



รายงานประจำปี 2559

Annual Report 2016

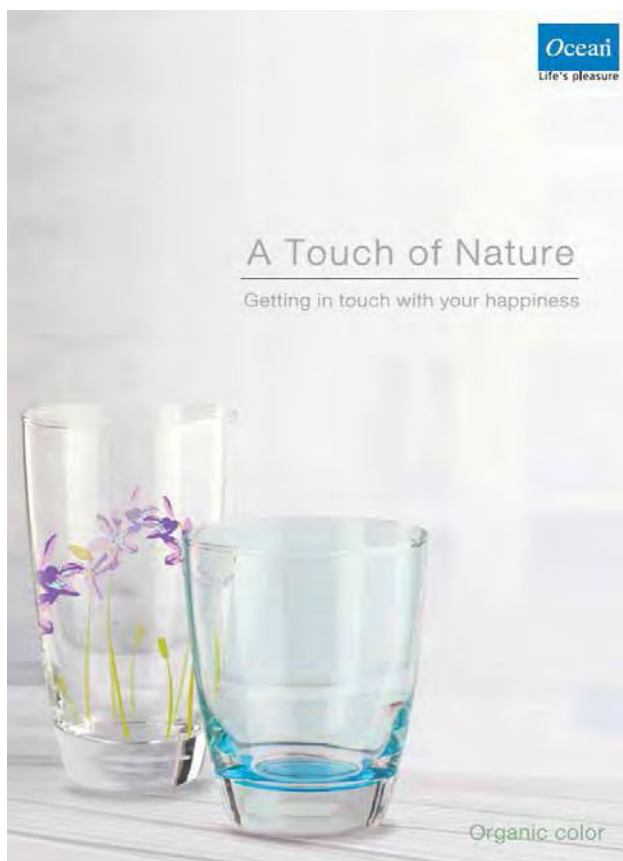
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Ocean Me

All day and everyday, you drink water, coffee, tea, soda or juice mostly out of plastic or paper cups. Don't you wish you had your own personal glass for these beverages that is just right for you? Something that's clean, safe, and convenient?

'Ocean Me' is created exclusively for your personal use throughout the day from a combination of glass and high quality, food-grade plastic

'Ocean Me'
Personally yours.

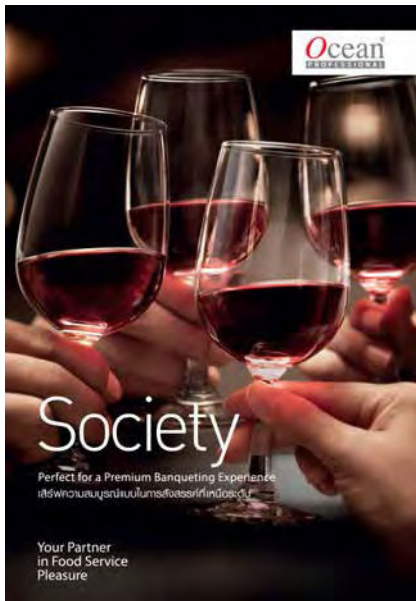
- 100% Hygienic glass
- Heat resistant for hot drink
- All materials are food grade standard and BPA free



'Ocean Me'
Personally yours.

'Ocean Me' comes in 4 trendy colors that you can choose from to reflect your style.





LUCARIS®

Crystal of Modern Asia



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

การสร้างสรรค์คุณภาพ ความซื่อสัตย์สุจริต การให้โอกาส การเคารพและให้เกียรติซึ่งกันและกัน

Core Values

Quality, Honesty/Integrity, Opportunity, and Respect for the Individuals



คณะกรรมการ / BOARD OF DIRECTORS



นายจักรี จันทร์เรืองวนิชย์

ประธานกรรมการ และกรรมการสรรหาและ
พิจารณาค่าตอบแทน

Mr. Chakri Chanruangvanich

Chairman of the Board, and Nomination
and Remuneration Committee Member



นายกิริติ 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



นายศิลปรัตน์ วัฒนเกษตร
ผู้จัดการใหญ่
และรักษาการกรรมการผู้จัดการ

Mr. Silparat Watthanakasetr
General Manager and Acting Managing Director



นางสาวจริยา แสงไชยญา
รองกรรมการผู้จัดการ - การผลิต

Ms. Jariya Sangchaiya
Deputy Managing Director - Manufacturing



นายวิศ อินกนิสร
ผู้อำนวยการบริหาร - ซัพพลายเชน

Mr. Ravis Ingkanisorn
Executive Director - Supply Chain



นายเสกขิธร ศรีไสคำ
ผู้อำนวยการบริหาร - บัญชีการเงิน

Mr. Sathien Srisaikhram
Executive Director - Finance



นางญาดา แอนดารีส
ผู้อำนวยการบริหาร - ทรัพยากรบุคคล

Ms. Yada Andaris
Executive Director - Human Resources



นายอูเดย์ แชงการ์ เวอร์มา
ผู้อำนวยการบริหาร - พัฒนาลูกค้าและช่องทางจัดจำหน่าย

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

ข้อมูลสำคัญทางการเงิน / Key Financial Information

งบการเงินรวม (ล้านบาท) Consolidated Financial Statements (Million Baht)	2559 2016	2558 2015	2557 2014
รายได้จากการขาย Net Sales	2,040	1,988	2,077
รายได้รวม Total Revenue	2,055	1,987	2,091
กำไรก่อนภาษีเงินได้ ดอกเบี้ยจ่าย ค่าเสื่อมราคาและรายการตัดบัญชี Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	309	387	296
กำไรสุทธิ Net Profit	95	133	47
สินทรัพย์รวม Total Assets	3,025	3,191	3,157
หนี้สินรวม Total Liabilities	1,331	1,525	1,607
ส่วนของผู้ถือหุ้น Total Shareholders' Equity	1,694	1,666	1,550
กำไรสุทธิต่อรายได้รวม Net Profit Margin	4.64	6.72	2.25
ผลตอบแทนต่อส่วนของผู้ถือหุ้น Return on Equity	5.63	8.30	3.16
ผลตอบแทนจากสินทรัพย์รวม Return on Assets	4.65	6.82	3.44
กำไรสุทธิต่อหุ้นขั้นพื้นฐาน Basic Earnings per Share	4.43	6.26	2.20
เงินปันผลต่อหุ้น Dividends per Share	2.22*	3.13	1.10
อัตราการจ่ายเงินปันผลต่อกำไรสุทธิ (ร้อยละ) Dividend Payout Ratio (%)	50%	50%	50%
มูลค่าตามบัญชีต่อหุ้น Book Value per Share	79.45	78.11	72.65

*เพื่อเสนอที่ประชุมผู้ถือหุ้นพิจารณาอนุมัติ (to be approved by the shareholders' meeting)

Messages from Chairman

The year 2016 marked another successful year for Ocean Glass Public Company Limited. The Company achieved its sales growth in the midst of price and design competition in both the domestic and international markets, especially in China and India. However, the increase in the energy cost in the fourth quarter, compounded by intense price competition, contributed to the decline in the net profit from that of the year before.

Despite these challenges, the Company continued to maintain its competitiveness by expanding its distribution channels and restructuring its sales organization structure in core markets as well as developing new products to serve customer needs. The Company launched several series of glass collections, such as A Touch of Nature, with nature-inspired designs; Ocean ME, for personal use throughout the day; and Society, Sensation, and Cuba Poco Grande, for the pleasurable social occasions.

In the domestic markets, the Company was able to maintain its market share by focusing on the food service segment, the retail segment, and the B2B segment, the latter comprising customers who buy glassware products for their promotional activities.

The Company is committed to achieve sustainable growth by promoting its research and development in order to explore new technology and product innovation. Consequently, the Company established Research and Development Department in 2015. And in 2016, the Company created a new subsidiary, Crystal Clear Innovation Co., Ltd., to focus on product innovation that will create value-added to its products and services.

On behalf of the Board of Directors, I would like to express my sincere gratitude to our shareholders, customers, partners and suppliers, for their continuous supports, which have contributed to the Company's success. Additionally, I want to express my appreciation to our management and employees, who work tirelessly in order to achieve our goals.

Chakri Chan.

(Mr. Chakri Chanruangvanich)

Chairman of the Board of Directors

Management's Discussion and Analysis

Business Overview

For the year 2016, Ocean Glass Public Company Limited and its subsidiaries ("the Company") reported consolidated sales revenue of Baht 2,054.95 million increased by 3.42% from last year. The increment was in the midst of price and design competition in the market, especially in China and India. During numerous challenges, the Company continued maintaining its competitiveness by the expansion of distribution channels and maintaining good relationship with customers as well as continuing development of new products to serve customer needs. As a result, the Company sales performance was higher than last year. The Company reported net profit of Baht 94.57 million. Earnings per share presented at 4.43.

The Company's main focus is still on the expansion of distribution channels in different regions such as ASEAN, Asia Pacific, South Asia, and China. For domestic market, under economic slowdown, the Company is still maintaining its market share by focusing 3 customer groups which are Food Services, Retails, and B2B customers who buy glassware products for promotion activities.

The Company continued to develop new products to serve customer needs in all life style. In 2016, our brands, Ocean, Ocean Professional, and Lucaris, launched series of glass collections such as A Touch of Nature which introduce natural accent, a personal drinking glass Ocean ME, and social drinking glass Society, Sensation, and Cuba Poco Grande.

During 2016, Ocean and Ocean Professional promoted major marketing and sales activities such as:

- Ambiente Trade Fair at Germany
- AAHAR (The international Food and Hospitality Fair) at India
- HOTELEX (Shanghai International Hospitality Equipment & Supply Expo) at China
- Marriott Conference Trade Fair at Indonesia
- FHA (Food & Hotel Indonesia) Trade Fair at Indonesia

For Lucaris, major marketing and sales activities such as:

- Official sponsor of the largest wine and spirits exhibition in Asia Pacific "Vinexpo Hong Kong 2016" at Hong Kong.
- Held the Lucaris Master Class at the Okura Prestige Hotel Bangkok. The guest of honor and speaker, Mr. Alan Kam - the President of The Conferee de la Chaine des Rotisseurs, shared his unique experience for the wine appreciation through the DESIRE glass series and introduced the signature of wine glass innovation called AERLUMER – the five bottom curl lines at the bowl made for an unprecedented wine experience.
- Hosted the special tasting event with Food & Beverage Directors group of Centara Hotels and Resorts to introduce the latest wine glass collection DESIRE. The tasting event was held during the conference on 11 October 2016 at the Centara Grand Central World Hotel. The guest of honor and speaker was Mr. Alan Kam, the President of The Conferee de la Chaine des Rotisseurs Thailand.
- Held the wine tasting event 'Lucaris Master Class' in Phuket and Samui. The participants were the key opinion leaders in leading brands of hotels and restaurants. The event was conducted by Mr. Pairach Intaput, the President of Association of Thai Sommelier and a respectful wine consultant of leading companies in Thailand.

In 2016, the Company continued to improve production efficiency according to planned strategies. Apart from implementing Total Quality Management, the Company has applied Lean Six Sigma to reduce waste during production

process together with the development of Environment, Occupational Health and Safety Management System. On February 9, 2016, the Company was certified by Environmental Management ISO 14001.

In addition, the Company promoted research and development to explore new technology and products innovation in order to serve consumer needs, reduce production cost, and save environment. On August 31, 2016, Crystal Clear Innovation Co., Ltd., 99.99% owned, was incorporated in Thailand. The main objective is to research and develop new products.

Operating Results

For the year 2016, the Company reported consolidated sales revenue of Baht 2,040.36 million increased by Baht 52.45 million or 2.64% from last year. The Company's gross profit was 39.10% decreased from last year, reported at 42.69%. The decrement is mainly from price competition in glassware market and the increment of energy price in the last quarter. The Company reported total expenses of Baht 1,943.16 million, increased by 7.21% mostly from production cost and marketing expenses for promotion activities. As a result, the Company reported net profit of Baht 94.57 million, decreased by 29.12% from last year. Earnings per share presented at Baht 4.43.

Statement of Comprehensive Income

	2016 (Million Baht)	2015 (Million Baht)	Change (%)
Sales	2,040.36	1,987.91	2.64
Foreign exchange gain (loss)	8.93	(4.73)	(288.90)
Other income	5.66	3.79	49.38
Total revenues	2,054.95	1,986.97	3.42
Cost of goods sold	1,242.63	1,139.29	9.07
Temporary shutdown expenses	173.27	166.31	4.19
Selling expenses	393.74	347.89	13.18
Administrative expenses	100.90	117.03	(13.78)
Finance costs	32.62	42.00	(22.34)
Total expenses	1,943.16	1,812.52	7.21
Profit before income tax expense	111.79	174.45	(35.92)
Income tax expense	(17.22)	(41.02)	(58.02)
Profit for the year	94.57	133.43	(29.12)
Other comprehensive income for the year, net of tax	0.77	6.40	(87.95)
Total comprehensive income for the year	95.34	139.83	(31.81)
Basic earnings per share (Baht)	4.43	6.26	(29.23)

Total Revenues

	2016 (Million Baht)	2015 (Million Baht)	Change (%)
Sales	2,040.36	1,987.91	2.64
- Domestic Sales	595.84	541.46	10.04
- Export Sales	1,444.52	1,446.45	(0.13)

In 2016, proportion of domestic sales was 29.20% and export sales was 70.80%. Domestic sales increased by 10.04% from growth of B2B and food service channel to support hotel and restaurant while export sales was stagnation due to world economic slowdown and high competition in the market especially China and India.

The Company reported gain from foreign exchange of Baht 8.93 million due to foreign exchange hedging.

- Cost of goods sold

Total cost of goods sold presented in the amount of Baht 1,242.63 million increased by Baht 103.34 million or 9.07% from last year, mainly from the increment of energy cost in quarter 4.

- Temporary shutdown expenses

The Company's temporary shutdown expenses presented at Baht 173.27 million, increased by Baht 6.96 million or 4.19% comparing with last year due to inventory management.

- Selling and administrative expenses

The Company's selling expenses presented at Baht 393.74 million increase Baht 45.85 million or 13.18% from last year, mainly from promotion expenses to drive sales and transportation expenses from new business model transformation in China while administrative expenses presented at Baht 100.90 million, decreased Baht 16.13 million, or 13.78% due to the effectiveness in manage administrative expenses.

- Expenses from research & development, and innovation

According to NSTDA's guideline, the Company reported research & development, and innovation expenses at the amount of Baht 2.82 million.

- Finance costs

The Company's finance costs presented at Baht 32.62 million, decreased Baht 9.38 million or 22.34% due to the Company continuously generates cash inflow from operation 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 0.77 million, decreased Baht 5.63 million from the last year due to the record of the difference in re-measurement of employee benefit obligation at the amount of Baht 6 million.

Statements of Financial Position as at December 31, 2016

	2016 (Million Baht)	2015 (Million Baht)	Change (%)
Current Assets	1,360.25	1,469.89	(7.46)
Non-Current Assets	1,665.24	1,721.13	(3.25)
Total Assets	3,025.49	3,191.02	(5.19)
Current Liabilities	641.96	699.46	(8.22)
Non-Current Liabilities	688.88	825.48	(16.55)
Total Liabilities	1,330.84	1,524.94	(12.73)
Total Equity	1,694.65	1,666.08	1.71
Total Liabilities and Equity	3,025.49	3,191.02	(5.19)

Total Assets

As of 31 December 2016, total assets presented at Baht 3,025.49 million, decreased by Baht 165.53 million or 5.19% primarily from:

- The decrease of cash and cash equivalent amounted Baht 24.41 million or 20.83% due to continuously generates cash inflow from operation to support repayments of short-term and long-term loans, and dividend payment during the period.
- The decrease of inventory amounted Baht 57.60 million or 5.48% due to the increment of sales volume and inventory management policy.
- The decrease of investment in property, plant and equipment amounted Baht 60.01 million or 3.53% due to depreciation during the year in the amount of Baht 161.61 million net with investment in fixed assets for the period amounted Baht 108.70 million.

Total Liabilities

As of 31 December 2016, total liabilities presented at Baht 1,330.84 million, decreased by Baht 194.10 million or 12.73%, primarily due to decrement in loans from local financial institutions.

Total Equity

Total equity presented at Baht 1,694.65 million, increased Baht 28.57 million or 1.71% from last year, primarily due to recognize net profit for the year net with dividend payment from performance of the last year.

Financial Ratio Analysis

Profitability Ratio	(%)	Jan – Dec 2016	Jan – Dec 2015
Gross Profit Margin	(%)	39.10	42.69
Operating Profit Margin	(%)	6.36	10.94
Net Profit Margin	(%)	4.64	6.72
Return on equity	(%)	5.63	8.30
Basic earnings per Share	Baht/Share	4.43	6.26
Efficiency Ratio	Unit	Jan – Dec 2016	Jan – Dec 2015
Return on Assets	(%)	4.65	6.82
Liquidity Ratio	Unit	31 Dec 2016	31 Dec 2015
Current Ratio	Times	2.12	2.10
Quick Ratio	Times	0.50	0.51
Average Collection Period	Days	37	38
Inventory Days	Days	182	197
Accounts Payable Days	Days	46	45
Cash Cycle	Days	173	190
Leverage & Financial Policy	Unit	31 Dec 2016	31 Dec 2015
Debt to Equity Ratio	Times	0.79	0.92
Interest Coverage Ratio	Times	9.49	9.21
Debt Service Coverage Ratio	Times	1.76	1.47

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

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

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. Room 1902, Jin Hang Tower, 83 Wan Hang Du Road, Jing An District, Shanghai, People's Republic of China Tel : +86 (21) 6135 9505	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 574 Third Floor, Main Road, Chirag Delhi, New Delhi, India 110017 Tel : +91 (11) 4183 4111	Business engagement as permitted by laws of India	INR 500,000	Common Share	50,000	INR 500,000	49,999	99.99
Crystal Clear Innovation Co., Ltd. 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 to foreign markets for over than 70 countries 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

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 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.

Group Structure



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** 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.

Competitive in the Industry

In 2016, the competition of price and product design in glassware industry has still been the challenge of the Company. Particularly the competition in China and India, the Company has still maintained the competitiveness with new product development strategy that emphasizes satisfaction of consumer demand as well as development of distribution channel and good relationship with customers and distributors, resulting in the Company's growth of sales volume from last year.

Production for Sales

Procurement of Products 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 2016 is as follows.

	2016 ³	2015 ³	2014 ²	2013 ²	2012 ¹
Actual Capacity (Ton)	51,944	54,052	54,102	57,914	63,171
Actual Capacity (Mil Pieces)	126	128	111	122	125

Note

¹ In 2012, some furnace was shutdown due to routine cold repair

² In 2013 and 2014, some furnace was shutdown due to inventory management

³ In 2015 and 2016 some furnace was shutdown due to 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, 2015,.

3. Risk Factors

Financial Risk

- **Liquidity Risk**

The Company sells products and procures production factors under condition of cash and credit giving and receiving. 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. Therefore, the Company has been risky from inability to allocate sufficient working capital to pay both short-term and long-term debts. The Company has managed such risks by effective working capital management through maintaining sufficient level of cash and cash equivalents for business operations. The receivables and inventories have been managed to be in proper quantity and derivatives have been issued to hedge the risks of different currencies between revenue and credit obligation. Different forms of credit facility limits from financial institutions have been available to support future fluctuations.

- **Foreign Exchange Rate Fluctuation Risk**

The Company has exported products for sales in foreign counties. 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 closely monitoring international market situation and established the foreign exchange policy to determine forward contracts with less than 1 year maturity.

- **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. As of the date of the statement of financial position, the Company acknowledged that none of credit risk has been main point and credit risk has been presented at book value for each item of financial assets as of the statement of financial position.

- **Risk from Change in Interest Rate**

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.

Market Risk

As there have been foreign and domestic manufacturers in glassware industry for use on dining table particularly in foreign markets, the competitions have been high in some markets and price has been the major marketing strategy. Furthermore economic problem in China, Japan, and Europe, including unrest politic problem in Middle East, oil price depression and continuous deflation of household expenditures and tourism industry will directly affect the Company's sales volume. Hence, the Company possibly sells products lower than the target. However, the Company determines measurement to support of such risk by continuing development on new products and designs into market with sales promotion through advertisement and publication in leading magazines and continuous attendance product exhibition both in local and abroad throughout the year. Recruitment and development of marketing and sales teams to be competent, as well as emphasis on enhancement of distribution channel, strength good relationship with the distributors in core markets.

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.

Major Shareholder Risk

Due to more than 50% of the combined number of the Company's shareholdings by the Assakul family, they may control majority vote in resolution voting in the Shareholders' Meeting. However, the Company has declared the application of Corporate Governance Guideline, Code of Corporate Conduct and Code of Conduct for Directors as guidelines for all directors to function based on corporate governance of the Company in the way of fairness for all parties of stakeholders with honesty, transparency, legitimacy and social responsibility

Corporate Governance

4. Major Shareholders

Top 10 major shareholders as appeared in the registration book as of December 30, 2016

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 Depositors	6,800	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 (%)
2012	(2.82)	-	-
2013	(2.02)	-	-
2014	2.20	1.10	50
2015	6.26	3.13	50
2016*	4.43	2.22	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) Supply Chain 4) Finance 5) 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 31, 2015, the Board of Directors consisted of following person.

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

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 2016, the Board of Directors held 15 meetings, Audit Committee Meeting 5 meetings, and Nomination and Remuneration Committee held 5 meeting.

¹ The Board of Director No 10/2016 dated 13 September 2016 resolved the resolutions to:

- Approve the resignation of Mr. Kirati Assakul from Managing Director, but still hold the position of the Company's Director
- Approve the appointment of Mr. Silparat Watthanakasetr as General Manager and Acting Managing Director, according to the management succession plan. The appointment is effective from 16 September 2016.

In Board of Directors' Meeting, the Company Secretary will send the invitation letter, meeting agenda and supporting documentation at least 5 days in advance so that the Board had adequate time to study the information. In each meeting, Chairman of the Board performed Chairman of the Meeting. In case that Chairman of the Board absent in the meeting or could not perform duty, a director who attended the meeting will be selected to preside the Meeting.

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

In each meeting, the Company Secretary performs duty in preparing minutes of the meeting and collect approved minutes at the Office of the Company Secretary including meeting documentation for reference.

Meeting attendance of Directors for the year 2016

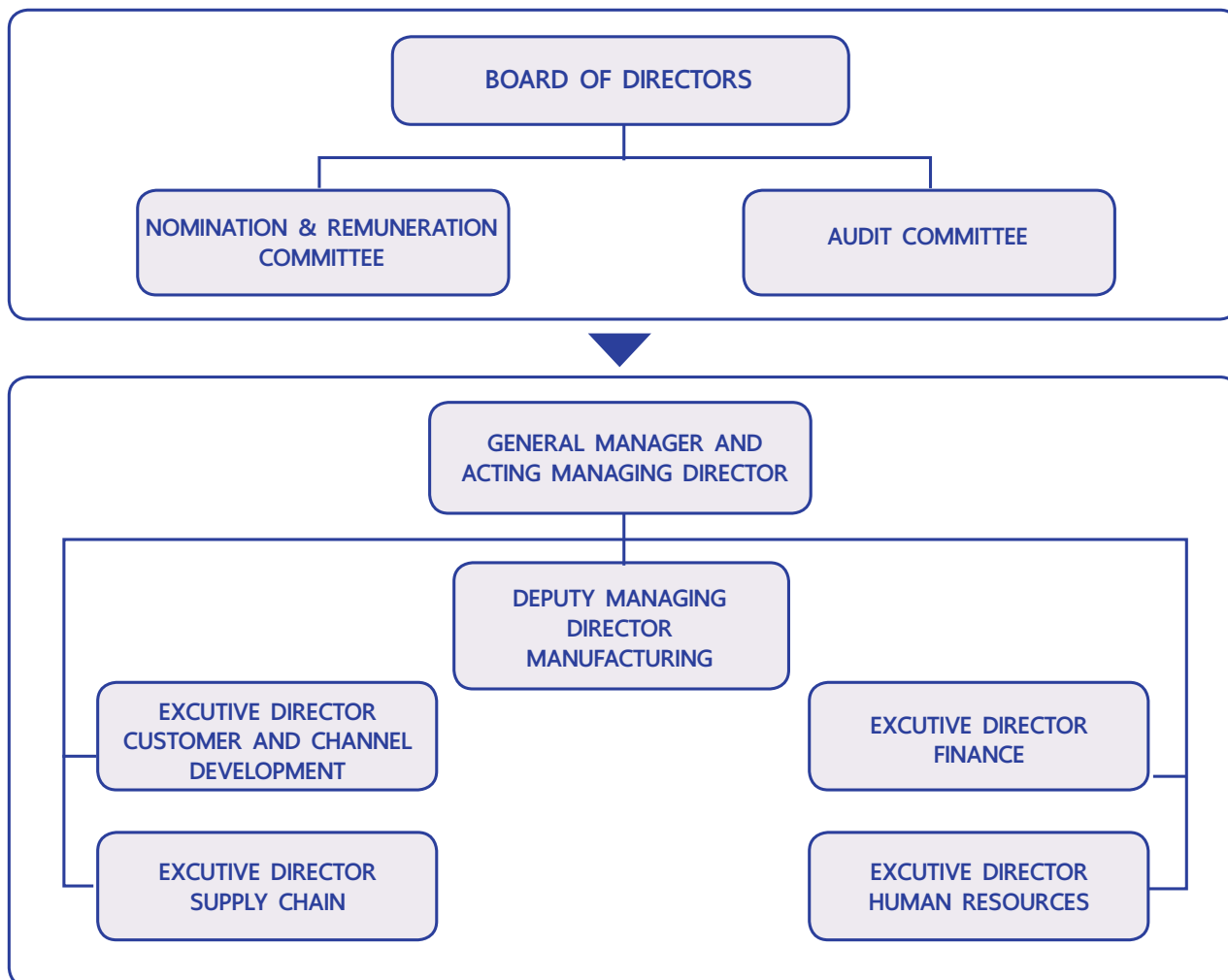
Directors	Board of Directors Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Shareholders Meeting No. 37
1. Mr. Chakri Chanruangvanich	11/15	-	5/5	1/1
2. Mr. Kirati Assakul	14/15	-	-	1/1
3. Mr. Woragan Xuto	15/15	5/5	-	1/1
4. Mr. Chatchawin Charoen-Rajapark	13/15	5/5	5/5	1/1
5. Mr. Tatchapol Poshyanonda	13/15	4/5	-	1/1
6. Mr. Chaipranin Visudhipol	13/15	4/5	-	1/1
7. Mr. Matthew Kichodhan	10/15	-	-	1/1
8. Mr. Naputt Assakul	12/15	-	5/5	1/1

Changes in Shareholdings of Directors

Directors	As of January 1, 2016 (Shares)	Trading during the year (Shares)	As of December 31, 2016 (Shares)
1. Mr. Chakri Chanruangvanich	-	-	-
2. Mr. Kirati Assakul	2,076,330	-	2,076,330
3. Mr. Woragan Xuto	-	-	-
4. Mr. Chatchawin Charoen-Rajapark	-	-	-
5. Mr. Tatchapol Poshyanonda	-	-	-
6. Mr. Chaipranin Visudhipol	-	-	-
7. Mr. Matthew Kichodhan	-	-	-
8. Mr. Naputt Assakul	94,239	-	94,239

Management

Organization Chart as of December 31, 2016



As of December 31, 2016, the Management of the Company consisted of 6 executives as follows.

- | | |
|---|---|
| 1. Mr. Silparat Watthanakasetr ² | General Manager and Acting Managing Director |
| 2. Ms. Jariya Sangchaiya | Deputy Managing Director – Manufacturing |
| 3. Mrs. Yada Andaris | Executive Director - Human Resources |
| 4. Mr. Ravis Ingkanisorn | Executive Director - Supply Chain |
| 5. Mr. Uday Verma ³ | Executive Director – Customer & Channel Development |
| 6. Mr. Sathien Srisaikhram ⁴ | Executive Director – Finance |

² Mr. Silparat Watthanakasetr holds the position of General Manager and Acting Managing Director in replacement of Mr. Kirati Assakul who resigned from Managing Director position according to management succession plan. Mr. Kirati Assakul will continue holds the position of Director of the Company. The appointment is effective from 16 September 2016.

³ Mr. Uday Verma holds the position of Executive Director – Customer and Channel Development from 16 March 2016.

⁴ Mr. Sathien Srisaikhram holds the position of Executive Director – Finance from 16 June 2016.

Changes in Shareholdings of Directors

Executives Management	As of January 1, 2016 (Shares)	Trading during the year (Shares)	As of December 31, 2016 (Shares)
1. Mr. Silparat Watthanakasetr	-	-	-
2. Ms. Jariya Sangchaiya	-	-	-
3. Mrs. Yada Andaris	-	-	-
4. Mr. Ravis Ingkanisorn	-	-	-
5. Mr. Uday Verma	-	4,500	4,500
6. 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.

Company Secretary Profile

Name - Surname :	Rakdee Pakdeechumpol
% Shareholding :	None
Education :	Master of Science Program in Corporate Governance Chulalongkorn University
Training :	How to Develop a Risk Management Plan (HRP 11/2016) Company Secretary Program (CSP 55/2014) Effective Minutes Taking (EMT 31/2015) Company Reporting Program (CRP 8/2015) Board Reporting Program (BRP 17/2015) Thai Institute of Directors Association (IOD) Fundamental Practice for Corporate Secretary Thai Listed Companies Association

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 2016, Monthly Remuneration for 8 Directors was amounted Baht 5,476,800. Details are as follows.

Position	Director (Baht)	Audit Committee (Baht)	Nomination and Remuneration Committee (Baht)	Total (Baht)	Position
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

1.2 Bonus remuneration

As approved by the Shareholder, AGM No. 37, the Company paid bonus remuneration to the Board totaling Baht 870,000.

2. Other Remunerations

- None -

Remuneration of the Executives

1. Monetary Remuneration

In 2016, the Company paid remuneration consisting of salaries, benefits, rewards to 6 Executives, totaling Baht 33,418,660

2. Other Remunerations

2.1 Provident Fund

The Company contributed in the rate of 3 – 5% and the employee contributed for another 3-5%. In 2016, the Company paid provident fund contribution to 6 Executives, totaling Baht 1,177,668.

Personnel

As of 31 December 2016, total employees of the Company have been 731 people classifying into functional lines as follows: sale, marketing and supportive team for 217 people, production 514 people. In 2016, the Company paid remuneration to total employees for Baht 387,917,408.22 consisting of salary, overtime pay, grant for cost of living, bonus, social security and provident fund contribution.

Employee Development Policy

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 creation. The Company has been confident on opportunity giving in employment, fair and equal treatment to employees and proper compensation. Moreover, the Company emphasizes on supervising the employee's safety and occupational health by giving precedence to development and enhancement of cultural and good work climate.

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 always arranges training so that its employees' knowledge and skills are accumulated in new operations in consistence with current rapid changing business. Each job posting is widely and entirely opened to be ready for all of its employees to fully grow in accordance with their own potentialities.

In 2016, the company provided 134 training courses to enhance and develop working skills. There were 599 from 731 employees attended the training courses. Each employee should attend training course at least 6 hrs./person/year.

Training course for the year 2016

1. Leadership Skills	24 Programs
2. General Skills	73 Programs
3. Functional Skills	33 Programs
4. Build Culture & Enhance Engagement	4 Programs

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.

The Company's policy is to oversee work environment without bias and discrimination treatment as well as any threat or harassment.

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 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 2016, the Company was granted "Investors' Choice Awards" from the Stock Exchange of Thailand in AGM assessment program. The award will provide for the Company who emphasis the important of disclosure and equitable treatment to Shareholders. The Company received 100 score in 4 consecutive year.

(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 16 December 2015. 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.

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 2016, the Company has determined the following targets.

Work Unit	Target
Every work unit	Continuously working without accidental incidence until absenteeism
Every work unit	Employee's participation in training of the environmental awareness creation for not less than 60% Employee's proper sorting of wastes in each area
Engineering Section	Reduction of the electricity consumption by replacement to be LED lamp and installation of energy saving devices

In addition, the Company regularly organizes Workplace Safety Promotion Activities and in 2016, there were 6 times for accidental incidence and turnout rate.

Workplace Safety Promotion Activities are as follows.

1. Arrange the campaigning activity of non-accidental incidence until continuous absenteeism for 1,000,000 hours.
2. Arrange training of the primary safety for employee to all employees.
3. Arrange the drill of basic fire-fighting and fire evacuation to employees in every shift.
4. Arrange to measure work environment in each area that has risk factor.
5. Arrange the regular drill of fire-fighting team of the Company and of each shift.
6. Arrange the employees to participate in preparation of safety and occupational health board in safety week exhibition.
7. Arrange basic and work risk factor-based health examination to monitor the employee's health.
8. Organize publicity media, and campaign safety and occupational health of the employees.
9. Organize Management Walk Activity of the management level to suggest and support the improvement on safety, occupational health and environment.
10. Given the opportunity to the labor officer to train and audit safety inside the Company's area.

- **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.

(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 authority of the Board of Directors is to appoint subcommittees for operation and supervision the particular issue of 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 for particular issues including Audit Committee and Nomination and Remuneration Committee. Both Boards must regularly report the performance result 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, 2016, 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 Office⁵

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, 2016, 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.

⁵ Term in office of the Audit Committee has been revised according to the resolution of the Board of Directors' Meeting No. 2/2017 dated February 21, 2017.

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 PricewaterhouseCooperas ABAS Limited, Mr. Prasit Yuangsrikul, CPA Registration No. 4174 or Miss Waraporn Worathitikul, CPA Registration No. 4474, or Mr. Vichian Kingmontri, CPA Registration No. 3977 for 2014 for total amount of Baht 1,500,000.

The Company's 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 Corporate Governance Best Practices

- Corporate Governance, the Board has not additionally appointed Corporate Governance Committee (CG Committee) since the Board governs and supervises according to the Company's Corporate Governance Policy. The amendment of the Policy must be approved by the Board of Directors. In addition, the Company has participated in Corporate Governance Assessment every year and the Company Secretary is assigned to report the assessment result to the Board for further improvement as seen appropriate.
- Risk Management, the Board of Directors recognized the importance of the risk management by assigning the Audit Committee to determine the framework and the executives to assess their own risk with action plans to manage such risk to be in acceptable level.

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 2016, the Company has been certified for ISO 14001 Environmental Management System Standard on 9 February 2016 and ESG 100 Certificate for 2016 from Thaipat Institute on behalf of the listed company with 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 Other

Anti-Corruption

With foreseeing of the Board of Directors on significance of anti-corruption, the resolution then has been resolved to approve the participation of the Company to be one of the Private Sector Collective Action Coalition against Corruption (CAC) on January 16, 2015. Anti-corruption policy has been defined to be consistent with the principle of Corporate Governance and Business Code of Conduct for practical guideline. The policy has been applied to all levels of employees in performing their duties with integrity and honesty in order to prevent unnecessary corruption exposed that may be occurred from outside stakeholders and internal operation.

On 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.

Whistle blow channel

- Channel 1: The Company's website / electronics mail
 - <http://www.oceanglass.com/th/contact.php>
 - 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 and discarding each type of garbage
- Emphasis on employees' safety
- Applying to Occupational Health and Safety Standard System for OHSAS 18001:2007 and Mor-Or-Kor 18001:2554
- Providing training course on "Six Sigma Program" in order to enhance efficiency in production process.
- In 2016, 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. Energy Conservation Project was implemented by replacement of Fluorescent Tube which is electricity saving and environmental friendly tube, and Light Emitting Diode (LED).

7. Air quality, waste water and solid waste quality were measured and analyzed to control according to laws and other relevant requirements.

6. Community and Society

In 2016, the representatives of executives and employee organized “Happiness Delivery to Underprivileged Brothers and Sisters”. The activity held for the students of Wat Khotharm School, Khlong Dan, Samut Prakan Province, on 25 June 2016. The donation budget had been made by selling secondhand stuff among the employees. The other portion was derived from contribution of their monies to be the academic merit scholarship for the students with good schoolrecords but deficiency. In addition, sports equipment was supported to the school as well.

Moreover, the Company regularly organizes the scholarship support project to the children of employees every year under objective to assist the educational expense and support children for continuous education. The activity is leading to quality growth in the future. On 30 November 2016, 29 children of employees have been passed for scholarship granting criteria as prescribed by the Company. Total Baht 179,000 was estimated as the supporting scholarship.

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.

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

The Board of Directors appointed Audit Committee which consists of 4 independent directors to help the works of the Board for review and governance of the Company's operations in order to have good corporate governance in accordance with the guideline of the Securities and Exchange Commission and the Stock Exchange of Thailand that includes financial review of the Company's financial statements to be transparent, reliable and accurate in accordance with financial reporting standard and principle, governance on the Company to have effective internal audit and control and accurate compliance in accordance with relevant law, rule and regulation as well as consideration on auditor selection of auditors and auditor remuneration proposed to the Board of Directors in presentation to the Shareholders' Meeting for determination of auditor remuneration as well as proposal to the Board of Directors for appointment and determination of internal auditor remuneration. Throughout last year, Audit Committee independently performed its duty without limitation in acquiring news and information as well as good cooperation both from related executives and employees.

In 2016, Audit Committee attended the meeting with auditor, internal auditor and the management of the Company for 5 times to review 2015 annual financial statement and interim financial statement in Quarter 1, 2 and 3 of the year 2016, 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 2017, 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 2016 and commented that such financial statement was correctly prepared as proper in accordance with Financial Reporting Standard.

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

- None -

(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

The Company Secretary, directly report to General Manager and Acting Deputy Managing Director, is responsible for the monitoring and ensuring that the Company's operation is compliance with rules and regulations of the regulator.

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 2016, the Company's related party transactions are as described in note to financial statement no.21, 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

Name	:	Mr. Chakri Chanruangvanich
Current Position	:	Chairman of the Board Nomination and Remuneration Committee Member
Age	:	60 Years
Nationality	:	Thai
Education	:	Master of Science in Mechanical Engineering Master of Science in Industrial Management Georgia Institute of Technology, U.S.A. Bachelor's Degree in Mechanical Engineering Chulalongkorn University
Training / Seminar	:	CG Forum 3/2015 "Risk Oversight : High Priority Roles Of the Board" The Stock Exchange of Thailand Director Certification Program (DCP 88/2007) Thai Institute of Directors
Proportion of Holding in the Company's shares (%)	:	None
First Appointment Date	:	April 19, 2005
Year of Directorship	:	12 Years
Position in other Listed Company	:	2013-Present Independent Director, Audit Committee Member and Chairman of the Risk Committee Loxley Wireless Public Company Limited
Position in Non-Listed Company	:	2002 – Present Senior Consultant FN Asia Advisory Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Work Experiences	:	2011 – Mar 2014 Vice Chairman of the Board of Directors Ocean Glass Public Company Limited 2009 – 2011 Chairman of the Board of Directors Siam Insurance Company Limited
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Kirati Assakul
Current Position	:	Director
Age	:	58 Years
Nationality	:	Thai
Education	:	Master's Degree in Chemical Engineer University of Southern California, U.S.A. Bachelor's Degree in Chemical Engineering Queen's University Ontario, Canada
Training / Seminar	:	Role of the Compensation Committee (RCC 2/2007) Director Certification Program (DCP 27/2003) Thai Institute of Directors
Proportion of Holding in the Company's shares (%)	:	9.73 ¹ (Including shares held by spouse)
First Appointment Date	:	August 13, 1993
Year of Directorship	:	24 Years
Position in other Listed Company	:	2010 – Present Independent Director Chairman of Risk Management Committee Thai Union Frozen Public Company Limited
Position in Non-Listed Company	:	1995 – Present Chairman of the Board Ocean Life Insurance Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Work Experiences	:	Apr 2014 – Sep 2016 Managing Director 2000 – Mar 2014 Chairman of the Board 2007 – 2009 Managing Director Ocean Glass Public Company Limited
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	Relative with Director

¹ As of December 30, 2016

Name	:	Mr. Woragan Xuto
Current Position	:	Independent Director Chairman of the Audit Committee
Age	:	63 Years
Nationality	:	Thai
Education	:	Bachelor of Art in Economics Chiangmai University
Training / Seminar	:	Director Certification Program (DCP 99/2008) Thai Institute of Directors
Proportion of Holding in the Company's shares (%)	:	None
First Appointment Date	:	February 27, 2007
Year of Directorship	:	10 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 SCG Chemical Group 2009-2011 Managing Director SCG Experiences Company Limited 2007-2008 Director –Distribution SCG Distribution Company Limited
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Dr. Chatchawin Charoen-Rajapark
Current Position	:	Independent Director Chairman of the Nomination and Remuneration Committee Audit Committee Member
Age	:	56 Year
Nationality	:	Thai
Education	:	Ph.D in Management Master's Degree in Management Bachelor's Degree in Electrical Engineering Massachusetts Institute of Technology (MIT.), U.S.A.
Training / Seminar	:	Role of the Compensation Committee (RCC 7/2008) Audit Committee Program (ACP 19/2007) Director Certification Program (DCP 88/2007) Director Accreditation Program (DAP 52/2006) Thai Institute of Directors
Proportion of Holding in the Company's shares (%)	:	None
First Appointment Date	:	April 19, 2005
Year of Directorship	:	12 Years
Position in other Listed Company	:	2014 – Present Chairman of the Executive Committee Eastern Star Real Estate Public Company Limited 2009 – Present Independent Director, Chairman of the Audit Committee, Member of the Strategy and Policy Committee of the Nomination and Compensation Committee Thai Insurance Public Company Limited
Position in Non-Listed Company	:	1998 – Present Managing Director President Hotel and Tower Co., Ltd.
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Work Experiences	:	Managing Director Srithana Finance Public Company Limited
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Dr. Tatchapol Poshyanonda
Current Position	:	Independent Director Audit Committee Member
Age	:	51 Years
Nationality	:	Thai
Education	:	Ph.D. in Engineering Management Master's Degree in Engineering Management University of Missouri-Rolla, U.S.A. Master's Degree in Industrial Management Central Missouri State University, U.S.A. Bachelor's Degree in Chemical Engineering, Chulalongkorn University
Training / Seminar	:	Director Certification Program (DCP120/2009) Director Accreditation Program (DAP 68/2008) Thai Institute of Directors
Proportion of Holding in the Company's shares (%)	:	None
First Appointment Date	:	February 22, 2005
Year of Directorship	:	12 Years
Position in other Listed Company	:	None
Position in Non-Listed Company	:	2007 – Present Managing Director Cisco Systems Southeast Asia Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Work Experiences	:	2004-2007 Director-Business Development Microsoft (Thailand) Co., Ltd
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Chaipranin Visudhipol
Current Position	:	Independent Director Audit Committee Member
Age	:	57 Years
Nationality	:	Thai
Education	:	Master's Degree in Advertising School of the Art Institute of Chicago, U.S.A. Bachelor's Degree in Education Chulalongkorn University
Training / Seminar	:	Director Certification Program (DCP 88/2007) Thai Institute of Directors
Proportion of Holding in the Company's shares (%)	:	None
First Appointment Date	:	January 23, 2007
Year of Directorship	:	10 Years
Position in other Listed Company	:	2015 – Present Independent Director Wave Entertainment Public Company Limited
Position in Non-Listed Company	:	2015 – Present Independent Director Index Creative Village Public Company Limited 1997 – Present Chairman TBWA (THAILAND) Company Limited 1991 – Present Chairman PATOU (1969) Company Limited 1991 – Present Chairman PATUKAR Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Work Experiences	:	None
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Matthew Kichodhan
Current Position	:	Independent Director
Age	:	50 Years
Nationality	:	Thai
Education	:	Master's Degree in Science Management Imperial College, University of London, England Bachelor's Degree in Commerce University of Toronto, Canada.
Training / Seminar	:	Director Certification Program (DCP 95/2007) Director Accreditation Program (DAP 57/2006) Thai Institute of Directors Association Certificate of Capital Market Academy Leadership Program (CMA 19) Capital Market Academy
Proportion of Holding in the Company's shares (%)	:	None
First Appointment Date	:	February 27, 2007
Year of Directorship	:	10 Years
Position in other Listed Company	:	2014 – Present Director Thai Solar Energy Public Company Limited 2013 – Present Chairman and Chief Executive Officer Wave Entertainment Public Company Limited 2007 – Present Director BEC World Public Company Limited
Position in Non-Listed Company	:	2015 – Present Director Index Creative Village Public Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Work Experiences	:	2013 – 2015 Chief Executive Director The Mall Group Company Limited 2010 – 2013 Managing Director Oishi Group Public Company Limited 2009 – 2013 Senior Vice President Thai Beverage Public Company Limited 2006 – 2009 Chief Operating Officer Asia Pacific, Minor International Public Company Limited
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Naputt Assakul
Current Position	:	Director Nomination and Remuneration Committee Member
Age	:	40 Years
Nationality	:	Thai
Education	:	The Real Estate Association (RE-CU) Chulalongkorn University Master of Business Administration Sasin Graduate Institute of Business Administration, Chulalongkorn University B.S., Entrepreneurship Study and Economic Babson College Massachusetts, U.S.A.
Training / Seminar	:	CG Forum 3/2015 "Risk Oversight : High Priority Roles Of the Board" The Stock Exchange of Thailand Director Certification Program (DCP 31/2003) Thai Institute of Directors
Proportion of Holding in the Company's shares (%)	:	0.44 ²
First Appointment Date	:	June 10, 2002
Year of Directorship	:	15 Years
Position in other Listed Company	:	None
Position in Non-Listed Company	:	2014 – Present Director Hands Management Company Limited 2013 – Present Board of Director R M I Company Limited 2004 – Present Executive Director Siam Estate Company Limited
Position in Rival Company and/or Connected Business that may cause Conflict of Interest	:	None
Work Experiences	:	Economists, Ministry of Finance
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	Relative with Director

² As of December 30, 2016

Name	:	Mr. Silparat Watthanakasetr
Current Position	:	General Manager and Acting Managing Director
Age	:	46 Years
Nationality	:	Thai
Education	:	Masters of Management (MIM) University of Denver U.S.A. Bachelor of Economics Chulalongkorn University
Training / Seminar	:	Director Certification Program (DCP 2014/2015) Thai Institute of Directors Aptitude & Intelligence Assessment Dermatoglyphics Analysis Coaching, Active Listening, Giving & Receiving Feedback Workshop
Proportion of Holding in the Company's shares (%)	:	None
Work Experiences	:	22015 – Present Director Ocean Glass Trading India Private Limited 2014 – Present Director Ocean Glass Trading (Shanghai) Company Limited 2014 – 2016 Deputy Managing Director, Customer and Channel Development Ocean Glass Public Company Limited 2013 – 2014 Country Manager – Thailand, Lao 2009 – 2013 Country Manager – Vietnam S.C. Johnson & Son Company Limited
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
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Ms. Jariya Sangchaiya
Current Position	:	Deputy Managing Director Manufacturing
Age	:	51 Years
Nationality	:	Thai
Education	:	Master's Degree in Business Administration National Institute of Development Administration Master's Degree in Environmental Engineering Colorado State University, U.S.A. Bachelor's Degree in Chemical Engineering Chulalongkorn University
Training / Seminar	:	Total Quality Management AOTS Japan
Proportion of Holding in the Company's shares (%)	:	None
Work Experiences		2013 – 2016 Executive Director, Manufacturing Ocean Glass Public Company Limited 2012 – 2013 Operation Director Thai Glass Industries Public Company Limited 2004 – 2011 Product Development and Quality System Manager Thai Glass Industries Public Company Limited
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
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mrs. Yada Andaris
Current Position	:	Executive Director Human Resources
Age	:	51 Years
Education	:	Master's Degree in Business Administration, Chulalongkorn University Bachelor's Degree in Commerce, Chulalongkorn University
Training / Seminar	:	Coaching Active Listening, Giving & Receiving Feedback Workshop Collective Bargaining for Successful Labor Relation Master Class 2013 Leadership Development Program "Coaching Clinic Workshop"
Proportion of Holding in the Company's shares (%)	:	None
Work Experiences	:	2007 - 2012 Human Resources, Business Partner Director, Supply Chain Unilever Thai Holdings Limited
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
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Ravis Ingkananisorn
Current Position	:	Executive Director, Supply Chain
Age	:	45 Years
Education	:	Master of Science in Industrial Engineering Columbia University, U.S.A. Bachelor's Degree in Power Electrical Engineering, King Mongkut's Institute of Technology, Ladkrabang
Training / Seminar	:	Aptitude & Intelligence Assessment Dermatoglyphics Analysis Coaching, Active Listening, Giving & Receiving Feedback Workshop Leadership Development Program "Coaching Clinic workshop"
Proportion of Holding in the Company's shares (%)	:	None
Work Experiences		2015 – Present Director Ocean Glass Trading India Private Limited 2012 – Present Director Ocean Glass Trading (Shanghai) Co., Ltd. 2010- 2011 Assistant of Executive Director Supply Chain Management Ocean Glass Public Company Limited 2006 – 2010 Operations Program Manager DHL Express International (Thailand)
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
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Sathien Srisaikhram
Current Position	:	Executive Director, Finance
Age	:	50 Years
Education	:	M.Econ. (Business Economics) Major Financial Business The National Institute of Development Administration B.B.A. Accounting, Ramkhamhaeng University
Training / Seminar	:	Senior Executive Program (SEP) Sasin Graduate Institute of Business Administration of Chulalongkorn University Can school & Metal tracking, Advance leadership Ball Corporation, USA Tax Controller Major in International Tax, Customs Tax School of tax (Tax research center)
Proportion of Holding in the Company's shares (%)	:	None
Work Experiences	:	2017 – Present Chairman of the Board of Director Ocean Glass Trading (Shanghai) Ltd. 2017 – Present Director Ocean Glass Trading (India) Ltd. 2001 – 2015 International Operation Senior Vice President Thai Beverage Can Co., Ltd. Finance Director TBC-Ball Beverage Can Holding Limited (Hong Kong) TBC-Ball Beverage Can Vietnam Limited (Vietnam) 2000 – 2001 Assistant Finance & Admin Manager PBR Automotive (Thailand) Co., Ltd. 1997 – 1998 Accounting & Financial Manager Siam Standard Product Co., Ltd. 1992 – 1996 Assistant Accounting Manager The Royal Ceramic Industry Public Co., Ltd.
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
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

Name	:	Mr. Uday Shankar Verma
Current Position	:	Executive Director – Customer & Channel Development
Age	:	44 Years
Education	:	Master of Business Administration Louisiana Tech University, LA, USA
Training / Seminar	:	- Advance Leadership - 7 Habits of Highly Successful People Walton Institute of Retail
Proportion of Holding in the Company's shares (%)	:	0.02 (Spouse) ³
Work Experiences		23 Years in various industries in trading, sales, retail, marketing, product management, and ecommerce with medium to large multinational companies
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
Illegal record in last 10 years	:	None
Relationship with Director or Executive Management	:	None

³ As of 30 December, 2016

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 2016 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 2016, 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, 2015 and the 2016 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; and helped reinforce more effective risk management systems. During the year, there were 4 monitoring programs covering:
 - a) Procurement process and inventory management
 - b) Regulations, safety, and environmental management
 - c) Maintenance and Fix Asset management
 - d) Marketing and New Products Development

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.

During the year 2016, Mr. Woragan Xuto and Mr. Chatchawin Charoen-Rajapark attended 5 meetings, Mr. Chaipranin Visudhipol and Mr. Tachapol Poshyanonda attended 4 meetings.

In 2016, the Audit Committee reviewed the audited financial statements and the related financial reports for the year ended December 31, 2015 and expressed the opinion that the Company's financial statements were prepared and presented fairly in accordance with Financial Reporting Standards.

In addition, the Audit Committee considered the qualifications of the external auditor firm by taking into account its credibility, adequacy of resources and volume of audit assignments, auditing experiences, the independence as well as the auditor's qualification according to SEC's regulation. The Committee selected and nominated the external auditor to the Board of Directors for further recommendation to the Shareholders' Meeting for the appointment of Miss Thanyaporn Tangthanopajai Certified Public Accountant No. 9169 or Mr. Peradate Pongsathiansak Certified Public Accountant No. 4752 or Miss Wannisa Ngambuathong Certified Public Accountant No. 6838 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 2016. 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

March 9, 2017

Report of the Nomination and Remuneration

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 2016, 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 2016 AGM, three Directors—namely, Mr. Chakri Chanruangvanich, Mr. Kirati Assakul, and Mr. Matthew Kichodhan—completed their terms on the Board and were due to retire in accordance with the Company's Articles of Association. Since these three Directors had knowledge, expertise, qualifications that had enabled them to make valuable contributions to the Board and that would enable them to continue to do so, the Committee proposed that they be nominated for re-election. The Board agreed to the Committee's proposal, and, at the AGM, the Shareholders re-elected the three Directors to the Board.
2. The Committee proposed to the Board to recommend to the Shareholders to maintain the current monthly remuneration scheme for the Directors and Board's committee members, and to pay bonus to the Directors. The Board agreed to, and subsequently the 2016 AGM approved the remuneration scheme and the bonus payment.
3. The Committee performed the annual performance appraisal of the Managing Director and made recommendations to the Board relating to his salary increase and bonus payment. The Board later approved the Committee's recommendations.
4. The Committee was of the opinion that the bonus scheme for the Managing Director in effect at the time should be revised. The Committee consequently formulated a new bonus scheme for the Managing Director, which was later approved by the Board.
5. As Mr. Kirati Assakul resigned from the position of the Managing Director with effect from 16 September 2016, while retaining his position as a Director, the Committee met to consider a suitable successor. The Committee concluded that Mr. Silparat Watthanakasetr had the requisite knowledge and experience in the Company's business, and possessed expertise and qualifications that made him suitable to lead the Company. Consequently, the Committee nominated Mr. Silparat Watthanakasetr for the position of the General Manager and Acting Managing Director with effect from 16 September 2016 April 2014 onwards, and recommended his compensation package. Such nomination and recommendation were subsequently approved by the Board.

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

Throughout 2016, the Committee reported its activities to and received valuable comments from the Board.



(Mr. Chatchawin Charoen-Rajapark)

Chairman of the Nomination and

Remuneration Committee

25 January 2017

Independent Auditor's Report

To the shareholders of Ocean Glass Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Ocean Glass Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Accuracy of temporary shutdown expense allocation. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
Accuracy of temporary shutdown expense allocation Refer to temporary shutdown expense allocation presented the separated line in statement of comprehensive income amounting to Baht 173.27 million for the year ended 31 December 2016. The transaction represented the expenses related to the temporary shutdown of normal production facility according to the production plan during the year. The expenses were mainly composed of the depreciation, production staff, and related production expenses. I focused on this transaction because the allocation was involved management judgement on the predetermined criteria on each classification of expenses. The management assessed the allocation of temporary shutdown expenses based on the number of down-time day in each month. The temporary shutdown expense is inclusive as following; • Personal expenses • Depreciation expense • Repair and maintenance expenses • Service expenses (Service from Human Resources and Administrative Departments) • Other expenses (insurance expense, other service fee)	I inquired to the management on the understanding of accounting treatment and the nature of transaction on temporary shutdown expenses. I challenged the management assumption on the appropriateness of allocation criteria, including the consistency of criteria applied. I obtained the detailed report and agreed to the understanding obtained from the management inquiry in order to ensure the correctness of information. Therefore I test the calculation of the specific criteria applied to the allocation. I checked the predetermined criteria was consistently and properly applied based on the nature of expense and type of business. I recalculated the allocation of temporary shutdown expense and reviewed the calculation for shutdown expense each month. I agreed the calculation amount to the accounting record to ensure the accuracy of allocation. Based on my procedures above, I viewed that management judgement on allocation criteria and calculation of allocation were applied properly and consistently.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 TSAs 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 and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 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 and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated 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.

PricewaterhouseCoopers ABAS Ltd.



Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
Bangkok
21 February 2017

Ocean Glass Public Company Limited

Statements of Financial Position

As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents	7	92,770	117,184	48,284	112,816
Trade and other receivables	8	225,073	240,392	267,856	263,097
Inventories, net	9	993,117	1,050,719	979,443	1,041,131
Value added tax receivables		46,867	56,191	46,851	56,191
Other current assets		2,420	5,408	2,420	5,052
Total current assets		1,360,247	1,469,894	1,344,854	1,478,287
Non-current assets					
Investments in subsidiaries	10	-	-	6,000	5,900
Property, plant and equipment, net	11	1,639,137	1,699,146	1,638,762	1,698,942
Intangible assets, net	12	18,366	16,770	18,278	16,706
Other non-current assets		7,742	5,213	5,902	4,281
Total non-current assets		1,665,245	1,721,129	1,668,942	1,725,829
Total assets		3,025,492	3,191,023	3,013,796	3,204,116

The accompanying notes on pages 12 to 44 are an integral part of these consolidated and separate financial statements.

Ocean Glass Public Company Limited

Statements of Financial Position

As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	14	125,000	268,761	125,000	268,761
Trade and other payables	13	328,032	280,385	313,144	279,726
Current portion of long-term borrowings from financial institutions	14	182,840	146,000	182,840	146,000
Other current liabilities		6,086	4,317	4,482	3,940
Total current liabilities		<u>641,958</u>	<u>699,463</u>	<u>625,466</u>	<u>698,427</u>
Non-current liabilities					
Long-term borrowings from financial institutions, net	14	464,713	626,000	464,713	626,000
Deferred tax liabilities, net	15	128,863	111,601	129,252	111,601
Employee benefit obligations	16	95,301	87,881	95,301	87,881
Total non-current liabilities		<u>688,877</u>	<u>825,482</u>	<u>689,266</u>	<u>825,482</u>
Total liabilities		<u>1,330,835</u>	<u>1,524,945</u>	<u>1,314,732</u>	<u>1,523,909</u>
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 50,000,000 shares of par Baht 10 each		<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and paid-up share capital					
Ordinary shares, 21,330,715 shares of paid-up Baht 10 each		213,307	213,307	213,307	213,307
Premium on share capital		302,807	302,807	302,807	302,807
Retained earnings					
Appropriated					
Legal reserve	17	50,000	50,000	50,000	50,000
Unappropriated		760,984	733,176	766,409	747,552
Other components of equity		367,559	366,788	366,541	366,541
Total equity		<u>1,694,657</u>	<u>1,666,078</u>	<u>1,699,064</u>	<u>1,680,207</u>
Total liabilities and equity		<u>3,025,492</u>	<u>3,191,023</u>	<u>3,013,796</u>	<u>3,204,116</u>

The accompanying notes on pages 12 to 44 are an integral part of these consolidated and separate financial statements.

Ocean Glass Public Company Limited

Statements of Comprehensive Income

For the year ended 31 December 2016

		Consolidated financial statements		Separate financial statements	
		2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Notes					
Revenues					
Sales	6	2,040,359	1,987,905	1,995,314	1,983,387
Foreign exchange gain (loss)		8,937	(4,731)	9,424	(5,624)
Other income		5,657	3,787	4,811	3,782
Total revenues		2,054,953	1,986,961	2,009,549	1,981,545
Expenses					
Cost of goods sold	9	1,242,626	1,139,290	1,226,611	1,136,062
Temporary shutdown expenses		173,269	166,305	173,269	166,305
Selling expenses		393,745	347,887	376,488	341,405
Administrative expenses		100,900	117,028	97,287	114,924
Finance costs		32,621	42,004	32,621	42,004
Total expenses	18	1,943,161	1,812,514	1,906,276	1,800,700
Profit before income tax expense		111,792	174,447	103,273	180,845
Income tax expense	19	(17,219)	(41,018)	(17,651)	(41,018)
Profit for the year		94,573	133,429	85,622	139,827
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of employee benefit obligation, net of tax		-	6,331	-	6,331
Item that will be reclassified subsequently to profit or loss					
Currency translation differences		771	66	-	-
Other comprehensive income for the year, net of tax		771	6,397	-	6,331
Total comprehensive income for the year		95,344	139,826	85,622	146,158
Basic earnings per share (Baht)	20	4.43	6.26	4.01	6.56

The accompanying notes on pages 12 to 44 are an integral part of these consolidated and separate financial statements.

Statements of Changes in Equity

For the year ended 31 December 2016

	Consolidated financial statements							
	Retained earnings		Other components of equity					Total equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Appropriated reserve for legal reserve Baht'000	Unappropriated Baht'000	Gains on land of revaluation Baht'000	Remeasurements of employee benefit obligations Baht'000	Translation of financial statements Baht'000	Total other components of equity Baht'000
Balance as at 1 January 2015	213,307	302,807	50,000	623,211	352,428	7,782	181	360,391
Change in equity for the year								
Dividend (Note 24)	-	-	-	(23,464)	-	-	-	-
Total comprehensive income for the year	-	-	-	133,429	-	6,331	66	6,397
Balance as at 31 December 2015	213,307	302,807	50,000	733,176	352,428	14,113	247	366,788
Change in equity for the year								
Dividend (Note 24)	-	-	-	(66,765)	-	-	-	-
Total comprehensive income for the year	-	-	-	94,573	-	-	771	771
Balance as at 31 December 2016	213,307	302,807	50,000	760,984	352,428	14,113	1,018	367,559
								1,694,657

The accompanying notes on pages 12 to 44 are an integral part of these consolidated and separate financial statements.

Ocean Glass Public Company Limited

Statements of Changes in Equity

For the year ended 31 December 2016

	Separate financial statements						
	Retained earnings		Other component of equity				Total equity Baht'000
	Issued and paid-up share capital Baht'000	Premium on share capital Baht'000	Appropriated for legal reserve Baht'000	Unappropriated Baht'000	Gains on land revaluation Baht'000	Remeasurements of employee benefit obligations Baht'000	Total other component of equity Baht'000
Balance as at 1 January 2015	213,307	302,807	50,000	631,189	352,428	7,782	1,557,513
Change in equity for the year							
Dividend (Note 24)	-	-	-	(23,464)	-	-	(23,464)
Total comprehensive income for the year	-	-	-	139,827	-	6,331	146,158
Balance as at 31 December 2015	213,307	302,807	50,000	747,552	352,428	14,113	1,680,207
Change in equity for the year							
Dividend (Note 24)	-	-	-	(66,765)	-	-	(66,765)
Total comprehensive income for the year	-	-	-	85,622	-	-	85,622
Balance as at 31 December 2016	213,307	302,807	50,000	766,409	352,428	14,113	1,699,064

The accompanying notes on pages 12 to 44 are an integral part of these consolidated and separate financial statements.

Ocean Glass Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Cash flows from operating activities					
Profit before income tax expense		111,792	174,447	103,273	180,845
Adjustments for:					
Allowance for slow-moving and obsolete inventories		956	1,101	956	1,101
Depreciation and amortisation	18	165,049	170,440	164,827	170,157
Loss on disposals and write-offs property, plant and equipment		6,920	6,119	6,914	6,112
Unrealised gain on fair value remeasurement of derivatives		(36)	(40)	(36)	(40)
Unrealised loss (gain) on foreign exchange		(14,756)	9,422	(14,756)	9,422
Employee benefit expenses	16	12,896	11,899	12,896	11,899
Interest income		(241)	(261)	(200)	(257)
Interest expenses		32,621	42,004	32,621	42,004
Changes in operating assets and liabilities					
Trade and other receivables		15,319	(2,813)	(4,759)	(9,687)
Inventories		56,646	(63,475)	60,732	(63,583)
Value added tax receivables		9,324	7,699	9,340	7,699
Other current assets		3,001	(830)	2,645	(511)
Other non-current assets		(2,529)	(589)	(1,621)	(815)
Trade and other payables		58,573	(22,001)	44,344	(22,017)
Other current liabilities		2,695	838	1,468	474
Payments on employee benefit obligations		(5,476)	(3,307)	(5,476)	(3,307)
Net cash generated from operating activities		<u>452,754</u>	<u>330,653</u>	<u>413,168</u>	<u>329,496</u>

The accompanying notes on pages 12 to 44 are an integral part of these consolidated and separate financial statements.

Ocean Glass Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2016

		Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Interest received		264	239	223	234
Payments for investment in a subsidiary	10	-	-	(100)	-
Purchases of property, plant and equipment		(104,865)	(124,869)	(104,524)	(124,805)
Purchases of intangible assets	12	(5,042)	(319)	(4,932)	(319)
Proceeds from disposals of property, plant and equipment		153	213	153	213
Net cash used in investing activities		(109,490)	(124,736)	(109,180)	(124,677)
Cash flows from financing activities					
Interest paid		(33,547)	(41,505)	(33,547)	(41,505)
Net increase (decrease) in short-term borrowings from financial institutions		(143,761)	41,916	(143,761)	41,916
Long-term borrowings from finance institutions	14	31,763	-	31,763	-
Repayments of long-term borrowings from financial institutions	14	(156,210)	(160,000)	(156,210)	(160,000)
Dividend paid	24	(66,765)	(23,464)	(66,765)	(23,464)
Net cash used in financing activities		(368,520)	(183,053)	(368,520)	(183,053)
Currency translation differences		842	35	-	-
Net increase (decrease) in cash and cash equivalents		(24,414)	22,899	(64,532)	21,766
Cash and cash equivalents at the beginning of year		117,184	94,285	112,816	91,050
Cash and cash equivalents at the end of year	7	92,770	117,184	48,284	112,816
Supplementary information for cash flows					
Non-cash transactions					
Investing activities:					
Purchases of property, plant and equipment unpaid		3,830	6,525	3,830	6,525

The accompanying notes on pages 12 to 44 are an integral part of these consolidated and separate financial statements.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

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:

Office : 75/88-91 Ocean Tower II, 34th 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

For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

Ocean Glass Trading (Shanghai) Co., Ltd., the Company's wholly owned subsidiary, was registered and incorporated in China on 10 September 2006. The term of the subsidiary is 20 years, expiring on 10 September 2026. The subsidiary's main objective is to perform marketing activities in China.

Ocean Glass Trading India Private Limited, 99% owned by the Company, was incorporated in India on 20 November 2013. The subsidiary's main objective is to perform marketing activities in India. On 20 February 2014, the Company transferred INR 499,990 in capital to the subsidiary.

Crystal Clear Innovation Co., Ltd., 99% owned by the Company, was incorporated in Thailand on 31 August 2016. The subsidiary's main objective is to research and development products.

These consolidated and separate financial statements have been approved by the Board of Directors on 21 February 2017.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

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 4.

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.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies

2.2 New/revised financial reporting standards, and related interpretations

- a) New/revised financial reporting standards and interpretation which are effective on 1 January 2016 are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 16 (revised 2015)	Property, plant and equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee benefits
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 24 (revised 2015)	Related party disclosures
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2015)	Separate financial statements
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 36 (revised 2015)	Impairment of assets
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 11 (revised 2015)	Joint arrangements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

- a) New/revised financial reporting standards and interpretation which are effective on 1 January 2016 are as follows: (Cont'd)

TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2015)	Levies

The Group has applied the aforementioned financial reporting standards from 1 January 2016. However, the application of those financial reporting standards has no significant impacts to the financial statements being presented.

- b) Revised financial reporting standards and interpretation which are for annual periods beginning on or after 1 January 2017 and the Group has not yet early adopted are 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 hyper-inflationary 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
TAS41(revised 2016)	Agriculture

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

- b) Revised financial reporting standards and interpretation which are for annual periods beginning on or after 1 January 2017 and the Group has not yet early adopted are as follows: (Cont'd)

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 in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
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)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary 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 - 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
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

The Group will apply the aforementioned financial reporting standards from 1 January 2017. The Group's management assessed and determined that the application of those financial reporting standards has no significant impact to the financial statements being presented.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries

(1) 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 the 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-measurement 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 recognised 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 provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(2) 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.

(3) Disposal of subsidiaries

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

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

(a) 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.

(b) 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 re-measured. 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.

(c) 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.

2.5 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.

2.6 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.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.7 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.

2.8 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 and 20 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 2.10).

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.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.9 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.

2.10 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.

2.11 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.

2.12 Troubled debt restructuring (where the Group/Company is the debtor)

Where the debt restructuring involves modification of terms of payables, the Group accounts for the effects of the restructuring prospectively from the time of restructuring and does not change the carrying amount of the payable at the time of the restructuring unless the carrying amount exceeds the total undiscounted future cash payment specified by the new terms. If it does exceed the total undiscounted future cash payment, the carrying amount of the payable is reduced to the amount equal to the total undiscounted future cash payments specified by the new terms and a gain on restructuring is recognised in the profit or loss insofar as the amount is determinable.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings 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 borrowings using the effective yield method.

Borrowings 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.

2.14 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 substantively enacted by the end of the reporting period and are expected to apply 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.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.15 Employee benefits

2.15.1 Retirement benefits

The Company operate 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.

2.15.2 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 profit and loss in the period in which they arise.

2.16 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.

2.17 Revenue 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.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.18 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.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the managing director decision-maker. The managing director decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it 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 treasury under policies approved by the board of directors. The Group 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.

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

3.1.2 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 exposes to interest rate risk relates primarily 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.

3.1.3 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.

3.1.4 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.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

3 Financial risk management (Cont'd)

3.2 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 report date, being the present value of the quoted derivative price.

3.3 Fair value estimation

Analysis of financial instruments carried at fair value, by 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).

4 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 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.

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.

Other key assumptions for employee benefits is disclosed in Note 16.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

5 Capital risk 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.

6 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 profit from operating.

The accounting policies for the operating segments are in accordance with the summaries of principal accounting policies above. Unallocated costs mainly represent corporate expenses.

Geographic information

The Group's revenue from sales external customers approximately 29% is mostly the local sales. Revenue attributed to foreign countries are mainly from countries in Asia Pacific. In addition, most non-current assets of the Group are located in Thailand.

Sales by geographic for the year ended 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Domestic sales	595,842	541,458	595,842	541,457
Oversea sales	1,444,517	1,446,447	1,399,472	1,441,930
Total	2,040,359	1,987,905	1,995,314	1,983,387

Major customers

The Group has no revenue from sales transactions with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about major customers.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Cash on hand	252	182	223	179
Deposits at banks - current	15,354	5,144	13,641	2,922
- savings	77,164	36,853	34,420	34,710
Promissory notes with maturities of 3 months or less	-	75,005	-	75,005
	92,770	117,184	48,284	112,816

As at 31 December 2016, current accounts and saving accounts bear interest at rates between 0.00% and 0.38% per annum (2015: between 0.10% and 0.40% per annum). Cash and cash equivalents are mainly in Thai Baht.

As at 31 December 2016, the Company has no the balance of promissory notes with maturities 3 months or less (2015: between 0.90% and 1.45% per annum).

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

8 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Trade receivables				
- other parties	202,518	219,166	202,183	218,091
- related parties (Note 21.3)	52	5	42,844	24,085
	202,570	219,171	245,027	242,176
Advance payment	9,106	12,584	9,033	12,508
Prepaid expense	12,681	8,214	12,555	7,990
Other receivables - other parties	716	423	715	423
- related parties (Note 21.3)	-	-	526	-
	22,503	21,221	22,829	20,921
	225,073	240,392	267,856	263,097

Trade receivables as of 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Up to 3 months	199,341	218,282	233,381	217,932
3 - 6 months	100	114	1,414	6,131
6 - 12 months	3,129	758	3,129	3,204
Over 12 months	-	17	7,103	14,909
	202,570	219,171	245,027	242,176

Outstanding receivables from related parties as of 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Up to 3 months	52	5	34,427	730
3 - 6 months	-	-	1,314	6,016
6 - 12 months	-	-	-	2,447
Over 12 months	-	-	7,103	14,892
	52	5	42,844	24,085

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

9 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Raw materials, net	59,447	65,580	59,447	65,580
Works in progress	8,012	8,863	8,012	8,863
Finished goods, net	573,194	652,426	565,048	642,838
Merchandise	9,074	5,529	9,074	5,529
Spare parts	135,825	134,388	135,825	134,388
Supplies and packing materials	194,485	185,029	194,485	185,029
Goods in transit	15,137	5	9,609	5
	995,174	1,051,820	981,500	1,042,232
<u>Less</u> Allowance for slow-moving and obsolete inventories - Finished goods	(2,057)	(1,101)	(2,057)	(1,101)
	(2,057)	(1,101)	(2,057)	(1,101)
Inventories, net	993,117	1,050,719	979,443	1,041,131

The cost of inventories, which amounted to Baht 1.23 million (2015: Baht 1.14 million), is recognised as cost of goods sold in the statement of comprehensive income.

During 2016, the Company recorded net realised value of raw materials in the statement of comprehensive income of Baht 3.23 million (2015: Baht 1.77 million) and allowance for slowing-moving and obsolete inventories for finished goods in the statement of comprehensive income by net amount of Baht 5.80 million (2015: Baht 12.58 million).

10 Investments in subsidiaries

The subsidiaries are:

	Country of incorporation	% Ownership	
		2016	2015
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	-

Movements of investments in subsidiaries:

	Separate financial statements	
	2016 Baht'000	2015 Baht'000
As at 1 January	5,900	5,900
Addition of investment during the year	100	-
As at 31 December	6,000	5,900

As mentioned in Note 1, the Company invested Baht 0.10 million in its subsidiary, Crystal Clear Innovation Co., Ltd., in August 2016.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

	Consolidated financial statements						
	Land Baht'000	Buildings and building improvements Baht'000	Machinery, equipment and tools Baht'000	Furniture, fixtures and office equipment Baht'000	Motor vehicles Baht'000	Machinery under installation and construction in progress Baht'000	Total Baht'000
As at 1 January 2015							
Cost or valuation	462,455	490,532	3,467,983	108,192	16,145	2,635	4,547,942
Less Accumulated depreciation	-	(374,164)	(2,326,342)	(89,190)	(13,381)	-	(2,803,077)
Net book amount	462,455	116,368	1,141,641	19,002	2,764	2,635	1,744,865
For the year ended 31 December 2015							
Opening net book amount	462,455	116,368	1,141,641	19,002	2,764	2,635	1,744,865
Additions	-	-	5,537	4,984	-	116,981	127,502
Transfer in (out) of assets	-	3,490	106,387	3,094	-	(112,971)	-
Disposals, net	-	-	(844)	-	-	-	(844)
Write offs, net	-	-	(5,452)	(36)	-	-	(5,488)
Depreciation charge	-	(11,713)	(145,605)	(8,726)	(877)	-	(166,921)
Translation difference	-	-	1	31	-	-	32
Closing net book amount	462,455	108,145	1,101,665	18,349	1,887	6,645	1,699,146
As at 31 December 2015							
Cost or valuation	462,455	494,022	3,479,460	112,687	15,722	6,645	4,570,991
Less Accumulated depreciation	-	(385,877)	(2,377,795)	(94,338)	(13,835)	-	(2,871,845)
Net book amount	462,455	108,145	1,101,665	18,349	1,887	6,645	1,699,146

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For the year ended 31 December 2016

Property, plant and equipment, net (Cont'd)	Consolidated financial statements						
	Land Baht'000	Buildings and building improvements Baht'000	Machinery, equipment and tools Baht'000	Furniture, fixtures and office equipment Baht'000	Motor vehicles Baht'000	Machinery under installation and construction in progress Baht'000	Total Baht'000
For the year ended 31 December 2016							
Opening net book amount	462,455	108,145	1,101,665	18,349	1,887	6,645	1,699,146
Additions	-	116	5,820	4,651	-	98,110	108,697
Transfer in (out) of assets	-	8,203	61,899	1,678	-	(71,780)	-
Disposals, net	-	-	(1,135)	-	-	-	(1,135)
Write offs, net	-	-	(5,923)	(17)	-	-	(5,940)
Depreciation charge	-	(11,255)	(141,002)	(8,533)	(820)	-	(161,610)
Translation difference	-	-	-	(21)	-	-	(21)
Closing net book amount	462,455	105,209	1,021,324	16,107	1,067	32,975	1,639,137
As at 31 December 2016							
Cost or valuation	462,455	497,137	3,484,240	114,949	14,348	32,975	4,606,104
Less Accumulated depreciation	-	(391,928)	(2,462,916)	(98,842)	(13,281)	-	(2,966,967)
Net book amount	462,455	105,209	1,021,324	16,107	1,067	32,975	1,639,137

The Group recorded depreciation expenses of Baht 153.60 million (2015: Baht 158.55 million) in cost of goods sold, Baht 0.95 million (2015: Baht 1.12 million) in selling expenses and Baht 7.06 million (2015: Baht 7.25 million) in administration expenses.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

11 Property, plant and equipment, net (Cont'd)

	Separate financial statements					Total Baht'000
	Land Baht'000	Buildings and building improvements Baht'000	Machinery, equipment and tools Baht'000	Furniture, fixtures and office equipment Baht'000	Motor vehicles Baht'000	Machinery under installation and construction in progress Baht'000
As at 1 January 2015						
Cost or valuation	462,455	490,532	3,467,977	106,982	16,145	4,546,726
Less Accumulated depreciation	-	(374,164)	(2,326,342)	(88,313)	(13,381)	(2,802,200)
Net book amount	462,455	116,368	1,141,635	18,669	2,764	1,744,526
For the year ended 31 December 2015						
Opening net book amount	462,455	116,368	1,141,635	18,669	2,764	1,744,526
Additions	-	-	5,537	4,920	-	116,981
Transfer in (out) of assets	-	3,490	106,387	3,094	-	(112,971)
Disposals, net	-	-	(844)	-	-	(844)
Write offs, net	-	-	(5,452)	(29)	-	(5,481)
Depreciation charge	-	(11,713)	(145,604)	(8,503)	(877)	(166,697)
Closing net book amount	462,455	108,145	1,101,659	18,151	1,887	1,698,942
As at 31 December 2015						
Cost or valuation	462,455	494,022	3,479,454	111,878	15,722	4,570,176
Less Accumulated depreciation	-	(385,877)	(2,377,795)	(93,727)	(13,835)	(2,871,234)
Net book amount	462,455	108,145	1,101,659	18,151	1,887	1,698,942

Ocean Glass Public Company Limited

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For the year ended 31 December 2016

	Separate financial statements					Total Baht'000
	Land Baht'000	Buildings and improvements Baht'000	Machinery, equipment and tools Baht'000	Furniture, fixtures and office equipment Baht'000	Motor vehicles Baht'000	Machinery under installation and construction in progress Baht'000
For the year ended						
31 December 2016						
Opening net book amount	462,455	108,145	1,101,659	18,151	1,887	1,698,942
Additions	-	116	5,820	4,308	-	108,354
Transfer in (out) of assets	-	8,203	61,899	1,678	-	(71,780)
Disposals, net	-	-	(1,135)	-	-	(1,135)
Write offs, net	-	-	(5,923)	(9)	-	(5,932)
Depreciation charge	-	(11,255)	(140,997)	(8,395)	(820)	(161,467)
Closing net book amount	462,455	105,209	1,021,323	15,733	1,067	1,638,762
As at 31 December 2016						
Cost or valuation	462,455	497,137	3,484,239	114,062	14,348	4,605,216
Less Accumulated depreciation	-	(391,928)	(2,462,916)	(98,329)	(13,281)	(2,966,454)
Net book amount	462,455	105,209	1,021,323	15,733	1,067	1,638,762

The Company recorded depreciation expenses of Baht 153.60 million (2015: Baht 158.55 million) in cost of goods sold, Baht 0.80 million (2015: Baht 0.90 million) in selling expenses and Baht 7.06 million (2015: Baht 7.25 million) in administration expenses.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

11 Property, plant and equipment, net (Cont'd)

As at 31 December 2016 and 31 December 2015, the Company had used land and buildings net book value amounting to Baht 462 million (2015: Baht 462 million) as collateral for its long-term borrowings from financial institutions (Note 14).

Borrowing costs of Baht 19 million (2015 : None), arising from financing specifically entered into for the construction of a new factory, were capitalised during the year and are included in 'additions'. A capitalisation rate of 4.25% (2015: None) was used representing the actual borrowing cost of the loan used to finance the project.

The Company recorded the land at the fair value determined by Brent Joe Cosens Consulting Co., Ltd.. As at 31 December 2016, the land would have been carried at Baht 462 million comprises the historical cost of Baht 22 million and the gains on land revaluation of Baht 440 million. These valuation technique is market comparative method which sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. Fair value includes in level 2.

12 Intangible assets, net

	Consolidated financial statements	Separate financial statements
	Computer software Baht'000	Computer software Baht'000
As at 1 January 2015		
Cost	62,278	62,058
<u>Less</u> Accumulated amortisation	(42,307)	(42,211)
Net book amount	19,971	19,847
For the year ended 31 December 2015		
Opening net book amount	19,971	19,847
Additions	319	319
Amortisation charge	(3,519)	(3,460)
Translation difference	(1)	-
Closing net book amount	16,770	16,706
As at 31 December 2015		
Cost	62,509	62,322
<u>Less</u> Accumulated amortisation	(45,739)	(45,616)
Net book amount	16,770	16,706
For the year ended 31 December 2016		
Opening net book amount	16,770	16,706
Additions	5,042	4,932
Amortisation charge	(3,439)	(3,360)
Translation difference	(7)	-
Closing net book amount	18,366	18,278
As at 31 December 2016		
Cost	67,465	67,189
<u>Less</u> Accumulated amortisation	(49,099)	(48,911)
Net book amount	18,366	18,278

The Group recorded amortisation of Baht 0.44 million (2015 : Baht 0.42 million) in cost of goods sold, Baht 0.37 million (2015 : Baht 0.48 million) in selling expenses, and Baht 2.64 million (2015 : Baht 2.62 million) in administrative expenses.

The Company recorded amortisation of Baht 0.44 million (2015 : Baht 0.42 million) in cost of goods sold, Baht 0.29 million (2015 : Baht 0.42 million) in selling expenses, and Baht 2.64 million (2015 : Baht 2.62 million) in administrative expenses.

Ocean Glass Public Company Limited

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For the year ended 31 December 2016

13 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Trade payables - other parties	157,869	133,853	157,869	133,853
Other payables - other parties	38,101	50,861	37,919	50,349
- related parties (Note 21.3)	1,593	465	3,544	2,347
Advances from customers	32,928	13,049	25,734	11,626
Accrued energy expenses	12,948	13,838	12,948	13,838
Accrued commission and rebate	10,203	16,605	10,203	16,605
Accrued salary and bonus expenses	27,227	25,251	27,227	25,251
Other accrued expenses	47,163	26,463	37,700	25,857
	<u>328,032</u>	<u>280,385</u>	<u>313,144</u>	<u>279,726</u>

14 Borrowings

	Consolidated and Separate financial statements	
	2016 Baht'000	2015 Baht'000
Current		
Short-term borrowings from financial institutions	125,000	268,761
Current portion of long-term borrowings from financial institutions	<u>182,840</u>	<u>146,000</u>
Total current borrowings	<u>307,840</u>	<u>414,761</u>
Non-current		
Long-term borrowings from financial institutions, net	<u>464,713</u>	<u>626,000</u>
Total non-current borrowings	<u>464,713</u>	<u>626,000</u>
Total borrowings	<u>772,553</u>	<u>1,040,761</u>

Short-term borrowings from financial institutions

As at 31 December 2016, short-term borrowings from institutions represent unsecured borrowings from local institutions denominated in Thai Baht of Baht 125 million (2015: Baht 160 million) and no short-term borrowing in foreign currency from institutions (2015: USD 3 million). The borrowings are due within six months and bear interest at a fixed rate.

Ocean Glass Public Company Limited

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For the year ended 31 December 2016

14 Borrowings

Long-term borrowings from financial institutions

As at 31 December 2016, long-term borrowings from financial institutions consist of:

1) Borrowing facilities of Baht 535 million

The Company entered into an agreement with a local bank for a long-term borrowing facility denominated in Thai Baht of Baht 535 million, which is repayable in five years, by 6 December 2017. The borrowing has a grace period for principal repayment for the first two 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 and the second years and at the MLR rate minus a fixed percentage from the third year to the fifth year.

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

As at 31 December 2016, the total outstanding borrowing is Baht 451 million (2015: Baht 511 million).

2) Borrowing facilities of Baht 250 million

The Company entered into an agreement with a local bank for a long-term borrowing facility denominated in Thai Baht of Baht 250 million, which is repayable in five years, by 29 November 2018. This borrowing 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 12 November 2014, the Company amended the borrowing agreement to adjust the monthly principal repayment amount and extend the repayable period to 29 November 2021.

As at 31 December 2016, the total outstanding borrowing is Baht 167 million (2015: Baht 211 million).

3) Borrowing facilities of Baht 200 million

The Company entered into an agreement with another local bank for a long-term borrowing facility denominated in Thai Baht of Baht 200 million, which is repayable in 39 months, by 31 January 2016. This borrowing has a grace period for principal repayment for the first eighteen months. After that, the Company is required to repay the principal on a quarterly basis. Interest is payable on a monthly basis and is calculated at the MLR rate minus a fixed percentage. As at 31 December 2016, there's no balance of borrowing (2015: Baht 50 million).

4) Borrowing facilities of Baht 23 million

The Company entered into an agreement with another local bank for a long-term borrowing facility denominated in Thai Baht of Baht 23 million. The borrowing has a purpose for investment and operation in saving and renewable energy project. The Company is required to drawdown within 31 December 2016 and repay in 5 years, by 31 December 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 borrowing in accordance with the condition amount of Baht 19 million.

As at 31 December 2016, the total outstanding borrowing is Baht 18 million (2015: None).

5) Borrowing facilities of Baht 12 million

The Company entered into an agreement with another local bank for a long-term borrowing facility denominated in Thai Baht of Baht 12 million. The borrowing 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 31 December 2016 and repay in 5 years, by 30 September 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 maturity of agreement. Then, the Company drawdown this borrowing as conditions amount Baht 12 million.

As at 31 December 2016, the total outstanding borrowing is Baht 12 million (2015: None)

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

14 Borrowings (Cont'd)

The Company used its land and buildings net book value amounting to Baht 462 million (2015 : Baht 462 million) (Note 11) as collateral against the long-term borrowings in 1 and 2. The Company must maintain a minimum debt-to-equity ratio as a condition of the long-term borrowing agreements.

Maturity of long-term borrowings:

	Consolidated and Separate financial statements	
	2016 Baht'000	2015 Baht'000
Due within 1 year	182,840	146,000
Due more than 1 year but not over 5 years	464,713	504,000
Due after 5 years	-	122,000
	<u>647,553</u>	<u>772,000</u>

The movements of long-term borrowings for the years ended 31 December comprise the following:

	Consolidated and Separate financial statements	
	2016 Baht'000	2015 Baht'000
Opening balance	772,000	932,000
Loan additions	31,763	-
Repayments	(156,210)	(160,000)
Closing balance	<u>647,553</u>	<u>772,000</u>

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

	Consolidated and Separate financial statements	
	2016 Baht'000	2015 Baht'000
Total long-term borrowings		
at fixed rates	11,532	-
at floating rates	636,021	772,000
	<u>647,553</u>	<u>772,000</u>

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

	Consolidated and Separate financial statements	
	2016 % (per annum)	2015 % (per annum)
Long-term borrowings	3.50 to 4.50	4.25 to 4.75

The carrying amounts of short-term borrowings with fixed interest rate approximate their fair values because of their short-term maturities. 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 includes in level 2.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

15 Deferred income taxes

Deferred tax assets and liabilities are offset when income taxes are related to the same fiscal authority.

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	1,768	1,861	426	1,861
Deferred tax asset to be recovered after more than 12 months	44,887	54,033	45,840	54,033
	<u>46,655</u>	<u>55,894</u>	<u>46,266</u>	<u>55,894</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(206)	(504)	(206)	(504)
Deferred tax liabilities to be settled after more than 12 months	(175,312)	(166,991)	(175,312)	(166,991)
	<u>(175,518)</u>	<u>(167,495)</u>	<u>(175,518)</u>	<u>(167,495)</u>
Deferred tax liabilities, net	<u>(128,863)</u>	<u>(111,601)</u>	<u>(129,252)</u>	<u>(111,601)</u>

The movements in deferred income tax account are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2016 Baht'000	2016 Baht'000	2015 Baht'000
As at 1 January	111,601	69,002	111,601	69,002
Debit to:				
statement of comprehensive income	17,219	41,018	17,651	41,018
other comprehensive income	43	1,581	-	1,581
As at 31 December	<u>128,863</u>	<u>111,601</u>	<u>129,252</u>	<u>111,601</u>

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Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

15 Deferred income taxes (Cont'd)

Deferred tax assets in the statement of comprehensive income are attributed to the following items:

	Consolidated financial statements				
	Allowance for slow-moving and obsolete inventories Baht'000	Employee benefit obligations Baht'000	Tax losses Baht'000	Accrued sales discounts Baht'000	Total Baht'000
Deferred tax assets:					
As at 1 January 2016	1,861	17,577	36,456	-	55,894
Debit/(credit) in profit or loss	(1,435)	(959)	(8,144)	1,342	(9,196)
Credit in other comprehensive income	-	-	(43)	-	(43)
As at 31 December 2016	426	16,618	28,269	1,342	46,655
As at 1 January 2015	134	17,440	68,659	-	86,233
Debit/(credit) in profit or loss	1,727	1,718	(32,203)	-	(28,758)
Credit in other comprehensive income	-	(1,581)	-	-	(1,581)
As at 31 December 2015	1,861	17,577	36,456	-	55,894

Deferred tax liabilities in the statement of comprehensive income are attributed to the following items:

	Consolidated financial statements				
	Accrued tax rebate from export sales Baht'000	Borrowing costs which are capitalised in fixed assets Baht'000	Book depreciation under taxable depreciation Baht'000	Gains on land revaluation Baht'000	Total Baht'000
Deferred tax liabilities:					
As at 1 January 2016	(504)	-	(78,883)	(88,108)	(167,495)
Debit/(credit) in profit or loss	375	(77)	(8,321)	-	(8,023)
As at 31 December 2016	(129)	(77)	(87,204)	(88,108)	(175,518)
As at 1 January 2015	(431)	-	(66,696)	(88,108)	(155,235)
Credit in profit or loss	(73)	-	(12,187)	-	(12,260)
As at 31 December 2015	(504)	-	(78,883)	(88,108)	(167,495)

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Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

15 Deferred income taxes (Cont'd)

Deferred tax assets in the statement of comprehensive income are attributed to the following items:

	Separate financial statements			
	Allowance for slow-moving and obsolete inventories Baht'000	Employee benefit obligations Baht'000	Tax losses Baht'000	Total Baht'000
Deferred tax assets:				
As at 1 January 2016	1,861	17,577	36,456	55,894
Credit in profit or loss	(1,435)	(959)	(7,234)	(9,628)
As at 31 December 2016	426	16,618	29,222	46,266
As at 1 January 2015	134	17,440	68,659	86,233
Debit/(credit) in profit or loss	1,727	1,718	(32,203)	(28,758)
Credit in other comprehensive income	-	(1,581)	-	(1,581)
As at 31 December 2015	1,861	17,577	36,456	55,894

Deferred tax liabilities in the statement of comprehensive income are attributed to the following items:

	Separate financial statements				
	Accrued tax rebate from export sales Baht'000	Borrowing costs which are capitalised in fixed assets Baht'000	Book depreciation under taxable depreciation Baht'000	Gains on land revaluation Baht'000	Total Baht'000
Deferred tax liabilities:					
As at 1 January 2016	(504)	-	(78,883)	(88,108)	(167,495)
Debit/(credit) in profit or loss	375	(77)	(8,321)	-	(8,023)
As at 31 December 2016	(129)	(77)	(87,204)	(88,108)	(175,518)
As at 1 January 2015	(431)	-	(66,696)	(88,108)	(155,235)
Credit in profit or loss	(73)	-	(12,187)	-	(12,260)
As at 31 December 2015	(504)	-	(78,883)	(88,108)	(167,495)

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

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Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

16 Employee benefit obligations

	Consolidated and Separate financial statements	
	2016 Baht'000	2015 Baht'000
Statement of financial position as at 31 December		
Post-employment benefits	91,200	83,972
Other long-term employment benefits	4,101	3,909
	<u>95,301</u>	<u>87,881</u>
Profit or loss for the years ended 31 December		
Post-employment benefits		
- current service cost	10,420	8,933
- interest cost	1,957	3,042
	<u>12,377</u>	<u>4,063</u>
Other long-term employment benefits		
- current service cost	430	373
- interest cost	89	156
- remeasurement	-	(605)
	<u>519</u>	<u>(76)</u>
	<u>12,896</u>	<u>11,899</u>
Other comprehensive income for the years ended 31 December		
Remeasurement of employee benefits	-	(7,912)

16.1 Post-employment benefits

The movement of post-employment benefits for the year ended 31 December is set out below:

	Consolidated and Separate financial statements	
	2016 Baht'000	2015 Baht'000
At 1 January	83,972	82,860
Current service cost	10,420	8,933
Interest cost	1,957	3,042
Remeasurement	-	(7,912)
Benefits paid	(5,149)	(2,951)
At 31 December	<u>91,200</u>	<u>83,972</u>

The principal actuarial assumptions used were as follows:

	Consolidated and Separate financial statements	
	2016	2015
Discount rate (per annum)	2.33	2.33
Future salary increases (per annum)	0.00 - 21.00	0.00 - 21.00

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16 Employee benefit obligations (Cont'd)

Impact on post-employment benefit - Legal severance pay benefit 2016			
Change in assumption		Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 6.86%	Increase by 7.77%
Turnover rate	1%	Decrease by 7.33%	Increase by 4.36%

Impact on post-employment benefit - In-house retirement benefit 2015			
Change in assumption		Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 6.86%	Increase by 7.77%
Turnover rate	1%	Decrease by 7.33%	Increase by 4.36%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Through its defined benefit retirement benefit plans and other long-term benefits plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 7.72 years (2015 : 7.72 years).

Expected maturity analysis of retirement

	Consolidated and Separate financial statements			
	Less than a year Baht'000	Between 1-5 years Baht'000	More than 5 years Baht'000	Total Baht'000
Post-employment - 2016	6,059	47,478	398,231	451,768
Post-employment - 2015	8,834	48,767	403,001	460,602

17 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.

Ocean Glass Public Company Limited

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18 Expenses by nature

The following significant expenditure items for the years ended 31 December 2016 and 2015, classified by nature, have been charged in profit before income tax:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Changes in finished goods and work in process	76,538	(74,770)	75,096	(74,877)
Raw material and consumables used	562,869	448,029	562,869	448,029
Employee expenses	529,835	522,614	512,115	509,366
Energy expenses	282,102	337,910	284,065	337,871
Depreciation and amortisation	165,049	170,440	164,827	170,157
Repair and maintenance expenses	104,417	111,401	104,304	111,355
Other expenses	222,351	296,890	203,000	298,799
	<u>1,943,161</u>	<u>1,812,514</u>	<u>1,906,276</u>	<u>1,800,700</u>

19 Income tax

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Corporate income tax for the year	-	-	-	-
Deferred income tax (Note 15)	17,219	41,018	17,651	41,018
Income tax expense	<u>17,219</u>	<u>41,018</u>	<u>17,651</u>	<u>41,018</u>

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Profit before income tax	111,792	174,447	103,273	180,845
Tax calculated at a tax rate of 20%	22,358	34,889	20,655	36,169
Additional deductible expense for tax purposes	(5,139)	(1,116)	(3,004)	(2,396)
Loss carried forward adjustment	-	7,245	-	7,245
Income tax expense	<u>17,219</u>	<u>41,018</u>	<u>17,651</u>	<u>41,018</u>

20 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributed to shareholders by the weighted average number of ordinary shares in issue, which is 21,330,715 shares during the year ended 31 December 2016 (2015: 21,330,715 shares). The Group has no dilutive instruments in issue.

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Notes to the Consolidated and Separate Financial Statements

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21 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 31 December 2016 and 2015, holding 32.82%. The remaining 67.18% are widely held.

Related parties:

Party	Business	Relationship
Ocean Glass Trading (Shanghai) Co., Ltd.	Marketing activities in China	Subsidiary
Ocean Glass Trading India Private Limited	Marketing activities in India	Subsidiary
Crystal Clear Innovation Co., Ltd.	Research and development products	Subsidiary

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 year:

21.1 Sales of goods

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Sales of goods:				
Subsidiary	-	-	116,062	10,033
Fellow subsidiaries	12	232	12	232
	12	232	116,074	10,265

Ocean Glass Public Company Limited

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For the year ended 31 December 2016

21 Related party transactions (Cont'd)

21.2 Purchase of goods and services

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Purchase of office equipment and supplies:				
Fellow subsidiaries	212	237	212	237
Rental expenses and service fee:				
Fellow subsidiaries	15,278	13,324	15,278	13,324
Legal service fee:				
Fellow subsidiaries	95	-	95	-
Commission:				
Subsidiaries	-	-	9,708	16,529

Trade 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.

21.3 Outstanding balances arising from sales / purchase of goods and services

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Trade receivables - related parties				
Subsidiary	-	-	42,792	24,080
Fellow subsidiaries	52	5	52	5
	52	5	42,844	24,085
Other receivable - related party				
Subsidiary	-	-	526	-
Other payables - related parties				
Subsidiaries	-	-	1,951	1,882
Fellow subsidiaries	1,593	465	1,593	465
	1,593	465	3,544	2,347

21.4 Key management compensation

For the year ended 31 December	Consolidated and Separate financial statements	
	2016 Baht'000	2015 Baht'000
Short-term benefits	40,943	36,061
Post-employment benefits	1,752	922
Other long-term benefits	120	-
	42,815	36,983

Ocean Glass Public Company Limited

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For the year ended 31 December 2016

21 Related party transactions (Cont'd)

21.5 Loans to subsidiary

On 29 November 2016, Crystal Clear Innovation Co., Ltd. entered into an agreement with the Company for a borrowing facility dominated in Thai Baht of 2 million. The loan has required to drawdown within 3 years since the date of the agreement. During 5 years since the date of the agreement, interest rate is at 4.50% per annum.

As at 31 December 2016, the loan has not been drawn-down.

22 Commitments

Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated and Separate financial statements	
	2016 Baht'000	2015 Baht'000
Machinery and equipment	22,958	14,485

Operating lease commitments - where the Group is the lessee

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:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Not later than 1 year	22,244	13,810	20,272	11,660
Later than 1 year but not later than 5 years	24,961	6,738	24,222	6,288
	47,205	20,548	44,494	17,948

Management and service agreement

Royalty fee

On 1 January 2016, 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.

Ocean Glass Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2016

23 Financial instruments

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 31 December 2016, the Group had forward foreign exchange contracts with maturities of less than 6 months (2015 : less than six months) as follows:

	Consolidated and Separate financial statements	
	2016 Million Baht	2015 Million Baht
Forward foreign exchange contracts		
USD 0.4 million (Baht 35.13 - 35.81 per USD 1)	12.9	-
USD 1.3 million (Baht 35.64 - 36.80 per USD 1)	-	47.8
USD 0.9 million (Baht 35.76 - 36.75 per USD 1)	-	31.8

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 approximate 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 offered to the loans with the similar terms and conditions to the Group's approximate to the fixed rates specified in the contracts.

The fair values of open forward foreign exchange contracts as at 31 December 2016 were stated as net liabilities of Baht 0.08 million (2015 : net liabilities of Baht 0.12 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 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.

24 Dividends

At the Company's Annual General Shareholders' Meeting on 26 April 2016, the meeting have 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 19 May 2016.

At the Company's Annual General Shareholders' Meeting on 28 April 2015, the meeting has approved a dividend payment from the operating results for the year 2014 of Baht 1.10 per share, totaling Baht 23.46 million. This dividend was paid on 20 May 2015.

25 Events after the reporting period

Long-term borrowings from financial institutions – Borrowing facilities of Baht 250 million

On 16 January 2017, the Company amended the borrowing agreement to adjust the monthly principal repayment amount by early the repayable period to 29 December 2018.