



Ocean Commerce Public Company Limited

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NO. OCMSET/1706/001

June 5, 2017

RE: Resolutions of the Board of Directors' meeting **to cancel** the warrants Capital increase  
Debentures Acquisition of assets Connected transaction Appointment of New Director and  
Extraordinary General Meeting of Shareholders No. 1/2017

TO: Director  
The Stock Exchange of Thailand

Ocean Commerce Public Company Limited ("the Company") held the Board of Directors' Meeting No. 4/2017 held on June 5,2017

1. The Board of Directors has considered carefully and carefully. In view of the acquisition of assets and the connected transaction, More risk than benefits to shareholders. So let's see. Cancel the proposal to the shareholders meeting to consider the company to enter into such transaction. The resolution to **cancel** the meeting agenda and the date of the EGM 1/2017 on 4 th July 2017

Since the Board of Directors has received information from the Independent Financial Advisor About Asset Acquisition and Connected Transaction To be presented to the shareholders by AEC Securities Public Company Limited as at 30 May 2017, By commenting **Unreasonable** The details are as follows.

- Advantages and Disadvantages of Entering into Asset Acquisition Purchase of land and buildings of the Chara Ville project, a "Service Apartment" residence building from Grand Ratchada Asset.

- Advantages of entering into the transaction. (As detailed in Section 2.2.1 of the report).

- Acquire potential assets.

In this transaction, the Company will be transferred land and buildings. Service Apartment Chara Ville project located in downtown Bangkok. Near the community, commercial sources and places such as the hospital, so that the customers who come for medical treatment. Including relatives who follow the care of grandchildren and close relatives who visit patients.

Transportation routes in and out. Travel to Ramkhamhaeng Airport Link Station. Rama 9 MRT Station and easy access to Suvarnabhumi International Airport.

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- Acquiring a serviced apartment business This is a strong project. There are dedicated customers.  
Main clients of the project Foreigners from the Middle East At the hospital in Bangkok. Piyavate Hospital Vejthani Hospital and Rama 9 Hospital as well as relatives who follow the care and also partner with neighboring hospitals such as Bangkok Hospital.
  - Create revenue growth opportunities (Recurring Income)  
Since the Chara Ville project has been in operation for about seven years, it has enabled customers to continue to use the service.
  - Can expand the company's other businesses and diversify the company's risk.  
The Company will have the opportunity to diversify its risk. Recurring Income reduces the fluctuations in revenue from assembly and distribution of products in parts and faucets. And fittings related to plumbing and sanitary ware And appliance products Under the trademark **GOODYEAR**
  - Have the opportunity to earn a profit from future capital value (Capital Gain)
  - Is a business with continuous cash flow.
- Disadvantages and risks of entering into the transaction (As detailed in Section 2.2.2 of the report).
- The Company will have more debt and interest expenses after the transaction.  
Because the company The proceeds from the issuance and offering of debentures will not exceed Baht 234 million. The issuance of such debentures resulted in increased liabilities and interest.
  - Operational risk is unacceptable.  
The competitive landscape in hotel and serviced apartment business. In the future, there may be other operators in the vicinity. It may affect the operation.
  - The risk that conditions precedent transactions do not achieve as follows:  
The issuance of debentures as a source of fund for the transaction must be approved by the Extraordinary General Meeting of Shareholders of the Company. No. 1/2017, July 4, 2017, and the Company was required to raise sufficient funds for the issuance and offering of debentures.  
Grand Ratchada Asset Co., Ltd. will release the mortgage of property. Before the Company enters into the transaction, and after entering into the transaction, the burden of the mortgage will not be borne by the Company.
  - Risk of loss of daily and weekly rental accommodation  
The Chara Ville project now offers daily, weekly and monthly rentals, which provide lower monthly rental rates. Must have a hotel business license. According to the

Hotel Act BE 2547, the Company is exposed to the risk of loss of income from daily and weekly rental of rooms after the transaction.

- Advantages and disadvantages of entering into a transaction with a person related to the transaction with outsiders. The need for the company. To make a transaction with a connected person and why the company. Do not make transactions with outsiders.
  - Advantages of entering into a transaction with a connected person (As detailed in Section 2.3.1 of the report).

Based on a survey of the market, the current service apartment and hotel offerings. There are no projects offered by outsiders to bring in projects similar to the Chara Ville project. There is a dedicated customer base and the company will transfer its operations along with its staff, manager, staff and all customer base. It provides continuous business opportunities.
  - disadvantages of the transaction with the connected person (As detailed in Section 2.3.2 of the report).

Transaction with connected person The power of bargaining and the conditions of entering into the transaction may not be as much as the transaction with outsiders.
- The normal price of the purchase of land and buildings for the Chara Ville project. The right way to turn a project is The Discounted Cash Flow Approach is Baht. 211.86 -251.92 million. The return on investment (IRR) is 9.01-11.10%, which is the optimal range for investment.
- Legal disputes by Grande Ratchada Asset Co., Ltd. have used the assets to enter into this transaction. The land and buildings of Chara Ville Mortgage Project are mortgaged as collateral against Kiatnakin Bank Public Company Limited which is a judgment of the Civil Court dated July 20, 2012 to repay Grand Ratchada Asset Company Limited. Principal of Baht 116.5 million with interest at the rate of 12% per annum from the date of the judgment of the Court. The Grand Ratchada Asset Co., Ltd. has submitted a letter of credit to Kiatnakin Bank for repayment of principal and interest of Baht 149.5 million. To finish at one time

Board of Directors Consider the advantages and disadvantages of entering into the transaction. Price fairness The terms of the transaction and other components as reported by the Independent Financial Advisor, including the opinion of the Independent Financial Advisor on the acquisition of assets and the connected transaction. That is not sensible Including the price that the Board of Directors has approved to propose to the shareholders meeting to consider and approve the Company to enter into such transaction at the Board of Directors' Meeting No. 3/2060 held on May 14, 2017 in the total amount not exceeding. 234 million baht, although it is in the range of 211.86 - 251.92 million baht, which is the appropriate price range for investment, according to the independent financial advisor's report. Calculated by the Discounted

Cash Flow Approach, the return on investment (IRR) is 9.01-11.10%, but still has a significant difference compared to the approved price with the range. Lowest price of appraised price The difference is 22.14 million baht.

The Board of Directors has considered carefully and carefully. In view of the acquisition of assets and the connected transaction, More risk than benefits to shareholders. So let's see. Cancel the proposal to the shareholders meeting to consider the company to enter into such transaction.. **The agenda and the date of the Extraordinary General Meeting of Shareholders No. 1/2017 should be canceled on Tuesday, July 4, 2016.** This is in line with the disapproval and the appointment of a new director under Section 70 of the Public Limited Companies Act, BE 2535, Section 70, unless the Company has other Articles of Association. The rules and procedures are as follows.

- (1) One shareholder has votes equal to the number of shares he holds, multiplied by the number of directors to be elected.
- (2) Each shareholder shall exercise all votes in (1) to elect one or several persons as director. In the case of election of multiple persons, the directors shall distribute the votes to any other persons.
- (3) The persons receiving the highest number of votes in descending order shall be elected as directors, equal to the number of directors to be elected. Choose by lottery to get the number of directors.

In the case where the company has a regulation on how to select a director, the regulations must not be disqualified by the shareholders.

**The abstention of the EGM No. 1/2017 is as follows:**

1. To appoint new directors.
2. Consider approving the purchase of land and buildings of Chara Ville, a residential building. "Service Apartment" from Grand Ratchada Asset Co., Ltd. Total value of investment is not over 234,000,000 baht.
3. To consider and approve the issuance and offering of debentures of up to Baht 250,000,000.
4. To consider and approve the issuance and offering of the warrants to purchase the Company's ordinary shares No.3 ("Warrant # 3" or "OCEAN-W3") to be allocated to the existing shareholders. over 206,814,500 units)
5. To consider and approve the increase of registered capital from Baht 217,155,228 to Baht 271,359,096 by issuing ordinary shares. 216,815,472 ordinary shares with a par value of Baht 0.25 each to support the exercise of the warrants. Warrants to purchase ordinary shares of the Company No. 3 (OCEAN-W3) amounting to 206,814,500 shares and to accommodate the adjustment of the rights of the warrants to purchase the Company's ordinary shares No. 2 ("Warrants No.2" or "OCEAN-W2"), totaling 10,000,972 shares.
6. To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's Memorandum of Association Clause 4. Registered Capital.



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7. To consider and approve the allotment of new shares

Please be informed accordingly.

Yours sincerely,

(Mr. Uchai Vilailerstpoca)

Managing Director