

Ocean<sup>®</sup>  
Life's pleasure

# ANNUAL REPORT 2017

รายงานประจำปี 2560



中国好设计  
China Good Design  
WINNER 2017



DESIGN  
AWARD  
2018



ผลิตภัณฑ์แก้วไวน์คริสตัล **ลูคาริส รุ่มดีช่ายเออร์ (Lucaris Desire Collection)** ได้รับรางวัล **China Good Design Award 2017** เมื่อเดือนพฤศจิกายน ปี 2560 และล่าสุดกับรางวัล **iF Design Award 2018** ในเดือนมกราคม 2561 ซึ่งเป็นรางวัลอันทรงเกียรติด้านการออกแบบที่ ทั่วโลกต่างให้ความยอมรับ

**ลูคาริส รุ่มดีช่ายเออร์ (Lucaris Desire Collection)** เป็นผลิตภัณฑ์แก้วไวน์คริสตัลรุ่นล่าสุดที่ได้ร่วมมือกับสมาคมห้องก้องซอมเมอลิเยร์ นำทีมโดย เนลสัน โซว ผู้ซึ่งได้รับการขนานนามว่าเป็นหนึ่งในปรมาจารย์แห่งไวน์ของโลก และปัจจุบันดำรงตำแหน่งประธานสมาคมซอมเมอลิเยร์ ประเทศฮ่องกง จุดเด่นของผลิตภัณฑ์คือ นวัตกรรม **แอร์ลูเมย์ (Aerlumer®)** หรือ ลายเส้นโค้งเว้าบริเวณกระเปาะแก้วด้านล่างที่ถูกออกแบบอย่างสวยงาม ช่วยกระตุ้นกระบวนการ Micro-oxidation ที่ช่วยให้ไวน์เกิดการพัฒนารสชาติที่ดีขึ้น เมื่อสัมผัสกับอากาศในโมเลกุลที่เล็กมาก และดึงคาแรคเตอร์หลักของไวน์ รวมถึงบูเก้ และโอโรมาต่างๆ ให้มีความชัดเจนยิ่งขึ้น จึงทำให้รสชาติของไวน์นุ่มละมุน ที่สำคัญลายเส้นดังกล่าวจะไม่บดบังเนื้อสีของไวน์ เพื่อรรถรสที่ดีที่สุดของผู้รักการดื่มไวน์

### รายละเอียดรางวัล

- **China Good Design Award 2017** รางวัลด้านการออกแบบระดับสากลของประเทศไทย ภายใต้มาตรฐานการคัดเลือกอย่างเคร่งครัดของ Red Dot สถาบันที่มีชื่อเสียงระดับโลกด้านการออกแบบผลิตภัณฑ์ และนวัตกรรมของประเทศเยอรมัน ลูคาริส รุ่มดีช่ายเออร์ เป็นผลิตภัณฑ์ที่ได้รับการคัดเลือกจากสินค้าที่ส่งเข้าประกวดทั้งหมด 1,451 ผลิตภัณฑ์ จาก 12 ประเทศที่เข้าร่วม
- **iF Design Award 2018** รางวัลด้านการออกแบบที่มีชื่อเสียงจากประเทศเยอรมัน ที่มีมานานกว่า 65 ปี ลูคาริส รุ่มดีช่ายเออร์ เป็นผลิตภัณฑ์ที่ได้รับการคัดเลือกจากสินค้าที่ส่งเข้าประกวดทั้งหมด 6,400 ผลิตภัณฑ์ จาก 54 ประเทศที่เข้าร่วม

# สารบัญ

## หน้า

|    |   |
|----|---|
| 04 | วิสัยทัศน์ (Vision)<br>ภารกิจ (Core Purpose)<br>ค่านิยมหลัก (Core Values)   |
| 08 | สารจากประธานกรรมการ<br>(Message from chairman)  |
| 10 | คณะกรรมการ และผู้บริหาร<br>(Board of Directors and Managements)   |
| 12 | ข้อมูลสำคัญทางการเงิน<br>(Key Financial Information)  |
| 13 | คำอธิบายและการวิเคราะห์ของฝ่ายจัดการ  |
| 18 | ข้อมูลทั่วไป  |
| 20 | การประกอบธุรกิจ<br>1. นโยบายและภาพรวมการประกอบธุรกิจ<br>2. ลักษณะการประกอบธุรกิจ<br>3. ปัจจัยความเสี่ยง   |
| 25 | การจัดการและการกำกับดูแลกิจการ<br>4. โครงสร้างผู้ถือหุ้น<br>5. โครงสร้างการจัดการ<br>6. การกำกับดูแลกิจการ<br>7. ความรับผิดชอบต่อสังคม<br>8. การควบคุมภายใน และการบริหารจัดการความเสี่ยง<br>9. รายการระหว่างกัน |
| 47 | ประวัติกรรมการและผู้บริหาร  |
| 59 | รายงานความรับผิดชอบต่อคณะกรรมการต่อ<br>รายงานทางการเงิน   |
| 60 | รายงานการคณะกรรมการตรวจสอบ  |
| 62 | รายงานคณะกรรมการสรรหาและพิจารณาค่าตอบแทน  |
| 64 | งบการเงินและรายงานผู้สอบบัญชีรับอนุญาต  |

# Contents

## Page

|     |   |
|-----|---|
| 125 | Management's Discussion and Analysis  |
| 130 | General Information   |
| 132 | Nature of Business<br>1. Policy and Business Overview<br>2. Business Operation<br>3. Risk Factors   |
| 137 | Corporate Governance<br>4. Major Shareholders<br>5. Management Structure<br>6. Corporate Governance<br>7. Corporate Social Responsibility<br>8. Internal Control and Risk Management<br>9. Related Transactions |
| 159 | Details of the Board of Directors and<br>Management   |
| 171 | The Board of Directors' Report on the<br>Accountability of Financial Reports  |
| 172 | Report of the Audit Committee   |
| 174 | Report of the Nomination and Remuneration<br>Committee  |
| 176 | Financial Statements and Report of Certified<br>Public Accountant   |



## วิสัยทัศน์

โอเชียนกลาสจะเป็นหนึ่งในผู้นำในตลาดโลก ด้วยนวัตกรรม ความเป็นเลิศขององค์กรและการบริหารจัดการ พร้อมทั้งมุ่งสร้างความพึงพอใจให้กับลูกค้า โดยบริษัทเจริญเติบโตและมีผลกำไรอย่างต่อเนื่อง

## 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

## ภารกิจ

การมอบสุนทรียภาพในการใช้ชีวิตผ่านทางผลิตภัณฑ์เครื่องแก้วคุณภาพดี

## Core Purpose

Providing Life's Pleasure with Quality Glassware

## ค่านิยมหลัก

## Core Values



QUALITY  
ยกระดับมาตรฐาน  
และคุณภาพการทำงาน

HONESTY & INTEGRITY  
ความซื่อสัตย์  
สัตยธรรม  
และการเป็นหนึ่งเดียวกัน



OPPORTUNITY  
การให้โอกาส  
ในการพัฒนาบุคลากร  
อย่างเป็นธรรม

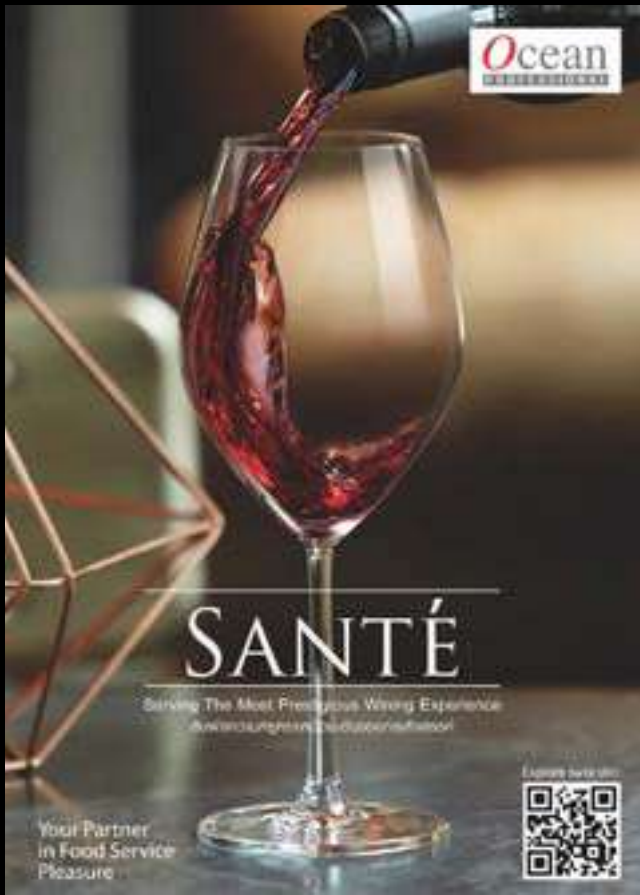
RESPECT FOR  
THE INDIVIDUALS  
การให้ความเคารพ  
ซึ่งกันและกัน







# Ocean® PROFESSIONAL



Ambiente 2017, Germany



HOFEX 2017, Hong Kong



Makro Horeca 2017, Thailand



The Art of Coffee Creation Workshop, Thailand



LUCARIS®  
Crystal of Modern Asia



LUCARIS 'DESIRE COLLECTION' THE WINNER OF CHINA GOOD DESIGN AWARD 2017



LUCARIS MASTER CLASS FEATURING DESIRE COLLECTION ลูคาริส มาสเตอร์คลาส กับ ดีช่ายเออร์ คอลเลกชั่น



SPONSORSHIPS IN NATIONAL WINE & FOOD EVENTS ผู้สนับสนุนเครื่องแก้วคริสตัลในงานไวน์และอาหารระดับประเทศ



PUBLIC RELATIONS  
สื่อประชาสัมพันธ์



SOCIAL MEDIA MARKETING  
การทำตลาดออนไลน์

## สารจากประธานกรรมการ



ในปี 2560 ที่ผ่านมา บริษัทโอเชียนกลาส จำกัด (มหาชน) และบริษัทฯ ย่อยสามารถผลักดันยอดขายให้เติบโตท่ามกลางความท้าทายจากหลายปัจจัย ไม่ว่าจะเป็นปัจจัยทางเศรษฐกิจโลกที่ส่งผลให้เงินสกุลบาทต่อเงินสกุลหลักแข็งค่าขึ้น ซึ่งส่งผลกระทบต่อการส่งออกสินค้าไปยังต่างประเทศ ในขณะที่เดียวกัน ผู้นำเข้าสินค้าจากต่างประเทศสามารถนำสินค้าเข้ามาจำหน่ายในราคาที่แข่งขันได้ยิ่งขึ้น เป็นผลให้รายได้จากการจำหน่ายสินค้าในประเทศของบริษัทลดลงเมื่อเทียบกับปีก่อนหน้านี้ นอกจากนี้ คู่แข่งจากประเทศจีนและยุโรปยังคงดำเนินการผลิตที่ระดับกำลังการผลิตสูง ส่งผลให้ตลาดเครื่องแก้วยังคงมีปริมาณสินค้าในระดับสูงเกินความต้องการของผู้บริโภค

บริษัทยังคงมุ่งมั่นดำเนินงานตามวิสัยทัศน์ของบริษัทเพื่อความเป็นหนึ่ง ในผู้นำตลาดโลกด้วยนวัตกรรมและความเป็นเลิศขององค์กร โดยในปี 2560 ชุดแก้ว Lucaris Desire กับนวัตกรรมแอร์ลูเมย์ ได้รับรางวัล China Good Design Award 2017 ซึ่งกำกับดูแลและตัดสินโดยทีมงาน Red Dot Design Award นอกจากนี้ บริษัทยังได้รับการรับรองระบบการจัดการคุณภาพ ISO 9001:2015 และการเป็นสมาชิกแนวร่วมปฏิบัติของภาคเอกชนไทยในการต่อต้านการทุจริต

ผม ในนามของคณะกรรมการบริษัท ขอขอบคุณ ท่านผู้ถือหุ้น ลูกค้า และคู่ค้า ที่ได้ให้ความเชื่อมั่นและการสนับสนุนบริษัทโดยตลอดมา และขอให้ความมั่นใจต่อท่านทั้งหลายว่า คณะกรรมการ คณะผู้บริหาร และพนักงานทุกคนจะมุ่งมั่น ในการปฏิบัติหน้าที่เพื่อให้บริษัทเติบโตและมีผลกำไรยั่งยืนต่อไป

*Chakri Chan .*

(นายจักรี ฉันทเรืองวณิชย์)

ประธานกรรมการ



# Message from the Chairman

In 2017, Ocean Glass Public Company Limited and its subsidiaries continued to achieve growth despite several challenges. The volatility of global economy caused the Thai Baht to appreciate against major currencies and had negative impact on our export business. In addition, with the stronger Baht, the importers were able to sell their imported products at a more competitive price, resulting in the decline of our domestic sales. Furthermore, manufacturers from China and Europe were still operating near their maximum production capacity, creating an oversupply in the glass tableware market.

Adhering to its vision, our Company strives to be a world-class market leader through business innovation, corporate values and operational excellence. In 2017, our Lucaris Desire Collection, with its Aerlumer signature, won the China Good Design Award 2017 from the Red Dot Design Award organization. In addition, our Company has received certification in its Quality Management Systems ISO 9001:2015 and is a certified member of Private Sector Collective Action Coalition against Corruption Council.

On behalf of the Board of Directors, I would like to extend our gratitude to all shareholders, customers, business partners, for their trust and continuous support. I would like to assure all of you that members of the Board, the Executive Committee, and the staff are committed to drive business growth and sustain our Company profitability.

*Chakri Chan.*

(Mr. Chakri Chanruangvanich)  
Chairman of the Board of Directors

## คณะกรรมการ / BOARD OF DIRECTORS

**นายจักรี จันทร์เรืองภิษย์**ประธานกรรมการ และกรรมการสรรหาและ  
พิจารณาค่าตอบแทน**Mr. Chakri Chanruangvanich**Chairman of the Board, and Nomination  
and Remuneration Committee Member**นายกีรติ อัสสกุล**  
กรรมการ**Mr. Kirati Assakul**

Director

**นายวรกานต์ ชูโต**  
กรรมการอิสระ

และประธานคณะกรรมการตรวจสอบ

**Mr. Woragan Xuto**Independent Director, and Chairman  
of the Audit Committee**นายชัชวิน เจริญรัชต์ภาคย์**กรรมการอิสระ ประธานคณะกรรมการ  
สรรหาและพิจารณาค่าตอบแทน และ  
กรรมการตรวจสอบ**Mr. Chatchawin Charoen-Rajapark**Independent Director, Chairman of the  
Nomination and Remuneration Committee,  
and Audit Committee Member**นายชัยประนิน วิสุทธิพล**

กรรมการอิสระ และกรรมการตรวจสอบ

**Mr. Chaipranin Visudhipol**Independent Director, and Audit  
Committee Member**นายรัชพล โปษยานนท์**

กรรมการอิสระ และกรรมการตรวจสอบ

**Mr. Tatchapol Poshyanonda**Independent Director, and Audit  
Committee Member**นายแมทธิว กิจโอราน**

กรรมการอิสระ

**Mr. Matthew Kichodhan**

Independent Director

**นายณภัทร อัสสกุล**

กรรมการ และกรรมการสรรหาและพิจารณาค่าตอบแทน

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

## ผู้บริหาร / Management



**นางสาวจริยา แสงไชยญา**  
รองกรรมการผู้จัดการและรักษาการกรรมการผู้จัดการ

**Ms. Jariya Sangchaiya**  
Deputy Managing Director and  
Acting Managing Director



**นายอูเดย์ แซงการ์ เอร์มา**  
ผู้อำนวยการบริหาร - พัฒนาลูกค้าและ  
ช่องทางจัดจำหน่าย

**Mr. Uday Shankar Verma**  
Executive Director - Customer and  
Channel Development



**นายเสถียร ศรีไศคำ**  
ผู้อำนวยการบริหาร บัญชีและการเงิน และ  
เทคโนโลยีสารสนเทศ

**Mr. Sathien Srisaikham**  
Executive Director - Finance and  
Accounting, and Information Technology



**นางยุดา แอนดารีส**  
ผู้อำนวยการบริหาร - ทรัพยากรบุคคล

**Ms. Yada Andaris**  
Executive Director - Human Resources





# Message from the Chairman

In 2017, Ocean Glass Public Company Limited and its subsidiaries continued to achieve growth despite several challenges. The volatility of global economy caused the Thai Baht to appreciate against major currencies and had negative impact on our export business. In addition, with the stronger Baht, the importers were able to sell their imported products at a more competitive price, resulting in the decline of our domestic sales. Furthermore, manufacturers from China and Europe were still operating near their maximum production capacity, creating an oversupply in the glass tableware market.

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*Chakri Chan.*

(Mr. Chakri Chanruangvanich)  
Chairman of the Board of Directors

# Management's Discussion and Analysis

## Business Overview

For the year 2017, Ocean Glass Public Company Limited and its subsidiaries (“the Company”) reported consolidated sales revenue of Baht 2,166.69 million increased by 5.44% from last year. The contributions were from export sales 74.8% and domestic sales 25.18%.

In the past year, the Company still confronted with many challenges to its business. The global economy volatility impacted to Thai Baht appreciation against major currencies, i.e. USD, has had negative effect to the export business while the importer took this opportunity importing products with a competitive price. As a result, the domestic sales slowed down compared to last year. Furthermore, the manufacturers from China and Europe still maintain their maximum production capacity which caused oversupply in table glassware market.

The Company continued developing new product designs to serve customer needs. In 2017, Ocean and Ocean Professional Brands, launched new series of glass collections to market as Festive collection with a collaboration in design with a leading lifestyle product manufacturer; Santé collection with a new choice of modern design for hotel and restaurant. Also, one of our products, LUCARIS Desire Collection with Aerlumer signature won the China Good Design Award 2017 by Red Dot Award, Germany.

The Company also continued strengthening its brands by promoting various marketing activities such as by joining Ambiente Trade Fair in Germany, HOFEX in Hong Kong, Food and Hotels Association Singapore Indonesia and Malaysia, AHAR in India, Holetex in China and Makro Horeca in Thailand, and created direct experiences of LUCARIS Brand and products in national wine and food events e.g., The Hotelier Awards Asia, F&B Conclave in India, the First Chaîne des Rôtisseurs Jeunes Sommeliers Compétition 2017 in Thailand, and Globe in a Glass in India.

Apart from the above brand activities, the Company has uplifted Ocean, Ocean Professional, and LUCARIS Brands by creating a project called “Elevate Life’s Pleasure” to deliver Life’s Pleasure experience through various types of quality glassware in consumers’ everyday life.

## Operating Results

For the year 2017, the Company reported consolidated sales revenue of Baht 2,147.64 million increased by Baht 107.28 million or 5.26% from last year. The Company’s gross profit was 34.43% decreased from last year, reported at 39.10%. The decrement was mainly from the competition in glassware market including Thai Baht appreciation against US dollar, and increment of energy price. The Company reported total expenses of Baht 2,083.11 million, increased by 7.20% compared to last year. As a result, the Company reported net profit of Baht 65.98 million, decreased by 30.23% from last year. Earnings per share presented at Baht 3.09.

## Statement of Comprehensive Income

|  | 2017<br>(Million Baht) | 2016<br>(Million Baht) | Change<br>(%)  |
|--|------------------------|------------------------|----------------|
| Sales  | 2,147.64               | 2,040.36               | 5.26           |
| Foreign exchange gain (loss)                           | 7.63                   | 8.93                   | (14.61)        |
| Other income   | 11.42                  | 5.66                   | 101.94         |
| <b>Total revenues</b>                                  | <b>2,166.69</b>        | <b>2,054.95</b>        | <b>5.44</b>    |
| Cost of goods sold                                     | 1,408.20               | 1,242.63               | 13.32          |
| Temporary shutdown expenses                            | 159.15                 | 173.27                 | (8.15)         |
| Selling expenses                                       | 385.33                 | 393.74                 | (2.14)         |
| Administrative expenses                                | 106.36                 | 100.90                 | 5.41           |
| Finance costs  | 24.07                  | 32.62                  | (26.20)        |
| <b>Total expenses</b>                                  | <b>2,083.11</b>        | <b>1,943.16</b>        | <b>7.20</b>    |
| Profit before income tax expense                       | 83.58                  | 111.79                 | (25.23)        |
| Income tax expense                                     | 17.60                  | 17.22                  | 2.25           |
| <b>Profit for the year</b>                             | <b>65.98</b>           | <b>94.57</b>           | <b>(30.23)</b> |
| Other comprehensive income for the year,<br>net of tax | 169.56                 | 0.77                   | 21,892.22      |
| <b>Total comprehensive income for the year</b>         | <b>235.54</b>          | <b>95.34</b>           | <b>147.04</b>  |
| Basic earnings per share (Baht)                        | 3.09                   | 4.43                   | (30.25)        |

## Total Revenues

|                  | 2017<br>(Million Baht) | 2016<br>(Million Baht) | Change<br>(%) |
|------------------|------------------------|------------------------|---------------|
| Sales            | 2,147.64               | 2,040.36               | 5.26          |
| - Domestic Sales | 540.77                 | 595.84                 | (9.24)        |
| - Export Sales   | 1,606.87               | 1,444.52               | 11.24         |

In 2017, proportion of domestic sales was 25.18% and export sale was 74.82%. Domestic sales decreased by 9.24% due to the decrement in sales volume of B2B and local distributors while export sales increased by 11.24% from a successful of distribution expansion in China.

The Company reported gain from foreign exchange of Baht 7.63 million due to foreign exchange hedging and other income in the amount of Baht 11.42 million comprised of insurance claim on risk of machine interruption at Baht 4.62 million and recognition of revenues from cullet sales and mold supplies during the year.

### - Cost of goods sold

Total cost of goods sold presented at Baht 1,408.20 million increased Baht 165.57 million or 13.32% from last year, which was in line with the increment of sales value and the increment of energy cost.

### - Temporary shutdown expenses

The Company shutdown expenses presented at Baht 159.15 million, decreased Baht 14.12 million or 8.15% comparing with last year due to maintenance and manage appropriate balance of inventories against sales quantities during the year.

### - Selling and administrative expenses

The Company's selling expenses presented at Baht 385.33 million decrease Baht 8.41 million or 2.14% from last year, primarily due to the selling and marketing expenses control while administrative expenses presented at Baht 106.36 million, increased Baht 5.46 million, or 5.41% due to increasing in employee expenses and write off obsolete inventories during the year.

### - Expenses from research & development, and innovation

According to NSTDA's guideline, the Company reported research & development, and innovation expenses at Baht 1.12 million.

### - Finance costs

The Company's finance costs presented at Baht 24.07 million, decreased Baht 8.55 million or 26.20% due to the Company continuously generates cash inflow from operations to support repayments of long-term loans during the period which caused a decrement in interest expenses.

### - Other comprehensive income for the year, net of tax

The Company's other comprehensive income presented at Baht 169.56 million, increased Baht 168.79 million from the last year due to the recording of gain on land revaluation during the year in the amount of Baht 173.58 million and the recording loss on re-measurement of employee benefit obligation in the amount of Baht 3.76 million.



## Statements of Financial Position as at December 31, 2017

|   | 2017<br>(Million Baht) | 2016<br>(Million Baht) | Change<br>(%)  |
|---|------------------------|------------------------|----------------|
| Current Assets                                    | 1,230.25               | 1,360.25               | (9.56)         |
| Non-Current Assets                                | 1,822.28               | 1,665.63               | 9.40           |
| <b>Total Assets</b>                               | <b>3,052.53</b>        | <b>3,025.88</b>        | <b>0.88</b>    |
| Current Liabilities                               | 644.10                 | 641.96                 | 0.33           |
| Non-Current Liabilities                           | 525.59                 | 689.26                 | (23.75)        |
| <b>Total Liabilities</b>                          | <b>1,169.69</b>        | <b>1,331.22</b>        | <b>(12.13)</b> |
| Total Shareholders' Equity                        | 1,882.84               | 1,694.66               | 11.10          |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>3,052.53</b>        | <b>3,025.88</b>        | <b>0.88</b>    |

- **Total Assets**

As of 31 December 2017, total assets presented at Baht 3,052.53 million, increased by Baht 26.65 million or 0.88% primarily from:

- The increase of cash and cash equivalent amounted Baht 2.24 million or 2.41% due to continuously generates cash inflow from operations to support repayments of short-term and long-term loans, and dividend payment during the year.
- The decrease in inventory amounted Baht 120.82 million or 12.17% due to the increment of sales volume during the year and inventory management policy.
- The decrease of value added tax receivables amounted Baht 17.39 million or 37.11% due to receiving value added tax refund from the Revenue Department for the year.
- The increase of net property, plant and equipment amounted Baht 151.73 million or 9.26%, primarily due to the recording of fair value on land which determined by Independent appraiser during the year.

- **Total Liabilities**

As of 31 December 2017, total liabilities presented at Baht 1,169.69 million, decreased by Baht 161.53 million or 12.13%, primarily due to decrement in loans from local financial institutions.

- **Total Shareholders' Equity**

Total equity presented at Baht 1,882.84 million, increased Baht 188.18 million or 11.10% from last year, primarily due to the recognition of gain on land revaluation and net profit for the year net of dividend payment during the year.

## Financial Ratio Analysis

| Profitability Ratio         | Unit       | Jan – Dec 2017 | Jan – Dec 2016 |
|-----------------------------|------------|----------------|----------------|
| Gross Profit Margin         | (%)        | 34.43          | 39.10          |
| Operating Profit Margin     | (%)        | 4.13           | 6.36           |
| Net Profit Margin           | (%)        | 3.05           | 4.60           |
| Return on equity            | (%)        | 3.69           | 5.63           |
| Basic earnings per Share    | Baht/Share | 3.09           | 4.43           |
| Efficiency Ratio            | Unit       | Jan – Dec 2017 | Jan – Dec 2016 |
| Return on Assets            | (%)        | 3.54           | 4.65           |
| Liquidity Ratio             | Unit       | 31 Dec 2017    | 31 Dec 2016    |
| Current Ratio               | Times      | 1.91           | 2.12           |
| Quick Ratio                 | Times      | 0.50           | 0.50           |
| Average Collection Period   | Days       | 33             | 37             |
| Inventory Days              | Days       | 139            | 182            |
| Accounts Payable Days       | Days       | 43             | 46             |
| Cash Cycle                  | Days       | 129            | 173            |
| Leverage & Financial Policy | Unit       | 31 Dec 2017    | 31 Dec 2016    |
| Debt to Equity Ratio        | Times      | 0.62           | 0.79           |
| Interest Coverage Ratio     | Times      | 11.25          | 9.49           |
| Debt Service Coverage Ratio | Times      | 1.38           | 1.76           |

According to the liquidity ratio and financial leverage policy, the analysis showed that the Company has better liquidity from last year. The Company had 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.

- **Management and service agreement (Royalty fee)**

On 1 January 2015, the Group entered into an agreement for product design services with a foreign company. Under the terms of the agreement, the foreign company shall provide designed consultation services for glass series. In consideration thereof, the Group will pay a fee at a fixed amount. This agreement effects until 31 December 2019.

# General Information

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

## Subsidiaries that the Company directly holds more than 10%

As of 31 December 2016

| Company/Address   | Type of Business                                   | Registered Capital | Shares Type  | Number of issued shares | Paid-up capital | Shares holding   |          |
|---|--|--------------------|--------------|-------------------------|-----------------|------------------|----------|
|   |  |                    |              |                         |                 | Number of Shares | % Shares |
| Ocean Glass Trading (Shanghai) Ltd.<br>Room 1902, Jin Hang Tower, 83 Wan Hang Du Road, Jing An District, Shanghai, People's Republic of China<br>Tel : +86 (21) 6135 9505<br>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   |
| Ocean Glass Trading India Private Limited<br>574 Third Floor, Main Road, Chirag Delhi, New Delhi, India 110017<br>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    |
| Crystal Clear Innovation Co., Ltd.<br>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    |



# Nature of Business

## 1. Policy and 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 under Ocean and Ocean-Professional 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). The Company sells its products both in local market and through export worldwide.

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

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.

### Strategy Determination

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 and propose to the Board of Directors for consideration and approval. Moreover, the Company defines Key Performance Indicator of each work unit to be linked with performance management based on the determined business plan and strategy under regular monitoring according to operating result.

### Significant Changes and Developments

|           |  |
|-----------|--|
| Year 1985 | Production capacity was expanded to 57 million pieces per year.  |
| Year 1987 | The Company has been acquired for Thai Industrial Standards No. 603-2529 from Thai Industrial Standards Institute and awarded for the Best Factory in Bangpoo Industrial Estate from Industrial Estate Authority of Thailand.  |
| Year 1991 | Production capacity was expanded to 79.5 million pieces per year.  |
| Year 1993 | The Company was transformed into a public company to be listed in the Stock Exchange of Thailand and joined venture with Toyo Sasaki Glass Co., Ltd. to establish Ocean Sasaki Glass Co., Ltd. for manufacture of stem glassware for wine type beverage in the amount of 250 million Baht of registered capital with 90% of the Company's shareholding proportion. |

|           |  |
|-----------|--|
| Year 1997 | The Company bought Ocean Sasaki Glass Co., Ltd.'s shares for capital increase for 10 million shares, resulting in 92.86% of the Company's shareholding in its subsidiaries.  |
| Year 1998 | The Company and its subsidiaries changed fuel from LPG gas and fuel oil to be natural gas and became successful for "four color" printing technique development that can print virtual image on glass.   |
| Year 2001 | The Company has been certified by ISO 9001 Standard Quality.   |
| Year 2002 | The Company has been certified by TIS. 18001 Standard.   |
| Year 2004 | The Company has been transferred for the entire business of Ocean Sasaki Glass Co., Ltd. in order to enhance the management efficiency and reduce operating cost through buying 2.50 million shares of Ocean Sasaki Glass Co., Ltd. from Toyo Sasaki Glass Co., Ltd. and has issued ordinary shares of the Company for 630,715 shares for selling to Toyo Sasaki Glass Co., Ltd.   |
| Year 2005 | The Company expanded production capacity to 150 million pieces per year and has been awarded for G-Mark Award in "Time Series" product from Japan.   |
| Year 2006 | The Company has started to expand production capacity to 166 million pieces per year by approving the investment for an additional furnace and two sets of production lines for manufacture of lead-free crystal glassware (crystalline) to be distributed both domestic and export. The Company has established a subsidiary, Ocean Glass Trading (Shanghai) Co., Ltd., in Shanghai, Republic of China, with registered capital of USD 150,000 whereas the Company has held 100% of investment fund so as to be the expansion channel of its businesses and marketing activity operations in Republic of China. |
| Year 2007 | The Company started construction of lead-free crystal (crystalline) factory.   |
| Year 2008 | The Company preceded the construction of lead-free crystal glassware (crystalline) factory and completed the installation of the first set of machineries in the first quarter and started the production in the fourth quarter.   |
| Year 2009 | New brand name of Lucaris for lead-free crystal glassware (crystalline) was launched in the market in premium level in the fourth quarter.   |
| Year 2010 | The second set of lead-free crystal glassware (crystalline) production machine was completed for installation in the third quarter; and it was started for production in the fourth quarter.   |
| Year 2011 | The statistics of sales volume was achieved for Baht 2,000 million.  |
| Year 2013 | The listed company established a subsidiary company, Ocean Glass Trading India Private Limited, located in New Delhi, India.   |
| Year 2014 | The Company transferred INR 499,990 of investment fund on 20 February 2014 to its subsidiary, Ocean Glass Trading India Private Limited, India, to be used as registered capital.  |
| Year 2015 | The Company established Research and Development for products innovation   |
| Year 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.   |
| Year 2017 | LUCARIS Desire Collection with Aerlumer signature won the China Good Design Award 2017.  |

## 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.

## 2. Business Operation

### Our Products

All of the Company's products are glassware for use on dining table. The products are manufactured through hi-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 603-2546 standards.

Glassware products of the Company are distributed under Ocean and Ocean Professional 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 under Ocean, Ocean Professional, and Lucaris with 3 groups of 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 (B2) 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, in 2017, the Company starts its online business through e-commerce provider, department store platform, and Local distributors.

## Competitive in the Industry

In the past year, the Company still confronted with many challenges to its business. The global economy volatility impacted to Thai Baht appreciation against major currencies, i.e. USD, have had negative effect to the export business while the importer took this opportunity importing products with a competitive price. As a result, the domestic sales slowed down compared to last year. Furthermore, the manufacturers from China and Europe still maintain their maximum production capacity which caused oversupply in table glassware market.

## Production for sales

The Company's factory is located at Bangpoo Industrial Estate, Samut Prakarn Province on the area of 82-2-11.5 rais. At present, the main machineries are 3 glass furnaces, 12 sets of glass forming machine and glass oven (production lines). The 3rd furnace and the 12th glass-forming machine were finished for installation and started actual production in 2010. Total production capacity for the end of 2017 is as follows.

|                              | 2017   | 2016   | 2015   | 2014   | 2013   |
|------------------------------|--------|--------|--------|--------|--------|
| Actual Capacity (Ton)        | 50,154 | 51,944 | 54,052 | 54,102 | 57,914 |
| Actual Capacity (Mil Pieces) | 123    | 126    | 128    | 111    | 122    |

### 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

#### Financial Risk

##### 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 managed 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.

The Company has exposed to interest rate risk from loan with interest rate. However, the interest rates for most of financial liabilities have been the interest rates which have been adjusted to be increased and decreased based on market rate, or fixed interest rates which are similar to the current market rate. 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 Governance

## 4. Major Shareholders

Top 10 major shareholders as appeared in the registration book as of December 29, 2017

| No. | Name  | No.of Share | %     |
|-----|---|-------------|-------|
| 1   | Ocean Holding Co., Ltd.                                     | 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 Co.,Ltd.                                  | 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   | Ms. Sudarat Witayatankorn                                   | 32,800      | 0.15  |
| 9   | Ms. Veeraya Osiri   | 11,500      | 0.05  |
| 10  | Thailand Securities Depository Company Limited for positors | 6,700       | 0.03  |

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.

The 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 (%) |
|--------------------------------|--|---------------------------|---------------------------|
| 2013                           | (2.02)                                   | -                         | -                         |
| 2014                           | 2.20                                     | 1.10                      | 50                        |
| 2015                           | 6.26                                     | 3.13                      | 50                        |
| 2016                           | 4.43                                     | 2.22                      | 50                        |
| 2017*                          | 3.09                                     | 1.55                      | 50                        |

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

## 5. Management 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 8 directors which are 3 directors who do not participate in management, and 5 independent directors that are more than half of the entire Board.

As of December 29, 2017, the Board of Directors consisted of following person.

|                                    |   |
|------------------------------------|---|
| 1. Mr. Chakri Chanruangvanich      | Chairman of the Board<br>Nomination and Remuneration Committee Member                               |
| 2. Mr. Kirati Assakul              | Director  |
| 3. Mr. Woragan Xuto                | Independent Director<br>Chairman of the Audit Committee   |
| 4. Mr. Chatchawin Charoen-Rajapark | Independent Director<br>Chairman of Nomination and Remuneration Committee<br>Audit Committee Member |
| 5. Mr. Tatchapol Poshyanonda       | Independent Director<br>Audit Committee Member  |
| 6. Mr. Chairpranin Visudhipol      | Independent Director<br>Audit Committee Member  |
| 7. Mr. Matthew Kichodhan           | Independent Director  |
| 8. Mr. Naputt Assakul              | Director<br>Nomination and Remuneration Committee Member  |

**Remark:** At the Board of Directors' Meeting No.9/2017 on 27 September 2017, resolved to approve the resignation of Mr. Silparat Watthanakasetr from the position of Managing Director. Ms. Jariya Sangchaiya was assigned to take up the enlarged role as Acting Managing Director, with effect from 1 October 2017.

### Authorized Directors who may sign to bind the Company

Mr. Kirati Assakul, Mr. Chakri Chanruangvanich, Mr. Naputt Assakul two out of three of the above mentioned Directors can jointly sign and affix the Company's seal.

### 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. For the year 2017, the Board of Directors held 12 meetings with 1 special meeting to consider on long-term strategy. For sub-committee meeting, there were 5 meetings for Audit Committee and 5 meetings for Nomination and Remuneration Committee.

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 presides as 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.

### Meeting attendance of Directors for the year 2017

| Board of Directors                          | Board of Directors Meeting | Audit Committee Meeting | Nomination and Remuneration Committee Meeting | Shareholders Meeting No. 38 |
|---|----------------------------|-------------------------|---|-----------------------------|
| 1. Mr. Chakri Chanruangvanich               | 8/12                       | -                       | 5/5   | 1/1                         |
| 2. Mr. Kirati Assakul                       | 11/12                      | -                       | -   | 1/1                         |
| 3. Mr. Woragan Xuto                         | 10/12                      | 5/5                     | -   | 1/1                         |
| 4. Mr. Chatchawin Charoen-Rajapark          | 11/12                      | 5/5                     | 5/5   | 1/1                         |
| 5. Mr. Tatchapol Poshyanonda                | 11/12                      | 4/5                     | -   | 1/1                         |
| 6. Mr. Chairpranin Visudhipol               | 12/12                      | 5/5                     | -   | 1/1                         |
| 7. Mr. Matthew Kichodhan                    | 6/12                       | -                       | -   | 1/1                         |
| 8. Mr. Naputt Assakul                       | 10/12                      | -                       | 5/5   | 1/1                         |
| 9. Mr. Silparat Watthanakasetr <sup>1</sup> | 5/5                        | -                       | -   | 1/1                         |

### Changes in Shareholdings of Directors

| Directors                          | As of January 1, 2017 (Shares) | Trading during the year (Shares) | As of December 31, 2017 (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. Chairpranin Visudhipol      | -                              | -                                | -                                |
| 7. Mr. Matthew Kichodhan           | -                              | -                                | -                                |
| 8. Mr. Naputt Assakul              | 94,239                         | -                                | 94,239                           |

<sup>1</sup> Mr. Silparat Watthanakasetr was appointed as Director on April 26, 2017 and resigned from the position on October 1, 2017.

## Management

As of December 31, 2017, the Management of the Company consisted of 4<sup>2</sup> executives as follows.

|                            |  |
|----------------------------|--|
| 1. Ms. Jariya Sangchaiya   | Deputy Managing Director and Acting Managing Director                |
| 2. Mrs. Yada Andaris       | Executive Director - Human Resources                                 |
| 3. Mr. Uday Verma          | Executive Director – Customer & Channel Development                  |
| 4. Mr. Sathien Srisaikhram | Executive Director – Finance & Accounting and Information Technology |

## Changes in Shareholdings of Directors

| Executives Management      | As of January 1, 2017 (Shares) | Trading during the year (Shares) | As of December 31, 2017 (Shares) |
|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| 1. Ms. Jariya Sangchaiya   | -                              | -                                | -                                |
| 2. Mrs. Yada Andaris       | -                              | -                                | -                                |
| 3. Mr. Uday Verma          | 4,500                          | 4,500                            | -                                |
| 4. Mr. Sathien Srisaikhram | -                              | -                                | -                                |

## 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.

## 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.

## Remuneration of Director and Subcommittee

### 1. Monetary Remuneration

#### 1.1 Monthly Remuneration

In 2017, Monthly Remuneration for 9 Directors was amounted Baht 5,676,800. Details are as follows.

<sup>2</sup> There were 2 executives resigned from the Company, 1) Mr. Silparat Watthanakasetr 2) Mr. Ravis Ingkanisorn.

| Director                           | Position                                    | Board of Director (Bt.) | Audit Committee (Bt.) | Nomination and Remuneration Committee (Bt.) | Total (Bt.) |
|------------------------------------|---|-------------------------|-----------------------|---|-------------|
| 1. Mr. Chakri Chanruangvanich      | Chairman                                    | 864,000                 | -                     | 120,000                                     | 984,000     |
| 2. Mr. Kirati Assakul              | Director                                    | 480,000                 | -                     | -   | 480,000     |
| 3. Mr. Woragan Xuto                | Independent Director                        | 480,000                 | 268,800               | -   | 748,800     |
| 4. Mr. Chatchawin Charoen-Rajapark | Independent Director                        | 480,000                 | 192,000               | 168,000                                     | 840,000     |
| 5. Mr. Tatchapol Poshyanonda       | Independent Director                        | 480,000                 | 192,000               | -   | 672,000     |
| 6. Mr. Chaipranin Visudhipol       | Independent Director                        | 480,000                 | 192,000               | -   | 672,000     |
| 7. Mr. Matthew Kichodhan           | Independent Director                        | 480,000                 | -                     | -   | 480,000     |
| 8. Mr. Naputt Assakul              | Director                                    | 480,000                 | -                     | 120,000                                     | 600,000     |
| 9. Mr. Silparat Watthanakasetr     | Managing Director<br>(May – September 2017) | 200,000                 | -                     | -   | 200,000     |

#### 1.2 Bonus remuneration

As approved by the Shareholder, AGM No. 38, the Company paid bonus remuneration to the Board totaling Baht 620,000.

#### 1.3 Benefit -None-

#### 2. Other Remunerations –None-

### Remuneration of the Executives

#### 1. Monetary Remuneration

In 2017, monetary remuneration consisted of salaries, transportations, travel-telephone allowances, and annual bonus to 6 executives (2 executives resigned during the year), totaling Baht 29,587,139.11.

#### 2. Other Remunerations

##### 2.1 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 2017, the Company contributed provident fund to 6 executives (2 executives resigned during the year), totaling Baht 1,084,035.

### Personnel

As of 31 December 2017, total employees of the Company have been 766 people, consisting of 230 people from customer and channel distribution sales and other supportive functions, while 536 people were production team. In 2017, the Company paid remuneration to total employees for Baht 353,239,996.47 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 2017, 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                  | 12 Programs, Totaling 18 Courses |
| 2. General Skills                     | 38 Programs, Totaling 74 Courses |
| 3. Functional Skills                  | 24 Programs, Totaling 24 Courses |
| 4. Build Culture & Enhance Engagement | 1 Programs, Totaling 2 Courses   |

In addition, the Company also supported employees outside training course, totaling 69 courses.

Annually, there were 647 out of 736 employees attended training and development courses, equivalent to 24.5 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 at <http://www.set.or.th/th/index.html>.

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.

Moreover, the shareholders are combined and the number of shares is counted not to be less than one-fifth of the number of all shares sold or not less than 25 shareholders. The counted and combined shares are not less than one-tenth of total number of shares sold shall list the names to issue request letter to the Board for calling shareholders to be an extraordinary meeting whenever. However, it must also clearly identify the reason why requests to call the meeting in such letter.

The Company shall arrange to have the correct and complete record for meeting minutes of the Shareholders’ Meeting and such meeting minutes are kept so that the shareholders and people concerned reviews and audits all the times.

In 2017, the Company received full 100 scores or “Excellent” Level 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 2017, the Company has determined the following targets.

| Work Unit           | Target   |
|---------------------|--|
| Every function      | Continuously working without accidental incidence until absenteeism for 2,000,000 hrs.   |
| Every function      | Encourage employees to sort and separate waste correctly in their area.  |
| Engineering Section | Replace High Bay Light to LED High Bay<br>Replace Air Compressor No.3 Plant A and Compressor No.4 Plant C<br>Replace street light with LED<br>Replace heat exchange with Colling Tower Vacuum – A<br>Replace Vacuum Air on Crack Off 2 Machine |

In addition, the Company regularly organizes Workplace Safety Promotion Activities and in 2017, there was an 1 times for accidental incidence and absent.

Workplace Safety Promotion Activities are as follows.

1. Arrange campaigning of non-accidental incidence until continuous absenteeism for 2,000,000 hours.
  2. Encourage to apply OHSAS 18001:2007 (Occupational Health and Safety Management) and Mor-or-kor 18001:2011.
  3. Arrange outside visit to the Company's supervisor level on the occupational health safety and environment system with other organization.
  4. Setup the new occupational health safety and environment committee to replace those who retired on completing their 2017 term.
  5. Provide training of the primary safety for employee to all employees.
  6. Provide specific safety functional skill, such as safety in electrical work.
  7. Arrange the drill of basic fire-fighting and fire evacuation to employees in every shift.
  8. Arrange to measure work environment in each area that has risk factor.
  9. Arrange the regular drill of fire-fighting team of the Company and of each shift.
  10. Arrange the employees to participate in preparation of safety and occupational health board in safety week exhibition.
  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. Provide ergonomics assessment from work posture and stress at work for Quality Assurance and Packaging Section.
  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).

#### **(5) Board Responsibilities**

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.

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 Approval Power of the Board of Directors**

The authority of the Board of Directors is to approve issues under the scope prescribed by laws, regulations, the Company's articles of association and the resolution of the shareholders' meeting; and review and give consent on the strategic plan, business plan and annual budget and 5-year business plan, and main policies of the Company.

### **5.4 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 |

### **5.5 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's 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.

### **5.6 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

### **5.7 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's 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

### **5.8 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

### **5.9 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, 2017, 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, 2017, 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.

## **5.10 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 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.

### **5.11 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.

### **5.12 Orientation to 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 and Associated 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.

### **Supervision on 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, Miss Thanyaporn Tangthanopajai Certified Public Accountant No. 9169 or Mr. Peradate Pongsathiansak Certified Public Accountant No. 4752 or Miss Wannisa Ngambuathong Certified Public Accountant No. 6838, for 2017 totaling Baht 1,050,000. Other expenses such as traveling were not included in the audit fee.

In addition, 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 with Principle of Good Corporate Governance in other Issues**

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 Responsibility**

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.

In 2017, the Company was selected as one of ESG 100 companies from Thaipat Institute that has outstanding operation in environment, society and governance.

### **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 Others, executives, company secretary, managers, and the all level employees in Accounting and Finance Department.

## 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 November 22, 2016, the Company has submitted anti-corruption self-assessment to Thai Institute of Director, as Secretary of CAC, in order to apply for Anti-Corruption Certification.

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.

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

- 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

### Protection Measure of Complainer and Clue Informant

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 Right Respect

The Company trusts in equality treatment to all employees by giving opportunity to develop their skill, knowledge for career promotion with fair consideration. The Company has established performance assessment process for determining the incentive consistence with the trend of job market in the same industry. The Company always arranges training for working skill and knowledge improvement, and work safety. The Company provides welfare plan and arranges provident fund, sports activities, training and educational fund. As a result, the Company has passed the labor standard certification of Labor Department.

### 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 2017, the Company performed the following activities to promote the environmental conservation.
  1. Planting mangroves forest at Bang Pu Recreation Center
  2. The Company participated in CSR campaign, White Flag-Green Star, by allowing community, factory in Bang Pu Industrial Estate to perform the inspection so that they can build up the confidence in our labor, environment, occupational health code of conduct
  3. 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.
  4. 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.
  5. Waste Sorting Activity in internal working area was organized and set as indicator of waste sorting for departments.
  6. Arranging emergency training for chemical spill
  7. Establishing energy conservation committee to provide effectively and continuously activities
  8. Arranging procedure and working plan for energy conservation with yearly performance assessment
  9. Air quality, waste water and solid waste 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.



## 6. Community and Society

In 2017, the employees have participated in several activities to support community and society as follows.

Charity activity held for students of Wat Ratniyomtham School, Samut Prakan Province, on December 26, 2017



Scholarship granting to support the children of employees and SMA, on October 24, 2017



Offering of 10,099 Sandalwood Flowers to the Social Development Department of Thailand for the final tribute to the funeral of late King Bhumibol Adulyadej, on August 28, 2017



Charity for flood victims through the Thai Red Cross on January 26, 2017 and August 24, 2017





## 8. Internal Control and Risk Management

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.

Essence 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.

### 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 2017, Audit Committee attended the meeting with auditor, internal auditor and the management of the Company for 5 times to review 2016 annual financial statement and interim financial statement in Quarter 1, 2 and 3 of the year 2017, 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 topic of "Audit Committee's Report" and commented that the Company has had effective internal control adequate for business operation and the operating problem or defect which has been the main point has been unfound. In addition, in 2018, 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 2017 and commented that such financial statement was correctly prepared as proper in accordance with Financial

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

- None –

### **(1) Internal Audit Supervisor and Compliance Unit of the Company**

#### **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**

- None-

## **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 2017, the Company's related party transactions are as described in note to financial statement no.4, Related Party Transaction.

The Company operates business in accordance with rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Accounting Policy on the disclosure of related party transaction, acquisition and disposal of the Company and its subsidiaries.

# Details of the Board of Directors and Management

## Board of Directors

|  |   |
|--|---|
| <b>Name</b>  | : Mr. Chakri Chanruangvanich  |
| <b>Current Position</b>  | : Chairman of the Board<br>Nomination and Remuneration Committee Member   |
| <b>Age</b>   | : 61 Years  |
| <b>Nationality</b>   | : Thai  |
| <b>Education</b>   | : Master of Science in Industrial Management<br>Master of Science in Mechanical Engineering<br>Georgia Institute of Technology, U.S.A.<br>Bachelor's Degree in Mechanical Engineering<br>Chulalongkorn University |
| <b>Training and Seminar</b>  | : CG Forum 3/2015 "Risk Oversight : High Priority Roles Of the Board"<br>The Stock Exchange of Thailand<br>Director Certification Program (DCP 88/2007)<br>Thai Institute of Directors                            |
| <b>Shareholding (%)</b>  | : None  |
| <b>First Appointment Date</b>  | : April 19, 2005  |
| <b>Year of Directorship</b>  | : 13 Years  |
| <b>Position in other Listed Company</b>  | : 2013 – Feb 2017 Independent Director, Audit Committee Member<br>2013 – 2017 Chairman of the Risk Committee<br>Loxley Wireless Public Company Limited  |
| <b>Position in Non-Listed Company</b>  | : 2017 – Present Director<br>2015 – 2017 Independent Director, Chairman of the Audit Committee, and Member of Nomination and Compensation Committee<br>LEO Global Logistics Public Company Limited                |
| <b>Position in Rival Company and/or Connected Business that may cause Conflict of Interest</b> | : None  |
| <b>Illegal record in last 10 years</b>   | : None  |
| <b>Relationship with Director or Executive Management</b>                                      | : None  |

|   |   |  |
|---|---|--|
| <b>Name</b>   | : | <b>Mr. Kirati Assakul</b>  |
| Current Position  | : | Director   |
| Age   | : | 59 Years   |
| Nationality   | : | Thai   |
| Education   | : | Master's Degree in Chemical Engineer<br>University of Southern California, U.S.A.<br>Bachelor's Degree in Chemical Engineering<br>Queen's University Ontario, Canada |
| Training and Seminar  | : | Role of the Compensation Committee (RCC 2/2007)<br>Director Certification Program (DCP 27/2003)<br>Thai Institute of Directors                                       |
| Shareholding (%)  | : | 9.73 <sup>1</sup> (Including shares held by spouse)  |
| First Appointment Date  | : | August 13, 1993  |
| Year of Directorship  | : | 25 Years   |
| Position in other Listed Company  | : | 2010 – Present Independent Director<br>Chairman of Risk Management Committee<br>Thai Union Frozen Public Company Limited   |
| Position in Non-Listed Company  | : | 1995 – Present Chairman of the Board<br>Ocean Life Insurance Company 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                                      | : | Relative with Director   |

<sup>1</sup> As of December 29, 2017

|   |  |
|---|--|
| <b>Name</b>   | : Mr. Woragan Xuto   |
| Current Position  | : Independent Director<br>Chairman of the Audit Committee  |
| Age   | : 64 Years   |
| <b>Nationality</b>  | Thai   |
| Education   | : Bachelor of Art in Economics<br>Chiangmai University   |
| Training and Seminar  | : Director Certification Program (DCP 99/2008)<br>Thai Institute of Directors  |
| Shareholding (%)  | : None   |
| First Appointment Date  | : February 27, 2007  |
| Year of Directorship  | : 11 Years   |
| Position in other Listed Company  | : None   |
| Position in Non-Listed Company  | : None   |
| Position in Rival Company and/or Connected Business that may cause Conflict of Interest | : None   |
| Work Experiences  | : 2011-2012 Consultant<br>SCG Chemical Group<br>2009-2011 Managing Director<br>SCG Experiences Company Limited<br>2007-2008 Director –Distribution<br>SCG Distribution Company Limited |
| Illegal record in last 10 years   | : None   |
| Relationship with Director or Executive Management                                      | : None   |

|   |   |  |
|---|---|--|
| <b>Name</b>   | : | <b>Mr. Chatchawin Charoen-Rajapark</b>   |
| Current Position  | : | Independent Director<br>Chairman of the Nomination and Remuneration Committee  |
| Age   | : | 57 Year  |
| Nationality   | : | Thai   |
| Education   | : | Ph.D in Management<br>Master's Degree in Management<br>Bachelor's Degree in Electrical Engineering<br>Massachusetts Institute of Technology (MIT.), U.S.A.   |
| Training and Seminar  | : | Role of the Compensation Committee (RCC 7/2008)<br>Audit Committee Program (ACP 19/2007)<br>Director Certification Program (DCP 88/2007)<br>Director Accreditation Program (DAP 52/2006)<br>Thai Institute of Directors  |
| Shareholding (%)  | : | None   |
| First Appointment Date  | : | April 19, 2005   |
| Year of Directorship  | : | 13 Years   |
| Position in other Listed Company  | : | 2014 – Present Chairman of the Executive Committee<br>Eastern Star Real Estate Public Company Limited<br>2009 – Present Independent Director<br>Chairman of the Audit Committee<br>Member of the Nomination and Compensation Committee<br>Member of the Strategy and Policy Committee<br>Thai Insurance Public Company Limited |
| Position in Non-Listed Company  | : | 1998 – Present Managing Director<br>President Hotel and Tower Co., Ltd.  |
| 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   |

|   |   |
|---|---|
| <b>Name</b>   | : Mr. Tatchapol Poshyanonda   |
| Current Position  | : Independent Director<br>Audit Committee Member  |
| Age   | : 52 Years  |
| Nationality   | : Thai  |
| Education   | : Ph.D. in Engineering Management<br>Master's Degree in Engineering Management<br>University of Missouri-Rolla, U.S.A.<br>Master's Degree in Industrial Management<br>Central Missouri State University, U.S.A.<br>Bachelor's Degree in Chemical Engineering,<br>Chulalongkorn University |
| Training and Seminar  | : Director Certification Program (DCP120/2009)<br>Director Accreditation Program (DAP 68/2008)<br>Thai Institute of Directors   |
| Shareholding (%)  | : None  |
| First Appointment Date  | : February 22, 2005   |
| Year of Directorship  | : 13 Years  |
| Position in other Listed Company  | : None  |
| Position in Non-Listed Company  | : 2007 – Present Managing Director<br>Cisco Systems Southeast Asia 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  |



|   |   |   |
|---|---|---|
| <b>Name</b>   | : | <b>Mr. Chaipranin Visudhipol</b>  |
| Current Position  | : | Independent Director<br>Audit Committee Member  |
| Age   | : | 58 Years  |
| Nationality   | : | Thai  |
| Education   | : | Master's Degree in Advertising<br>School of the Art Institute of Chicago, U.S.A.<br>Bachelor's Degree in Education<br>Chulalongkorn University  |
| Training and Seminar  | : | Director Certification Program (DCP 88/2007)<br>Thai Institute of Directors   |
| Shareholding (%)  | : | None  |
| First Appointment Date  | : | January 23, 2007  |
| Year of Directorship  | : | 11 Years  |
| Position in other Listed Company  | : | 2015 – Present Independent Director<br>Wave Entertainment Public Company Limited  |
| Position in Non-Listed Company  | : | 2015 – Present Independent Director<br>Index Creative Village Public Company Limited<br>1997 – Present Chairman<br>TBWA (THAILAND) Company Limited<br>1991 – Present Chairman<br>PATOU (1969) Company Limited<br>1991 – Present Chairman<br>PATUKAR Company 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  |

|   |   |
|---|---|
| <b>Name</b>   | : Mr. Matthew Kichodhan   |
| Current Position  | : Independent Director  |
| Age   | : 51 Years  |
| Nationality   | : Thai  |
| Education   | : MSc. (Management) Imperial College,<br>University of London, England<br>Bachelor of Commerce,<br>University of Toronto, Canada  |
| Training and Seminar  | : Director Certification Program (DCP 95/2007)<br>Director Accreditation Program (DAP 57/2006)<br>Thai Institute of Directors Association<br>Certificate of Capital Market Academy Leadership Program<br>(CMA 19)<br>Capital Market Academy |
| Shareholding (%)  | : None  |
| First Appointment Date  | : February 27, 2007   |
| Year of Directorship  | : 11 Years  |
| Position in other Listed Company  | : 2013 – Present Chairman and Chief Executive Officer<br>Wave Entertainment Public Company Limited<br>2007 – Present Director<br>BEC World Public Company Limited   |
| Position in Non-Listed Company  | : 2017 – Present Director<br>BBGI Company 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  |

|   |   |
|---|---|
| <b>Name</b>   | : Mr. Naputt Assakul  |
| Current Position  | : Director<br>Nomination and Remuneration Committee Member  |
| Age   | : 41 Years  |
| Nationality   | : Thai  |
| Education   | : The Real Estate Association (RE-CU)<br>Chulalongkorn University<br>Master of Business Administration<br>Sasin Graduate Institute of Business Administration,<br>Chulalongkorn University<br>B.S., Entrepreneurship Study and Economic<br>Babson College Massachusetts, U.S.A. |
| Training and Seminar  | : CG Forum 3/2015 "Risk Oversight : High Priority Roles Of the Board"<br>The Stock Exchange of Thailand<br>Director Certification Program (DCP 31/2003)<br>Thai Institute of Directors  |
| Shareholding (%)  | : 0.44  |
| First Appointment Date  | : June 10, 2002   |
| Year of Directorship  | : 16 Years  |
| Position in other Listed Company  | : None  |
| Position in Non-Listed Company  | : 2014 – Present Director<br>Hands Management Company Limited<br>2013 – Present Board of Director<br>R M I Company Limited<br>2004 – Present Executive Director<br>Siam Estate Company 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                                      | : Relative with Director  |

|  |  |
|--|--|
| <b>Name</b>  | : Ms. Jariya Sangchaiya  |
| Current Position                                   | : Deputy Managing Director and Acting Managing Director  |
| Age  | : 52 Years   |
| Education  | : Master's Degree in Business Administration<br>National Institute of Development Administration<br>Master's Degree in Environmental Engineering<br>Colorado State University, U.S.A.<br>Bachelor's Degree in Chemical Engineering<br>Chulalongkorn University |
| Training   | : SCQuARE - Strategic Thinking and Presentation Methodology<br>Licensed Program of SCQuARE International organized by Simplework<br>Total Quality Management<br>AOTS Japan   |
| Work Experiences                                   | : 2016 – 2017 Deputy Managing Director – Manufacturing<br>2013 – 2016 Executive Director, Manufacturing<br>Ocean Glass Public Company Limited<br>2012 – 2013 Operation Director<br>Thai Glass Industries Public Company Limited                                |
| Illegal record in last 10 years                    | : None   |
| Proportion of Holding in the Company's             | : None   |
| Relationship with Director or Executive Management | : None   |

|  |  |
|--|--|
| <b>Name</b>  | : Mr. Uday Verma   |
| Current Position                                   | : Executive Director – Customer & Channel Development  |
| Age  | : 45 years   |
| Education  | : Master of Business Administration<br>Louisiana Tech University, LA, USA  |
| Training   | : SCQuARE - Strategic Thinking and Presentation Methodology<br>Licensed Program of SCQuARE International organized by Simplework<br>Advance Leadership<br>7 Habits of Highly Successful People<br>Walton Institute of Retail |
| Work Experiences                                   | : 23 Years in various industries in trading, sales, retail, marketing, product management, and ecommerce with medium to large multinational companies  |
| Illegal record in last 10 years                    | : None   |
| Proportion of Holding in the Company's shares (%)  | : None   |
| Relationship with Director or Executive Management | : None   |

|  |  |
|--|--|
| <b>Name</b>  | : Mr. Sathien Srisaikham   |
| Current Position                                   | : Executive Director – Finance and Accounting, and Information Technology  |
| Age  | : 51 ปี  |
| Education  | : M.Econ. (Business Economics) Major Financial Business<br>The National Institute of Development Administration<br>B.B.A. Accounting<br>Ramkhamhaeng University  |
| Training   | : SCQuARE - Strategic Thinking and Presentation Methodology<br>Licensed Program of SCQuARE International organized by Simplework<br>Senior Executive Program (SEP)<br>Sasin Graduate Institute of Business Administration of Chulalongkorn University<br>Can school & Metal tracking, Advance leadership<br>Ball Corporation, USA<br>Tax Controller Major in International Tax, Customs Tax<br>School of tax (Tax research center) |
| Work Experiences                                   | : 2001 – 2015 International Operation Senior Vice President<br>Thai Beverage Can Co., Ltd.<br>Finance Director<br>TBC-Ball Beverage Can Holding Limited (Hong Kong)<br>TBC-Ball Beverage Can Vietnam Limited (Vietnam)   |
| Illegal record in last 10 years                    | : None   |
| Proportion of Holding in the Company's shares (%)  | : None   |
| Relationship with Director or Executive Management | : None   |

|   |  |
|---|--|
| <b>Name</b>   | : Mrs. Yada Andaris  |
| Current Position                                      | : Executive Director - Human Resources   |
| Age   | : 52 Years   |
| Education   | : Master's Degree in Business Administration,<br>Bachelor's Degree in Commerce,<br>Chulalongkorn University  |
| Training  | : 2015 SCQuARE - Strategic Thinking and Presentation<br>Methodology<br>Licensed Program of SCQuARE International<br>organized by Simplework<br>2015 The Extraordinary Leader<br>Licensed Program of Zenger-Folkman organized<br>by Slingshot Group<br>2015 Facet5 Accreditation & Training<br>Personality Assessment Tool organized by<br>Slingshot Group<br>2014/2015 Leadership Development Program (In-House): 4 Roles<br>of Leadership, Alternative & Creative Thinking and<br>Change Management - 7 Modules<br>2013 Collective Bargaining for Successful Labor Relation<br>Master Class Omega World Class |
| Work Experiences                                      | : 2007 - 2012 Human Resources Business Partner<br>Director, Supply Chain<br>บจ. ยูนิลีเวอร์ไทย โฮลดิ้งส์   |
| Illegal record in last 10 years                       | : None   |
| Proportion of Holding in the Company's<br>shares (%)  | : None   |
| Relationship with Director or Executive<br>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 2017 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 2017, the Audit Committee convened 5 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, 2016 and the 2017 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) Procurement and inventory management
  - b) Contract management
  - c) Costing management
  - d) Maintenance and fix asset management

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 revised the Audit Committee Charter on the terms in office of the Audit Committee members to be in alignment with term in office of the Director.
- 6) Reviewed and recommend on the establishment of Risk Management Framework and Risk Assessment Criteria of the Company.

During the year 2017, Mr. Woragan Xuto, Mr. Chatchawin Charoen-Rajapark, Mr. Chairpranin Visudhipol attended 5 meetings, and Mr. Tachapol Poshyanonda attended 4 meetings.

In 2018, the Audit Committee reviewed the audited financial statements and the related financial reports for the year ended December 31, 2017 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 Mr. Pojana Asavasanti Certified Public Accountant No. 4891 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 2018. 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 21, 2018

# 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 2017, the Committee held five meetings, all of which every Committee member attended, and four of which the Committee's secretary attended. The Committee accomplished the following:

1. At the 2017 AGM, three Directors namely, Mr. Chaipranin Visudhipol, Mr. Naputt Assakul, and Mr. Woragan Xuto 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. As the position of the Managing Director had been vacant since 16 September 2016, the Committee was of the opinion that Mr. Silparat Watthanakasetr, who was the General Manager and Acting Managing Director, had proper qualifications and expertise to fill such vacant position. The Committee therefore proposed to the Board to further propose to the 2017 AGM to elect Mr. Silparat Watthanakasetr as an additional Director so that he could be appointed as the Managing Director. The Board agreed to the Committee's proposal and, at the AGM, the Shareholders elected Mr. Silparat Watthanakasetr to the Board.

3. 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 2017 AGM approved the remuneration scheme and the bonus payment.

4. The Committee performed the annual performance appraisal of the General Manager and Acting Managing Director and made recommendations to the Board relating to his salary increase and bonus payment. The Board later approved the Committee's recommendations.

5. The Committee was of the opinion that the bonus scheme for the Managing Director in effect at the time did not properly address the situation where the Managing Director should resign or retire. The Committee consequently proposed an amendment to the bonus scheme for such situation, and such an amendment was later approved by the Board.

6. As Mr. Silparat Watthanakasetr resigned from the position of the Director and that of the Managing Director with effect from 1 October 2017, the Committee members met several times to consider a suitable successor. Meanwhile, the Committee nominated Ms. Jariya Sangchaiya for the position of the Deputy Managing Director and Acting Managing Director with effect from 1 October 2017, and recommended an adjustment to her compensation package. Such nomination and recommendation were subsequently approved by the Board.

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

Throughout 2017, the Committee reported its activities to and received valuable comments from the Board.



(Chatchawin Charoen-Rajapark)

Chairman of the Nomination and

Remuneration Committee

5 February 2018

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, 2017



# 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, 2017, 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, 2017, 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, 2017, 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, 2017, 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.

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**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.

**Inventories**

The Company and its subsidiaries have the net inventories as at December 31, 2017 in the amount of Baht 872.30 million or 28.58% of the total assets that has a material amount to the financial statements of the Group. The Company has disclosed its accounting policies and details of inventories in Note 3.4 and Note 7 to the financial statements. Inventories are stated at cost or net realizable value whichever price is lower. The management determines the cost of inventories including total cost of purchase, conversion cost and other costs incurred by allocating in accordance with normal operating basis, setting calculation process and cost allocating process for acquisition cost of inventories. As the value of inventories has a material amount; therefore, I have paid special attention in the audit.

**Risk response by the auditor**

My audit approach on such matter includes understanding the procedure of internal control of preparing cost structure of finished goods production, goods in production progress and raw material for production, reasonableness of the assumption and method used by the management in determining the cost of inventories, cost allocating process, testing the calculation of raw material allocation cost, direct labor, and manufacturing overhead, following up the analysis of management on the difference of standard cost and actual cost, auditing the adjustment on the difference between standard cost and actual cost with inventory account and cost of goods sold, auditing cost and expected actual selling price after the end of the period.

**Temporary shutdown expense**

The company allocates the expense in temporary shutdown for the year ended December 31, 2017 in the amount of Baht 159.15 million as a separate presentation in the comprehensive income statement. The expense is allocated as expense related to the temporary shutdown of normal production capacity. The management has used an assumption in defining the criteria for expense allocation by calculating from production recording time in each month. The expense from temporary shutdown consists of staff expense, depreciation, maintenance, service and other expense relating to machinery temporary shutdown. As the expense from temporary shutdown is a material amount; therefore, I have paid special attention in the audit.



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

My audit method on such matter includes understanding the procedure, method and basis in establishing the temporary production suspension expense, assessing the appropriateness of the assumption used by the management in expense allocation including the regularity of the criteria used, testing the accuracy of expense allocation and auditing the accuracy of accounts recording.

### **Other Matter**

The consolidated financial statements of Ocean Glass Public Company Limited and its subsidiaries, and the separate financial statements of Ocean Glass Public Company Limited as at December 31, 2016 and for the year then ended, presented herein as comparative information, were audited by the other auditor who expressed an unqualified opinion on those statements under his report dated February 21, 2017.

### **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.

\*\*\*\*\*/4



### **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.

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● 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 21, 2018.



Ocean Glass Public Company Limited And Its Subsidiaries  
**Statements of Financial Position**

As at December 31, 2017

(Unit : Thousand Baht)

|   | Notes | Consolidated     |                  | The Company Only |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | 2017             | 2016             | 2017             | 2016             |
| <b>Assets</b>                                     |       |                  |                  |                  |                  |
| <b>Current assets</b>                             |       |                  |                  |                  |                  |
| Cash and cash equivalents                         | 5     | 95,006           | 92,770           | 31,189           | 48,284           |
| Trade and other receivables                       | 6     | 229,637          | 225,073          | 261,702          | 267,856          |
| Current portion of long-term loan to subsidiaries | 4     | -                | -                | 1,000            | -                |
| Inventories                                       | 7     | 872,299          | 993,117          | 854,420          | 979,443          |
| Value added tax receivables                       |       | 29,473           | 46,867           | 29,473           | 46,851           |
| Other current assets                              |       | 3,839            | 2,420            | 3,832            | 2,420            |
| <b>Total current assets</b>                       |       | <b>1,230,254</b> | <b>1,360,247</b> | <b>1,181,616</b> | <b>1,344,854</b> |
| <b>Non-current assets</b>                         |       |                  |                  |                  |                  |
| Long-term loan to subsidiaries                    | 4     | -                | -                | 1,000            | -                |
| Investments in subsidiaries                       | 8     | -                | -                | 6,000            | 6,000            |
| Property, plant and equipment                     | 9     | 1,790,863        | 1,639,137        | 1,790,234        | 1,638,762        |
| Intangible assets                                 | 10    | 18,432           | 18,366           | 17,804           | 18,278           |
| Deferred tax assets                               | 11    | 2,648            | 389              | -                | -                |
| Other non-current assets                          |       | 10,333           | 7,742            | 8,739            | 5,902            |
| <b>Total non-current assets</b>                   |       | <b>1,822,276</b> | <b>1,665,634</b> | <b>1,823,777</b> | <b>1,668,942</b> |
| <b>Total assets</b>                               |       | <b>3,052,530</b> | <b>3,025,881</b> | <b>3,005,393</b> | <b>3,013,796</b> |

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, 2017

(Unit : Thousand Baht)

|  | Notes | Consolidated     |                  | The Company Only |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  |       | 2017             | 2016             | 2017             | 2016             |
| <b>Liabilities and shareholders' equity</b>  |       |                  |                  |                  |                  |
| <b>Current liabilities</b>                   |       |                  |                  |                  |                  |
| Short-term loans from financial institutions | 12    | 110,000          | 125,000          | 110,000          | 125,000          |
| Trade and other payables                     | 13    | 339,583          | 328,032          | 292,367          | 313,144          |
| <b>Current portion of long-term loans</b>    |       |                  |                  |                  |                  |
| from financial institutions                  | 14    | 190,840          | 182,840          | 190,840          | 182,840          |
| Other current liabilities                    |       | 3,675            | 6,086            | 3,917            | 4,482            |
| <b>Total current liabilities</b>             |       | <b>644,098</b>   | <b>641,958</b>   | <b>597,124</b>   | <b>625,466</b>   |
| <b>Non-current liabilities</b>               |       |                  |                  |                  |                  |
| Long-term loans from financial institutions  | 14    | 235,373          | 464,713          | 235,373          | 464,713          |
| Deferred tax liabilities                     | 11    | 187,016          | 129,252          | 187,016          | 129,252          |
| Employee benefit obligations                 | 15    | 103,201          | 95,301           | 103,201          | 95,301           |
| <b>Total non-current liabilities</b>         |       | <b>525,590</b>   | <b>689,266</b>   | <b>525,590</b>   | <b>689,266</b>   |
| <b>Total liabilities</b>                     |       | <b>1,169,688</b> | <b>1,331,224</b> | <b>1,122,714</b> | <b>1,314,732</b> |

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, 2017

|   |   | (Unit : Thousand Baht) |                  |                  |                  |
|---|---|------------------------|------------------|------------------|------------------|
|   |   | Consolidated           |                  | The Company Only |                  |
| Notes   |   | 2017                   | 2016             | 2017             | 2016             |
| <b>Liabilities and shareholders' equity (Cont.)</b> |   |                        |                  |                  |                  |
| <b>Shareholders' equity</b>                         |   |                        |                  |                  |                  |
| <b>Share capital</b>                                |   |                        |                  |                  |                  |
| <b>Authorised share capital</b>                     |   |                        |                  |                  |                  |
|   | Ordinary shares, 50,000,000 shares<br>of par Baht 10 each     | 500,000                | 500,000          | 500,000          | 500,000          |
| <b>Issued and paid-up share capital</b>             |   |                        |                  |                  |                  |
|   | Ordinary shares, 21,330,715 shares<br>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          |
| <b>Retained earnings</b>                            |   |                        |                  |                  |                  |
| <b>Appropriated</b>                                 |   |                        |                  |                  |                  |
|   | Legal reserve   | 50,000                 | 50,000           | 50,000           | 50,000           |
|   | Unappropriated  | 789,962                | 775,097          | 790,557          | 780,522          |
|   | Other components of equity                                    | 526,766                | 353,446          | 526,008          | 352,428          |
|   | <b>Total shareholders' equity</b>                             | <b>1,882,842</b>       | <b>1,694,657</b> | <b>1,882,679</b> | <b>1,699,064</b> |
|   | <b>Total liabilities and shareholders' equity</b>             | <b>3,052,530</b>       | <b>3,025,881</b> | <b>3,005,393</b> | <b>3,013,796</b> |

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, 2017

|  |      | (Unit : Thousand Baht) |                  |                  |                  |
|--|------|------------------------|------------------|------------------|------------------|
|  |      | Consolidated           |                  | The Company Only |                  |
| Notes  | 2017 | 2016                   | 2017             | 2016             |                  |
| <b>Revenues</b>  |      |                        |                  |                  |                  |
| Sales  | 23   | 2,147,641              | 2,040,359        | 2,075,797        | 1,995,314        |
| Foreign exchange gain  |      | 7,631                  | 8,937            | 8,998            | 9,424            |
| Other income   |      | 11,424                 | 5,657            | 8,988            | 4,811            |
| <b>Total revenues</b>  |      | <b>2,166,696</b>       | <b>2,054,953</b> | <b>2,093,783</b> | <b>2,009,549</b> |
| <b>Expenses</b>  |      |                        |                  |                  |                  |
| Cost of goods sold   |      | 1,408,202              | 1,242,626        | 1,382,570        | 1,226,611        |
| Temporary shutdown expenses  |      | 159,148                | 173,269          | 159,148          | 173,269          |
| Selling expenses   |      | 385,328                | 393,745          | 352,964          | 376,488          |
| Administrative expenses  |      | 106,358                | 100,900          | 98,569           | 97,287           |
| Finance costs  |      | 24,074                 | 32,621           | 24,074           | 32,621           |
| <b>Total expenses</b>  | 21   | <b>2,083,110</b>       | <b>1,943,161</b> | <b>2,017,325</b> | <b>1,906,276</b> |
| <b>Profit before income tax expense</b>                                  |      | <b>83,586</b>          | <b>111,792</b>   | <b>76,458</b>    | <b>103,273</b>   |
| <b>Income tax expense</b>  | 17   | <b>17,607</b>          | <b>17,219</b>    | <b>15,309</b>    | <b>17,651</b>    |
| <b>Net profit for the year</b>   |      | <b>65,979</b>          | <b>94,573</b>    | <b>61,149</b>    | <b>85,622</b>    |
| <b>Other comprehensive income :-</b>                                     |      |                        |                  |                  |                  |
| <b>Item that will not be reclassified subsequently to profit or loss</b> |      |                        |                  |                  |                  |
| Gain on land revaluation-net of income tax                               |      | 173,580                | -                | 173,580          | -                |
| Remeasurement of employee benefit obligation-net of income tax           |      | (3,760)                | -                | (3,760)          | -                |
| <b>Item that will be reclassified subsequently to profit or loss</b>     |      |                        |                  |                  |                  |
| Currency translation differences   |      | (260)                  | 771              | -                | -                |
| <b>Other comprehensive income for the year</b>                           |      | <b>169,560</b>         | <b>771</b>       | <b>169,820</b>   | <b>-</b>         |
| <b>Total comprehensive income for the year</b>                           |      | <b>235,539</b>         | <b>95,344</b>    | <b>230,969</b>   | <b>85,622</b>    |
| <b>Basic earnings per share (Baht)</b>                                   | 20   | <b>3.09</b>            | <b>4.43</b>      | <b>2.87</b>      | <b>4.01</b>      |

Notes to financial statements form an integral part of these statements

Ocean Glass Public Company Limited And Its Subsidiaries

# Statements of Changes in Shareholders Equity

For the year ended December 31, 2017

|   | Notes | Consolidated                     |                          |                                |                            |                           |                              |                                     |                                  |                      |        |
|---|-------|----------------------------------|--------------------------|--------------------------------|----------------------------|---------------------------|------------------------------|-------------------------------------|----------------------------------|----------------------|--------|
|   |       | Retained earnings                |                          |                                | Other components of equity |                           |                              |                                     | Total                            |                      |        |
|   |       | Issued and paid-up share capital | Premium on share capital | Appropriated for legal reserve | Unappropriated             | Gains on land revaluation | employee benefit obligations | Translation of financial statements | Total other components of equity | shareholders' equity | equity |
| Beginning balance as at January 1, 2016                             |       | 213,307                          | 302,807                  | 50,000                         | 733,176                    | 352,428                   | 14,113                       | 247                                 | 366,788                          | 1,666,078            |        |
| Dividend paid   | 19    | -                                | -                        | -                              | (66,765)                   | -                         | -                            | -                                   | -                                | (66,765)             |        |
| Total comprehensive income for the year                             |       | -                                | -                        | -                              | 94,573                     | -                         | -                            | 771                                 | 771                              | 95,344               |        |
| Transfer profit from remeasurements of employee benefit obligations |       | -                                | -                        | -                              | 14,113                     | -                         | (14,113)                     | -                                   | (14,113)                         | -                    |        |
| Ending balance as at December 31, 2016                              |       | 213,307                          | 302,807                  | 50,000                         | 775,097                    | 352,428                   | -                            | 1,018                               | 353,446                          | 1,694,657            |        |
| Dividend paid   | 19    | -                                | -                        | -                              | (47,354)                   | -                         | -                            | -                                   | -                                | (47,354)             |        |
| Total comprehensive income for the year                             |       | -                                | -                        | -                              | 62,219                     | 173,580                   | -                            | (260)                               | 173,320                          | 235,539              |        |
| Ending balance as at December 31, 2017                              |       | 213,307                          | 302,807                  | 50,000                         | 789,962                    | 526,008                   | -                            | 758                                 | 526,766                          | 1,882,842            |        |

Notes to financial statements form an integral part of these statements



Ocean Glass Public Company Limited And Its Subsidiaries

## Statements of Changes in Shareholders Equity (Cont.)

For the year ended December 31, 2017

(Unit : Thousand Baht)

|   | Notes | The Company Only                 |                          |                                |                |                            |  |                                  | Total shareholders' equity |
|---|-------|----------------------------------|--------------------------|--------------------------------|----------------|----------------------------|--|----------------------------------|----------------------------|
|   |       | Issued and paid-up share capital | Premium on share capital | Retained earnings              |                | Other components of equity |  |                                  |                            |
|   |       |                                  |                          | Appropriated for legal reserve | Unappropriated | Gains on land revaluation  | Remeasurements of employee benefit obligations | Total other components of equity |                            |
| Beginning balance as at January 1, 2016                             |       | 213,307                          | 302,807                  | 50,000                         | 747,552        | 352,428                    | 14,113   | 366,541                          | 1,680,207                  |
| Dividend paid   | 19    | -                                | -                        | -                              | (66,765)       | -                          | -  | -                                | (66,765)                   |
| Total comprehensive loss for the year                               |       | -                                | -                        | -                              | 85,622         | -                          | -  | -                                | 85,622                     |
| Transfer profit from remeasurements of employee benefit obligations |       | -                                | -                        | -                              | 14,113         | -                          | (14,113)                                       | (14,113)                         | -                          |
| Ending balance as at December 31, 2016                              |       | 213,307                          | 302,807                  | 50,000                         | 780,522        | 352,428                    | -  | 352,428                          | 1,699,064                  |
| Dividend paid   | 19    | -                                | -                        | -                              | (47,354)       | -                          | -  | -                                | (47,354)                   |
| Total comprehensive income for the year                             |       | -                                | -                        | -                              | 57,389         | 173,580                    | -  | 173,580                          | 230,969                    |
| Ending balance as at December 31, 2017                              |       | 213,307                          | 302,807                  | 50,000                         | 790,557        | 526,008                    | -  | 526,008                          | 1,882,679                  |

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, 2017

|  | Notes | (Unit : Thousand Baht) |                |                  |                |
|--|-------|------------------------|----------------|------------------|----------------|
|  |       | Consolidated           |                | The Company Only |                |
|  |       | 2017                   | 2016           | 2017             | 2016           |
| <b>Cash flows from operating activities :</b>  |       |                        |                |                  |                |
| Profit before income tax expense   |       | 83,586                 | 111,792        | 76,458           | 103,273        |
| Adjustments to reconcile income for the year to net cash provided by (used in) operating activities :      |       |                        |                |                  |                |
| Provision (reversal) allowance for the decline in value of inventory, slow-moving and obsolete inventories | 7     | 208                    | (5,475)        | 208              | (5,475)        |
| Depreciation and amortisation  |       | 163,177                | 165,049        | 162,908          | 164,827        |
| Loss on disposal and write-off of property, plant and equipment  |       | 654                    | 6,920          | 653              | 6,914          |
| Unrealised gain on fair value remeasurement of derivatives   |       | (942)                  | (36)           | (942)            | (36)           |
| Unrealised gain on foreign exchange  |       | (531)                  | (15,293)       | (531)            | (15,293)       |
| Employee benefit expenses  |       | 11,300                 | 12,896         | 11,300           | 12,896         |
| Interest income  |       | (941)                  | (241)          | (175)            | (200)          |
| Finance costs  |       | 24,074                 | 32,621         | 24,074           | 32,621         |
| (Increased) decreased in operating assets  |       |                        |                |                  |                |
| Trade and other receivables  |       | (2,819)                | 15,319         | 7,899            | (4,759)        |
| Inventories  |       | 120,610                | 63,077         | 124,815          | 67,163         |
| Value added tax receivables  |       | 17,394                 | 9,324          | 17,378           | 9,340          |
| Other current assets   |       | (1,419)                | 3,001          | (1,412)          | 2,645          |
| Other non-current assets   |       | (2,591)                | (2,529)        | (2,837)          | (1,621)        |
| Increased (decreased) in operating liabilities   |       |                        |                |                  |                |
| Trade and other payables   |       | 1,995                  | 58,573         | (25,776)         | 44,344         |
| Other current liabilities  |       | (2,411)                | 2,695          | (565)            | 1,468          |
| Payments on employee benefit obligations   |       | (7,160)                | (5,476)        | (7,160)          | (5,476)        |
| <b>Net cash generated from operating activities</b>  |       | <b>404,184</b>         | <b>452,217</b> | <b>386,295</b>   | <b>412,631</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, 2017

|  |  | (Unit : Thousand Baht) |                  |                  |                  |
|--|--|------------------------|------------------|------------------|------------------|
|  |  | Consolidated           |                  | The Company Only |                  |
| Notes  |  | 2017                   | 2016             | 2017             | 2016             |
| <b>Cash flows from investing activities</b>                      |  |                        |                  |                  |                  |
|  | Interest received  | 941                    | 264              | 175              | 223              |
|  | Payments for investment in a subsidiary                              | 8                      | -                | -                | (100)            |
|  | Loan to Subsidiaries   | 4                      | -                | (2,000)          | -                |
|  | Purchase of property, plant and equipment                            | (91,308)               | (104,865)        | (90,863)         | (104,524)        |
|  | Purchase of intangible assets  | 10                     | (3,753)          | (5,042)          | (3,109)          |
|  | Proceeds from disposals of property,<br>plant and equipment          | 992                    | 153              | 992              | 153              |
|  | <b>Net cash used in investing activities</b>                         | <b>(93,128)</b>        | <b>(109,490)</b> | <b>(94,805)</b>  | <b>(109,180)</b> |
| <b>Cash flows from financing activities</b>                      |  |                        |                  |                  |                  |
|  | Interest paid  | (24,749)               | (33,547)         | (24,749)         | (33,547)         |
|  | Net decrease in short-term borrowings<br>from financial institutions | (15,000)               | (143,761)        | (15,000)         | (143,761)        |
|  | Receive of long-term borrowings<br>from financial institutions       | 14                     | -                | 31,763           | -                |
|  | Repayment of long-term borrowings<br>from financial institutions     | 14                     | (221,340)        | (156,210)        | (221,340)        |
|  | Dividend paid  | 19                     | (47,354)         | (66,765)         | (47,354)         |
|  | <b>Net cash used in financing activities</b>                         | <b>(308,443)</b>       | <b>(368,520)</b> | <b>(308,443)</b> | <b>(368,520)</b> |
| <b>Effect from foreign exchange in cash and cash equivalents</b> |  |                        |                  |                  |                  |
|  | Currency translation differences                                     | (142)                  | 537              | (142)            | 537              |
|  |  | (235)                  | 842              | -                | -                |
|  | <b>Net decrease in cash and cash equivalents</b>                     | <b>2,236</b>           | <b>(24,414)</b>  | <b>(17,095)</b>  | <b>(64,532)</b>  |
|  | Cash and cash equivalents, opening balance                           | 92,770                 | 117,184          | 48,284           | 112,816          |
|  | Cash and cash equivalents, closing balance                           | 5                      | 95,006           | 92,770           | 31,189           |
| <b>Supplementary information for cash flows</b>                  |  |                        |                  |                  |                  |
| <b>Non-cash transactions</b>                                     |  |                        |                  |                  |                  |
| <b>Investing activities:</b>                                     |  |                        |                  |                  |                  |
|  | Purchase of property, plant and equipment unpaid                     | 4,604                  | 3,830            | 4,604            | 3,830            |

Notes to financial statements form an integral part of these statements



Ocean Glass Public Company Limited And Its Subsidiaries

## Notes to the Consolidated and Separate Financial Statements

As at December 31, 2017

### 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 : 75/88-91 Ocean Tower II, 34<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 to research and development 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 The accounting standards that are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2017 as follows:

|                       |  |
|-----------------------|--|
| TAS 1 (revised 2016)  | Presentation of Financial Statements                                     |
| TAS 2 (revised 2016)  | Inventories  |
| TAS 7 (revised 2016)  | Statement of Cash Flows  |
| TAS 8 (revised 2016)  | Accounting Policies, Changes in Accounting Estimates and Errors          |
| TAS 10 (revised 2016) | Events After the Reporting Period  |
| TAS 11 (revised 2016) | Construction Contracts   |
| TAS 12 (revised 2016) | Income Taxes   |
| TAS 16 (revised 2016) | Property, Plant and Equipment  |
| TAS 17 (revised 2016) | Leases   |
| TAS 18 (revised 2016) | Revenue  |
| TAS 19 (revised 2016) | Employee Benefits  |
| TAS 20 (revised 2016) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2016) | The Effects of Changes in Foreign Exchange Rates                         |
| TAS 23 (revised 2016) | Borrowing Costs  |
| TAS 24 (revised 2016) | Related Party Disclosures  |
| TAS 26 (revised 2016) | Accounting and Reporting by Retirement Benefit Plans                     |
| TAS 27 (revised 2016) | Separate Financial Statements  |
| TAS 28 (revised 2016) | Investments in Associates and Joint Ventures                             |



|                        |  |
|------------------------|--|
| TAS 29 (revised 2016)  | Financial Reporting in Hyperinflationary Economies   |
| TAS 33 (revised 2016)  | Earnings Per Share   |
| TAS 34 (revised 2016)  | Interim Financial Reporting  |
| TAS 36 (revised 2016)  | Impairment of Assets   |
| TAS 37 (revised 2016)  | Provisions, Contingent Liabilities and Contingent Assets   |
| TAS 38 (revised 2016)  | Intangible assets  |
| TAS 40 (revised 2016)  | Investment Property  |
| TAS 41 (revised 2016)  | Agriculture  |
| TAS 104 (revised 2016) | Accounting for Trouble Debt Restructuring  |
| TAS 105 (revised 2016) | Accounting for Investments in Debt and Equity Securities   |
| TAS 107 (revised 2016) | Financial Instruments Disclosure and Presentation  |
| TFRS 2 (revised 2016)  | Share-Based Payment  |
| TFRS 3 (revised 2016)  | Business Combinations  |
| TFRS 4 (revised 2016)  | Insurance Contracts  |
| TFRS 5 (revised 2016)  | Non-current Assets Held for Sale and Discontinued Operations   |
| TFRS 6 (revised 2016)  | Exploration for and Evaluation of Mineral Resources  |
| TFRS 8 (revised 2016)  | Operating Segments   |
| TFRS 10 (revised 2016) | Consolidated Financial Statements  |
| TFRS 11 (revised 2016) | Joint Arrangements   |
| TFRS 12 (revised 2016) | Disclosure of Interests in Other Entities  |
| TFRS 13 (revised 2016) | Fair Value Measurement   |
| TSIC 10 (revised 2016) | Government Assistance - No Specific Relation to Operating Activities   |
| TSIC 15 (revised 2016) | Operating Leases - Incentives  |
| TSIC 25 (revised 2016) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders  |
| TSIC 27 (revised 2016) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease                                     |
| TSIC 29 (revised 2016) | Service Concession Arrangements: Disclosure  |
| TSIC 31 (revised 2016) | Revenue-Barter Transactions Involving Advertising Services   |
| TSIC 32 (revised 2016) | Intangible Assets - Web Site Costs   |
| TFRIC 1 (revised 2016) | Changes in Existing Decommissioning, Restoration and Similar Liabilities   |
| TFRIC 4 (revised 2016) | Determining whether an Arrangement contains a Lease  |
| TFRIC 5 (revised 2016) | Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds              |
| TFRIC 7 (revised 2016) | Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies |

|                         |  |
|-------------------------|--|
| TFRIC 10 (revised 2016) | Interim Financial Reporting and Impairment   |
| TFRIC 12 (revised 2016) | Service Concession Arrangements  |
| TFRIC 13 (revised 2016) | Customer Loyalty Programmes  |
| TFRIC 14 (revised 2016) | TAS 19 (revised 2016)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 15 (revised 2016) | Agreements for the Construction of Real Estate   |
| TFRIC 17 (revised 2016) | Distributions of Non - cash Assets to Owners   |
| TFRIC 18 (revised 2016) | Transfers of Assets from Customers   |
| TFRIC 20 (revised 2016) | Stripping Costs in the Production Phase of a Surface Mine  |
| TFRIC 21 (revised 2016) | Levies   |

The management of the Company evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in the current year.

### **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**

Revenue comprises the fair value of the consideration received or receivable for the sales of goods in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

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.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.



The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognise and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provide 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 disposed 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 | 5 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 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 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

### 3.17 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**

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.

Ocean Holding Co., Ltd. is the major shareholder of the Company as at December 31, 2017 and 2016, 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 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) |

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                                     | Market price         |
| Purchase of office equipment and supplies | Market price         |
| Commissions                               | Negotiated agreement |
| Rental expenses and service fees          | Negotiated agreement |

The following material transactions were carried out with related parties during the years ended December 31, 2017 and 2016.

**4.1 Sales of goods**

|                        | (Unit : Thousand Baht) |           |                  |                |
|------------------------|------------------------|-----------|------------------|----------------|
|                        | Consolidated           |           | The Company Only |                |
|                        | 2017                   | 2016      | 2017             | 2016           |
| <b>Sales of goods:</b> |                        |           |                  |                |
| Subsidiaries           | -                      | -         | 200,977          | 116,062        |
| Related companies      | 159                    | 12        | 159              | 12             |
|                        | <u>159</u>             | <u>12</u> | <u>201,136</u>   | <u>116,074</u> |

**4.2 Purchase of goods and service expenses**

|   | (Unit : Thousand Baht) |        |                  |        |
|---|------------------------|--------|------------------|--------|
|   | Consolidated           |        | The Company Only |        |
|   | 2017                   | 2016   | 2017             | 2016   |
| <b>Purchase of office equipment and supplies:</b> |                        |        |                  |        |
| Related companies                                 | 120                    | 212    | 120              | 212    |
| <b>Rental expenses and service fee:</b>           |                        |        |                  |        |
| Related companies                                 | 15,694                 | 15,278 | 15,694           | 15,278 |
| <b>Legal service fee:</b>                         |                        |        |                  |        |
| Related companies                                 | -                      | 95     | -                | 95     |
| <b>Commission:</b>                                |                        |        |                  |        |
| Subsidiaries                                      | -                      | -      | 11,765           | 9,708  |

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 market price. Services pricing among related parties is based on contracts.

**4.3 Outstanding balances with related parties as at December 31, 2017 and 2016**

|                          | (Unit : Thousand Baht) |       |                  |        |
|--------------------------|------------------------|-------|------------------|--------|
|                          | Consolidated           |       | The Company Only |        |
|                          | 2017                   | 2016  | 2017             | 2016   |
| <b>Trade receivables</b> |                        |       |                  |        |
| Subsidiaries             | -                      | -     | 32,115           | 42,792 |
| Related companies        | 47                     | 52    | 47               | 52     |
|                          | 47                     | 52    | 32,162           | 42,844 |
| <b>Other receivable</b>  |                        |       |                  |        |
| Subsidiaries             | -                      | -     | -                | 526    |
| <b>Other payables</b>    |                        |       |                  |        |
| Subsidiaries             | -                      | -     | 1,341            | 1,951  |
| Related companies        | 723                    | 1,593 | 723              | 1,593  |
|                          | 723                    | 1,593 | 2,064            | 3,544  |

**4.4 Key management compensation**

|                          | (Unit : Thousand Baht)          |               |
|--------------------------|---------------------------------|---------------|
|                          | Consolidated / The Company Only |               |
|                          | 2017                            | 2016          |
| Short-term benefits      | 37,053                          | 40,943        |
| Post-employment benefits | 1,959                           | 1,752         |
| Other long-term benefits | 27                              | 120           |
| <b>Total</b>             | <b>39,039</b>                   | <b>42,815</b> |

#### 4.5 Loan to subsidiaries

|                                    | (Unit : Thousand Baht) |      |                  |      |
|------------------------------------|------------------------|------|------------------|------|
|                                    | Consolidated           |      | The Company Only |      |
|                                    | 2017                   | 2016 | 2017             | 2016 |
| Loan to subsidiaries               | -                      | -    | 2,000            | -    |
| <u>Less</u> Loan due within 1 year | -                      | -    | (1,000)          | -    |
| Long-term loan                     | -                      | -    | 1,000            | -    |

On November 29, 2016, Crystal Clear Innovation Co., Ltd. entered into an agreement with the Company for a borrowing facility dominated in Thai Baht of 2 million, which is repayable in December 31, 2020. During 5 years since the date of the agreement, interest rate is at 4.50% per annum.

Therefore, Crystal Clear Innovation Co., Ltd. has drawdown such loan for the first time on March 13, 2017 in the amount of Baht 1 million and the rest on September 15, 2017 in the amount of Baht 1 million.

#### 5. Cash and cash equivalents

|  | (Unit : Thousand Baht) |        |                  |        |
|--|------------------------|--------|------------------|--------|
|  | Consolidated           |        | The Company Only |        |
|  | 2017                   | 2016   | 2017             | 2016   |
| Cash on hand                               | 274                    | 252    | 261              | 223    |
| Deposits at banks - current                | 5,977                  | 15,354 | 3,224            | 13,641 |
| Deposits at banks - savings                | 73,755                 | 77,164 | 12,704           | 34,420 |
| Unit trusts - open - end fixed income fund | 15,000                 | -      | 15,000           | -      |
| Total                                      | 95,006                 | 92,770 | 31,189           | 48,284 |

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

The fair value of investments in unit trusts that not listed on the Stock Exchange of Thailand has been determined by using the net assets value per unit as announced by fund manager which fair value hierarchy in level 2 as described in Note 24.7.

**6. TRADE AND OTHER RECEIVABLES**

|                              | (Unit : Thousand Baht) |         |                  |         |
|------------------------------|------------------------|---------|------------------|---------|
|                              | Consolidated           |         | The Company Only |         |
|                              | 2017                   | 2016    | 2017             | 2016    |
| Trade receivables            |                        |         |                  |         |
| - other parties              | 192,638                | 202,518 | 192,947          | 202,183 |
| - related parties (Note 4.3) | 47                     | 52      | 32,162           | 42,844  |
|                              | 192,685                | 202,570 | 225,109          | 245,027 |
| Advance payment              | 20,994                 | 9,106   | 20,922           | 9,033   |
| Prepayment                   | 14,114                 | 12,681  | 13,890           | 12,555  |
| Other receivables            |                        |         |                  |         |
| - other parties              | 1,844                  | 716     | 1,781            | 715     |
| - related parties (Note 4.3) | -                      | -       | -                | 526     |
|                              | 36,952                 | 22,503  | 36,593           | 22,829  |
|                              | 229,637                | 225,073 | 261,702          | 267,856 |

Trade receivables as at December 31, 2017 and 2016 can be classified by aging analysis as follows:

|                    | (Unit : Thousand Baht) |         |                  |         |
|--------------------|------------------------|---------|------------------|---------|
|                    | Consolidated           |         | The Company Only |         |
|                    | 2017                   | 2016    | 2017             | 2016    |
| Up to 3 months     | 190,723                | 199,341 | 223,147          | 233,381 |
| Over 3 - 6 months  | 177                    | 100     | 177              | 1,414   |
| Over 6 - 12 months | 263                    | 3,129   | 263              | 3,129   |
| Over 12 months     | 1,522                  | -       | 1,522            | 7,103   |
| Total              | 192,685                | 202,570 | 225,109          | 245,027 |

Outstanding receivables from related parties as at December 31, 2017 and 2016 can be classified by aging analysis as follows:

|                | (Unit : Thousand Baht) |      |                  |        |
|----------------|------------------------|------|------------------|--------|
|                | Consolidated           |      | The Company Only |        |
|                | 2017                   | 2016 | 2017             | 2016   |
| Up to 3 months | 47                     | 52   | 32,162           | 34,427 |
| 3 - 6 months   | -                      | -    | -                | 1,314  |
| 6 - 12 months  | -                      | -    | -                | -      |
| Over 12 months | -                      | -    | -                | 7,103  |
| Total          | 47                     | 52   | 32,162           | 42,844 |



## 7. INVENTORIES

|                                       | (Unit : Thousand Baht) |                |                  |                |
|---------------------------------------|------------------------|----------------|------------------|----------------|
|                                       | Consolidated           |                | The Company Only |                |
|                                       | 2017                   | 2016           | 2017             | 2016           |
| Raw materials                         | 53,179                 | 61,222         | 53,179           | 61,222         |
| Work in progress                      | 11,923                 | 8,012          | 11,923           | 8,012          |
| Finished goods                        | 487,183                | 573,194        | 469,312          | 565,048        |
| Merchandise                           | 5,818                  | 9,074          | 5,810            | 9,074          |
| Spare parts                           | 138,659                | 135,825        | 138,659          | 135,825        |
| Supplies and packing materials        | 179,577                | 194,485        | 179,577          | 194,485        |
| Goods in transit                      | -                      | 15,137         | -                | 9,609          |
|                                       | <u>876,339</u>         | <u>996,949</u> | <u>858,460</u>   | <u>983,275</u> |
| <b>Less Allowance for the decline</b> |                        |                |                  |                |
| in value of inventory, slow -         |                        |                |                  |                |
| moving and obsolete inventories       | (4,040)                | (3,832)        | (4,040)          | (3,832)        |
| <b>Inventories-net</b>                | <u>872,299</u>         | <u>993,117</u> | <u>854,420</u>   | <u>979,443</u> |

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 |              |
|                           | 2017                   | 2016         | 2017             | 2016         |
| Beginning balance of year | 3,832                  | 9,307        | 3,832            | 9,307        |
| Increase                  | 14,830                 | 7,949        | 14,830           | 7,949        |
| Decrease                  | (14,622)               | (13,424)     | (14,622)         | (13,424)     |
| Ending balance of year    | <u>4,040</u>           | <u>3,832</u> | <u>4,040</u>     | <u>3,832</u> |

|                                    | (Unit : Thousand Baht) |         |                  |         |
|------------------------------------|------------------------|---------|------------------|---------|
|                                    | Consolidated           |         | The Company Only |         |
|                                    | 2017                   | 2016    | 2017             | 2016    |
| Provision (reversal) allowance for |                        |         |                  |         |
| decline in value of inventory,     |                        |         |                  |         |
| slow-moving and obsolete           |                        |         |                  |         |
| inventories for the year           | 208                    | (5,475) | 208              | (5,475) |

**8. INVESTMENTS IN SUBSIDIARIES**

The subsidiaries are:

|  | Country of<br>incorporation | % Ownership |         |
|--|-----------------------------|-------------|---------|
|  |                             | 2017        | 2016    |
| 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       |       |
|  | 2017                   | 2016  |
| Beginning balance                      | 6,000                  | 5,900 |
| Addition of investment during the year | -                      | 100   |
| Ending balance                         | 6,000                  | 6,000 |

At the Company's Board of Directors' meeting on July 12, 2016, the meeting had approved an establishment of Crystal Clear Innovation Co., Ltd. as the Company's subsidiary. On August 31, 2016, the Company acquired 20,000 ordinary shares which is 99.99% of Crystal Clear Innovation Co., Ltd., totalling Baht 0.10 million.

## 9. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)

|  | Consolidated                                 |                  |                 |                                     |                           | Balance per book<br>as at December<br>31, 2017 |
|--|--|------------------|-----------------|-------------------------------------|---------------------------|--|
|  | Balance per book<br>as at January<br>1, 2017 | Additions        | Deductions      | Transferred in<br>(Transferred out) | Translation<br>difference |  |
|  | <b>At appraised value</b>                    |                  |                 |                                     |                           |  |
| <b>Land</b>  |  |                  |                 |                                     |                           |  |
| - Cost   | 21,920                                       | -                | -               | -                                   | -                         | 21,920   |
| - Surplus on land revaluation                                | 440,535                                      | 216,975          | -               | -                                   | -                         | 657,510  |
| <b>Total land - at appraised value</b>                       | <b>462,455</b>                               | <b>216,975</b>   | <b>-</b>        | <b>-</b>                            | <b>-</b>                  | <b>679,430</b>                                 |
| <b>At cost</b>   |  |                  |                 |                                     |                           |  |
| Buildings and improvements                                   | 497,137                                      | -                | -               | 16,743                              | -                         | 513,880  |
| Machinery and equipment                                      | 3,484,240                                    | 14,470           | (16,524)        | 49,465                              | -                         | 3,531,651                                      |
| Furniture, fixtures and office equipment                     | 114,949                                      | 3,245            | (9,721)         | 1,047                               | (25)                      | 109,495  |
| Vehicles   | 14,348                                       | 2,524            | (5,419)         | -                                   | -                         | 11,453   |
| Machinery under installation and construction<br>in progress | 32,975                                       | 75,673           | -               | (67,255)                            | -                         | 41,393   |
| <b>Total buildings and equipment - at cost</b>               | <b>4,143,649</b>                             | <b>95,912</b>    | <b>(31,664)</b> | <b>-</b>                            | <b>(25)</b>               | <b>4,207,872</b>                               |
| <b>Total</b>   | <b>4,606,104</b>                             |                  |                 |                                     |                           | <b>4,887,302</b>                               |
| <b>Less Accumulated depreciation</b>                         |  |                  |                 |                                     |                           |  |
| Buildings and improvements                                   | (391,928)                                    | (11,490)         | -               | -                                   | -                         | (403,418)                                      |
| Machinery and equipment                                      | (2,462,916)                                  | (139,553)        | 14,919          | -                                   | -                         | (2,587,550)                                    |
| Furniture, fixtures and office equipment                     | (98,842)                                     | (7,555)          | 9,715           | -                                   | 15                        | (96,667)                                       |
| Vehicles   | (13,281)                                     | (906)            | 5,383           | -                                   | -                         | (8,804)  |
| <b>Total</b>   | <b>(2,966,967)</b>                           | <b>(159,504)</b> | <b>30,017</b>   | <b>-</b>                            | <b>15</b>                 | <b>(3,096,439)</b>                             |
| <b>Property, plant and equipment - net</b>                   | <b>1,639,137</b>                             |                  |                 |                                     |                           | <b>1,790,863</b>                               |

(Unit : Thousand Baht)

|  | Consolidated                                 |                  |                 |                                     |                           | Balance per book<br>as at December<br>31, 2016 |
|--|--|------------------|-----------------|-------------------------------------|---------------------------|--|
|  | Balance per book<br>as at January<br>1, 2016 | Additions        | Deductions      | Transferred in<br>(Transferred out) | Translation<br>difference |  |
|  | <b>At appraised value</b>                    |                  |                 |                                     |                           |  |
| <b>Land</b>  |  |                  |                 |                                     |                           |  |
| - Cost   | 21,920                                       | -                | -               | -                                   | -                         | 21,920   |
| - Surplus on land revaluation                                | 440,535                                      | -                | -               | -                                   | -                         | 440,535  |
| <b>Total land - at appraised value</b>                       | <b>462,455</b>                               | <b>-</b>         | <b>-</b>        | <b>-</b>                            | <b>-</b>                  | <b>462,455</b>                                 |
| <b>At cost</b>   |  |                  |                 |                                     |                           |  |
| Buildings and improvements                                   | 494,022                                      | 116              | (5,204)         | 8,203                               | -                         | 497,137  |
| Machinery and equipment                                      | 3,479,460                                    | 5,820            | (62,939)        | 61,899                              | -                         | 3,484,240                                      |
| Furniture, fixtures and office equipment                     | 112,687                                      | 4,651            | (3,998)         | 1,678                               | (69)                      | 114,949  |
| Vehicles   | 15,722                                       | -                | (1,374)         | -                                   | -                         | 14,348   |
| Machinery under installation and construction<br>in progress | 6,645  | 98,110           | -               | (71,780)                            | -                         | 32,975   |
| <b>Total buildings and equipment - at cost</b>               | <b>4,108,536</b>                             | <b>108,697</b>   | <b>(73,515)</b> | <b>-</b>                            | <b>(69)</b>               | <b>4,143,649</b>                               |
| <b>Total</b>   | <b>4,570,991</b>                             |                  |                 |                                     |                           | <b>4,606,104</b>                               |
| <b>Less Accumulated depreciation</b>                         |  |                  |                 |                                     |                           |  |
| Buildings and improvements                                   | (385,877)                                    | (11,255)         | 5,204           | -                                   | -                         | (391,928)                                      |
| Machinery and equipment                                      | (2,377,795)                                  | (141,002)        | 55,881          | -                                   | -                         | (2,462,916)                                    |
| Furniture, fixtures and office equipment                     | (94,338)                                     | (8,533)          | 3,981           | -                                   | 48                        | (98,842)                                       |
| Vehicles   | (13,835)                                     | (820)            | 1,374           | -                                   | -                         | (13,281)                                       |
| <b>Total</b>   | <b>(2,871,845)</b>                           | <b>(161,610)</b> | <b>66,440</b>   | <b>-</b>                            | <b>48</b>                 | <b>(2,966,967)</b>                             |
| <b>Property, plant and equipment - net</b>                   | <b>1,699,146</b>                             |                  |                 |                                     |                           | <b>1,639,137</b>                               |



(Unit : Thousand Baht)

|   | The Company Only                             |                  |                 |                                     | Balance per book<br>as at December<br>31, 2017 |
|---|--|------------------|-----------------|-------------------------------------|--|
|   | Balance per book<br>as at January<br>1, 2017 | Additions        | Deductions      | Transferred in<br>(Transferred out) |  |
| <b>At appraised value</b>                                 |  |                  |                 |                                     |  |
| <b>Land</b>   |  |                  |                 |                                     |  |
| - Cost  | 21,920                                       | -                | -               | -                                   | 21,920   |
| - Surplus on land revaluation                             | 440,535                                      | 216,975          | -               | -                                   | 657,510  |
| <b>Total land - at appraised value</b>                    | <b>462,455</b>                               | <b>216,975</b>   | <b>-</b>        | <b>-</b>                            | <b>679,430</b>                                 |
| <b>At cost</b>  |  |                  |                 |                                     |  |
| Buildings and improvements                                | 497,137                                      | -                | -               | 16,743                              | 513,880  |
| Machinery and equipment                                   | 3,484,239                                    | 14,470           | (16,524)        | 49,465                              | 3,531,650                                      |
| Furniture, fixtures and office equipment                  | 114,062                                      | 2,800            | (9,672)         | 1,047                               | 108,237  |
| Vehicles  | 14,348                                       | 2,524            | (5,419)         | -                                   | 11,453   |
| Machinery under installation and construction in progress | 32,975                                       | 75,673           | -               | (67,255)                            | 41,393   |
| <b>Total buildings and equipment - at cost</b>            | <b>4,142,761</b>                             | <b>95,467</b>    | <b>(31,615)</b> | <b>-</b>                            | <b>4,206,613</b>                               |
| <b>Total</b>  | <b>4,605,216</b>                             |                  |                 |                                     | <b>4,886,043</b>                               |
| <b>Less Accumulated depreciation</b>                      |  |                  |                 |                                     |  |
| Buildings and improvements                                | (391,928)                                    | (11,490)         | -               | -                                   | (403,418)                                      |
| Machinery and equipment                                   | (2,462,916)                                  | (139,553)        | 14,919          | -                                   | (2,587,550)                                    |
| Furniture, fixtures and office equipment                  | (98,329)                                     | (7,376)          | 9,668           | -                                   | (96,037)                                       |
| Vehicles  | (13,281)                                     | (906)            | 5,383           | -                                   | (8,804)  |
| <b>Total</b>  | <b>(2,965,454)</b>                           | <b>(159,325)</b> | <b>29,970</b>   | <b>-</b>                            | <b>(3,095,809)</b>                             |
| <b>Property, plant and equipment - net</b>                | <b>1,638,762</b>                             |                  |                 |                                     | <b>1,790,234</b>                               |

(Unit : Thousand Baht)

|   | The Company Only                             |                  |                 |                                     | Balance per book<br>as at December<br>31, 2016 |
|---|--|------------------|-----------------|-------------------------------------|--|
|   | Balance per book<br>as at January<br>1, 2016 | Additions        | Deductions      | Transferred in<br>(Transferred out) |  |
| <b>At appraised value</b>                                 |  |                  |                 |                                     |  |
| <b>Land</b>   |  |                  |                 |                                     |  |
| - Cost  | 21,920                                       | -                | -               | -                                   | 21,920   |
| - Surplus on land revaluation                             | 440,535                                      | -                | -               | -                                   | 440,535  |
| <b>Total land - at appraised value</b>                    | <b>462,455</b>                               | <b>-</b>         | <b>-</b>        | <b>-</b>                            | <b>462,455</b>                                 |
| <b>At cost</b>  |  |                  |                 |                                     |  |
| Buildings and improvements                                | 494,022                                      | 116              | (5,204)         | 8,203                               | 497,137  |
| Machinery and equipment                                   | 3,479,454                                    | 5,820            | (62,934)        | 61,899                              | 3,484,239                                      |
| Furniture, fixtures and office equipment                  | 111,878                                      | 4,308            | (3,802)         | 1,678                               | 114,062  |
| Vehicles  | 15,722                                       | -                | (1,374)         | -                                   | 14,348   |
| Machinery under installation and construction in progress | 6,645  | 98,110           | -               | (71,780)                            | 32,975   |
| <b>Total buildings and equipment - at cost</b>            | <b>4,107,721</b>                             | <b>108,354</b>   | <b>(73,314)</b> | <b>-</b>                            | <b>4,142,761</b>                               |
| <b>Total</b>  | <b>4,570,176</b>                             |                  |                 |                                     | <b>4,605,216</b>                               |
| <b>Less Accumulated depreciation</b>                      |  |                  |                 |                                     |  |
| Buildings and improvements                                | (385,877)                                    | (11,255)         | 5,204           | -                                   | (391,928)                                      |
| Machinery and equipment                                   | (2,377,795)                                  | (140,997)        | 55,876          | -                                   | (2,462,916)                                    |
| Furniture, fixtures and office equipment                  | (93,727)                                     | (8,395)          | 3,793           | -                                   | (98,329)                                       |
| Vehicles  | (13,835)                                     | (820)            | 1,374           | -                                   | (13,281)                                       |
| <b>Total</b>  | <b>(2,871,234)</b>                           | <b>(161,467)</b> | <b>66,247</b>   | <b>-</b>                            | <b>(2,966,454)</b>                             |
| <b>Property, plant and equipment - net</b>                | <b>1,698,942</b>                             |                  |                 |                                     | <b>1,638,762</b>                               |



The gross carrying amount of fully depreciated plant and equipment that were still in use as at December 31, 2017 amounted to Baht 1,831.48 million (2016 : Baht 1,733.60 million)

As at December 31, 2017, the Company recorded the land at the fair value determined by Brent Joe Cosens Consulting Co., Ltd., the land would have been carried at 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.

As at December 31, 2017 and 2016, the Company had used land with buildings net book value amounting to Baht 771 million and Baht 551 million, respectively as collateral for its long-term borrowings from financial institutions as described in Note 14.

## 10. INTANGIBLE ASSETS

|                                | (Unit : Thousand Baht)                       |           |            |                                     |                           |  |
|--------------------------------|--|-----------|------------|-------------------------------------|---------------------------|--|
|                                | Consolidated                                 |           |            |                                     |                           |  |
|                                | Balance per book<br>as at January<br>1, 2017 | Additions | Deductions | Transferred in<br>(Transferred out) | Translation<br>difference | Balance per book<br>as at December<br>31, 2017 |
| <b>At cost</b>                 |  |           |            |                                     |                           |  |
| Computer software              | 67,465                                       | 1,470     | (1,181)    | 1,078                               | (19)                      | 68,813   |
| Computer software installation | -  | 2,283     | -          | (1,078)                             | -                         | 1,205  |
| Total                          | 67,465                                       | 3,753     | (1,181)    | -                                   | (19)                      | 70,018   |
| Less Accumulated amortization  | (49,099)                                     | (3,673)   | 1,181      | -                                   | 5                         | (51,586)                                       |
| Computer software - net        | 18,366                                       |           |            |                                     |                           | 18,432   |

|                               | (Unit : Thousand Baht)                       |           |            |                                     |                           |  |
|-------------------------------|--|-----------|------------|-------------------------------------|---------------------------|--|
|                               | Consolidated                                 |           |            |                                     |                           |  |
|                               | Balance per book<br>as at January<br>1, 2016 | Additions | Deductions | Transferred in<br>(Transferred out) | Translation<br>difference | Balance per book<br>as at December<br>31, 2016 |
| <b>At cost</b>                |  |           |            |                                     |                           |  |
| Computer software             | 62,509                                       | 5,042     | (65)       | -                                   | (21)                      | 67,465   |
| Total                         | 62,509                                       | 5,042     | (65)       | -                                   | (21)                      | 67,465   |
| Less Accumulated amortization | (45,739)                                     | (3,439)   | 65         | -                                   | 14                        | (49,099)                                       |
| Computer software - net       | 16,770                                       |           |            |                                     |                           | 18,366   |

(Unit : Thousand Baht)

|                                      | The Company Only                             |                |                |                                     |  |
|--------------------------------------|--|----------------|----------------|-------------------------------------|--|
|                                      | Balance per book<br>as at January<br>1, 2017 | Additions      | Deductions     | Transferred in<br>(Transferred out) | Balance per book<br>as at December<br>31, 2017 |
|                                      | <b>At cost</b>                               |                |                |                                     |  |
| Computer software                    | 67,189                                       | 826            | (1,181)        | 1,078                               | 67,912   |
| Computer software installation       | -  | 2,283          | -              | (1,078)                             | 1,205  |
| <b>Total</b>                         | <b>67,189</b>                                | <b>3,109</b>   | <b>(1,181)</b> | <b>-</b>                            | <b>69,117</b>                                  |
| <b>Less Accumulated amortization</b> | <b>(48,911)</b>                              | <b>(3,583)</b> | <b>1,181</b>   | <b>-</b>                            | <b>(51,313)</b>                                |
| <b>Computer software - net</b>       | <b>18,278</b>                                |                |                |                                     | <b>17,804</b>                                  |

(Unit : Thousand Baht)

|                                      | The Company Only                             |                |             |                                     |  |
|--------------------------------------|--|----------------|-------------|-------------------------------------|--|
|                                      | Balance per book<br>as at January<br>1, 2017 | Additions      | Deductions  | Transferred in<br>(Transferred out) | Balance per book<br>as at December<br>31, 2016 |
|                                      | <b>At cost</b>                               |                |             |                                     |  |
| Computer software                    | 62,322                                       | 4,932          | (65)        | -                                   | 67,189   |
| <b>Total</b>                         | <b>62,322</b>                                | <b>4,932</b>   | <b>(65)</b> | <b>-</b>                            | <b>67,189</b>                                  |
| <b>Less Accumulated amortization</b> | <b>(45,616)</b>                              | <b>(3,360)</b> | <b>65</b>   | <b>-</b>                            | <b>(48,911)</b>                                |
| <b>Computer software - net</b>       | <b>16,706</b>                                |                |             |                                     | <b>18,278</b>                                  |

## 11. 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 |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|
|                                     | 2017             | 2016             | 2017             | 2016             |
| Deferred tax assets                 | 39,829           | 46,655           | 37,181           | 46,266           |
| Deferred tax liabilities            | (224,197)        | (175,518)        | (224,197)        | (175,518)        |
| <b>Deferred tax liabilities-net</b> | <b>(184,368)</b> | <b>(128,863)</b> | <b>(187,016)</b> | <b>(129,252)</b> |

Deferred tax assets (liabilities) in the statement of comprehensive income for the year ended December 31, 2017 are attributed to the following items:

(Unit : Thousand Baht)

|  | Consolidated                                 |                                    |                                     | Balance per book<br>as at December<br>31, 2017 |
|--|--|------------------------------------|-------------------------------------|--|
|  | Balance per book<br>as at January<br>1, 2017 | Revenue (expenses) during the year |                                     |  |
|  |  | In profit or loss                  | In other<br>comprehensive<br>income |  |
| <b>Deferred tax assets:</b>  |  |                                    |                                     |  |
| Allowance for the decline in value of inventory,<br>slow-moving and obsolete inventories | 426  | 382                                | -                                   | 808  |
| Employee benefit obligations   | 16,618                                       | 3,083                              | 939                                 | 20,640   |
| Tax losses   | 28,269                                       | (12,536)                           | -                                   | 15,733   |
| Accrued tax rebate from export sales   | 1,342  | 1,306                              | -                                   | 2,648  |
| <b>Total</b>   | <b>46,655</b>                                | <b>(7,765)</b>                     | <b>939</b>                          | <b>39,829</b>                                  |
| <b>Deferred tax liabilities:</b>   |  |                                    |                                     |  |
| Accrued tax rebate from export sales   | (129)  | 129                                | -                                   | -  |
| Borrowing costs which are capitalized in fixed assets                                    | (77)   | 77                                 | -                                   | -  |
| Book depreciation under taxable depreciation   | (87,204)                                     | (5,491)                            | -                                   | (92,695)                                       |
| Gains on land revaluation  | (88,108)                                     | -                                  | (43,394)                            | (131,502)                                      |
| <b>Total</b>   | <b>(175,518)</b>                             | <b>(5,285)</b>                     | <b>(43,394)</b>                     | <b>(224,197)</b>                               |
| <b>Net</b>   | <b>(128,863)</b>                             | <b>(13,050)</b>                    | <b>(42,455)</b>                     | <b>(184,368)</b>                               |

(Unit : Thousand Baht)

|  | The Company Only                             |                                    |                                     | Balance per book<br>as at December<br>31, 2017 |
|--|--|------------------------------------|-------------------------------------|--|
|  | Balance per book<br>as at January<br>1, 2017 | Revenue (expenses) during the year |                                     |  |
|  |  | In profit or loss                  | In other<br>comprehensive<br>income |  |
| <b>Deferred tax assets:</b>  |  |                                    |                                     |  |
| Allowance for the decline in value of inventory,<br>slow-moving and obsolete inventories | 426  | 382                                | -                                   | 808  |
| Employee benefit obligations   | 16,618                                       | 3,083                              | 939                                 | 20,640   |
| Tax losses   | 29,222                                       | (13,489)                           | -                                   | 15,733   |
| <b>Total</b>   | <b>46,266</b>                                | <b>(10,024)</b>                    | <b>939</b>                          | <b>37,181</b>                                  |
| <b>Deferred tax liabilities:</b>   |  |                                    |                                     |  |
| Accrued tax rebate from export sales   | (129)  | 129                                | -                                   | -  |
| Borrowing costs which are capitalised in fixed assets                                    | (77)   | 77                                 | -                                   | -  |
| Book depreciation under taxable depreciation   | (87,204)                                     | (5,491)                            | -                                   | (92,695)                                       |
| Gains on land revaluation  | (88,108)                                     | -                                  | (43,394)                            | (131,502)                                      |
| <b>Total</b>   | <b>(175,518)</b>                             | <b>(5,285)</b>                     | <b>(43,394)</b>                     | <b>(224,197)</b>                               |
| <b>Net</b>   | <b>(129,252)</b>                             | <b>(15,309)</b>                    | <b>(42,455)</b>                     | <b>(187,016)</b>                               |

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



**12. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

|                 | (Unit : Thousand Baht)         |                |
|-----------------|--------------------------------|----------------|
|                 | Consolidated/ The Company Only |                |
|                 | 2017                           | 2016           |
| Promissory note | 110,000                        | 125,000        |
| <b>Total</b>    | <b>110,000</b>                 | <b>125,000</b> |

As at December 31, 2017 and 2016, short-term loans from local financial institution denominated in Thai Baht, due within 6 months and bear interest rate of 1.90% to 1.95% per annum. (2016 : interest rate of 2.25% 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.

**13. TRADE AND OTHER PAYABLES**

|                                   | (Unit : Thousand Baht) |                |                  |                |
|-----------------------------------|------------------------|----------------|------------------|----------------|
|                                   | Consolidated           |                | The Company Only |                |
|                                   | 2017                   | 2016           | 2017             | 2016           |
| Trade payables - other parties    | 153,961                | 157,869        | 153,961          | 157,869        |
| Other payables - other parties    | 69,474                 | 38,101         | 50,559           | 37,919         |
| - related parties<br>(Note 4.3)   | 723                    | 1,593          | 2,064            | 3,544          |
| Advances from customers           | 28,774                 | 32,928         | 11,492           | 25,734         |
| Accrued energy expenses           | 11,925                 | 12,948         | 11,925           | 12,948         |
| Accrued commission and rebate     | 6,506                  | 10,203         | 6,506            | 10,203         |
| Accrued salary and bonus expenses | 33,074                 | 27,227         | 32,067           | 27,227         |
| Other accrued expenses            | 35,146                 | 47,163         | 23,793           | 37,700         |
| <b>Total</b>                      | <b>339,583</b>         | <b>328,032</b> | <b>292,367</b>   | <b>313,144</b> |

**14. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS**

|  | (Unit : Thousand Baht)         |           |
|--|--------------------------------|-----------|
|  | Consolidated/ The Company Only |           |
|  | 2017                           | 2016      |
| Loans - from financial institutions, at the beginning of the year            | 647,553                        | 772,000   |
| Loan additions   | -                              | 31,763    |
| Repayments   | (221,340)                      | (156,210) |
| Long term loans from financial institutions, at the end of year              | 426,213                        | 647,553   |
| Less Current portion of long-term loans from financial institutions          | 190,840                        | 182,840   |
| Long term loans from financial institutions with due date more than one year | 235,373                        | 464,713   |



**Maturity of long-term loans:**

|   | (Unit : Thousand Baht)         |                |
|---|--------------------------------|----------------|
|   | Consolidated/ The Company Only |                |
|   | 2017                           | 2016           |
| Due within 1 year                         | 190,840                        | 182,840        |
| Due more than 1 year but not over 5 years | 235,373                        | 464,713        |
|   | <b>426,213</b>                 | <b>647,553</b> |

**Long-term loans from financial institutions**

As at December 31, 2017, long-term loans from financial institutions consist of:

**1) Loans facilities of Baht 535 million**

On November 26, 2012, the Company entered into an agreement with a local bank 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.

As at December 31, 2017, the total outstanding loan is Baht 344 million (2016: Baht 451 million).

**2) 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, 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.

As at December 31, 2017, the total outstanding loan is Baht 62 million (2016: Baht 167 million).

## 3) 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 and repay in 5 years, by December 31, 2020. The Company is required to repay the principal in quarterly instalments. Interest is payable on a monthly basis and is calculated at the MLR rate minus a fixed percentage. Then, the Company drawdown this loan in accordance with the condition amount of Baht 19 million.

As at December 31, 2017, the total outstanding loan is Baht 12 million (2016: Baht 18 million).

## 4) Loan facilities of Baht 12 million

On May 12, 2016, the Company entered into an agreement with the same local bank as 3) 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, 2017, the total outstanding loan is Baht 8 million (2016: Baht 12 million).

The Company used its land and buildings net book value amounting to Baht 771 million (2016 : Baht 551million) (Note 9) as collateral against the long-term loan in 1) and 2). The Company must maintain a minimum debt-to-equity ratio as a condition of the long-term loan agreements.

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

|                        | (Unit : Thousand Baht)         |                |
|------------------------|--------------------------------|----------------|
|                        | Consolidated/ The Company Only |                |
|                        | 2017                           | 2016           |
| <b>Long-term loans</b> |                                |                |
| at fixed rates         | 8,452                          | 11,532         |
| at floating rates      | 417,761                        | 636,021        |
|                        | <u>426,213</u>                 | <u>647,553</u> |



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

|                 | % (per annum)                  |              |
|-----------------|--------------------------------|--------------|
|                 | Consolidated/ The Company Only |              |
|                 | 2017                           | 2016         |
| Long-term loans | 3.50 to 4.25                   | 4.25 to 4.75 |

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.

## 15. EMPLOYEE BENEFIT OBLIGATIONS

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

The statements of financial position

|   | (Unit : Thousand Baht)        |         |
|---|-------------------------------|---------|
|   | Consolidated/The Company Only |         |
|   | 2017                          | 2016    |
| Defined benefit obligations, at the beginning of the year | 95,301                        | 87,881  |
| Current service costs and interest                        | 10,360                        | 12,896  |
| Employee benefit obligations paid                         | (7,160)                       | (5,476) |
| Loss on remeasurement of actuarial basis                  | 4,700                         | -       |
| Defined benefit obligations, at the end of the year       | 103,201                       | 95,301  |

Expense recognized in the statements of comprehensive income

|                        | (Unit : Thousand Baht)          |               |
|------------------------|---------------------------------|---------------|
|                        | For the year ended December 31, |               |
|                        | Consolidated/The Company Only   |               |
|                        | 2017                            | 2016          |
| Current service costs  | 8,227                           | 10,850        |
| Interest on obligation | 2,133                           | 2,046         |
| <b>Total</b>           | <b>10,360</b>                   | <b>12,896</b> |

**Principal actuarial assumptions at the reporting date**

|                        | Percentage                           |                                      |
|------------------------|--------------------------------------|--------------------------------------|
|                        | Consolidated/The Company Only        |                                      |
|                        | 2017                                 | 2016                                 |
| Discount rate          | 2.34                                 | 2.33                                 |
| Salary increase rate   | 5.00                                 | 5.00                                 |
| Employee turnover rate | 0.00 - 16.00                         | 0.00 - 21.00                         |
|                        | (classification of age)              | (classification of age)              |
| Mortality rate         | 100% of Thai<br>mortality table 2017 | 100% of Thai<br>mortality table 2008 |

**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, 2017 are summarized below:

|                        | (Unit : Thousand Baht)        |             |
|------------------------|-------------------------------|-------------|
|                        | Consolidated/The Company Only |             |
|                        | 1% increase                   | 1% decrease |
| Discount rate          | (7,235)                       | 8,198       |
| Salary increase rate   | 6,895                         | (6,218)     |
| Employee turnover rate | (7,697)                       | 4,638       |
| Mortality rate         | 332                           | (330)       |

**Expected maturity analysis of retirement**

|                                      | (Unit : Thousand Baht)        |                |
|--------------------------------------|-------------------------------|----------------|
|                                      | Consolidated/The Company Only |                |
|                                      | 2017                          | 2016           |
| Within 1 year                        | 13,495                        | 6,059          |
| More than 1 year but not over 5 year | 67,033                        | 47,478         |
| More than 5 year                     | 550,402                       | 398,231        |
| <b>Total</b>                         | <b>630,930</b>                | <b>451,768</b> |



## 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, 2017 and 2016 consisted of :-

|  | (Unit : Thousand Baht) |               |                  |               |
|--|------------------------|---------------|------------------|---------------|
|  | Consolidated           |               | The Company Only |               |
|  | 2017                   | 2016          | 2017             | 2016          |
| Income tax expense shown in profit or loss :                                       |                        |               |                  |               |
| Current tax expense:   |                        |               |                  |               |
| Income tax expense for the year  | 4,557                  | -             | -                | -             |
| Deferred tax expense :   |                        |               |                  |               |
| Changes in temporary differences relating to the original recognition and reversal | 13,050                 | 17,219        | 15,309           | 17,651        |
| <b>Total</b>   | <b>17,607</b>          | <b>17,219</b> | <b>15,309</b>    | <b>17,651</b> |
| Income tax expense in relation to components of other comprehensive income :       |                        |               |                  |               |
| Deferred tax expense :   |                        |               |                  |               |
| Loss on estimate as per mathematic calculation                                     | (939)                  | -             | (939)            | -             |
| Gains on land revaluation  | 43,394                 | -             | 43,394           | -             |
| <b>Total</b>   | <b>42,455</b>          | <b>-</b>      | <b>42,455</b>    | <b>-</b>      |

### 17.2 A numerical reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2017 and 2016.

|   | (Unit : Thousand Baht) |               |                  |               |
|---|------------------------|---------------|------------------|---------------|
|   | Consolidated           |               | The Company Only |               |
|   | 2017                   | 2016          | 2017             | 2016          |
| Accounting profit for the year              | 83,586                 | 111,792       | 76,458           | 103,273       |
| The applicable tax rate                     | 20-30.9%               | 20-30.9%      | 20%              | 20%           |
| Tax expense at the applicable tax rate      | 17,429                 | 22,616        | 15,292           | 20,655        |
| Reconciliation items - add (less) tax - net | 178                    | (5,397)       | 17               | (3,004)       |
| <b>Total income tax expenses</b>            | <b>17,607</b>          | <b>17,219</b> | <b>15,309</b>    | <b>17,651</b> |

**17.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate**

For the years ended December 31, 2017 and 2016.

|   | Consolidated                  |                 |                               |                 |
|---|-------------------------------|-----------------|-------------------------------|-----------------|
|   | 2017                          |                 | 2016                          |                 |
|   | Tax amount<br>(Thousand Baht) | Tax rate<br>(%) | Tax amount<br>(Thousand Baht) | Tax rate<br>(%) |
| Accounting profit before tax expense for the year | 83,586                        |                 | 111,792                       |                 |
| Tax expense at the applicable tax rate            | 17,429                        | 20-30.9         | 22,616                        | 20-30.9         |
| Reconciliation items                              | 178                           | 0.21            | (5,397)                       | (4.83)          |
| Tax expense at the average effective tax rate     | 17,607                        | 21.06           | 17,219                        | 15.40           |

|   | The Company only              |                 |                               |                 |
|---|-------------------------------|-----------------|-------------------------------|-----------------|
|   | 2017                          |                 | 2016                          |                 |
|   | Tax amount<br>(Thousand Baht) | Tax rate<br>(%) | Tax amount<br>(Thousand Baht) | Tax rate<br>(%) |
| Accounting profit before tax expense for the year | 76,458                        |                 | 103,273                       |                 |
| Tax expense at the applicable tax rate            | 15,292                        | 20.00           | 20,655                        | 20.00           |
| Reconciliation items                              | 17                            | 0.02            | (3,004)                       | (2.91)          |
| Tax expense at the average effective tax rate     | 15,309                        | 20.02           | 17,651                        | 17.09           |

**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, 2017 and 2016, the Company and subsidiaries's debt-to-equity ratio was 0.62:1 and 0.79:1, respectively.

According to the separate balance sheet as at December 31, 2017 and 2016, the Company's debt-to-equity ratio was 0.60:1 and 0.77:1, respectively.

**19. DIVIDEND PAID**

At the Company's Annual General Shareholders' Meeting on April 25, 2017, the meeting has approved a dividend payment from the operating results for the year 2016 of Baht 2.22 per share, totaling Baht 47.35 million. This dividend was paid on May 19, 2017.

At the Company's Annual General Shareholders' Meeting on April 26, 2016, the meeting has approved a dividend payment from the operating results for the year 2015 of Baht 3.13 per share, totaling Baht 66.77 million. The dividend was paid on May 19, 2016.



## 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, 2017 and 2016. The Group has no dilutive instruments in issue.

## 21. EXPENSES BY NATURE

The following significant expenditure items for the years ended December 31, 2017 and 2016, classified by nature, have been charged in profit before income tax:

|  | (Unit : Thousand Baht) |                  |                  |                  |
|--|------------------------|------------------|------------------|------------------|
|  | Consolidated           |                  | The Company Only |                  |
|  | 2017                   | 2016             | 2017             | 2016             |
| Changes in finished goods<br>and work in process | 87,584                 | 76,538           | 97,317           | 75,096           |
| Raw material and consumables used                | 559,619                | 562,869          | 559,619          | 562,869          |
| Employee expenses                                | 536,120                | 529,835          | 513,063          | 512,115          |
| Energy expenses                                  | 330,475                | 284,102          | 330,436          | 284,065          |
| Depreciation and amortisation                    | 163,177                | 165,049          | 162,908          | 164,827          |
| Repair and maintenance expenses                  | 124,961                | 104,417          | 124,827          | 104,304          |
| Other expenses                                   | 281,174                | 220,351          | 229,155          | 203,000          |
|  | <u>2,083,110</u>       | <u>1,943,161</u> | <u>2,017,325</u> | <u>1,906,276</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, 2017 and 2016, the Company contributed to the fund totaling Baht 11.72 million and Baht 11.30 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, 2017 and 2016 are as follows:

|                | (Unit : Thousand Baht) |           |                  |           |
|----------------|------------------------|-----------|------------------|-----------|
|                | Consolidated           |           | The Company Only |           |
|                | 2017                   | 2016      | 2017             | 2016      |
| Domestic sales | 540,768                | 595,842   | 540,696          | 595,842   |
| Export sales   | 1,606,873              | 1,444,517 | 1,535,101        | 1,399,472 |
| Total          | 2,147,641              | 2,040,359 | 2,075,797        | 1,995,314 |

## 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, 2017 and 2016, the Company had forward foreign exchange contracts with maturities of less than six months as follows:

|  | (Unit : Million Baht)           |       |
|--|---------------------------------|-------|
|  | Fair value                      |       |
|  | Consolidated / The Company Only |       |
|  | 2017                            | 2016  |
| Forward foreign exchange contracts             |                                 |       |
| USD 2.4 million (Baht 32.54 - 33.43 per USD 1) | 78.28                           |       |
| USD 2.3 million (Baht 32.45 - 33.33 per USD 1) | 75.16                           |       |
| USD 0.4 million (Baht 35.13 - 35.81 per USD 1) |                                 | 12.90 |

#### **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, 2017 were stated as net assets of Baht 0.86 million (2016 : net liabilities of Baht 0.84 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. COMMITMENTS AND CONTINGENT LIABILITIES

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

25.1.1 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 |        |
|  | 2017                   | 2016   | 2017             | 2016   |
| Not later than 1 year                        | 20,470                 | 22,244 | 19,402           | 20,272 |
| Later than 1 year and not later than 5 years | 15,193                 | 24,961 | 15,193           | 24,222 |
| Total  | 35,663                 | 47,205 | 34,595           | 44,494 |

25.1.2 The Company entered into an agreement of buy/sell natural gas with 7 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.

### 25.2 Bank guarantees

As at December 31, 2017, the Group had outstanding letters of guarantee of Baht 23.49 million issued by local financial institutions as collaterals for sales of goods and electrical usage (2016 : Baht 24.10 million).

### 25.3 Capital commitments

As at December 31, 2017, the Group had capital commitments amounting to Baht 119.41 million (2016 : Baht 22.96 million).

## 26. RECLASSIFICATION

Certain transactions in the financial statements for the year ended December 31, 2016 have been reclassified to conform to the classification in the year ended December 31, 2017, with no effect on previously reported net income or shareholders' equity.

## 27. THE REVISED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are revised.

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

|                       |  |
|-----------------------|--|
| TAS 1 (revised 2017)  | Presentation of Financial Statements                                     |
| TAS 2 (revised 2017)  | Inventories  |
| TAS 7 (revised 2017)  | Statement of Cash Flows  |
| TAS 8 (revised 2017)  | Accounting Policies, Changes in Accounting Estimates and Errors          |
| TAS 10 (revised 2017) | Events After the Reporting Period  |
| TAS 11 (revised 2017) | Construction Contracts   |
| TAS 12 (revised 2017) | Income Taxes   |
| TAS 16 (revised 2017) | Property, Plant and Equipment  |
| TAS 17 (revised 2017) | Leases   |
| TAS 18 (revised 2017) | Revenue  |
| TAS 19 (revised 2017) | Employee Benefits  |
| TAS 20 (revised 2017) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2017) | The Effects of Changes in Foreign Exchange Rates                         |
| TAS 23 (revised 2017) | Borrowing Costs  |
| TAS 24 (revised 2017) | Related Party Disclosures  |
| TAS 26 (revised 2017) | Accounting and Reporting by Retirement Benefit Plans                     |
| TAS 27 (revised 2017) | Separate Financial Statements  |
| TAS 28 (revised 2017) | Investments in Associates and Joint Ventures                             |
| TAS 29 (revised 2017) | Financial Reporting in Hyperinflationary Economies                       |
| TAS 33 (revised 2017) | Earnings Per Share   |
| TAS 34 (revised 2017) | Interim Financial Reporting  |
| TAS 36 (revised 2017) | Impairment of Assets   |
| TAS 37 (revised 2017) | Provisions, Contingent Liabilities and Contingent Assets                 |
| TAS 38 (revised 2017) | Intangible assets  |
| TAS 40 (revised 2017) | Investment Property  |
| TAS 41 (revised 2017) | Agriculture  |



|                         |  |
|-------------------------|--|
| TFRS 2 (revised 2017)   | Share-Based Payment  |
| TFRS 3 (revised 2017)   | Business Combinations  |
| TFRS 4 (revised 2017)   | Insurance Contracts  |
| TFRS 5 (revised 2017)   | Non-current Assets Held for Sale and Discontinued Operations   |
| TFRS 6 (revised 2017)   | Exploration for and Evaluation of Mineral Resource   |
| TFRS 8 (revised 2017)   | Operating Segments   |
| TFRS 10 (revised 2017)  | Consolidated Financial Statements  |
| TFRS 11 (revised 2017)  | Joint Arrangements   |
| TFRS 12 (revised 2017)  | Disclosure of Interests in Other Entities  |
| TFRS 13 (revised 2017)  | Fair Value Measurement   |
| TSIC 10 (revised 2017)  | Government Assistance - No Specific Relation to Operating Activities   |
| TSIC 15 (revised 2017)  | Operating Leases - Incentives  |
| TSIC 25 (revised 2017)  | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders  |
| TSIC 27 (revised 2017)  | Evaluating the Substance of Transactions Involving the Legal Form of a Lease                                     |
| TSIC 29 (revised 2017)  | Service Concession Arrangements: Disclosure  |
| TSIC 31 (revised 2017)  | Revenue-Barter Transactions Involving Advertising Services   |
| TSIC 32 (revised 2017)  | Intangible Assets - Web Site Costs   |
| TFRIC 1 (revised 2017)  | Changes in Existing Decommissioning, Restoration and Similar Liabilities   |
| TFRIC 4 (revised 2017)  | Determining whether an Arrangement contains a Lease  |
| TFRIC 5 (revised 2017)  | Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds              |
| TFRIC 7 (revised 2017)  | Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics |
| TFRIC 10 (revised 2017) | Interim Financial Reporting and Impairment   |
| TFRIC 12 (revised 2017) | Service Concession Arrangements  |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes  |

|                         |  |
|-------------------------|--|
| TFRIC 14 (revised 2017) | TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate   |
| TFRIC 17 (revised 2017) | Distributions of Non - cash Assets to Owners   |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers   |
| TFRIC 20 (revised 2017) | Stripping Costs in the Production Phase of a Surface Mine  |
| TFRIC 21 (revised 2017) | Levies   |

The management of the Group believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are revised will not have any significant impact on the financial statements for the year when they are initially applied.

## 28. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 21, 2018.



**OCEAN GLASS PUBLIC COMPANY LIMITED**

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