provident fund to the executives at 3 – 5% contribution rate while the executives self-contribute for another 3-5%. In 2019, the Company contributed provident fund to 5 executives, totaling 1,010,250 Baht.

## Personnel

As of 31 December 2019, total employees of the Company have been 750 people, consisting of 183 people from customer and channel distribution sales and other supportive functions, while 567 people were production team. In 2019, the Company paid remuneration to total employees for Baht 340,514,775.83 consisting of salary, overtime, cost of livings, allowances, and other supportive remuneration based on job functional, transportation and traveling-telephone allowance for Managers, annual bonus with special rewards, social security and provident fund contribution for non-executive employees.

## Employee Development Policy

With corporate purpose is to provide life's pleasures with high quality glassware and therefore, we truly believe in giving our employees the opportunities to shape up “A Career with Life's Pleasure” for their own while working with us. The employees are offered careers of their choices with development and learning opportunities for them to contribute and grow to their full potential, together with our brands and people that drive our sustainable business growth. The Company believed that the employees are the most valuable resources of the Company and then ongoing training and development have been arranged for employees to have essential skills for operation and customer satisfaction.

The Company has been confident on opportunity giving in employment, fair and equal treatment to employees and proper compensation. Each job position opens widely for employee who has potentially growth and development.

In 2019, the company provided training and development courses to improve job functional skills, individual capabilities, and enhance the understanding of core values and corporate culture. There were 4 types of training and development courses as follows.

1. Leadership Skills	10 Programs, Totaling 19 Courses
2. General Skills	22 Programs, Totaling 39 Courses
3. Functional Skills	18 Programs, Totaling 21 Courses
4. Build Culture & Enhance Engagement	2 Programs, Totaling 4 Courses

In addition, the Company also supported employees outside training course, totaling 46 courses. For the year 2019, there were 596 out of 658 employees (information as of 31 December 2019, excluded resigned and retired employees during the year) attended training and development courses, equivalent to 26.4 hrs./person/year.

The Company agrees and gives precedence to the employee variety and adheres in equality principal, employment and promotion of the employee who performs in accordance with the business intention of the Company. The job positing deemed as proper by the Company should be available for the qualification of each person without consideration on race, nationality, skin color, religious belief, gender, age, marital status or other status protected by law. The Company shall not employ anyone whose age is under the criteria required by law. In addition, the Company shall not strictly use unwilling labor or illegal labor.

The Company emphasizes and respects in individual difference. We assure fairs and equal opportunity to the employees and provide working environment without bias and discrimination treatment as well as any threat or harassment.

Human Resources Management Policy of the Company is consistent with intention and lawful provision. The Company regards that it is the responsibility that must oversee all employees to be aware of law and regulation related to their own jobs. All employees are entitled to complain, petition or report about personal infringement or human right, harassment or threat, affliction, or unfair act arisen with themselves or other persons. The issue shall be informed to their subordinates or human resources management office. The Company will investigate the informed circumstance right away and will suddenly handle and correct that action. The Company confirms that it will protect the individual who is the proper reporter, and the informed information is kept as secret without effect toward job, reputation or employment.



## 6. Corporate Governance

### Corporate Governance Policy

The Company has determined corporate governance policy referring from the principle of good corporate governance for listed company in accordance with the guideline required by the Stock Exchange of Thailand. It has prepared "Corporate Governance based on Good Governance" as a guideline for main adherence of the Board, executives and employees in business operation with management by honesty, compliance with relevant rules and regulations. The Company runs the business in accordance with the guideline agreed by the shareholders that is legitimate and in line with the Company's regulation under the framework of good ethics with common intention in fair, correct and effective operating governance of the management toward all parties of stakeholders. In addition, the Company has also determined Business Code of Conduct for executives and employees' adherences. This code of conduct is determined from standard and responsibility as the basis of the Company's ideology such as quality, honesty and good faith, opportunity giving, respect and honor to each other.

### Compliance in Good Corporate Governance Principle

#### (1) Shareholders' Rights

The Company respects each group and each shareholder's right through support, encouragement and facilitation to shareholders in order to be granted for basic right based on relevant law and criteria such as right of freely buying, selling and transfer of security, acquisition of profit sharing, meeting attendance of shareholders, and freely opinion expression in the meeting. The Company grants shareholder's right in proposal of meeting agenda, nomination of candidate to be selected as director, and prior-submission of query as required by the Company through website [http://www.oceanglass.com/th/investor\\_info03.html](http://www.oceanglass.com/th/investor_info03.html) and the Stock Exchange of Thailand news channel.

In the Shareholders' Meeting, the Company organizes the meeting using uncomplicated and easy method for facilitation to shareholders. The shareholders are entitled to attend the Shareholders' Meeting every time that is held and the Company shall send the Invitation to Meeting together with meeting documentation prior-meeting date in advance as determined by criteria. Such documents include details of meeting agenda and opinion of the Board in various agenda for shareholders' considerations prior meeting date.

All shareholders are entitled to attend the Shareholders' Meeting for voting and if it is the shareholder's intention, it may assign the representative to attend the meeting or may vest the right of meeting attendance to the Company's independent director as his or her proxy and vote as desired. For voting, each share is equal to one vote and every share has equal right.

The Company's shareholders can register for meeting attendance for 2 hours prior-meeting schedule. The Chairman of the Meeting carries out the Meeting in order of agenda informed in the Meeting Appointment Letter and gives the

opportunity to shareholders for fully interrogation and opinion expression on various issues in each agenda. In addition, one or more shareholders holding shares amounting to not less than ten percent of the total number of shares sold may submit a written request to the Board of Directors for calling an extraordinary general meeting at any time, but the subjects and reasons for calling such meeting shall be clearly stated in such request. The Company shall record the minutes of the meeting for shareholders and regulators reviews all the times.

In 2019, the Company received 96 scores in AGM assessment program, held by Thai Investors Association, Thai Listed Companies Association, and Securities and Exchange Commissions of Thailand.

## (2) Equally Treated Shareholders

The Company respects the shareholders' rights and treats all shareholders equally in accordance with law and requirement of the Stock Exchange of Thailand. Anyhow, besides maintenance of the shareholders' equal rights as disclosed in Clause (1) for Shareholders' Right, the Company defines regulation for use of internal information in order to wrongfully prevent exploitation from the Company's information to himself or herself or others, possibly affecting the movement of security trading price and causing damage to shareholder.

### 2.1 Insider Information Guideline

The Board determines the written practical guideline for prevention on use of inside information as the part of the code of business conduct of the Company and communicates it for observance by everyone in the organization. Warning letter for prohibition on performing the purchase-sale-transfer transaction of the Company's securities according to the practical guideline for governance on use of inside information shall be given to the directors, executives, company secretary, manager level employees, and personnel in all levels in Accounting and Finance Department.

2.1.1 Not allow to purchase-sale-transfer of the Company's securities in seven (7) days prior to the important resolution date of the Board until the date of disclosure to public or the Board's resolution date in the event of non-disclosure to public.

2.1.2 Not allow to purchase-sale-transfer of the Company's securities in thirty (30) days until the disclosure date of the financial statements to public.

The Company's Directors and the Executives Management shall report the change in security holding to the Board of Directors and Securities and Exchange Commission in accordance with Section 59 and Section 275 of Securities and Exchange Act B.E. 2535 and the securities that spouse and children who have been immature possess according to the criteria of the Stock Exchange of Thailand. In addition, the directors and the executives must stake holding report for themselves or people concerned with the Company which are the interests related to business management of the Company or its subsidiaries in accordance with Section 89/14 of Securities and Exchange Act.

## 2.2. Prevention of Conflict of Interests

The requirement on prevention not to have conflict of interests has been regarded by the Company as its responsibility. Therefore, the guideline for prevention of action which is or seems to be the Company's conflict of interests has been defined to be one of the Company's Business Code of Conduct. The Board of Directors has granted the authority to Audit Committee to be the auditor and reviewer and to express the opinion in related items particularly in the matter of price and selling condition that must be fair when the transaction is done with outsiders.

### (3) Role of Stakeholders

The Company mainly runs the business with responsibility and concerns on the benefits of all parties of stakeholders. For indication of the intention on this issue, the Company has assigned the Board of Directors to define fair protection and supervision system for benefits of all stakeholders and control to have compliance in accordance with determined system.

The Company's Business Code of Conduct has been made for the Board of Directors, all executives and employees for acknowledgement and practical adherence as well as distributed to the employees to be used as the operating guideline. In part of the related other aspects, the Company has communicated to its employees via newsletter and intranet. Anyhow, the Company has assigned Human Resources Management Division to perform and oversee the employees to comply with Business Code of Conduct and Corporate Governance periodically reporting to the Board in order to assure that all levels of employees strictly comply with code of conduct of the Company and Corporate Governance.

The Company has determined the guideline for compliance with Corporate Governance as follows.

- **Shareholders** the Company aims at honest business operation by consideration on growth and profit in long run in order to build maximum value to the Company and its shareholders.
- **Customers** the Company gives high precedence to customer satisfaction by offering premium products and services at proper prices.
- **Business Partners** the Company treats with business partners according to business condition and strictly complies with contract with consideration on equality and honesty in business operation as well as honest mutual benefits.
- **Competitors** the Company adheres and complies with the framework of acceptable and fair business competition rule without use of method that is contrary to ethics in order to win or destroy the competitors.

The Company respects to intellectual property by aiming at prevention and protection of intellectual property owned by the Company to be use without permission; and also respects to intellectual property of other person by determining practical guideline for patent, copyright and trademark registration as part of Manual of Product Development Procedure.

- **Creditors** the Company strictly maintains and complies with condition and agreement as made with the creditors.
- **Employee** the Company aware on the importance of its employees as the valued resources, the Company therefore determines code of conduct in human resource area as part of code of conduct of the Company's business engagement.

Training and Development Policy, The Company always arranges training so that its employees shall accumulate new knowledge and skill in working to be consistent with the current rapid changing business. In each year, the employees should be trained in not less than 6 hours/person/year in average.

Quality, Occupational Health, Safety and Environment Policy, The Company develops quality management system, occupational health and safety management system, and environmental management system; applies TQM (Total Quality Management) concept for effective business administration of the Company; and formulates policy and practical guideline in the said issues for strict adherence and compliance by all employees. The announcement of the said Policy is effective on April 3, 2017. The superiors in each work unit shall communicate with all levels of the employees in work units for acknowledgement and strict compliance. The employees are given the opportunity to have right to propose their opinions in improvement of work method and work environment to be consistent with quality management system and occupational health safety and environment program.

The Company supports proper and adequate budget, technology and development of knowledge and competency of its human resource by organizing activities which are consistent with objectives and targets of quality management system, occupational health and safety management system, environmental management system, and sustainable resource consumption.

The Company applies Balance Score Card to determine objectives and targets of safety and environment. In 2019, the Company has determined the following targets.

Work Unit	Target
Every Function	Continuously working without accidental incidence until absenteeism for 2,500,000 hrs.
	Frequency rate of work injury in 1 million hrs. IFR = 1.29
	% Correction Near Miss = 50%
	% Use of personal protective equipment for employees = >85% (Random Inspection)
Every Function	% Accurate waste separation in each area = 95%
Engineering Section	Electricity produced from solar roof system > 100,000 Kilowatts-hour (unit) / month (After Commissioning)

The Company regularly organizes safety activities for employees. In 2019, there were 5 accidental incidences and absent.

#### Safety Workplace Activities are as follows

1. Arrange campaigning of non-accidental incidence until continuous absenteeism for 2,500,000 hours.
  2. Improve and develop OHSAS 18001:2007 (Occupational Health and Safety Management) and Mor-Or-Kor 18001:2011 to ISO45001
  3. Setup the new occupational health safety and environment committee
  4. Provide training of the primary safety for employee to all employees.
  5. Provide specific safety functional skill, such as safety for forklift worker.
  6. Arrange the drill of basic fire-fighting and fire evacuation to employees in every shift.
  7. Arrange to measure work environment in each area that has risk factor.
  8. Arrange the regular drill of fire-fighting team of the Company and of each shift.
  9. Arrange to have a follow up for correction of the cause of incidence.
  10. Organize activities to encourage employees to be aware of safety and the using of personal protective equipment.
  11. Arrange basic and work risk factor-based health examination to monitor the employee's health.
  12. Organize publicity media, and campaign safety and occupational health of the employees.
  13. Provide safety patrol with follow up and improvement process.
  14. Organize Management Walk Activity of the management level to suggest and support the improvement on safety, occupational health and environment.
  15. Arrange for a hearing conservation program for employees who works in the risk area.
  16. Review safety and environment procedure for outsource who was assigned to provide service to the Company.
- **Society and Environment** the Company is the good citizen in the society of which the Company is running its business and it regards as its duty and responsibility to oversee and respect the community which its employees live as well as the environment where the Company is located. The Company promotes and supports communities and societies to have good health occupation and aims at overseeing resource protection and conservation through minimum waste management with plans for material recycle, reuse and pollution protection. The Company improves its products and production processes to meet environmental friendly or above industrial standard as required by law. The Company manages the environment according to ISO14001 Standard under regular ISO Internal Audit for twice a year.

#### **(4) Information Disclosure and Transparency**

The Company has regulation of information disclosure to public. The information disclosure shall be executed with transparency, accountability, and equal and adequate information disclosure to all parties of stakeholders. The Managing Director and the Company Secretary are the authorized persons who disclose information as well as oversee on key information disclosure to be accurate, complete and in time as determined by criteria.



In addition, the Company complies with the principle of good corporate governance in information disclosure. The information disclosure is overseen to be available on the Company's website such as Memorandum of Association, regulation, certificate, as well as organizational structure and shareholding structure in its subsidiaries.

Anyhow, being the information communication channel, the Company has set up Investor Relations work unit to be the Company's representative in data provision to shareholders, investors and security analysis. The queries can be sent via email: [ir@oceanglass.com](mailto:ir@oceanglass.com).

The company gives the opportunity to shareholders, investors, organizations to visit the factory and listen to company performance at the Bangpoo Industrial Estate. In 2019, activities for investors were as follows.

1. Activities for foreign investors convened on 8 March 2019
2. Activities for shareholders convened on 7 June 2019

#### (5) Board Responsibilities

The Board's duty is to formulate policies and direction of the Company's business operation under the manageable level of risk. The Board may further entrust the managerial duties and responsibilities to the Company's Management.

The executive's duty is to manage with honesty and carefulness according to the Company's objectives under the relevant laws. Moreover, the Board determines that the Managing Director shall be given for consent by the Board of Directors in holding of the director office in other companies.

#### 5.1 Chairman of the Board of Directors

The Company clearly divides roles and duties between the Chairman of the Board and the Managing Director and they shall not be the same person so as to divide duties of policy making and corporate governance from routine managerial duties. The duties of the Chairman of the Board are as follows.

- a) Call the Board of Directors' Meeting.
- b) Preside over the Board of Directors' Meeting and the Shareholders' Meeting of the Company.
- c) Make the final decision by casting vote in the Board of Directors' Meeting in the event of equal votes.
- d) Responsible for the operating result of the Board and perform reporting.

#### 5.2 Board of Directors

The authority of the Board of Directors is to supervise and manage the Company's operation to be in line with laws and the Company's objectives and articles of association, as well as resolution of the shareholders' meeting; maintain the benefit of the Company on the basis of the Principle of Good Corporate Governance; and formulates vision and mission, policy and direction of the Company's business operation to be under the risk in manageable level. Moreover, the Board's duty is to govern the execution of the management, review and give consent on strategic plan

and main policies of the Company, and determine effective internal control system, internal audit process and risk management in order to ensure that the operating process of the Company is effective and transparent and it is performed for benefit of all stakeholders according to the Principle of Corporate Governance to add values to its business and shareholders in long term.

### 5.3 Element of the Board

The Board of Directors consists of at least 5 directors. At least one-third of the number of directors must be independent directors and are not the company executive management so as to balance the power between audit and managerial work. The Company has total of 5 independent directors which are more than half of the directors of the whole Board, resulting in proper balance.

1.	Mr. Woragan Xuto	Independent Director
2.	Mr. Chatchawin Charoen-Rajapark	Independent Director
3.	Mr. Tatchapol Poshyanonda	Independent Director
4.	Mr. Chaipranin Visudhipol	Independent Director
5.	Mr. Matthew Kichodhan	Independent Director

Even though the independent directors have served the Company for more than 9 years, but all of them can independently express their opinions in accordance with the relevant rules and regulations. Their expertise and experiences have brought beneficial advice to the Company.

### 5.4 Term in Office

1. In each time of Annual General Shareholders' Meeting, the director who resigns from the position by rotation for the maximum ratio of 1:3. Furthermore, the Shareholders' Meeting can select the directors who resign by rotation to reenter for taking the post again.
2. Apart from leave from the position by rotation, the director shall vacate from the position when he or she dies, resigns, is disqualified with prohibited characteristics according to Articles of Association, the Shareholder's Meeting resolution for resignation or the writ of court for vacating the office.
3. The director who requires resigning from the position must submit Resignation Form to the Company and the resignation is effective from the date of the Company's Resignation Form receipt.
4. In the event of position vacancy due to other reason apart from retirement by rotation, the Board of Directors shall select the qualified person without prohibited characteristic by laws and the Company articles of association to be the director in replacement in the next Board of Directors' Meeting unless the remaining term of the director is less than 2 months. The resolution of the director election in this event shall consist of votes for not less than three-fourth of number of remaining directors. The person who assumes to replace the retired director shall be in the office for just the remaining term of his or her replaced director.

Each director shall hold the director position in not more than five listed companies in order to ensure that the director can devote adequate time in function.

#### **5.5     Board Self-Assessment**

To assure that the Board of Directors performs duty in accordance with good corporate governance, the Board determines self-performance assessment for once a year. Nomination and Remuneration Committee are assigned to consider and review such assessment form and report assessment result to the Board of Directors' Meeting for acknowledgement. The assessment results and suggestions will be considered for further implementation to be proper for business operating environment.

The assessment is divided into main topics as follows.

1. Formulation of Strategy and Business Planning
2. Risk Management and Internal Control
3. Supervision on no Conflict of Interests
4. Follow-Up on Financial Reporting and Operation
5. Board of Directors' Meeting

#### **5.6     Appraisal of the Managing Director's Performance**

The Board of Directors determines the regular annual appraisal of the managing director's performance applying the appraisal criteria which is linked with the Company success based on the strategic plan. The appraisal criteria are divided into four topics as follows.

1. Determination of Purpose and Design
2. Strategic Planning
3. Management Performance Budgeting
4. Management

#### **5.7     Directors Training**

The Company supports ongoing training to be available for competence and knowledge development in different areas. The company director have passed the training of Thai Institute of Directors (IOD) in the course for directors, subcommittees and ongoing particular development courses.

#### **Subcommittees**

The Board of Directors appoints subcommittees for supervision of the particular issue of the business in different aspects in order to represent and act on behalf of the Board of Directors so as to assure that the Company's business goes on fairly, effectively and efficiently.

The Board of Directors has currently appointed 2 sets of Committees which are Audit Committee and Nomination and Remuneration Committee. Both Boards must regularly report the performance to the Board of Directors based on specific period of time.

The Company may reappoint the Board of Directors particularly in this issue in the future according to necessity and appropriateness in order to be consistent with rapid changing business environment.

#### ■ Audit Committee

The Committee consists of 4 independent directors who perform to review of business operations in order to ensure that the Company complies with requirement and law of Securities Commission and the Stock Exchange of Thailand as well as the laws related to the Company's business operation and does not oversee conflict of interests, review the Company to have internal control system to be proper and effective, review the Company's financial report in order to assure that it is correct as proper in the essence according to financial reporting standard and propose the appointment of the Company's auditor and remuneration of the auditor.

Mr. Chatchawin Charoen-Rajapark has been the audit committee member who possesses sufficient knowledge and experience to perform the review on reliability of financial statements. As of December 31, 2019, Audit Committee consisted of 4 Directors as follows.

1. Mr. Woragan Xuto	Chairman of the Audit Committee
2. Mr. Chatchawin Charoen-Rajapark	Audit Committee Member
3. Mr. Tatchapol Poshyanonda	Audit Committee Member
4. Mr. Chaipranin Visudhipol	Audit Committee Member

#### Term in Office

The office term of each Audit Committee shall end at the same time as the term of his appointment to the Board. After the term is expired, the members could be re-appointed. In case that audit committee member resigns before due for term in office, he/she shall inform in writing to Board of Directors. When the number of audit committee member is incomplete as determined, the Board of Directors or the Shareholders' Meeting shall select and appoint the audit committee member no later than 3 months. Apart from vacating upon the end of office term, the substituted member can only be in the office within the remaining term of the member he/she replaced

#### ■ Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 3 members, 1 independent director holds the position of Chairman of the Committee. The Committee will propose, recruit and select qualified individual to be director of the Company. The candidate will be recommended to the Board of Directors and later propose to the Shareholders for

approval. The Committee oversees and reviews fair remuneration and compensating benefit for Board of Directors according to the Company financial status and business strategy.

As of December 31, 2019, Nomination and Remuneration Committee consisted of 3 Directors as follows.

- |                                    |   |
|------------------------------------|---|
| 1. Mr. Chatchawin Charoen-Rajapark | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Chakri Chanruangvanich      | Nomination and Remuneration Committee Member          |
| 3. Mr. Naputt Assakul              | Nomination and Remuneration Committee Member          |

#### Term in office

The term in office of nomination committee member position shall be due according to the term of the company director. However, nomination committee members or Nomination Committee may be removed by the Board of Directors at any times. In case that nomination committee member resigns before due of term in office, it shall be notified in writing to the Committee together with reason. In case that nomination committee member vacates from the director position, that director will vacate from nomination committee member position at the same time. The Committee will be the appointer of the nomination committee member in replacement of the vacant position.

#### **5.8 Nomination and Appointment of Directors and Executives**

In nomination of directors, the duty and responsibility of the Nomination and Remuneration Committee is to consider and select the candidates with suitable qualifications as Articles of Association and required law; and nominate the candidates who possess proper qualifications and are suitable for selection to be the company directors, together with the opinions to the Board of Directors or the Shareholders' Meeting as the case may be. The selection criteria will consider from qualifications, knowledge, skills and experience in industry-related business which are suitable for the Company's business operation. The proposed directors has to fully qualified in accordance with the Public Company Limited Act, the Stock Exchange of Thailand, and the Office of Securities Exchange Commission, without any prohibited characteristics to be re-elected as directors and/or independent directors of the Company.

The Board of Directors or the shareholders can propose appropriate person to Nomination and Remuneration Board for consideration. Such nominated person must be completely qualified as required by law of the Public Company Act and law of Securities and Exchange.

#### Qualification of Director

1. The director shall be the individual who maintains highest morality, integrity and honesty, determination and self-conduct in the frame of laws, governmental requirements and ethics of the company director.
2. The director shall not have any conflict of interests which may affect the ability to freely give opinions or function in maintaining the benefits of the Company and shareholders.

3. The director should be experienced in management or at least in the level of policy formulation in any area or several areas of the business or in governmental agency or in the areas of education or technology or community and society.
4. The director should be expert in general issue (including knowledge in strategy formulation, business environment, finance, corporate governance and function of the Board of Directors) regarding to Public Company Limited with size and scope of operation similar to the Company.
5. The director should be competent to advise and give opinions with principles.
6. Apart from self-devotion for other permanent functions, the directors should have enough time in performing his or her duty as well as prepare himself or herself in attending the Board of Directors' Meeting, Subcommittees' Meeting of which he or she is the director and the Shareholders' Meeting.
7. The age of the director shall not be older than 72 years.
8. The director should be independent in thought and discretion including determination that will build value to the shareholders in long term.
9. The Board of Directors should comprise various directors for effective working.

#### Qualification of Independent Director

The Company has defined the qualification of the independent director according to the regulations of the Securities and Exchange Commission and criteria of the Stock of Exchange of Thailand for confidence of the investors on business operation and for balance in management. The independent director shall possess following qualifications in brief.

1. Holding shares not more than 1 percent of all shares with voting rights of the Company, holding companies, subsidiaries, associates or juristic person that may have conflict of interest by counting the holding shares by the related persons.
2. Not being the director who is involved in management, employee, worker, advisor who is paid for regular salary, the controlling parties of the Company, holding companies, subsidiaries, affiliates, subsidiaries in the same level or juristic person that may have conflict.
3. Not having the blood relationship or registering in the way that is parents, spouse, relatives and children as well as spouse of children, with the management member / major shareholders / controlling parties.
4. Not having business relationship with the Company according to Office of the Securities and Exchange Commission's regulations.
5. Not being appointed as a representative to safeguard interests of the Company's directors, major shareholders, or shareholders who are related to the Company's major shareholders.
6. Not having any attributes for opinion expression.

## 5.9 Appointment of Directors in Shareholders' Meeting

1. Appointment or removal of directors is made by the resolution of the Shareholders' Meeting.
2. The Shareholders' Meeting selects the directors using majority votes in accordance with following criteria and process.
  - 2.1 Each shareholder has equivalent vote to number of his or her own holding shares provided that one share has one vote.
  - 2.2 The shareholder is entitled to elect a candidate or several candidates to be the director. However, the number of candidates by each shareholder must not be more than number of directors who will be elected in that time.
  - 2.3 In case that the shareholder exercises his or her right to elect more than one candidate as a director, the shareholder is entitled to vote for each candidate equivalent to number of his or her own existing votes. The votes cannot be divided to any other nominated director.
  - 2.4 The candidate who received the vote respectively is the person who is elected to be the director. In case that the elected person in next order has equal votes and more than number of directors that are eligible for election, the Chairman of the Meeting shall cast the vote in order to acquire the number of directors who are eligible for election.

## 5.10 Orientation to the New Director

The Company will arrange orientation to New Director. The Managing Director and the Executive Management will conduct a brief of the Company's business operation, vision, mission, strategy and planning in order to provide sufficient information to New Director. The Company Secretary will prepare the Company's information, director's manual, corporate governance guideline, role and responsibility of Director, and whole year meeting schedule.

Apart from that, the Company also promotes the new director to be trained for director course and other related courses organized by Thai Institute of Directors.

## Operating Governance for the Subsidiary Company

The appointment of the person as the director in the subsidiary shall be approved by the Board of Directors every time. The duty of the appointed person is to manage according to the Company's policy under approval procedure for performing the connected transaction. In addition, information storage and bookkeeping shall be governed so that the Company can audit and gather for timely preparation of the consolidated financial statements in the period prescribed by law. At present, the Company has had none of the associated company.



### Use of Inside Information

The using of inside information to trade the Company's securities in the Stock Exchange of Thailand is the violation of rules and regulations of the securities trading as well as the Company's policy.

The sample of the inside information such as financial information which has not yet been publicly disclosed, merger or takeover information, change in par value, information of new product, marketing plan, procurement contract and production plan. The inside information is importance since it is able to persuade the purchasing, possession, or sale of the Company's securities.

The Company, therefore, does not allow employees and directors using inside information for trading the Company's securities, as well as the using of other relevant information of the Company to hints any person purchase or sell the Company's securities.

The directors and executives have to ensure that the information which has not yet been publicly disclosed, and the information that impact on the significant change of the Company's securities value, shall not be disclosed to other person. Moreover, the directors and the executives of the Company as well as their spouse and children shall report purchase or sale of the Company's securities according to the relevant rules and regulations. Purchase or sale of those securities shall be reported in the Board of Directors' Meeting which is monthly held. Furthermore, directors and executives is responsible to prepare the conflict of interest report which will be delivered to the Company Secretary for record, so that the Company shall use such information for monitoring and supervising connected transaction. In this regard, the Board of Directors has determined guideline for the use of inside information to the directors, executives, company secretary, managers, and the all level employees in Accounting and Finance Department.

### Remuneration of Auditor

#### (1) Audit Fee

The Company paid the remuneration to the auditors from Dharmniti Auditing Company Limited, totaling Baht 1,150,000. Other expenses such as traveling were not included in the audit fee. The auditors, who are in the approval list of the Securities and Exchange Commission, performed their duty independently and credibility.

#### (2) Other service fee -None-

### Compliance to the Principle of Good Corporate Governance

- Human Rights: the company has established a human rights policy in accordance with the government policy and compliance with Universal Declaration of Human Rights, framework of the United Nations. Human rights policy covers those involved in the supply chain related to the business operations of Ocean Glass' value chain, including the subsidiaries both domestically and internationally. The Policy came into effect on 16 August 2019 in order to reduce the impact of issues that may cause human rights violations in the business operations.

- Risk Management: on the Board of Directors' Meeting on January 17, 2018, the meeting has approved to set up Corporate Risk Management Framework and assigned Audit Committee to review such framework in order to ensure that the Company has sufficient risk management process. In addition, the Executive Committee will responsible for the significant risk issue that will impact to the Company's goal and strategy as well as supervisory each functions to comply with such framework.

## 7. Corporate Social Responsibilities

Ocean Glass Public Company Limited operates business with emphasis on ethics for maximize benefits for stakeholders. The Business Code of Conduct is prescribed from basic standard and responsibility which is the ideological basis of which Ocean Glass adheres for practice until it has been the Company's culture, quality, safety, environmental conservation. The Company has therefore created social responsibility by having practical guideline according to the Stock Exchange of Thailand best practices.

### 1. Fair Business Operation

For guideline in function of the Company's personnel, which is the ideological basis of the Company, the Board of Directors has defined the Code of Business Operation as the operating manual covering integrity, honesty and strict compliance with rules and laws. This code of conduct has been defined from standard and responsibility, which is the basis of the Company's ideology. All four ideologies include 1) Quality Creation, 2) Integrity and Honesty, 3) Opportunity Giving, and 4) Respect and Honor to Each Other

#### Anti-Corruption

With foreseeing of the Board of Directors on significance of anti-corruption, the resolution then has been resolved to approve the participation of the Company to be one of the Private Sector Collective Action Coalition against Corruption (CAC) on January 16, 2015. Anti-corruption policy has been defined to be consistent with the principle of Corporate Governance and Business Code of Conduct for practical guideline. The policy has been applied to all levels of employees in performing their duties with integrity and honesty in order to prevent unnecessary corruption exposed that may be occurred from outside stakeholders and internal operation. On 21 November 2017, the Company has received CAC Certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC). OGC was 1 of 284 companies who demonstrate its commitment to fight against corruption through the implementation of policy and procedure which are in compliance with CAC criteria.

#### Whistle blow channel

The Company has arranged whistle blow channel for stakeholders to report the unusual activities such as financial transaction doing, internal control in different areas such as product, raw material or other doubtful event that may cause the occurrence of corruption. After receiving the complaint, the Company will establish working committee to investigate and find the best solution in order to prevent unnecessary doubtful activities. The working committee will report directly to the Board of Director.

- Channel 1: The Company's website / electronics mail  
<http://www.oceanglass.com/th/contact.php>  
[complaints@oceanglass.com](mailto:complaints@oceanglass.com)
- Channel 2: Registered post mail  
Audit Committee or Company Secretary  
78/88 – 91, 38 Floor, Ocean Tower 2,  
Sukhumvit 19 (Soi Wattana), North Klongtoey, Wattana, Bangkok 10110
- Channel 3: Complaint Box at Human Resources Department

Receive complaints and / or the grievance procedure channel

For protection of complainer, the Company shall not disclose name, address or any information that can identify the complainer and shall keep such information as secret with restriction of responsible persons in audit process on fact only who can access the information. The duty for the receiver of information from relevant function is to keep all information and evidence as secret and prohibit the information disclosure to other persons without function relations unless it is the disclosures as just prescribed by law.

**2. Human Rights Respect**

The company adheres to the principles of equality in treating to the stakeholders in accordance with the Company's business ethics. The Company, therefore, implemented the Human Rights Policy on 16 August 2019 to demonstrate its commitment to action. The Policy complies with the government policy and compliance with Universal Declaration of Human Rights, framework of the United Nations which came into effect on 16 August 2019 in order to reduce the impact of issues that may cause human rights violations in the business operations. Human rights policy covers those involved in the supply chain related to the business operations of Ocean Glass' value chain, including the subsidiaries both domestically and internationally.

- 1) The human rights policy announcement is made to all concerned parties by both internal and external business communication, including company's employees, sub-contracted workers, business partners and stakeholders.
- 2) Risk assessment of human rights violations that may arise from the business operations of the company is to be done in order to prevent and reduce losses from potential impacts.
- 3) Complaint handling process follows the Whistleblowing channel set to receive complaints and / or the grievance procedure channel as defined in the company's rules and regulations.

### 3. Fair Labor Treatment

The Company accepts to the diversity of employees, equality, and employment. The promotion will be considered according to the Company's objective in regardless of race, nationality, skin color, religious beliefs, gender, age, marital status or any other status. The Company shall not employ the individual who is lower than the criteria as prescribed by law and shall not use illegal or unwilling labor. In addition, the Company's policy is overseeing work environment without bias treatment and obstruction as well as any threat or harassment.

The employees are entitled to complain, petition or report about infringement of personal right or human right, harassment or threat, persecution or unfair acts arisen with them or other person. The compliant can be notified to supervisor or human resources office and the Company will immediately investigate. In addition, the complaint information will be undisclosed.

### 4. Consumer Responsibility

Over 30 years, the Company holds and adheres to high quality of product and safe to consumer. All employees are encouraged to comply with ISO 9001:2008 Standard in order to create trust in product and service.

### 5. Environmental Maintenance and Preservation

With awareness of environmental conservation, the Company concern on the impact derived from production process. Therefore, the Company has carried out the activities as follows to minimally affect from production.

- Reducing air pollution and sewage in production process.
- Implementing Central Wastewater Treatment Project
- Making oil separator system from water and recycle of water in production process
- Recycling of glass scraps as raw materials in production process
- Separation each type of garbage for discarding correctly
- Promoting and encouraging employees to participate in environment activities.
- Applying ISO14001:2015 to all process in the Company

In 2019, the Company performed the following activities to promote the environmental conservation

1. Planting mangroves forest at Bang Pu Recreation Center
2. The Company has applied for certification of Green Industry Level 3 for Green System, Systematic Environmental Management and Monitoring, Evaluation and Review for Continuous Development.
3. In-house employees and contractors that entered for working inside the Company were trained for environmental awareness creation in order to build culture of effective resource consumption.

4. Waste Sorting Activity in internal working area was organized and set as indicator of waste sorting for departments.
5. Arranging emergency training for chemical spill
6. Establishing energy conservation committee to provide effectively and continuously activities
7. Arranging procedure and working plan for energy conservation with yearly performance assessment such as the solar roof system
8. Installing waste water system and solid waste quality (Zero Liquid Discharge).
9. Air quality were measured and analyzed to control according to laws and other relevant requirements.
10. Waste and unusable waste disposal were also measured in compliance with the local rules and regulations.
11. Encouraging environment conservation for employees by supporting "OCEAN ME" as a personal glass for employee activities when travelling drinking dining.

#### 6. Community and Society

In 2019, the employees participated in activity to support community and society as follows.



The 5<sup>th</sup> Year charity activity held for students of Wat Si Long Primary School, located at T. Klong-Song, A. Bangpakong, Chachengsao Province, on 24 July 2019.

## 8. Internal Control and Risk Management

### Internal Audit and Internal Control

The Company gives precedence and emphasizes the Company's internal control system to be effective and proper for the operations in each management level so as to prevent damage possibly occurred with the Company as well as prevent no to exercise wrongful power for self-benefit.

The Company clearly determines operating obligation, responsibility and authority of the executives and operators. The Board of Directors set the internal control policy in the Principle of Good Corporate Governance in accordance with corporate governance principle with details covering internal control in different areas such as control on the use of the Company's assets for maximum benefits, use of information technology and access and use of key information in different areas, etc.

### Principle of Internal Control System and Internal Audit System is as follows.

1. Arranged independent auditor that is international company to perform the review and evaluation of efficiency and adequacy of internal control system in different areas of the Company under governance of Audit Committee in order ensure that the major functions and important financial report of the Company are effectively executed to be in the guideline determined by the Company under relevant legal framework and requirement of the Company at manageable and acceptable risk level.
2. The duty of Audit Committee assures about internal control system that is adequate and proper for current business operation. The result of internal control audit is presented in Annual Report of the Company and discloses the details as shown in this report form.
3. The Company prepares written policy and determines procedures for duties in the Company as well as arranges orientation and training for employees in order to cause mutual understanding leading to effective operation.
4. The Company realizes on the significance of information technology system and database in adequate, accurate, and current data provision and consistent with determined time for use by the Board and the executives in decision making. The Company then arranges proper information technology and accounting system.

### The Company's Internal Control and opinion from Board of Directors

The Board of Directors appointed Audit Committee which consists of 4 independent directors to help the works of the Board for review and governance of the Company's operations in order to have good corporate governance in accordance with the guideline of the Securities and Exchange Commission and the Stock Exchange of Thailand that includes financial review of the Company's financial statements to be transparent, reliable and accurate in accordance with financial reporting standard and principle, governance on the Company to have effective internal audit and control and accurate compliance in accordance with relevant law, rule and regulation as well as consideration on auditor selection of auditors and auditor remuneration proposed to the Board of Directors in



presentation to the Shareholders' Meeting for determination of auditor remuneration as well as proposal to the Board of Directors for appointment and determination of internal auditor remuneration. Throughout last year, Audit Committee independently performed its duty without limitation in acquiring news and information as well as good cooperation both from related executives and employees.

In 2019, Audit Committee attended the meeting with external and internal auditor for 4 times to review 2018 annual financial statement and interim financial statement in Quarter 1, 2 and 3 of the year 2019, consider on approval of annual audit plan, acknowledge audit result report, follow up and evaluate audit result with auditor and internal auditor in order to ensure on the Company's availability of audit system, business governance and good internal control. At least three-fourth of the audit committees attended each meeting and they adequately expressed their opinions and completely and orderly reported the review on such matter to the Board of Directors' Meeting for result acknowledgement.

Audit Committee expressed their opinion as appeared in the "Audit Committee's Report" and commented that the Company has had effective internal control adequate for business operation and the major operating issues has been unfound. In addition, in 2020, Audit Committee reviewed the financial statement of Ocean Glass Public Company Limited as well as relevant financial report for the year end of 31 December 2019 and commented that such financial statement was correctly prepared as proper in accordance with Financial Reporting Standard.

#### Audit Committee's Opinion that Differs from the Board of Directors' Opinion

- None -

#### Internal Audit Supervisor and Compliance Unit of the Company

##### **(1) Internal Audit Supervisor**

The Board of Directors appointed EY Corporation Services Co., Ltd. as independent internal auditor with Miss Pimwadee Phandhumkomol, holding the position of Internal Auditor Supervisor of the Company. Miss Pimwadee has experiences of internal audit practice in the same nature of business of the Company for over 15 years. She had also been trained in courses relevant to the operations of the Company so it has been proper for her to appropriately and adequately perform such duty.

##### **(2) Compliance Unit**

Responsible by the Company Secretary.

## 9. Related Party Transaction

Related party transaction means enterprises and individuals that directly or indirectly, control or are controlled by, or are under control with, the Company and its subsidiaries. The control will give significant influence over the Company and its subsidiaries for financial and business operation decisions.

In 2019, the Company's related party transactions are as follows.

Party	Business	Relationship
Ocean Glass Trading (Shanghai) Co., Ltd.	Import and merchandising table glassware in China	Subsidiary
Ocean Glass Trading India Private Limited	Marketing activities in India	Subsidiary
Crystal Clear Innovation Co., Ltd.	Research and development products	Subsidiary
Ocean Life Insurance Co., Ltd.	Life insurance	The Company's shareholder and co-shareholders and co-director
Ocean Property Co., Ltd.	Real estate	Co-shareholders
Siam Mail Order House Co., Ltd.	Sales of office equipment and supplies	Co-shareholders
Ocean Group (Thailand) Co., Ltd.	Legal services	Co-shareholders and co-director
Key management personnel		Persons with the authority and of direct or indirect responsibility for planning, directing and controlling the activities of the entity, including, any Group director (executive or otherwise)

# DIRECTORS PROFILE

Name	:	Mr. Chakri Chanruangvanich	
Current Position	:	Chairman of the Board Nomination and Remuneration Committee Member	
Age	:	63 Years	
Nationality	:	Thai	
Education	:	<ul style="list-style-type: none"> <li>– Master of Science in Industrial Management</li> <li>– Master of Science in Mechanical Engineering Georgia Institute of Technology, U.S.A.</li> <li>– Bachelor's Degree in Mechanical Engineering, Chulalongkorn University</li> </ul>	
Training / Seminar	:	<ul style="list-style-type: none"> <li>– Role of the Compensation Committee (RCC 21/2016)</li> <li>– Director Certification Program (DCP 88/2007) Thai Institute of Directors</li> <li>– CG Forum 3/2015 "Risk Oversight : High Priority Roles Of the Board" The Stock Exchange of Thailand</li> </ul>	
Proportion of Shareholding in the Company (%)	:	None	
First Appointment Date	:	April 19, 2005	
Years of Directorship	:	15 Years	
Position in Other Listed Company	:	2013 - 2018      Independent Director & Audit Committee Member 2013 - 2017      Chairman of the Risk Management Committee Loxley Wireless Public Company Limited	
Position in Non-Listed Company	:	2018 - 2019      Independent Director, Vice Chairman of the Board, and Chairman of Audit Committee Mena Transport Company Limited 2016 - 2018      Director 2015 - 2016      Independent Director, Chairman of the Audit Committee, and Member of Nomination and Compensation Committee LEO Global Logistics Public Company Limited	
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None	
Illegal Activities During the Last 10 Years	:	None	
Relationship with Director or Executives	:	None	

Name	:	Mr. Kirati Assakul	
Current Position	:	Director	
Age	:	61 Years	
Nationality	:	Thai	
Education	:	<ul style="list-style-type: none"> <li>- Master's Degree in Chemical Engineer University of Southern California, U.S.A.</li> <li>- Bachelor's Degree in Chemical Engineering Queen's University Ontario, Canada</li> </ul>	
Training / Seminar	:	<ul style="list-style-type: none"> <li>- Role of the Compensation Committee (RCC 2/2007)</li> <li>- Director Certification Program (DCP 27/2003) Thai Institute of Directors</li> </ul>	
Proportion of Shareholding in the Company (%)	:	9.73 <sup>2</sup> ) Including shares held by spouse(	
First Appointment Date	:	August 13, 1993	
Years of Directorship	:	27 Years	
Position in Other Listed Company	:	2010 – Present      Independent Director, Chairman of Risk Management Committee Thai Union Frozen Public Company Limited	
Position in Non-Listed Company	:	2016 – Present      Director, Crystal Clear Innovation Co., Ltd. 2013 – Present      Director, Ocean Marina Co., Ltd. 2013 – Present      Director, Ocean Property Co., Ltd. 2010 – Present      Director, Siam Estate Co., Ltd. 2002 – Present      Director, Great Field Co., Ltd. 1998 – Present      Director, Kris & Sumali Co., Ltd. 1996 – Present      Director, Ocean Group (Thailand) Co., Ltd. 1994 – Present      Director, Kirati Home Co., Ltd. 1992 – Present      Director, Ocean Holding Co., Ltd. 1988 – Present      Director, Service Leasing Co., Ltd. 1984 – Present      Chairman, Ocean Life Insurance Co., Ltd.	
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None	
Illegal Activities During the Last 10 Years	:	None	
Relationship with Director or Executives	:	Relative with Director	

<sup>2</sup> As of 31 December 2019

Name	:	Mr. Woragan Xuto
Current Position	:	Independent Director Chairman of the Audit Committee
Age	:	66 Years
Nationality	:	Thai
Education	:	- Bachelor of Art in Economics Chiangmai University
Training / Seminar	:	- Director Certification Program (DCP 99/2008) Thai Institute of Directors
Proportion of Shareholding in the Company (%)	:	None
First Appointment Date	:	February 27, 2007
Years of Directorship	:	13 Years
Position in Other Listed Company	:	None
Position in Non-Listed Company	:	2011 - 2012      Consultant SCG Chemical Group 2009 - 2011      Managing Director SCG Experiences Company Limited 2007 - 2008      Director –Distribution SCG Distribution Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Illegal Activities During the Last 10 Years	:	None
Relationship with Director or Executives	:	None

Name	:	Mr. Chatchawin Charoen-Rajapark
Current Positions	:	Independent Director Chairman of the Nomination and Remuneration Committee Audit Committee Member
Age	:	59 years
Nationality	:	Thai
Education	:	- Ph.D. in Management - Master's Degree in Management - Bachelor's Degree in Electrical Engineering Massachusetts Institute of Technology, U.S.A.
Training / Seminar	:	- Role of the Compensation Committee (RCC 7/2008) - Audit Committee Program (ACP 19/2007) - Director Certification Program (DCP 88/2007) - Director Accreditation Program (DAP 52/2006) Thai Institute of Directors
Proportion of Shareholding in the Company (%)	:	None
First Appointment Date	:	April 19, 2005
Years of Directorship	:	15 years
Position in Other Listed Company	:	2014 – Present    Director Chairman of the Executive Committee Eastern Star Real Estate Public Company Limited  2009 – 2018    Independent Director Chairman of the Audit Committee Member of the Nomination and Compensation Committee Member of the Strategy and Policy Committee Thai Insurance Public Company Limited
Position in Non-Listed Company	:	1998 – Present    Managing Director President Hotel and Tower Co., Ltd.  2014 – Present    Chairman of the Board Rajapark Development Co., Ltd.  2018 – Present    Chairman of the Board Terra Venture Co., Ltd.  2018 – Present    Chairman of the Board TerraVest Co., Ltd.
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Illegal Activities During the Last 10 Years	:	None
Relationship with Director or Executives	:	None

Name	:	Mr. Tatchapol Poshyanonda
Current Position	:	Independent Director Audit Committee Member
Age	:	54 Years
Nationality	:	Thai
Education	:	<ul style="list-style-type: none"> <li>- Ph.D. in Engineering Management</li> <li>- Master's Degree in Engineering Management University of Missouri-Rolla, U.S.A.</li> <li>- Master's Degree in Industrial Management Central Missouri State University, U.S.A.</li> <li>- Bachelor's Degree in Chemical Engineering, Chulalongkorn University</li> </ul>
Training / Seminar	:	<ul style="list-style-type: none"> <li>- Director Certification Program (DCP120/2009)</li> <li>- Director Accreditation Program (DAP 68/2008) Thai Institute of Directors</li> </ul>
Proportion of Shareholding in the Company (%)	:	None
First Appointment Date	:	February 22, 2005
Years of Directorship	:	15 Years
Position in Other Listed Company	:	None
Position in Non-Listed Company	:	<p>2020 – Present Country Director (Thailand and Indochina) Palo Alto Networks</p> <p>2019 – Present Board Members, Corporate Strategy Digital Government Development Agency )Public Organization)</p> <p>2019 - Present Working Members</p> <ul style="list-style-type: none"> <li>- EEC investment committee (Smart Electronics, Robotics, and Digital)</li> <li>- Digital Government committee, under Office of the Civil Service Commission (OCSC)</li> </ul>
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Illegal Activities During the Last 10 Years	:	None
Relationship with Director or Executives	:	None



Name	:	Mr. Chaipranin Visudhipol
Current Position	:	Independent Director Audit Committee Member
Age	:	60 Years
Nationality	:	Thai
Education	:	- Master's Degree in Advertising School of the Art - Institute of Chicago, U.S.A. - Bachelor's Degree in Education Chulalongkorn University
Training / Seminar	:	- Director Certification Program (DCP 88/2007) Thai Institute of Directors
Proportion of Shareholding in the Company (%)	:	None
First Appointment Date	:	January 23, 2007
Years of Directorship	:	13 Years
Position in Other Listed Company	:	2015 – Present Independent Director Chairman of the Nomination and Remuneration Committee Chairman of Corporate Governance Committee Wave Entertainment Public Company Limited
Position in Non-Listed Company	:	2015 – Present Director Index Creative Village Public Company Limited 2010 – Present Honorary President Advertising Association of Thailand 1997 – Present Chairman TBWA (THAILAND) Company Limited 1991 – Present Chairman PATOU (1969) Company Limited 1991 – Present Chairman PATUKAR Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Illegal Activities During the Last 10 Years	:	None
Relationship with Director or Executives	:	None

Name	:	Mr. Matthew Kichodhan
Current Position	:	Independent Director
Age	:	53 Years
Nationality	:	Thai
Education	:	<ul style="list-style-type: none"> <li>- MSc. (Management) Imperial College, University of London, England</li> <li>- Bachelor of Commerce, University of Toronto, Canada</li> </ul>
Training / Seminar	:	<ul style="list-style-type: none"> <li>- Director Certification Program (DCP 95/2007)</li> <li>- Director Accreditation Program (DAP 57/2006) Thai Institute of Directors Association</li> <li>- Certificate of Capital Market Academy Leadership Program (CMA 19) Capital Market Academy</li> </ul>
Proportion of Shareholding in the Company (%)	:	None
First Appointment Date	:	February 27, 2007
Years of Directorship	:	13 Years
Position in Other Listed Company	:	2013 – Present    Chairman and Chief Executive Officer Wave Entertainment Public Company Limited 2007 – Present    Director BEC World Public Company Limited
Position in Non-Listed Company	:	2017 – Present    Director BBGI Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Illegal Activities During the Last 10 Years	:	None
Relationship with Director or Executives	:	None

Name	:	Mr. Naputt Assakul
Current Position	:	Director Nomination and Remuneration Committee Member
Age	:	43 Years
Nationality	:	Thai
Education	:	- The Real Estate Association (RE-CU) Chulalongkorn University - Master of Business Administration Sasin Graduate Institute of Business Administration, Chulalongkorn University - B.S., Entrepreneurship Study and Economic Babson College Massachusetts, U.S.A.
Training / Seminar	:	- Tourism Management Program for Executives: TME3 / 2019 Tourism Authority of Thailand - CG Forum 3/2015 "Risk Oversight : High Priority Roles Of the Board" The Stock Exchange of Thailand - Director Certification Program (DCP 31/2003) Thai Institute of Directors
Proportion of Shareholding in the Company (%)	:	0.44
First Appointment Date	:	June 10, 2002
Years of Directorship	:	18 Years
Position in Other Listed Company	:	None
Position in Non-Listed Company	:	2014 – Present     Director Hands Management Company Limited 2013 – Present     Board of Director R M I Company Limited 2004 – Present     Executive Director Siam Estate Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Illegal Activities During the Last 10 Years	:	None
Relationship with Director or Executives	:	Relative with Director

Name	:	Ms. Jariya Sangchaiya
Current Position	:	Managing Director
Age	:	54 Years
Nationality	:	Thai
Education	:	<ul style="list-style-type: none"> <li>- Master's Degree in Business Administration National Institute of Development Administration</li> <li>- Master's Degree in Environmental Engineering Colorado State University, U.S.A.</li> <li>- Bachelor's Degree in Chemical Engineering Chulalongkorn University</li> </ul>
Training / Seminar	:	<ul style="list-style-type: none"> <li>- Director Certification Program (DCP 258/2018) Thai Institute of Directors</li> <li>- SCQuARE - Strategic Thinking and Presentation Methodology Licensed Program of SCQuARE International organized by Simplework</li> <li>- Total Quality Management AOTS Japan</li> </ul>
Proportion of Holding in the Company's shares (%)	:	None
First Appointment Date	:	21 March 2018
Year of Directorship	:	2
Position in other Listed Company	:	None
Position in Non-Listed Company	:	2562 – Present     Director, Crystal Clear Innovation Co., Ltd. 2561 – Present     Director, Ocean Glass Trading (Shanghai) Co., Ltd. 2561 – Present     Director, Ocean Glass Trading India Private Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

# EXECUTIVES PROFILE

Name	:	Ms. Jariya Sangchaiya
Current Position	:	Managing Director
Age	:	54 Years
Education	:	<ul style="list-style-type: none"> <li>- Master's Degree in Business Administration National Institute of Development Administration</li> <li>- Master's Degree in Environmental Engineering Colorado State University, U.S.A.</li> <li>- Bachelor's Degree in Chemical Engineering Chulalongkorn University</li> </ul>
Training / Seminar	:	<ul style="list-style-type: none"> <li>- Director Certification Program (DCP 258/2018) Thai Institute of Directors</li> <li>- SCQuARE - Strategic Thinking and Presentation Methodology Licensed Program of SCQuARE International organized by Simplework</li> <li>- Total Quality Management AOTS Japan</li> </ul>
Work Experiences	:	<ul style="list-style-type: none"> <li>- 2016 – 2017 Deputy Managing Director – Manufacturing</li> <li>- 2013 – 2016 Executive Director, Manufacturing Ocean Glass Public Company Limited</li> <li>- 2012 – 2013 Operation Director Thai Glass Industries Public Company Limited</li> </ul>
Proportion of Holding in the Company's shares (%)	:	None
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mrs. Yada Andaris
Current Position	:	Executive Director - Human Resources
Age	:	54 Years
Education	:	<ul style="list-style-type: none"> <li>- Master's Degree in Business Administration,</li> <li>- Bachelor's Degree in Commerce,</li> </ul> Chulalongkorn University
Training / Seminar	:	<ul style="list-style-type: none"> <li>— SCQuARE - Strategic Thinking and Presentation Methodology, Licensed Program of SCQuARE International organized by Simplework</li> <li>— The Extraordinary Leader, Licensed Program of Zenger-Folkman organized by Slingshot Group</li> <li>— Facet5 Accreditation &amp; Training, Personality Assessment Tool organized by Slingshot Group</li> <li>— Leadership Development Program (In-House): 4 Roles of Leadership, Alternative &amp; Creative Thinking and Change Management - 7 Modules</li> <li>— Collective Bargaining for Successful Labor Relation Master Class, Omega World Class</li> </ul>
Work Experiences	:	<div>2007 – 2012      Human Resources Business Partner Director, Supply Chain (Scope: Plan-Make-Source-Deliver) Unilever Thai Holdings Limited</div> <div>2005 – 2007      Human Resources Business Partner Director, Customer Development Unilever Thai Trading Holdings Limited</div> <div>2004 – 2005      Human Resources Director, Home &amp; Personal Care Unilever Thai Trading Holdings Limited</div>
Proportion of Holding in the Company's shares (%)	:	None
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Sathien Srisaikhram
Current Position	:	Executive Director – Finance and Accounting, and Information Technology
Age	:	53
Education	:	<ul style="list-style-type: none"> <li>- M.Econ. (Business Economics) Major Financial Business The National Institute of Development Administration</li> <li>- B.B.A. Accounting Ramkhamhaeng University</li> </ul>
Training	:	<ul style="list-style-type: none"> <li>- Boardroom Success through Financing and Investment (BFI 5/2018) Thai Institute of Directors</li> <li>- Strategic CFO in Capital Markets Program Stock Exchange of Thailand</li> <li>- SCQuARE - Strategic Thinking and Presentation Methodology Licensed Program of SCQuARE International organized by Simplework</li> <li>- Senior Executive Program (SEP) Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>- Can school &amp; Metal tracking, Advance leadership Ball Corporation, USA</li> <li>- Tax Controller Major in International Tax, Customs Tax School of Tax</li> </ul>
Work Experiences	:	2001 – 2015      International Operation Senior Vice President Thai Beverage Can Co., Ltd. Finance Director TBC-Ball Beverage Can Holding Limited (Hong Kong) TBC-Ball Beverage Can Vietnam Limited (Vietnam)
Proportion of Holding in the Company's shares (%)	:	None
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None



Name	:	Mr. Uday Verma
Current Position	:	Executive Director – Customer & Channel Development
Age	:	47 years
Education	:	<ul style="list-style-type: none"> <li>- Digital Marketing Strategies, Harvard Extension School, Boston, USA</li> <li>- Master of Business Administration Louisiana Tech University, LA, USA</li> </ul>
Training	:	<ul style="list-style-type: none"> <li>- SCQuARE - Strategic Thinking and Presentation Methodology Organized by Simplework</li> <li>- Advanced Leadership</li> <li>- 7 Habits of Highly Successful People Walton Institute of Retail</li> </ul>
Work Experiences	:	<p>25 years in various industries</p> <ul style="list-style-type: none"> <li>- International Trading and Sales</li> <li>- Business Development</li> <li>- Supply Chain Management</li> <li>- Marketing and Product Management</li> <li>- Ecommerce</li> <li>- Retail Management for over 12 years with Walmart USA, Walmart Canada and Walmart India</li> </ul>
Proportion of Holding in the Company's shares (%)	:	None
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Kritsana Pairoj
Current Position	:	Executive Director - Manufacturing
Age	:	43 Years
Education	:	<ul style="list-style-type: none"> <li>- Master's Degree in Business Administration, The National Institute of Development Administration</li> <li>- Bachelor's Degree in Production Engineering King Mongkut's University of Technology Thonburi</li> </ul>
Training	:	<ul style="list-style-type: none"> <li>- SCQuARE - Strategic Thinking and Presentation Methodology Licensed Program of SCQuARE International organized by Simplework</li> </ul>
Work Experiences	:	<p>2018 – 2019 Manufacturing Director</p> <p>2017 – 2018 Production Department Manager and Acting Manufacturing Director</p> <p>2014 – 2017 Production Department Manager</p> <p>2013 – 2013 Department Manager – P&amp;B, Production</p> <p>2012 – 2013 Production Section Manager – Forming 1</p> <p>2010 – 2011 Section Manager – Crystalline Process</p> <p>2008 – 2009 Senior Engineer</p> <p>1999 – 2008 Engineer</p> <p>Ocean Glass Public Company Limited</p>
Proportion of Holding in the Company's shares (%)	:	None
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

# The Board of Directors' Report on the Accountability of Financial Reports

The Board of Directors is responsible for Ocean Glass Public Company Limited's financial reports and information as appear in the 2018 Annual Report. The financial statements have been prepared and fair presented in accordance with Financial Reporting Standards. There is sufficient information disclosure in the notes to the financial statements.

The Board of Directors has appointed the Audit Committee, which consists of independent directors, to oversee and to assess the effectiveness of the Company's overall internal control system. This is to ensure that all Financial Statements were prepared and fairly presented in a timely manner. The Audit Committee's opinion is presented in the Audit Committee's Report set forth in the Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system is at a satisfactory level, the Company's financial statements are credible and reliable, and present correct and fair financial positions and its operational result in all material respects.

Chakri Chan.

Mr. Chakri Chanruangvanich

Chairman of the Board of Directors

## Report of the Audit Committee

The Audit Committee of Ocean Glass Public Company Limited comprises of 4 independent directors as follows.

- |                                    |                           |
|------------------------------------|---------------------------|
| 1. Mr. Woragan Xuto                | Chairman of the Committee |
| 2. Mr. Chatchawin Charoen-Rajapark | Audit Committee Member    |
| 3. Mr. Tachapol Poshyanonda        | Audit Committee Member    |
| 4. Mr. Chaipranin Visudhipol       | Audit Committee Member    |

Mrs. Rakdee Pakdeechumpol acts as Secretary of the Audit Committee.

The Audit Committee performs duties and responsibilities as delegated by the Board of Directors and the Charter of the Audit Committee which was established in compliance with rules and regulations of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET). Duties and responsibilities include the reviewing of the Company's financial reports, supervision to ensure the adequacy and efficiency of the Company's internal control and risk management, nominating the external auditor and proposing their remuneration, considering the connected or conflict of interest transactions that may cause a loss of good corporate governance best practice of the Company.

In 2019, the Audit Committee convened 4 meetings with the Company's Executives Management, External Auditor, and Internal Auditor to perform following activities.

- 1) Reviewed audited financial statements for the year ended December 31, 2018 and the 2019 interim financial information for the three-month, six-month, nine-month reviewed by Auditor.
- 2) Performed meetings with the internal auditor and the executive management to consider and to determine the Company's internal audit program to ensure that the program covered all significant aspects and efficiently manage uncertainty risk.
- 3) Monitored and reviewed the internal audit processes to ensure that they followed the approved audit program; assessed the internal audit results to ensure the adequacy and efficiency of the internal control systems; made suggestion to the management for improvements.

During the year, there were 4 monitoring programs covering:

- a) Mold Management
- b) Marketing and Product Development
- c) Regulatory, Safety, Health, and Environment
- d) Quality Control

The Committee satisfied with the Company's internal Control systems and did not found any significant non-compliance.

- 4) Reviewed the transactions that may lead to conflicts of interests. The Committee opined that the activities were treated in the same manner as market practice.
- 5) Reviewed and recommend on the preparation of risk management criteria for assessing opportunities and impacts of corporate risks

During the year 2019, Mr. Woragan Xuto, Mr. Chatchawin Charoen-Rajapark, Mr. Chaipranin Visudhipol, attended 4 meetings; Mr. Tachapol Poshyanonda attended 2 meetings.

In 2020, the Audit Committee reviewed the audited financial statements and the related financial reports for the year ended December 31, 2019 and expressed the opinion that the Company's financial statements were prepared and presented fairly in accordance with Financial Reporting Standards.

In addition, the Audit Committee considered the qualifications of the external auditor firm by taking into account its credibility, adequacy of resources and volume of audit assignments, auditing experiences, the independence as well as the auditor's qualification according to SEC's regulation. The Committee selected and nominated the external auditor to the Board of Directors for further recommendation to the Shareholders' Meeting for the appointment of Miss Thanyaporn Tangthanopajai, Certified Public Accountant No. 9169 or Mr. Peradate Pongsathiansak, Certified Public Accountant No. 4752 or Miss Arisa Chumwisut, Certified Public Accountant No. 9393 from Dharmniti Auditing Company Limited to be the Company's auditors, any one of them being authorized to conduct the audit and express an opinion on the financial statements of the Company for year 2020. In the absence of the above named auditors, Dharmniti Auditing Company Limited is authorized to identify one other Certified Public Accountant to carry out the work.



Mr. Woragan Xuto

Chairman of the Audit Committee

February 26, 2020

# Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Ocean Glass Public Co., Ltd., (the “Committee”) comprises three Directors:

- |    |                                 |                            |
|----|---------------------------------|----------------------------|
| 1. | Mr. Chatchawin Charoen-Rajapark | Chairman of the Committee, |
| 2. | Mr. Chakri Chanruangvanich      | Committee member, and      |
| 3. | Mr. Naputt Assakul              | Committee member.          |

The Committee’s secretary is Ms. Yada Andaris.

The Committee’s main duty and responsibility is to assist the Board in order to ensure that

- (i) The Company has a Board of an appropriate size and composition of qualified Directors so that it can effectively discharge its responsibilities and duties; and
- (ii) The Company has fair and appropriate remuneration policies and practices to attract and retain qualified Directors, Board’s committee members, and the Managing Director, who will create value for shareholders.

During 2019, the Committee held three meetings, all of which were attended by every Committee member and the Committee’s secretary. The Committee accomplished the following:

1. At the 2019 AGM, three Directors—namely, Mr. Chakri Chanruangvanich, Mr. Chaipranin Visudhipol, and Mr. Matthew Kichodhan—completed their terms on the Board and were due to retire in accordance with the Company’s Articles of Association. Since these three Directors had knowledge, expertise, qualifications that had enabled them to make valuable contributions to the Board and that would enable them to continue to do so, the Committee proposed that they be nominated for re-election. The Board agreed to the Committee’s proposal, and, at the AGM, the Shareholders re-elected the three Directors to the Board.
2. The Committee proposed to the Board to recommend to the Shareholders to maintain the current monthly remuneration scheme for the Directors and Board’s committee members, and to pay bonus to the Directors. The Board agreed to, and subsequently the 2019 AGM approved the remuneration scheme and the bonus payment.
3. The Committee performed the annual performance appraisal of the Managing Director and made recommendations to the Board relating to her bonus payment, salary increase, and company car. The Board later approved the Committee’s recommendations regarding the bonus payment and company car, but revised the salary increase scheme and adjusted the salary increase amount.

4. The Committee assisted the Board in its self-evaluation in order to review its performance and improve its effectiveness.

Throughout 2019, the Committee reported its activities to and received valuable comments from the Board.



(Chatchawin Charoen-Rajapark)

Chairman of the Nomination and  
Remuneration Committee

31 January 2020

OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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CONSOLIDATED FINANCIAL STATEMENTS AND  
SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019



## **INDEPENDENT AUDITOR'S REPORT**

To The Shareholders and Board of Directors of  
Ocean Glass Public Company Limited

### **Opinion**

I have audited the consolidated financial statements of Ocean Glass Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Ocean Glass Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Ocean Glass Public Company Limited and its subsidiaries as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Ocean Glass Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were the most significant in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### **Inventory**

The group had net inventory as at December 31, 2019 in the amount of Baht 1,003.75 million or 31.08 percent of total assets which is significant amount to the financial statements of the group. The inventory of the group is glassware on table from many manufacturers and sellers. It is a highly competitive product in both domestic and international markets. Price is one of the main marketing strategies. Some products are slow moving that may affect the Company's inventory value. The group is stated the inventory at cost or net realisable value, whichever is lower by comparing the cost of inventories with the net realizable value including the value estimation of slow moving inventory. Such estimates involve the use of management judgment and market conditions. I therefore pay special attention this matter in my audit.

### **Risk response by the auditor**

I made an understanding, assessed the design of internal control and implemented the internal control. I also tested the effectiveness of the internal control in respect of the valuation of inventory and assessed the reasonableness of the policy for the estimate of inventory devaluation set by the management. Furthermore, I assessed the appropriateness of the method to calculate net realisable value of inventory as at the end of the reporting period and tested the correctness of the calculation of net realisable value. I also assessed the appropriateness of the allowance for devaluation of inventory, compared the cost of inventory and the expected actual selling price after the end of period and assessed the adequacy of the information disclosure related to the allowance for devaluation of inventory in the notes to the financial statements.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I have communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that I have identified during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Ms.Thanyaphorn Tangthanopajai.



(Ms.Thanyaphorn Tangthanopajai)

Certified Public Accountant

Registration No. 9169

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 26, 2020

**OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2019**

		(Unit : Thousand Baht)			
		Consolidated		The Company Only	
	Notes	2019	2018	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	51,293	90,246	13,691	32,049
Trade and other receivables	4, 6	272,795	227,428	273,495	240,165
Short-term loan to subsidiaries	4	-	-	10,000	6,500
Inventories	7	1,003,748	997,503	1,003,532	994,226
Value added tax receivables		11,303	18,131	11,303	18,131
Other current assets		3,632	2,697	3,576	2,689
Total current assets		1,342,771	1,336,005	1,315,597	1,293,760
<b>Non-current assets</b>					
Investments in subsidiaries	8	-	-	6,000	6,000
Property, plant and equipment	9	1,859,348	1,896,344	1,859,215	1,895,985
Intangible assets	10	18,168	19,268	19,078	18,570
Deferred tax assets	14	807	3,135	-	-
Other non-current assets		8,116	11,165	6,833	9,531
Total non-current assets		1,886,439	1,929,912	1,891,126	1,930,086
Total assets		3,229,210	3,265,917	3,206,723	3,223,846

Notes to financial statements form an integral part of these statements

**OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2019**

		(Unit : Thousand Baht)			
		Consolidated		The Company Only	
	Notes	2019	2018	2019	2018
<b>Liabilities and shareholders' equity</b>					
Current liabilities					
Short-term loans from financial institutions	11	655,000	585,000	655,000	585,000
Trade and other payables	4, 12	269,423	320,673	261,869	292,899
Current portion of long-term loans					
from financial institutions	13	35,892	182,340	35,892	182,340
Other current liabilities		5,867	5,434	7,030	3,554
Total current liabilities		966,182	1,093,447	959,791	1,063,793
Non-current liabilities					
Long-term loans from financial institutions	13	66,400	3,033	66,400	3,033
Deferred tax liabilities	14	194,212	198,273	194,212	198,273
Employee benefit obligations	15	129,594	98,052	129,594	98,052
Total non-current liabilities		390,206	299,358	390,206	299,358
Total liabilities		1,356,388	1,392,805	1,349,997	1,363,151

Notes to financial statements form an integral part of these statements

**OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2019**

		(Unit : Thousand Baht)			
		Consolidated		The Company Only	
	Notes	2019	2018	2019	2018
<b>Liabilities and shareholders' equity (Cont.)</b>					
Shareholders' equity					
Share capital					
Authorised share capital					
Ordinary shares, 50,000,000 shares					
of par Baht 10 each					
		500,000	500,000	500,000	500,000
Issued and paid-up share capital					
Ordinary shares, 21,330,715 shares					
of paid-up Baht 10 each					
		213,307	213,307	213,307	213,307
Premium on share capital					
		302,807	302,807	302,807	302,807
Retained earnings					
Appropriated					
Legal reserve					
	16	50,000	50,000	50,000	50,000
Unappropriated					
		783,967	781,356	764,604	768,573
Other components of equity					
		522,741	525,642	526,008	526,008
Total shareholders' equity					
		1,872,822	1,873,112	1,856,726	1,860,695
Total liabilities and shareholders' equity					
		3,229,210	3,265,917	3,206,723	3,223,846

Notes to financial statements form an integral part of these statements



**OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

		(Unit : Thousand Baht)			
		Consolidated		The Company Only	
	Notes	2019	2018	2019	2018
<b>Revenues</b>					
Sales	4, 23	1,867,208	2,020,632	1,824,700	1,924,681
Foreign exchange gain		21,691	6,666	21,891	6,726
Other income		9,535	3,796	9,262	3,707
<b>Total revenues</b>		<b>1,898,434</b>	<b>2,031,094</b>	<b>1,855,853</b>	<b>1,935,114</b>
<b>Expenses</b>					
Cost of goods sold		1,242,086	1,365,730	1,227,017	1,318,120
Temporary shutdown expenses		123,345	75,925	123,345	75,925
Allowance for the decline in value of inventory		9,711	32,626	9,711	32,626
Selling expenses		311,033	347,256	304,671	327,281
Administrative expenses	4	173,162	149,147	161,158	139,303
Finance costs		17,734	19,523	17,734	19,523
<b>Total expenses</b>	21	<b>1,877,071</b>	<b>1,990,207</b>	<b>1,843,636</b>	<b>1,912,778</b>
Profit before income tax expense		21,363	40,887	12,217	22,336
Income tax expense	17	3,229	16,430	663	11,257
<b>Net profit for the year</b>		<b>18,134</b>	<b>24,457</b>	<b>11,554</b>	<b>11,079</b>
<b>Other comprehensive income :-</b>					
Item that will not be reclassified subsequently to profit or loss					
Remeasurement of employee benefit obligation-net of income tax		(3,364)	-	(3,364)	-
Item that will be reclassified subsequently to profit or loss					
Currency translation differences		(2,901)	(1,124)	-	-
<b>Other comprehensive income (loss) for the year</b>		<b>(6,265)</b>	<b>(1,124)</b>	<b>(3,364)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>11,869</b>	<b>23,333</b>	<b>8,190</b>	<b>11,079</b>
<b>Basic earnings per share (Baht)</b>	20	<b>0.85</b>	<b>1.15</b>	<b>0.54</b>	<b>0.52</b>

Notes to financial statements form an integral part of these statements

OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Thousand Baht)

		Consolidated							
		Retained earnings				Other components of equity			
	Notes	Issued and paid-up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Gains on land revaluation	Translation of financial statements	Total other components of equity	Total shareholders’ equity
Beginning balance as at January 1, 2018		213,307	302,807	50,000	789,962	526,008	758	526,766	1,882,842
Dividend paid		19	-	-	(33,063)	-	-	-	(33,063)
Total comprehensive income (loss) for the year		-	-	-	24,457	-	(1,124)	(1,124)	23,333
Ending balance as at December 31, 2018		213,307	302,807	50,000	781,356	526,008	(366)	525,642	1,873,112
Dividend paid		19	-	-	(12,159)	-	-	-	(12,159)
Total comprehensive income (loss) for the year		-	-	-	14,770	-	(2,901)	(2,901)	11,869
Ending balance as at December 31, 2019		213,307	302,807	50,000	783,967	526,008	(3,267)	522,741	1,872,822

Notes to financial statements form an integral part of these statements

**OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

(Unit : Thousand Baht)

		The Company Only					
		Retained earnings				Other components of	
						of equity	
		Issued and	Premium	Appropriated		Gains on land	Total
		paid-up	on share	for legal		revaluation	shareholders'
Notes		share capital	capital	reserve	Unappropriated		equity
Beginning balance as at January 1, 2018		213,307	302,807	50,000	790,557	526,008	1,882,679
Dividend paid	19	-	-	-	(33,063)	-	(33,063)
Total comprehensive income for the year		-	-	-	11,079	-	11,079
Ending balance as at December 31, 2018		213,307	302,807	50,000	768,573	526,008	1,860,695
Dividend paid	19	-	-	-	(12,159)	-	(12,159)
Total comprehensive income for the year		-	-	-	8,190	-	8,190
Ending balance as at December 31, 2019		213,307	302,807	50,000	764,604	526,008	1,856,726

Notes to financial statements form an integral part of these statements

OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

		(Unit : Thousand Baht)			
		Consolidated		The Company Only	
	Notes	2019	2018	2019	2018
<b>Cash flows from operating activities :</b>					
Profit before income tax expense		21,363	40,887	12,217	22,336
Adjustments to reconcile income for the year to net cash provided by (used in) operating activities :					
Provision allowance (reversal) for the decline in value of inventory, slow-moving and obsolete inventories	7	(3,737)	24,125	(3,737)	24,125
Depreciation and amortisation		161,152	154,958	160,611	154,466
Doubtful Debt		823	-	823	-
Loss on disposal and write-off of property, plant and equipment		11,918	9,337	11,916	9,337
Loss on disposal and write-off of intangible assets		18	-	18	-
Unrealised gain on fair value remeasurement of derivatives		(3,259)	(743)	(3,259)	(743)
Unrealised loss on foreign exchange		74	607	74	607
Employee benefit expenses	15	39,331	15,244	39,331	15,244
Interest income		(245)	(258)	(312)	(193)
Finance costs		17,734	19,523	17,734	19,523
(Increased) decreased in operating assets					
Trade and other receivables		(42,444)	2,010	(30,413)	21,338
Inventories		(2,508)	(149,329)	(5,569)	(163,931)
Value added tax receivables		6,828	11,342	6,828	11,342
Other current assets		(935)	1,142	(887)	1,143
Other non-current assets		3,049	(832)	2,698	(792)
Increased (decreased) in operating liabilities					
Trade and other payables		(69,975)	(47,139)	(49,517)	(22,037)
Other current liabilities		433	1,759	3,476	(363)
Payments on employee benefit obligations		(11,994)	(20,393)	(11,994)	(20,393)
<b>Net cash generated from operating activities</b>		<b>127,626</b>	<b>62,240</b>	<b>150,038</b>	<b>71,009</b>

Notes to financial statements form an integral part of these statements

OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

		(Unit : Thousand Baht)			
		Consolidated		The Company Only	
	Notes	2019	2018	2019	2018
<b><u>Cash flows from investing activities</u></b>					
Interest received		245	258	318	193
Increase in loan to a subsidiary	4	-	-	(3,500)	(6,500)
Cash received from repayment of loan to a subsidiary	4	-	-	-	2,000
Purchase of property, plant and equipment		(117,523)	(245,004)	(117,522)	(244,990)
Purchase of intangible assets		(3,332)	(4,128)	(4,578)	(3,790)
Proceeds from disposals of property, plant and equipment		676	772	676	772
<b>Net cash used in investing activities</b>		<b>(119,934)</b>	<b>(248,102)</b>	<b>(124,606)</b>	<b>(252,315)</b>
<b><u>Cash flows from financing activities</u></b>					
Interest paid		(18,289)	(18,905)	(18,289)	(18,905)
Cash received from short-term borrowings from financial institutions	25	1,330,000	1,000,000	1,330,000	1,000,000
Repayment of short-term borrowings from financial institutions	25	(1,260,000)	(525,000)	(1,260,000)	(525,000)
Cash received from long-term borrowings from financial institutions	13, 25	100,000	-	100,000	-
Repayment of long-term borrowings from financial institutions	13, 25	(183,081)	(240,840)	(183,081)	(240,840)
Dividend paid	19	(12,159)	(33,063)	(12,159)	(33,063)
<b>Net cash generated from (used in) financing activities</b>		<b>(43,529)</b>	<b>182,192</b>	<b>(43,529)</b>	<b>182,192</b>
Effect from foreign exchange in cash and cash equivalents		(261)	(26)	(261)	(26)
Currency translation differences		(2,855)	(1,064)	-	-
Net increase (decrease) in cash and cash equivalents		(38,953)	(4,760)	(18,358)	860
Cash and cash equivalents, opening balance		90,246	95,006	32,049	31,189
Cash and cash equivalents, closing balance	5	51,293	90,246	13,691	32,049
<b>Supplementary information for cash flows</b>					
<b>Non-cash transactions</b>					
Investing activities:					
Purchase of property, plant and equipment unpaid		14,859	22,312	14,859	22,312

Notes to financial statements form an integral part of these statements

**OCEAN GLASS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**1. GENERAL INFORMATION**

Ocean Glass Public Company Limited (the “Company”) is a public limited company which is listed on the Stock Exchange of Thailand in 1993 and incorporated and domiciled in Thailand. The principal activities of the Company are manufacturing and selling table glassware. The addresses of the Company’s selling and administrative office and factory are as follows:

Office : 75/3, 75/88-91 and 75/107 Ocean Tower II, 12<sup>th</sup>, 34<sup>th</sup> and 38<sup>th</sup> floor, Sukhumvit 19 Road (Soi Wattana), North Klongtoey, Wattana, Bangkok 10110

Factory : 365-365/1, Moo 4, Bangpoo Industrial Estate, Soi 8, Sukhumvit Road, Praksa, Muangsamutprakarn, Samutprakarn 10280

Showroom : 175 Ocean Insurance Building, Sukhumvit 21 Road, North Klongtoey, Wattana, Bangkok 10110

For reporting purpose, the Company and its subsidiaries are referred to as “the Group”. The Company has 3 subsidiaries as follows:

Ocean Glass Trading (Shanghai) Co., Ltd., the Company’s wholly owned subsidiary, was registered and incorporated in China on September 10, 2006. The term of the subsidiary is 20 years, expiring on September 10, 2026. The subsidiary’s main objective is import and merchandising household glassware in China.

Ocean Glass Trading India Private Limited, 99.99% owned by the Company, was incorporated in India on November 20, 2013. The subsidiary’s main objective is to perform marketing activities in India.

Crystal Clear Innovation Co., Ltd., 99.99% owned by the Company, was incorporated in Thailand on August 31, 2016. The subsidiary’s main objective is for providing research, development, and merchandising tableware products.

**2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS**

**2.1 Basis for preparation of the financial statements**

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except revaluation of land and derivative financial instruments which has been stated at fair value as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 3.17.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## **2.2 Financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

## **2.3 Financial reporting standards that will become effective in the future**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

**Financial reporting standards related to financial instruments:**

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial Reporting Standard:

TFRS 7                      Financial Instruments: Disclosures

TFRS 9                      Financial Instruments

Accounting standard:

TAS 32                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                      Hedges of a Net Investment in a Foreign Operation

TFRIC 19                      Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

**TFRS 16 Leases**

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.



### **3. SIGNIFICANT ACCOUNTING POLICIES APPLIED IN THE PREPARATION OF THESE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS ARE SET OUT BELOW**

#### **3.1 Revenue and expenses recognition**

##### **Sale of goods**

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

##### **Other income and expenses**

Interest income is recognised using the accrual method.

Other income and expenses is recognized using the accrual method.

#### **3.2 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### **3.3 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling and marketing costs.

#### **3.4 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

### **3.5. Group Accounting - Investments in subsidiaries**

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

#### Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

### **3.6 Foreign currency translation**

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

#### Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### **3.7 Property, plant and equipment**

Land is shown at fair value, based on valuations by external independent valuer which are conducted every 3 years. All other plants and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to other comprehensive income and shown as gains on land revaluation in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gains on land revaluation directly in equity; all other decreases are charged to profit or loss.

Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and building improvements	5 - 35 years
Machinery, equipment and tools	5 - 25 years
Furniture, fixtures and office equipment	3 - 25 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.10).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

### **3.8 Intangible assets**

#### Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sell;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;

- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised using the straight line method over their estimated useful lives, 5 - 15 years.

### **3.9 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### **3.10 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **3.11 Leases - where a Group company is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the net present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

### **3.12 Loans**

Loans are recognised initially at the fair value, net of transaction costs incurred. Loans are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans using the effective yield method.

Loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

#### **Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **3.13 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to be applied when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **3.14 Employee benefits**

#### **Retirement benefits**

The Company operates various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.



### **Other long-term employee benefits**

The Company provides long-service award to employee who works for 30 years. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. The benefit is charged to expense in the statement of comprehensive income in the period to which it relates.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

### **3.15 Provisions**

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

### **3.16 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

#### Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

#### Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

#### Employee benefits

The present value of the employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefits.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefits liability.

#### 4. RELATED PARTY TRANSACTIONS

During the year, the Group has relationship, pricing policy and significant business transactions with related parties which are summarised as follow:

Ocean Holding Co., Ltd. is the major shareholder of the Company as at December 31, 2019 and 2018, holding 32.82%. The remaining 67.18% is held by individual.

Related parties:

Party	Business	Relationship
Ocean Glass Trading (Shanghai) Co., Ltd.	Import and merchandising household glassware in China	Subsidiary
Ocean Glass Trading India Private Limited	Marketing activities in India	Subsidiary
Crystal Clear Innovation Co., Ltd.	Research, development, and merchandising tableware products	Subsidiary
Ocean Life Insurance Co., Ltd.	Life insurance	The Company's shareholder and co-shareholders and co-director
Ocean Property Co., Ltd.	Real estate	Co-shareholders
Siam Mail Order House Co., Ltd.	Sales of office equipment and supplies	Co-shareholders
Ocean Group (Thailand) Co., Ltd.	Legal services	Co-shareholders and co-director
Key management personnel		Persons with the authority and of direct or indirect responsibility for planning, directing and controlling the activities of the entity, including, any Group director (executive or otherwise)

Transactions with related parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

Pricing policies by transactions:

Transaction	Pricing policy
Sales	Mutually agreed price
Purchase of office equipment and supplies	Market price
Website development fee	Negotiated agreement
Commissions	Negotiated agreement
Rental expenses and service fees	Negotiated agreement
Loans	Negotiated agreement

The following material transactions were carried out with related parties during the years ended December 31, 2019 and 2018.

**4.1 Sales of goods**

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
<u>Sales of goods:</u>				
Subsidiaries	-	-	98,807	225,196
Related companies	203	477	203	477
	<u>203</u>	<u>477</u>	<u>99,010</u>	<u>225,673</u>

**4.2 Purchase of goods and service expenses**

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
<u>Purchase of office equipment and supplies:</u>				
Related companies	<u>100</u>	<u>32</u>	<u>100</u>	<u>32</u>
<u>Website development fee:</u>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,400</u>	<u>-</u>
<u>Rental expenses and service fee:</u>				
Related companies	<u>15,936</u>	<u>15,545</u>	<u>15,936</u>	<u>15,545</u>
<u>Legal service fee:</u>				
Related companies	<u>61</u>	<u>6</u>	<u>61</u>	<u>6</u>
<u>Commission:</u>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>12,015</u>	<u>8,877</u>
<u>Interest Income:</u>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>207</u>	<u>87</u>

Trading transactions with related parties are carried out under commercial terms and conditions. They are treated in the same manner as unrelated parties and are presented at mutually agreed price. Services pricing among related parties is based on contracts.

#### 4.3 Outstanding balances with related parties as at December 31, 2019 and 2018

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
<u>Trade receivables</u>				
Subsidiaries	-	-	874	17,894
Related companies	29	135	29	135
	<u>29</u>	<u>135</u>	<u>903</u>	<u>18,029</u>
<u>Other receivables</u>				
Subsidiaries	-	-	3	9
	<u>-</u>	<u>-</u>	<u>3</u>	<u>9</u>
<u>Other payables</u>				
Subsidiaries	-	-	2,263	805
Related companies	685	1,591	685	1,591
	<u>685</u>	<u>1,591</u>	<u>2,948</u>	<u>2,396</u>

#### 4.4 Key management compensation

	(Unit : Thousand Baht)	
	Consolidated / The Company Only	
	2019	2018
Short-term benefits	33,076	32,832
Post-employment benefits	2,161	1,713
Other long-term benefits	2	34
Total	<u>35,239</u>	<u>34,579</u>

#### 4.5 Loan to subsidiaries

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Loan to subsidiaries, at the beginning of the year	-	-	6,500	2,000
Increase Loan	-	-	3,500	6,500
Repayments	-	-	-	(2,000)
Loan to subsidiaries, at the end of the year	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>6,500</u>

On November 29, 2016, Crystal Clear Innovation Co., Ltd. entered into an agreement with the Company for a borrowing facility dominated in Baht of 2 million, interest rate is at 4.50% per annum. The Company has received full repayment of principle and interest on April 26, 2018.

On April 25, 2018, Crystal Clear Innovation Co., Ltd. entered into an agreement with the Company for short-term borrowing facility dominated in Baht of 10 million, interest rate is at market rate plus 0.10% per annum. The repayment is as stated in each promissory note.

## 5. Cash and cash equivalents

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Cash on hand	180	457	98	317
Deposits at banks - current	4,557	6,450	1,523	4,827
Deposits at banks - savings	46,556	83,339	12,070	26,905
Total	51,293	90,246	13,691	32,049

Savings accounting carries interest rate at the floating rates which are set by the bank.

## 6. TRADE AND OTHER RECEIVABLES

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Trade receivables :				
- other parties	212,283	197,046	212,278	192,279
- related parties (Note 4.3)	29	135	903	18,029
<u>Less</u> Allowance for doubtful accounts	(716)	-	(716)	-
	211,596	197,181	212,465	210,308
Advance payment	44,997	12,915	44,938	12,850
Prepayment	11,156	15,025	11,054	14,743
Other receivables :				
- other parties	5,153	2,307	5,142	2,255
- related parties (Note 4.3)	-	-	3	9
<u>Less</u> Allowance for doubtful accounts	(107)	-	(107)	-
	61,199	30,247	61,030	29,857
	272,795	227,428	273,495	240,165

Trade receivables as at December 31, 2019 and 2018 were analysed as follows:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Up to 3 months (Not yet due)	211,592	196,363	212,461	209,490
Over 3 - 6 months	4	155	4	155
Over 6 - 12 months	-	244	-	244
Over 12 months	716	419	716	419
Total	212,312	197,181	213,181	210,308
<u>Less</u> Allowance for doubtful accounts	(716)	-	(716)	-
Trade receivables - net	211,596	197,181	212,465	210,308

Outstanding receivables from related parties as at December 31, 2019 and 2018 were analysed as follows:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Up to 3 months (Not yet due)	29	135	903	18,029
Over 3 - 6 months	-	-	-	-
Over 6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	29	135	903	18,029

## 7. INVENTORIES

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Finished goods	559,720	560,823	559,546	557,613
Merchandise	42,335	31,761	42,293	31,694
Work in progress	11,418	10,069	11,418	10,069
Raw materials	86,175	95,083	86,175	95,083
Spare parts	139,782	142,466	139,782	142,466
Supplies and packing materials	184,932	185,276	184,932	185,276
Goods in transit	3,814	190	3,814	190
	1,028,176	1,025,668	1,027,960	1,022,391
<u>Less</u> Allowance for the decline in value of inventory, slow - moving and obsolete inventories	(24,428)	(28,165)	(24,428)	(28,165)
Inventories-net	1,003,748	997,503	1,003,532	994,226

Allowance for the decline in value of inventory, slow-moving and obsolete inventories are changed during the year as follows :

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Beginning balance of year	28,165	4,040	28,165	4,040
Increase	8,547	30,878	8,547	30,878
Decrease	(12,284)	(6,753)	(12,284)	(6,753)
Ending balance of year	24,428	28,165	24,428	28,165

## 8. INVESTMENTS IN SUBSIDIARIES

The subsidiaries are:

	Country of incorporation	% Ownership	
		2019	2018
Ocean Glass Trading (Shanghai) Company Limited	China	100.00%	100.00%
Ocean Glass Trading India Private Limited	India	99.99%	99.99%
Crystal Clear Innovation Co., Ltd.	Thailand	99.99%	99.99%

Movements of investments in subsidiaries:

	(Unit : Thousand Baht)	
	The Company Only	
	2019	2018
Beginning balance	6,000	6,000
Addition of investment during the year	-	-
Ending balance	6,000	6,000



## 9. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated				
	Balance per book	Additions	Deductions	Transferred in	Balance per book
	as at January 1, 2019			(Transferred out)	as at December 31, 2019
<u>At appraised value</u>					
Land					
- Cost	21,920	-	-	-	21,920
- Surplus on land revaluation	657,510	-	-	-	657,510
Total land - at appraised value	679,430	-	-	-	679,430
<u>At cost</u>					
Buildings and improvements	626,867	-	(4,364)	4,464	626,967
Machinery and equipment	3,385,508	6,861	(79,723)	223,891	3,536,531
Furniture, fixtures and office equipment	107,041	4,581	(3,988)	2,781	110,321
Vehicles	8,033	1,869	(2,064)	-	7,838
Machinery under installation and construction in progress	137,733	119,055	-	(231,136)	25,652
Total buildings and equipment - at cost	4,265,182	132,366	(90,139)	-	4,307,309
Total	4,944,612				4,986,739
<u>Less Accumulated depreciation</u>					
Buildings and improvements	(414,931)	(15,690)	4,229	-	(426,392)
Machinery and equipment	(2,530,178)	(134,126)	67,292	-	(2,597,007)
Furniture, fixtures and office equipment	(97,019)	(6,217)	3,960	-	(99,204)
Vehicles	(6,140)	(712)	2,064	-	(4,788)
Total	(3,048,268)	(156,745)	77,545	-	(3,127,391)
Property, plant and equipment - net	1,896,344				1,859,348

(Unit : Thousand Baht)

	Consolidated				
	Balance per book	Additions	Deductions	Transferred in	Balance per book
	as at January 1, 2018			(Transferred out)	as at December 31, 2018
<u>At appraised value</u>					
Land					
- Cost	21,920	-	-	-	21,920
- Surplus on land revaluation	657,510	-	-	-	657,510
Total land - at appraised value	679,430	-	-	-	679,430
<u>At cost</u>					
Buildings and improvements	513,880	-	(1,429)	114,416	626,867
Machinery and equipment	3,531,651	10,920	(198,692)	41,630	3,385,508
Furniture, fixtures and office equipment	109,495	2,514	(5,774)	882	107,041
Vehicles	11,453	-	(3,420)	-	8,033
Machinery under installation and construction in progress	41,393	253,268	-	(156,928)	137,733
Total buildings and equipment - at cost	4,207,872	266,702	(209,315)	-	4,265,182
Total	4,887,302				4,944,612
<u>Less Accumulated depreciation</u>					
Buildings and improvements	(403,418)	(12,943)	1,430	-	(414,931)
Machinery and equipment	(2,587,550)	(131,236)	188,607	-	(2,530,178)
Furniture, fixtures and office equipment	(96,667)	(6,147)	5,750	-	(97,019)
Vehicles	(8,804)	(755)	3,419	-	(6,140)
Total	(3,096,439)	(151,081)	199,206	-	(3,048,268)
Property, plant and equipment - net	1,790,863				1,896,344

(Unit : Thousand Baht)				
The Company Only				
	Balance per book as at January 1, 2019	Additions	Deductions	Transferred in (Transferred out) Balance per book as at December 31, 2019
<u>At appraised value</u>				
Land				
- Cost	21,920	-	-	21,920
- Surplus on land revaluation	657,510	-	-	657,510
Total land - at appraised value	679,430	-	-	679,430
<u>At cost</u>				
Buildings and improvements	626,867	-	(4,364)	626,967
Machinery and equipment	3,385,508	6,860	(79,723)	3,536,526
Furniture, fixtures and office equipment	105,853	4,581	(3,860)	109,365
Vehicles	8,033	1,869	(2,064)	7,838
Machinery under installation and construction in progress	137,733	119,055	-	25,652
Total buildings and equipment - at cost	4,263,994	132,365	(90,011)	4,306,348
Total	4,943,424			4,985,778
<u>Less Accumulated depreciation</u>				
Buildings and improvements	(414,931)	(15,690)	4,229	(426,392)
Machinery and equipment	(2,530,179)	(134,120)	67,292	(2,597,007)
Furniture, fixtures and office equipment	(96,189)	(6,020)	3,834	(98,375)
Vehicles	(6,140)	(713)	2,064	(4,789)
Total	(3,047,439)	(156,543)	77,419	(3,126,563)
Property, plant and equipment - net	1,895,985			1,859,215

(Unit : Thousand Baht)				
The Company Only				
	Balance per book as at January 1, 2018	Additions	Deductions	Transferred in (Transferred out) Balance per book as at December 31, 2018
<u>At appraised value</u>				
Land				
- Cost	21,920	-	-	21,920
- Surplus on land revaluation	657,510	-	-	657,510
Total land - at appraised value	679,430	-	-	679,430
<u>At cost</u>				
Buildings and improvements	513,880	-	(1,429)	626,867
Machinery and equipment	3,531,650	10,920	(198,692)	3,385,508
Furniture, fixtures and office equipment	108,237	2,500	(5,766)	105,853
Vehicles	11,453	-	(3,420)	8,033
Machinery under installation and construction in progress	41,393	253,268	-	137,733
Total buildings and equipment - at cost	4,206,613	266,688	(209,307)	4,263,994
Total	4,886,043			4,943,424
<u>Less Accumulated depreciation</u>				
Buildings and improvements	(403,418)	(12,943)	1,430	(414,931)
Machinery and equipment	(2,587,550)	(131,235)	188,606	(2,530,179)
Furniture, fixtures and office equipment	(96,037)	(5,895)	5,743	(96,189)
Vehicles	(8,804)	(755)	3,419	(6,140)
Total	(3,095,809)	(150,828)	199,198	(3,047,439)
Property, plant and equipment - net	1,790,234			1,895,985

The gross carrying amount of fully depreciated plant and equipment that were still in use as at December 31, 2019 amounted to Baht 1,929.25 million (2018 : Baht 1,960.97 million)

On March 2, 2017, the Company has appraised the land determined by independent appraiser (Brent Joe Cosens Consulting Co., Ltd.). The Company recorded the land at fair value as of December 31, 2019, in the amount of Baht 679 million comprising the historical cost of Baht 22 million and the gain on land revaluation of Baht 657 million. This valuation technique is market comparative method which sales prices of comparable land are in close proximity and adjusted for difference in key attributes such as property size which fair value hierarchy in level 2 as described in Note 24.7.

The Company had mortgaged land with buildings net book value as at December 31, 2018 amounting to Baht 872 million as collateral for its long-term loan from a financial institution and the Company repaid the final repayment of its long-term loan and since August 1, 2019, the Company has redeemed its land with buildings which have been pledged as collateral as described in Note 14.

In 2018, the Company recorded interest as part of the cost assets of Baht 0.50 million. Borrowing costs are the amount of the loan for general purposes by calculating from the capitalization rate which is the weighted average of the total loans that were borrowed for general purposes at the rate of 1.96% per annum.

## 10. INTANGIBLE ASSETS

	(Unit : Thousand Baht)					
	Consolidated					
	Balance per book as at January 1, 2019	Additions	Deductions	Transferred in (Transferred out)	Translation difference	Balance per book as at December 31, 2019
<u>At cost</u>						
Computer software	74,027	2,404	(13,326)	995	(74)	64,026
Computer software installation	681	944	-	(995)	-	630
Total	74,708	3,348	(13,326)	-	(74)	64,656
<u>Less Accumulated amortization</u>	(55,440)	(4,407)	13,308	-	51	(46,488)
Computer software - net	19,268					18,168

	(Unit : Thousand Baht)					
	Consolidated					
	Balance per book as at January 1, 2018	Additions	Deductions	Transferred in (Transferred out)	Translation difference	Balance per book as at December 31, 2018
<u>At cost</u>						
Computer software	68,813	2,266	-	3,000	(52)	74,027
Computer software installation	1,205	2,476	-	(3,000)	-	681
Total	70,018	4,742	-	-	(52)	74,708
<u>Less Accumulated amortization</u>	(51,586)	(3,877)	-	-	23	(55,440)
Computer software - net	18,432					19,268

(Unit : Thousand Baht)				
The Company Only				
Balance per book as at January 1, 2019	Additions	Deductions	Transferred in (Transferred out)	Balance per book as at December 31, 2019
<u>At cost</u>				
Computer software	73,178	2,404	(13,326)	62,759
Computer software installation	343	2,190	(503)	2,030
Total	73,521	4,594	-	64,789
<u>Less Accumulated amortization</u>	(54,951)	(4,068)	13,308	(45,711)
Computer software - net	18,570			19,078

(Unit : Thousand Baht)				
The Company Only				
Balance per book as at January 1, 2018	Additions	Deductions	Transferred in (Transferred out)	Balance per book as at December 31, 2018
<u>At cost</u>				
Computer software	67,912	2,266	3,000	73,178
Computer software installation	1,205	2,138	(3,000)	343
Total	69,117	4,404	-	73,521
<u>Less Accumulated amortization</u>	(51,313)	(3,638)	-	(54,951)
Computer software - net	17,804			18,570

## 11. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Thousand Baht)		
Consolidated/ The Company Only		
	2019	2018
Promissory note	655,000	585,000
Total	655,000	585,000

As at December 31, 2019 and 2018, short-term loans from local financial institution denominated in Thai Baht, due within 6 months and bear interest rate of 1.69% to 1.71% per annum. (2018 : interest rate of 1.90% to 2.20% per annum)

The fair values approximate the carrying amounts because of their short-term maturities which fair value hierarchy in level 2 as described in Note 24.7.

## 12. TRADE AND OTHER PAYABLES

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Trade payables – other parties	137,044	153,584	137,044	153,584
Other payables – other parties	40,193	68,686	34,165	45,556
- related parties				
(Note 4.3)	685	1,591	2,948	2,396
Advances from customers	7,825	19,297	6,880	17,250
Accrued energy expenses	8,347	8,086	8,347	8,086
Accrued commission and rebate	13,249	9,215	13,249	9,215
Accrued salary and bonus expenses	33,202	29,755	32,241	29,001
Other accrued expenses	28,878	30,459	26,995	27,811
Total	269,423	320,673	261,869	292,899

## 13. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)	
	Consolidated/ The Company Only	
	2019	2018
Loans – from financial institutions, at the beginning of the year	185,373	426,213
Increase Loans	100,000	-
Repayments	(183,081)	(240,840)
Long term loans from financial institutions, at the end of year	102,292	185,373
<u>Less</u> Current portion of long-term loans from financial institutions	35,892	182,340
Long term loans from financial institutions with due date more than one year	66,400	3,033

Maturity of long-term loans:

	(Unit : Thousand Baht)	
	Consolidated/ The Company Only	
	2019	2018
Due within 1 year	35,892	182,340
Due more than 1 year but not over 5 years	66,400	3,033
	102,292	185,373

Long-term loans from financial institutions

As at December 31, 2019, long-term loans from financial institutions consist of:

1) Loans facilities of Baht 300 million

On September 26, 2019, the Company entered into an agreement with a local bank for a long-term loan facility denominated in Thai Baht of Baht 300 million, which is repayable in five years from the first loan drawdown date which has to be settled by December 25, 2024. This loan has a grace period for principal repayment for the periods seven months from the first loan drawdown date and the Company is required to repay the principal in monthly installments. Interest is payable on a monthly basis and is calculated at the MLR rate minus a fixed percentage from the first year to fifth year. The Company must maintain a minimum debt-to-equity ratio as a condition of the long-term loan agreements.

As at December 31, 2019, the total outstanding loan is Baht 100 million.

2) Loans facilities of Baht 535 million

On November 26, 2012, the Company entered into an agreement with the same local bank as 1) for a long-term loan facility denominated in Thai Baht of Baht 535 million, which is repayable in five years, by December 6, 2017. The loan has a grace period for principal repayment for the first year to second years. The Company is required to repay the principal in monthly installment from the third year to the fifth year, and the remaining principal in the last installment. Interest is payable on a monthly basis and is calculated at a fixed rate in the first year and the second years and at the MLR rate minus a fixed percentage from the third year to the fifth year.

On November 12, 2014, the Company amended the loan agreement to adjust the monthly principal repayment amount and extend the repayment period to December 6, 2021.

In June 2017, the Company has entered into an amendment to the loan agreement by increasing the monthly principle repayment amount and adjust the repayment period to complete within October 2020.

In August 2018, the Company has entered into an amendment to the loan agreement by increasing the monthly principle repayment amount and adjust the repayment period to complete within September 2019.

The Company has fully paid of principle and interest on July 6, 2019 and has redeemed its land with buildings which have been pledged as collateral since August 1, 2019. (2018: Baht 174 million)

3) Loan facilities of Baht 250 million

On November 26, 2012, the Company entered into an agreement with the same local bank as 1) for a long-term loan facility denominated in Thai Baht of Baht 250 million, which is repayable in five years from the first loan drawdown date which has to be settled by November 29, 2018. This loan has a grace period for principal repayment in the first year. The Company is required to repay the principal in monthly instalments from the second year to the fifth year. Interest is payable on a monthly basis and is calculated at the MLR rate minus a fixed percentage.

On November 12, 2014, the Company amended the loan agreement to adjust the monthly principal repayment amount and extend the repayable period to November 29, 2021.

In November 2016, the Company has entered into an amendment to the loan agreement by increasing the monthly principle repayment amount and adjust the repayment period to complete within December 2018.

In June 2017, the Company has entered into an amendment to the loan agreement by increasing the monthly principle repayment amount and adjust the repayment period to complete within July 2018.

The Company has fully paid of principle and interest on July 29, 2018.

4) Loan facilities of Baht 23 million

On May 12, 2016, the Company entered into an agreement with another local bank for a long-term loan facility denominated in Thai Baht of Baht 23 million. The loan has a purpose for investment and operation in saving and renewable energy project. The Company is required to drawdown within December 31, 2016. The Company has to repaid the principal quarterly in 16 installments. The first installments is paid on the last business day of December 2016. Interest is payable on a monthly basis. The principal and interest shall be settled within the 54<sup>th</sup> month from the loan receiving month or not over 5 years from the agreement date, whichever period comes first. Interest is calculated at the MLR rate minus a fixed percentage. The Company has drawdown this loan in accordance with the condition amount of Baht 19 million.

The Company has fully paid of principle and interest on June 30, 2019 (2018: Baht 7 million).

5) Loan facilities of Baht 12 million

On May 12, 2016, the Company entered into an agreement with the same local bank as 4) for a long-term loan facility denominated in Thai Baht of Baht 12 million. The loan has a purpose for working capital in saving energy project according to condition of Department of Alternative Energy Development and Efficiency. The Company is required to drawdown within December 31, 2016 and repay in 5 years, by September 30, 2020. The Company is required to repay the principal in quarterly instalments. Interest is payable on a monthly basis and is calculated at a fixed rate until the maturity of the agreement. Then, the Company drawdown this loan as conditions in the amount Baht 12 million.

As at December 31, 2019, the total outstanding loan is Baht 2 million. (2018: Baht 5 million).

The interest rate exposure on the long-term loan comprises the following:

	(Unit : Thousand Baht)	
	Consolidated/ The Company Only	
	2019	2018
<b>Long-term loans</b>		
at fixed rates	2,292	5,372
at floating rates	100,000	180,001
	<u>102,292</u>	<u>185,373</u>

The interest rates at the statement of financial position date were as follows:

	% (per annum)	
	Consolidated/ The Company Only	
	2019	2018
Long-term loans	3.50	3.50 to 4.25

The long-term loans from financial institutions with floating interest rates, the fair values approximate the carrying amounts. Fair values of the long-term loans from financial institutions with fixed interest rates approximate the carrying amounts because the current interest rates of the similar terms loans as the Group's approximate the interest rates per the agreement. Fair value hierarchy in level 2 as described in Note 24.7.

#### 14. DEFERRED INCOME TAXES

Deferred tax assets and liabilities are offset when income taxes are related to the same fiscal authority. Deferred income taxes are calculated on all temporary differences under the liability method using principal tax 20% for the Company and 20% - 30.9% for the subsidiary.

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Deferred tax assets	31,657	33,320	30,850	30,185
Deferred tax liabilities	(225,062)	(228,458)	(225,062)	(228,458)
Deferred tax liabilities-net	<u>(193,405)</u>	<u>(195,138)</u>	<u>(194,212)</u>	<u>(198,273)</u>



Deferred tax assets (liabilities) in the statement of comprehensive income for the year ended December 31, 2019 are attributed to the following items:

(Unit : Thousand Baht)				
Consolidated				
	Balance per book	Revenue (expenses) during the year		Balance per book
	as at January	In profit or loss	In other	as at December
	1, 2019		comprehensive income	31, 2019
Deferred tax assets:				
Allowance for the decline in value of inventory, slow-moving and obsolete inventories	5,633	(702)	-	4,931
Employee benefit obligations	19,610	5,468	841	25,919
Tax losses	4,942	(4,942)	-	-
Accrued tax rebate from export sales	3,135	(2,328)	-	807
Total	33,320	(2,504)	841	31,657
Deferred tax liabilities:				
Book depreciation under taxable depreciation	(96,956)	3,396	-	(93,560)
Gains on land revaluation	(131,502)	-	-	(131,502)
Total	(228,458)	3,396	-	(225,062)
Net	(195,138)	892	841	(193,405)

(Unit : Thousand Baht)				
The Company Only				
	Balance per book	Revenue (expenses) during the year		Balance per book
	as at January	In profit or loss	In other	as at December
	1, 2019		comprehensive income	31, 2019
Deferred tax assets:				
Allowance for the decline in value of inventory, slow-moving and obsolete inventories	5,633	(702)	-	4,931
Employee benefit obligations	19,610	5,468	841	25,919
Tax losses	4,942	(4,942)	-	-
Total	30,185	(176)	841	30,850
Deferred tax liabilities:				
Book depreciation under taxable depreciation	(96,956)	3,396	-	(93,560)
Gains on land revaluation	(131,502)	-	-	(131,502)
Total	(228,458)	3,396	-	(225,062)
Net	(198,273)	3,220	841	(194,212)

Deferred tax assets and temporary differences are recognised if the realisation of the tax benefit is probable.

## 15. EMPLOYEE BENEFIT OBLIGATIONS

The Group and its subsidiaries have obligations for employee benefits as follows :

	(Unit : Thousand Baht)	
	Consolidated/The Company Only	
	2019	2018
Defined benefit obligations, at the beginning of the year	98,052	103,201
<b>Include in profit or loss:</b>		
Current service cost	13,771	12,832
Past service cost	22,868	-
Interest on obligation	2,692	2,412
	<u>39,331</u>	<u>15,244</u>
<b>Include in other comprehensive income</b>		
Actuarial (gain) loss		
- Demographic assumptions	1,199	-
- Financial assumptions	9,994	-
- Experience adjustment	(6,988)	-
	<u>4,205</u>	<u>-</u>
Benefit paid	<u>(11,994)</u>	<u>(20,393)</u>
	<u>(11,994)</u>	<u>(20,393)</u>
Defined benefit obligations, at the end of the year	<u>129,594</u>	<u>98,052</u>

The Labor Protection Act was enacted in the Government Gazette on April 5, 2019, with additional compensation rates for employers terminating employment. For employees who have worked consecutively for 20 years or more, they are entitled to compensation not less than the final rate of 400 days. The Group therefore revised in the project for post-employment benefits plan in 2019 to comply with the revised Labor Protection Act. From the revised of such project, the Group recognizes an increase in employee benefits obligations in the amount of Baht 22.87 million.

**Principal actuarial assumptions at the reporting date**

	Percentage	
	Consolidated/The Company Only	
	2019	2018
Discount rate	2.37	2.34
Salary increase rate	5.00	5.00
Employee turnover rate	0.00 - 16.00	0.00 - 16.00
	(classification of age)	(classification of age)
Mortality rate	100% of Thai mortality table 2017	100% of Thai mortality table 2017

**Sensitivity analysis**

The results of sensitivity analysis for significant assumptions that affect the present value of long-term employee benefit obligations as at December 31, 2019 are summarized below:

	(Unit : Thousand Baht)	
	Consolidated/The Company Only	
	1% increase	1% decrease
Discount rate	(9,041)	10,269
Salary increase rate	8,914	(8,021)
Employee turnover rate	(9,608)	5,758
Mortality rate	428	(426)

During the year 2019, the long-term interest rate was significantly reduced which affected the discount rate under the assumption made by the actuary from 2.37% to 1.46%. The Group considered recording the increase in employee benefit obligation of Baht 10.27 million and recognised the past service cost in other comprehensive income by the same amount. For sensitivity information analysis above, it may change from the previously presented data.

### Expected maturity analysis of retirement

	(Unit : Thousand Baht)	
	Consolidated/The Company Only	
	2019	2018
Within 1 year	8,649	7,373
More than 1 year but not over 5 year	50,149	58,245
More than 5 year	513,264	425,715
Total	572,062	491,333

## 16. LEGAL RESERVE

Under the Public Limited Company Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

## 17. INCOME TAX EXPENSES

### 17.1 Major components of income tax expenses

For the years ended December 31, 2019 and 2018 consisted of :-

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Income tax expense shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	4,121	5,660	3,883	-
Deferred tax expense :				
Changes in temporary differences relating				
to the original recognition and reversal	(892)	10,770	(3,220)	11,257
Total	3,229	16,430	663	11,257
Income tax expense in relation to components of				
other comprehensive income :				
Deferred tax expense :				
Loss on estimate as per mathematic calculation	841	-	841	-
Total	841	-	841	-

17.2 A numerical reconciliation between the income tax expense, the average effective tax rate and the applicable tax rate

For the years ended December 31, 2019 and 2018.

	Consolidated			
	2019		2018	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit before tax expense for the year	21,363		40,887	
Tax expense at the applicable tax rate	3,863	20-30.9	8,502	20-30.9
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,908	8.93	4,073	9.96
- Reversal of expire tax loss carry forward	-	-	6,815	16.67
Tax effect of income or profit that are not required in determining taxable profit:				
- Expenses deducted as expenses added in taxable	(2,542)	(11.90)	(2,960)	(7.24)
Total reconciliation items	(634)	(2.97)	7,928	19.39
Tax expense at the average effective tax rate	3,229	15.11	16,430	40.18
	The Company only			
	2019		2018	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit before tax expense for the year	12,217		22,336	
Tax expense at the applicable tax rate	2,443	20.00	4,467	20.00
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	762	6.24	2,935	13.14
- Reversal of expire tax loss carry forward	-	-	6,815	30.51
Tax effect of income or profit that are not required in determining taxable profit:				
- Expenses deducted as expenses added in taxable	(2,542)	(20.81)	(2,960)	(13.25)
Total reconciliation items	(1,780)	(14.57)	6,790	30.40
Tax expense at the average effective tax rate	663	5.43	11,257	50.40

## **18. CAPITAL MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

According to the consolidated balance sheet as at December 31, 2019 and 2018, the Company and subsidiaries's debt-to-equity ratio was 0.72:1 and 0.74:1, respectively.

According to the separate balance sheet as at December 31, 2019 and 2018, the Company's debt-to-equity ratio was 0.73:1

## **19. DEVIDEND PAID**

At the Company's Annual General Shareholders' Meeting on April 25, 2019, the meeting has approved a dividend payment from the operating results for the year 2018 of Baht 0.57 per share, totaling Baht 12.16 million. This dividend was paid May 17, 2019.

At the Company's Annual General Shareholders' Meeting on April 26, 2018, the meeting has approved a dividend payment from the operating results for the year 2017 of Baht 1.55 per share, totaling Baht 33.06 million. The dividend was paid on May 18, 2018.

## **20. BASIC EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit attributed to shareholder by the weighted average number of ordinary shares in issue, which is 21,330,715 shares during the years ended December 31, 2019 and 2018. The Group has no dilutive instruments in issue.

## 21. EXPENSES BY NATURE

The following significant expenditure items for the years ended December 31, 2019 and 2018 classified by nature, have been charged in profit before income tax:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Changes in finished goods				
and work in process	(15,718)	(80,049)	(18,779)	(94,651)
Raw material and consumables used	378,769	433,065	378,769	433,065
Employee expenses	532,356	541,328	511,048	517,864
Energy expenses	335,419	404,614	335,370	404,565
Depreciation and amortisation	161,152	154,958	160,611	154,466
Repair and maintenance expenses	131,370	122,044	130,891	121,790
Other expenses	353,723	414,247	345,726	375,679
	<u>1,877,071</u>	<u>1,990,207</u>	<u>1,843,636</u>	<u>1,912,778</u>

## 22. PROVIDENT FUND

The Company and its employees jointly established a provident fund scheme. Both the employees and the Company contribute to this fund. The fund is managed by the CIMB-Principal Asset Management Co., Ltd. and will be paid to the employees upon termination in accordance with the fund's policy. For the years ended December 31, 2019 and 2018, the Company contributed to the fund totaling Baht 11.28 million and Baht 11.63 million, respectively.

## 23. SEGMENT INFORMATION

The Company produces and sells table software for both domestic and export markets, utilising the same assets. The Company has one reportable segment which is the factory. Reporting segment is referred from internal report of the Group which is reviewed by the managing director how to allocate resources and in assessing performance.

Managing director considers performance of reporting segments from the profit from operation.

Sales by geographic for the years ended December 31, 2019 and 2018 are as follows:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Domestic sales	496,087	526,078	495,174	525,766
Export sales	1,371,121	1,494,554	1,329,526	1,398,915
Total	<u>1,867,208</u>	<u>2,020,632</u>	<u>1,824,700</u>	<u>1,924,681</u>

## 24. FINANCIAL INSTRUMENTS

### 24.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by Group's treasury under policies approved by the board of directors. The Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

### 24.2 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Entities in the Group use forward contracts, transacted with the Group's treasury, to hedge their exposure to foreign currency risk in connection with measurement currency. The Group's treasury is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts.

#### Forward foreign exchange contracts

The Group entered into forward foreign exchange contracts to manage exposure to fluctuations in foreign currencies of trade receivables, other receivables, trade payables and other payables denominated in foreign currencies.

As at December 31, 2019 and 2018, the Company had forward foreign exchange contracts with maturities of less than 1 year as follows:

	(Unit : Million Baht)	
	Fair value	
	Consolidated / The Company Only	
	2019	2018
Forward foreign exchange contracts		
USD 12.93 million (Baht 30.04 - 30.18 per USD 1)	387.48	
USD 9.98 million (Baht 29.97 - 30.14 per USD 1)	296.85	
YEN 4.13 million (Baht 29.19 per YEN 100)	1.14	
USD 1.73 million (Baht 32.19 - 33.21 per USD 1)		55.71
USD 1.68 million (Baht 32.28 - 33.17 per USD 1)		54.31



### **24.3 Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets.

The Group is exposed to interest rate risk primarily relating to its borrowings bearing interest. However, since most of the financial liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

### **24.4 Credit risk**

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

### **24.5 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to manage risk. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

### **24.6 Accounting for derivative financial instruments**

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are recognised at fair value. At the end of each reporting period, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of derivative financial instruments is their quoted market price at the reporting date, being the present value of the quoted derivative price.

## 24.7 Fair value estimation

Analyses of financial instruments are carried at fair value by the valuation method. The different levels have been defined as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

### Net fair values

The carrying amounts of cash and cash equivalents, trade receivables, other short-term receivables, trade payables and other short-term payables, their fair values due to the short-term maturity period.

The carrying amounts of long-term loans from financial institutions are approximate to their fair values due to floating interest rates. The long-term loans from financial institutions with fixed interest rate, their fair values approximate the carrying amounts because the average interest rate at the financial position date that is offered to the loans with the similar terms and conditions to the Group are approximate to the fixed rates specified in the contracts.

The fair values of open forward foreign exchange contracts as at December 31, 2019 were stated as net assets of Baht 4.86 million (2018 : net assets of Baht 1.60 million).

The fair value of forward foreign exchange contracts is determined by the market rate of each contract, which is calculated by financial institutions dealing with the Group at the date of the statement of financial position.

The fair values of derivative financial instruments, which are cross currency swap contracts, are the market prices adjusted by credit risk of the Group which is calculated by the financial institution of the Group as at the statement of financial position date. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The instrument is included in level 2.

## 25. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	(Unit : Thousand Baht)					
	Consolidated/The Company Only					
	Balance	Cash flows	Non-cash transaction			Balance
	as at January	Increase	Increase	Acquisition	Translation	as at December
	1, 2019	(decrease)*		of subsidiary	on exchange rate	31, 2019
						of financial statements
Short-term borrowings from financial institutions	585,000	70,000	-	-	-	655,000
Long-term borrowings from financial institutions	185,373	(83,081)	-	-	-	102,292
Total	770,373	(13,081)	-	-	-	757,292

	(Unit : Thousand Baht)					
	Consolidated/The Company Only					
	Balance	Cash flows	Non-cash transaction			Balance
	as at January	Increase	Increase	Acquisition	Translation	as at December
	1, 2018	(decrease)*		of subsidiary	on exchange rate	31, 2018
						of financial statements
Short-term borrowings from financial institutions	110,000	475,000	-	-	-	585,000
Long-term borrowings from financial institutions	426,213	(240,840)	-	-	-	185,373
Total	536,213	234,160	-	-	-	770,373

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

## 26. COMMITMENTS AND CONTINGENT LIABILITIES

### 26.1 Operating lease commitments - where a Group company is the lessee

26.1.1 The Group has entered into a non-cancellable operating lease for office building with facilities, office equipment and vehicles. The future aggregate minimum lease payments under the non-cancellable operating leases are as follows:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2019	2018	2019	2018
Not later than 1 year	45,448	20,087	44,550	17,710
Later than 1 year and not later than 5 years	39,406	10,998	39,406	10,015
Total	84,854	31,085	83,956	27,725

26.1.2 The Company entered into an agreement of buy/sell natural gas with 2 years period. The Company is required to pay for natural gas usage and pipe rental by month at a negotiated price as specified in the agreement.

## 26.2 Bank guarantees

As at December 31, 2019, the Group had outstanding letters of guarantee of Baht 25.53 million issued by local financial institutions as collaterals for sales of goods and electrical usage (2018 : Baht 23.49 million).

## 26.3 Capital commitments

As at December 31, 2019, the Group had capital commitments amounting to Baht 184.65 million (2018 : Baht 88.35 million).

## 27. RECLASSIFICATION

Certain transactions in the financial statements for the year ended December 31, 2018 have been reclassified to conform to the classifications in the year ended December 31, 2019, with no effect on previously reported on net income or shareholders' equity.

(Unit : Thousand Baht)

	For the year ended December 31, 2018					
	Consolidated			The Company Only		
	As previously reported	Reclassified	After reclassified	As previously reported	Reclassified	After reclassified
<u>The statements of comprehensive income</u>						
Cost of goods sold	1,385,466	(19,736)	1,365,730	1,337,856	(19,736)	1,318,120
Selling expenses	357,680	(10,424)	347,256	337,705	(10,424)	327,281
Administrative expenses	118,987	30,160	149,147	109,143	30,160	139,303

## 28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 26, 2020.