



OCEAN GLASS PUBLIC COMPANY LIMITED

**Management Discussion and Analysis
Consolidated Financial Results
For the period ended December 31, 2023**

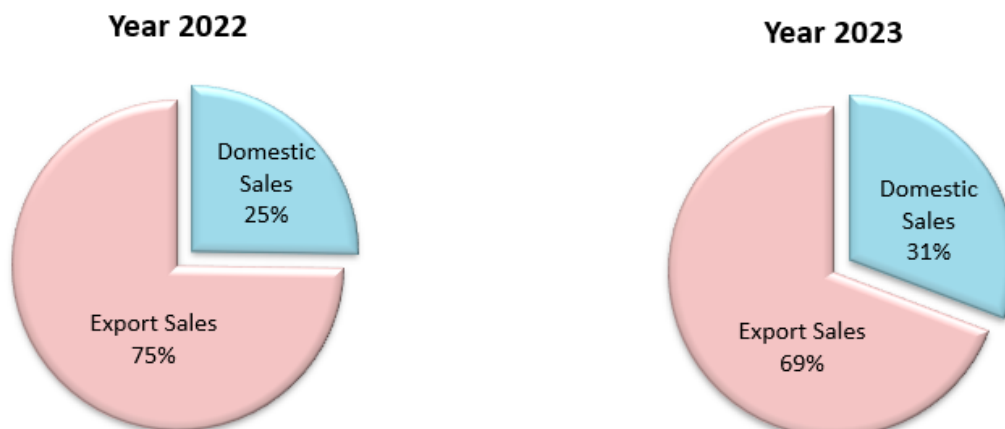
Executive Summary

Ocean Glass Public Company Limited (“the Company”) conducts business in accordance with sustainability development principles covering 3 perspectives which are Environmental, Social, and Governance (ESG). The Company is committed to responsible business practices as well as promoting well-being to society, employee’s development, and efficient use of resources to minimize impacts on the environment.

The Company determined long-term objectives and strategies to be the Market Leader in mid-to-high HoReCa in ASEAN. In 2023, the Company expanded its distribution to hotel, restaurant, pub, and bar in focus countries which are Thailand, China, India, and Vietnam. The Company distributed its products through distributors, offline and online sales.

For Extended Market such as Australia, Japan, America, Europe, the Company distributed its products through agents under brands and OEM. Domestic and export sales proportion reported at 31:69 respectively.

Proportion of domestic and foreign sales



Significant Developments in 2023

In 2023, the Company changed its E-Commerce business to become E-Market Place www.oceantableware.com to be able to sell tableware products, kitchen equipment, and supplies for restaurant. In 2023, the Company has 13 distributors who can provide over 500 various products categories.

Sustainability Development

The Company is a manufacturer and distributor of glassware products which has delivered happiness in living to society through quality glassware for over 40 years. In conducting business, the Company takes into account on stakeholders’ needs in the business value chain. Through the year, the Company conducts business with responsibly towards society and the environment. In 2023, the Company focused on creating awareness of responsibilities to stakeholders such as business partners, customers, employees, by carrying out activities related to Environmental, Social, and Governance (ESG).

1. Environment

▪ **Carbon Footprint Assessment Project**

The Company has implemented carbon footprint assessment project at the corporate level in order to bring carbon emission data from operational activities to determine carbon footprint management plan effectively.

▪ **Solar Power Generation**

The Company has been installing solar power generation system since 2020 that shall continue in 3 phases eventually reducing electricity expense and minimizing the carbon dioxide emission.

▪ **Eco-packaging**

The Company has taken steps to change packaging paper to use a type of paper that can be recycled. Eco-packaging has been sold to Thailand, India, Vietnam, and Japan.

2. Social

▪ **Knowledge-Sharing**

- The Company has shared knowledge about table manners with students from Stamford International University at the Company's showroom, with 30 students participating.
- Knowledge sharing about job applications and how to write a good resume for 100 senior students from Thai-Nichi Institute of Technology

▪ **CSR Year 8th**

- The Company has maintained a volunteer working group for 8 years and counting, the Project has provided educational support by enhancing classroom facilities, delivering educational materials, and offering scholarships to students at Sakat 80 School, located in Bang Pakong district, Chachoengsao province. This school serves students from kindergarten to elementary levels, with a total enrollment of 54 students

3. Corporate Governance

▪ **Anti-Corruption**

- On December 7, 2023, the Company was awarded a certificate as a member of Thai Private Sector Collective Action Against Corruption (CAC). The Company has been actively engaged in the declaration of intent since 2015.

▪ **Corporate Governance Awareness for Partners**

- On May 18, 2023, the Company conducted a training session on business ethics and anti-corruption to raise awareness and promote social responsibility in business operations, with the participation of 6 business partners

Operating Results for the Year 2023

Statement of Comprehensive Income	Year 2023 (Million Baht)	Year 2022 (Million Baht)	Change (%)
Sales	1,988.89	1,951.09	1.94
Foreign exchange gain	4.44	1.45	205.43
Other income	13.55	22.00	(38.40)
Total revenues	2,006.88	1,974.54	1.64
Cost of goods sold	1,342.70	1,391.99	(3.54)
Temporary shutdown expenses	145.40	106.99	35.90
Loss on the decline in value of inventory	34.60	18.16	90.45
Selling expenses	313.49	289.10	8.44
Administrative expenses	113.75	117.33	(3.05)
Total expenses	1,949.94	1,923.57	1.37
Profit from operating activities	56.94	50.97	11.72
Finance cost	37.55	23.37	60.68
Profit before income tax	19.39	27.60	(29.74)
Income tax expenses	5.37	7.29	(26.31)
Profit for the year	14.02	20.31	(30.97)
Other comprehensive income for the year	92.04	13.84	565.10
Total Other comprehensive income for the year	106.06	34.15	210.57
Basic earnings per share (Baht)	0.66	0.95	(30.53)

1) Total Revenues

Revenues	Year 2023 (Million Baht)	Year 2022 (Million Baht)	Change (%)
Domestic Sales	612.15	492.18	24.37
- Domestic Sales - Traditional Offline	578.25	460.04	25.69
- Domestic Sales - E-Commerce	33.90	32.14	5.49
Export Sales	1,376.74	1,458.91	(5.63)
Total Sales	1,988.89	1,951.09	1.94
Foreign exchange gain	4.44	1.45	205.43
Other income			
- Freight income	3.21	19.01	(83.14)
- Other	10.35	2.99	246.10
Total Other Income	13.55	22.00	(38.40)
Total Revenues	2,006.88	1,974.54	1.64

The Company reported total revenues of Baht 2,006.88 million, increased by 1.64%. Sales revenues reported at Baht 1,988.89 million, increased by 1.94% compared to last year, as a result of ongoing recovery in tourism industry both domestically and internationally that led for a higher demand in the marketplace especially in tourism areas and also online E-Commerce sales channel grew 5.49% compared to last year. While, Export sales decreased by 5.63% compared to last year, mainly from lower demand in ASEAN, Americas and Asia Pacific.

The Company reported gains of Baht 4.44 million, increased by 205.43% compared to last year mainly through forward contract hedging.

Other income reported at Baht 13.55 million, mainly from transportation charges, mold supplier, sales of obsolete equipment, cullet and scraps.

Domestic and Export Sales

(Unit: Million Baht)

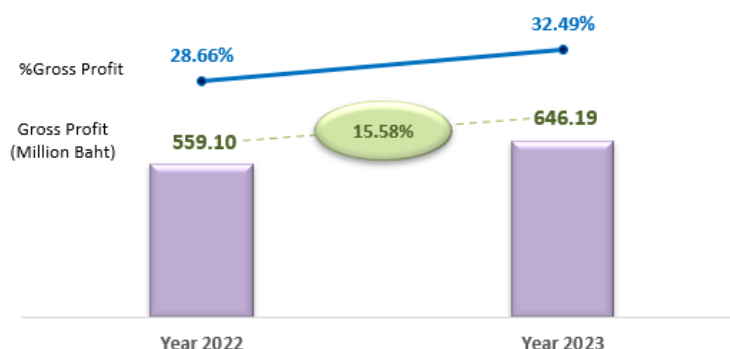


2) Cost of goods sold

Total cost of goods sold presented at Baht 1,342.70 million, decreased by 3.54% comparing with last year due to decreased of energy prices during the year.

3) Gross profit and %gross profit

Gross profit presented at Baht 646.19 million, increased by 15.58% comparing with last year. Gross profit margin increased from 28.66 to 32.49% due to the Company adjusted the selling price to reduce the impact of the increased cost since Q3/2022 onwards and energy cost reduce from compared to last year resulting to % gross profit increase from compared to last year.



4) Temporary Shutdown Expenses

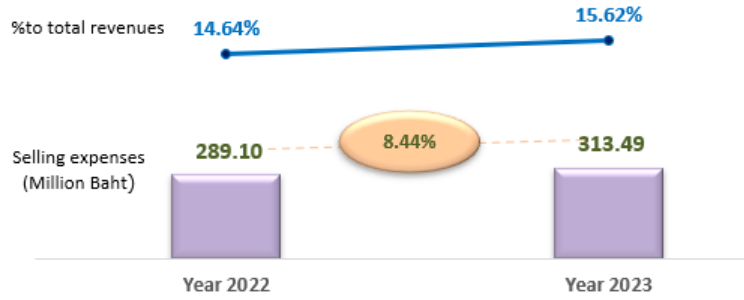
Temporary shutdown was reported at Baht 145.40 million, increased by 35.90% compared to last year due to the maintenance of furnace and machines and to balance inventories.

5) Loss on the decline in value of inventory

Loss on the decline in value of inventory presented at Baht 34.60 million, primarily due to provision of obsolete for long-aged finished products, spare parts and raw materials.

6) Selling Expenses

Selling expenses presented at Baht 313.49 million, increased by 8.44% compared to last year, primarily due to the increment of marketing activities and promotion expenses to support sales domestically and internationally, the recruitment of sales and marketing staff and traveling expenses to visit both domestic and export customers for salespersons.



7) Administrative Expenses

Administrative expenses presented at Baht 113.75 million, decreased by 3.05% due to the Company continuously implement measures to control expenses. Although, the Company hired staff to fill vacant positions during the year to support increased sales and marketing plans and investing more in digital tools.



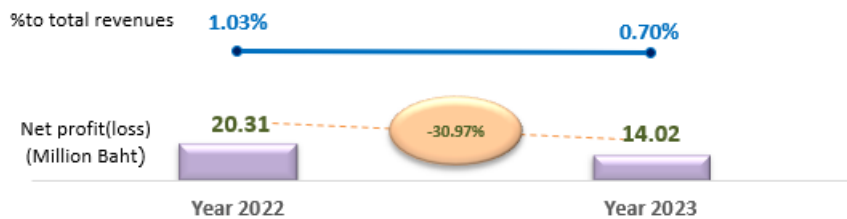
8) Finance Costs

Finance costs presented at Baht 37.55 million, increased by 60.68% due to the increment of interest rate and more financing to support business operating and investing activities.

9) Net Profit and Net Profit Margin

The Company reported net profit of Baht 14.02 million decrease from the last year which present net profit of Baht 20.31 million.

Net profit margin reached 0.70% of total revenues.

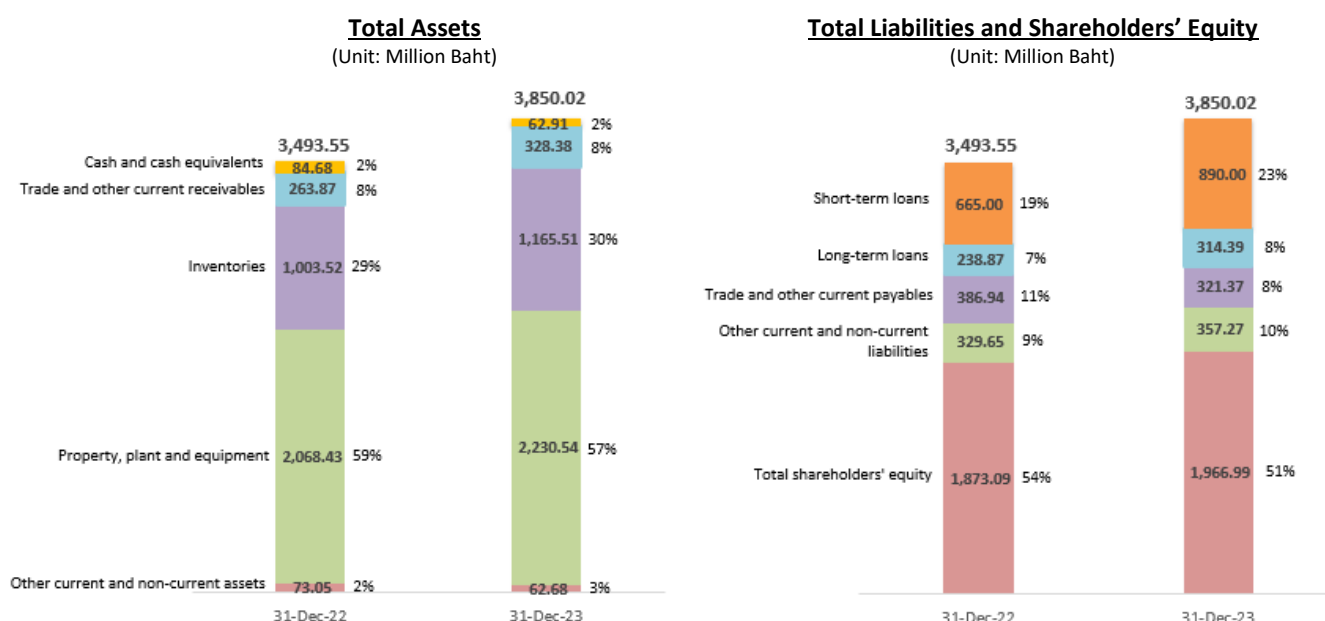


10) Other comprehensive income, net of income tax

Other comprehensive income presented at Baht 92.04 million, increased by 565.10% mainly from the recognition of gains on land revaluation, net-of income tax during the year in the amount of Baht 92.48 million. While, last year, the Company has recognition of gains on re-measurement of defined benefit plan, net-of income tax in the amount of Baht 15.39 million.

Statements of Financial Position as at December 31, 2023

	2023 (Million Baht)	2022 (Million Baht)	Change (%)
Current Assets	1,569.13	1,372.24	14.27
Non-Current Assets	2,281.89	2,121.31	7.57
Total Assets	3,850.02	3,493.55	10.20
Current Liabilities	1,445.34	1,142.87	26.47
Non-Current Liabilities	437.69	477.59	(8.35)
Total Liabilities	1,883.03	1,620.46	16.20
Total Shareholders' Equity	1,966.99	1,873.09	5.01
Total Liabilities and Shareholders' Equity	3,850.02	3,493.55	10.20



■ Total Assets

As of 31 December 2023, total assets presented at Baht 3,850.02 million, increased by 10.20% as details below:

- Cash and cash equivalent decreased by 25.71% from short-term loans and drawdown of long-term loans under loan agreements in order to manage cash flow from operations and investment in assets during the year.
- Trade and other receivables increased by 24.45%, primarily due to the increase of advance payment for purchasing machine, equipment and furnace maintenance
- Inventories increased by 16.14% from managing raw materials and finished goods to be sufficient for sales during furnace maintenance as plan during Q1/24
- Property, plant and equipment increased by 7.83% from the depreciation net with investment in machine and equipment during the year.

▪ Total Liabilities

As of 31 December 2023, total liabilities presented at Baht 1,883.03 million, increased by 16.20% as details below:

- Trade and other payables decreased by 19.65% from reduced production capacity from the end of the year to the Q1/2024 according to the furnace maintenance plan and the decrease of advances payment from customers and accrued energy costs compared to the last year
- Short-term borrowings increased by 33.83% to be used for managing cash flow from operations, while long-term borrowings increased by 31.61% for investment assets project; solar power generation system, machinery and furnace maintenance, etc. The recognition of liabilities under lease contract according to TFRS16 Leasing decreased by 11.54% due to the decrement of rental rate of new showroom lease contract.

▪ Total Shareholders' Equity

As of 31 December 2023, total shareholders' equity presented at Baht 1,966.99 million, increased by 5.01% from the recognition of net profit and gains on land revaluation, net-off income tax during the year.

Financial Ratio Analysis

Profitability Ratio	Unit	Jan – Dec 2023	Jan – Dec 2022
Gross Profit Margin	(%)	32.49	28.66
Operating Profit Margin	(%)	1.96	1.41
Net Profit Margin	(%)	0.70	1.03
Return on Equity	(%)	0.73	1.09
Basic Earnings per Share	Baht/Share	0.66	0.95
Efficiency Ratio	Unit	Jan – Dec 2023	Jan – Dec 2022
Return on Assets	(%)	1.55	1.49
Liquidity Ratio	Unit	Jan – Dec 2023	Jan – Dec 2022
Current Ratio	Times	1.08	1.20
Quick Ratio	Times	0.27	0.30
Average Collection Period	Days	40	43
Inventory Days	Days	174	131
Accounts Payable Days	Days	57	52
Cash Cycle	Days	157	122
Leverage & Financial Policy	Unit	Jan – Dec 2023	Jan – Dec 2022
Debt to Equity Ratio	Times	0.96	0.87
Interest Coverage Ratio	Times	6.33	10.08

According to the profitability ratio, it was found that the Company's gross profit margin increased from 28.66% to 32.49% due to the Company adjusted the selling price to reduce the impact of the increased cost since Q3/2022 onwards and energy cost reduced, resulting into an increase in gross profit margin compared to the last year. As a result, sales revenues increased by 1.94% and net profit per share was at 0.66 Baht.

The Company has higher return on assets ratio than last year. While, liquidity ratio showed that the cash cycle days was longer than last year due to the increased inventory balance from managing raw materials and finished goods to be sufficient for sales during furnace maintenance as planned during Q1/2024.

For financial leverage policy, the Company was still able to maintain debt to equity ratio and interest coverage ratio according to the restriction of long-term loans from local financial institutions.