

Ocean Glass Public Company Limited

Management Discussion and Analysis

Consolidated Financial Results
For the period ended March 31, 2016

Business Overview

In the 1st quarter of 2016, Ocean Glass Public Company Limited and Subsidiaries (“the Company”) reported consolidated revenue of Baht 398.0 million, decreased by 1.3% compared with quarterly on quarterly (QoQ), mainly due to lower sales volume in export markets. The Company’s gross profit demonstrated at 42.0% to sales value, slightly declined compared with QoQ. The Company reported total expenses of Baht 394.9 million, increased by 3.2% compared with QoQ, mainly due to the increment of selling expenses and shutdown expenses. As a result, the Company reported net profit of Baht 1.6 million, decreased by 89.7% compared with QoQ. Earnings per share presented at Baht 0.08.

Statement of Comprehensive Income

- **Total Revenues (Million Baht)**

	Quarterly		Change
	1/2559	1/2558	%
Sales			
Domestic Sales	120.7	119.4	1.2
Export Sales	271.9	282.9	(3.9)
Total Sales	392.6	402.3	(2.4)
Foreign Exchange Gain	4.8	0.3	1,605.0
Other Income	0.6	0.7	(6.8)
Total Revenues	398.0	403.2	(1.3)

The Company reported total sales revenues of Baht 392.6 million decreased by 24% compared with QoQ. Proportion of domestic sales was 30.8 % and export sales was 69.2 % of total sales. Domestic sales increased by 1.2%, mainly from B2B customers who buy glassware products for promotional campaign, while export sales decreased by 3.9%, primary from lower sales volume in Middle East and Americas sales channel. The Company reported gain from foreign exchange of Baht 4.8 million due to repayment of foreign currency loan during baht appreciation.

▪ **Total Expenses (Million Baht)**

	Quarterly		Change
	1/2559	1/2558	%
Cost of Sales	228.4	233.5	(2.2)
Selling Expenses	98.2	79.7	23.2
Administrative Expenses	24.1	25.6	(5.9)
Shutdown Expenses	35.4	33.0	7.2
Finance Costs	8.9	11.1	(19.7)
Total Expenses	394.9	382.8	3.2

Total cost of goods sold reported at the amount of Baht 228.4 million, decreased by 2.2% compared with QoQ, primarily due to the decrement in cost of energy and the improvement of production efficiency. The Company's selling expenses reported at the amount of Baht 98.2 million increased by 23.2% compared with QoQ, mainly from selling and marketing expenses while administrative expenses reported at Baht 24.1 million decreased by 5.9% compared with QoQ.

The Company reported shutdown expenses for inventory management against sales volume at Baht 35.4 million increased by 7.2% compared with QoQ.

Statements of Financial Position as at September 30, 2015

	March 31, 2016 (Million Baht)	March 31, 2015 (Million Baht)	Change (%)
Current Assets	1,393.0	1,469.9	(5.2)
Non-Current Assets	1,693.1	1,721.1	(1.6)
Total Assets	3,086.1	3,191.0	(3.3)
Current Liabilities	620.8	699.5	(11.2)
Non-Current Liabilities	797.5	825.5	(3.4)
Total Liabilities	1,418.3	1,524.9	(7.0)
Total Shareholders' Equity	1,667.8	1,666.1	0.1
Current Ratio (times)	2.24	2.10	
Debt to Equity Ratio (times)	0.85	0.92	

As of March 31, 2016, total assets presented at Baht 3,086.1 million, decreased by 3.3% which comprised of current assets of Baht 1,393.0 million, increased by 5.2% due to the increment of inventory, and non-current assets of Baht 1,693.1 million, decreased by 1.6% due to depreciation. Total liabilities presented at Baht 1,418.3 million, decreased by 7.0%, mainly due to repayments of long-term loan during the period. Total shareholders' equity presented at Baht 1,667.8 million, increased by 0.1%, due to recognition in net profit during the period.