



Ocean Commerce Public Company Limited

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(Translation)

No. OCMSET/1706/003

June 8, 2017

Subject : To clarify the cancellation of the acquisition of Chara Ville Assets, which is a connected transaction, including the agenda. Others will be proposed to the Extraordinary General Meeting of Shareholders (According to Stock Exchange of Thailand).

Attention : Director

The Stock Exchange of Thailand

The Board of Directors of Ocean Commerce Limited (Company) (the "Company") No. 3/2017 held on May 14, 2017 has approved the purchase of land and buildings of the Chara Ville. residential building "service Apartment" from Grand Ratchada Asset limited investment value not exceeding Baht 220,000,000 and expenses of the transfer of ownership does not exceed 14 million baht worth of investments, including. This was less than 234 million baht million (two hundred thirty-four million baht). And for the transparency and accuracy of the transaction. The Board of Directors proposed an appraisal company, Advanced Appraisal Company Limited (a listed company in the SEC for valuation of public benefit assets), to appraise one additional item to be Third. Party and the appointment of a legal advisor is the Theerakupt International Law Office, which oversees the risks of obligations and the "Service Apartment" by working with The Independent Financial Advisor is AEC Securities Public Company Limited before the information is provided to the shareholders for further consideration.

The Board of Directors Meeting No. 4/2017, held on June 5, 2017, resolved to cancel the purchase of land and buildings of Chara Ville project, a "Service Apartment" residential building from Grand Ratchada. Sets Co., Ltd. Total value not exceeding 234,000,000 Baht. Since the Board of Directors has considered the information from Advance Appraisal Company Limited (SEC Listed Company is a valuation for public benefit) and the report of the opinion of AEC Securities Public Company Limited, which is deemed inappropriate to enter into such transaction. The details are as follows.

1. On April 5, 2017, Mr. Faprathan Chittiratseni, the shareholder, presented the "Service Apartment" business to the company to purchase land and buildings of Chara Ville project worth not more than Baht 220,000,000 and expenses. The total value of the investment will not exceed Baht 234,000,000 (Two hundred and thirty four million only). And on April 7, 2017, the Board of Executive Directors Meeting No. 1/2560 passed a resolution The purchase of land and buildings of the Chara Ville Project, a "Service Apartment" residence building from Grand Ratchada Asset Co., Ltd., is proposed to the Board of Directors. The Board of Directors Meeting No.

3/2017 held on 14 May 2017. The Board of Directors has carefully studied the information and provided a Feasibility Report for further presentation at the next Board of Directors' meeting. (Details in item 2.)

2. The Board of Directors has approved the purchase of land and buildings for the Chara Ville project with the following information:
- Information from the Feasibility Report, which is the financial analysis of the company. Without appointing a financial advisor to analyze and prepare the report.
 - The return on investment (IRR) of 9-11 percent represents a good return. Appropriate to enter into the transaction.
 - A business with continuous cash flow. Which can support the Company's working capital as a whole. Because of the revenue generated by Recurring Income and the increase in Service Apartment business, the gross margin is quite high. It will make the company profits. Increased from the old business (Brass faucet business and related products).
 - To expand other businesses of the Company. And diversify the risk to the company in a consistent manner. With the company policy The Company has established a subsidiary, Green Ocean Water (Thailand) Company Limited to accommodate or to study and look for new business opportunities or projects to make. The Company's growth in revenue and profit in the future.
 - It will be profitable to increase the value of future property investments in real estate. During the investment will generate revenue as cash flow from the lease. Real estate and on sale Real estate will profit from sales. Because of the estimated value of the land is generally. Increased And real estate trading It will use the market price. The market price is. The rise is higher than the appraised value. **There will be a profit from the sale real estate.**
 - The appraised value of the appraisal of appraise and service Co., Ltd. (Listed on the SEC for the valuation of assets for public benefit) appraised on April 4, 2017 Mr. Faprathan Jittiratsene, the shareholder, presented the company on April 5, 2017.
 - Based on appraisal value from Kata Appraisal and Services Co., Ltd. (Listed on the SEC for public property valuation), appraised on April 4, 2017 by Cost Approach) Amounted to Baht 264.16 million, and the income approach was Baht 270.80 million. The transaction of

the company. The investment value does not exceed 220,000,000 Baht and the transfer fee does not exceed 14,000,000 Baht. The total investment value is not more than 234,000,000 Million Baht (Two Hundred and Thirty Four Million Baht) which is lower than the appraisal cost.) Amounted to Baht 264.16 million of the Company's appraisal and service company, appraised on April 4, 2017.

Therefore, based on the above two considerations, the Board of Directors deems it appropriate to **cancel the acquisition of assets and related party transactions** in Chara Ville, the "Service Apartment" of Grand Ratchada. Asset Co., Ltd. and **cancel the agenda of the Extraordinary General Meeting of Shareholders No. 1/2017.**

- 3. Summary of Board of Directors' Opinions** The resolution was approved and resolved to cancel the purchase of land and buildings of the Chara Ville project as follows:

Board of Directors' opinion	
Opinion of the Board of Directors Meeting No. 3/2017 (Purchase of Land and Buildings of Chara Ville Project from Grand Ratchada Asset Company Limited)	Opinion of the Board of Directors Meeting No. 4/2017(Purchase of Land and Buildings of Chara Ville Project from Grand Ratchada Asset Company Limited)
1. The suitability of the purchase price. The price approved for the transaction includes transfer expenses of Bt. 234 million, which is lower than the appraised price. Reference is made to appraised value from Ktec Appraisal and Services Co., Ltd. (Listed on the SEC for the valuation of public benefit assets) Appraised as of 4 April 2017 by Cost Approach. Equivalent to Baht 264.16 million and Income Approach is Baht 270.80 million.	1. The price of purchase is not appropriate. Due to the Independent Financial Advisor Calculated by Discounted Cash Flow Approach, the price is Baht 211.86 - 251.92 million, which is the appropriate price range for investment. But the approved price has a significant difference compared to the minimum price of the appraised price. The difference was 22.14 million baht.
Note: Information from Advance Appraisal Company Limited, Third Party (Listed Companies in the SEC is a valuation of public benefit property) that the Board of Directors Proposed additional valuation. The appraisal result as of May 16, 2017, by cost method, was Baht 252.27 million and the Income Approach was Baht 280.38 million.	
2. Apply for a hotel business license. (No data to consider)	2. Not allowed to operate a hotel business because it is a business. It offers daily, weekly and monthly rental

	<p>accommodation.</p> <p>Monthly, which offers lower-priced rental accommodation.</p> <p>Monthly must have a business license.</p> <p>Hotels under the Hotel Act BE 2547.</p> <p><u>The relevant law in applying for a hotel business license is.</u></p> <p>1. Law on Town Planning The zone has color zones.For business in the area. And in some areas have.Hotel construction ban</p>
	<p>2. The law on building control has set the hotel. Some types (large) require legal parking. set</p>
	<p>3. Building Control Law Has given the building The hotel is a control building and requires permission to use the building. From local officials first.</p>
<p>Note: The reason why the company. Must apply for a hotel business license. Because it is a business that provides daily, weekly and monthly rental rooms, which offers lower monthly rental rates. Must apply for a hotel business license.</p>	
<p>3. Competition in hotel and serviced apartment business Low risk due to Grand Ratchada Asset Co., Ltd. has been in business for 7 years and has contract with Bangkok Hospital and Middle East customers</p>	<p>3. There is no operational risk. (According to the opinion of the Independent Financial Advisor)</p> <p>Competition in hotel and serviced apartment business in the future may be increased by other operators in the vicinity. It may affect the operation, such as the Bangkok Hospital will build residential buildings. To accommodate future customers.</p>
<p>4. Assets to enter into this connected transaction Credit mortgage guarantee with Kiatnakin Bank Public Company Limited on July 20, 2012.The Civil Court sentenced Grand Ratchada Asset Restricted principal repayment of Baht 116.5 million.Interest at the rate of 12 percent per annum from the date the judgment comes.Return to Kiatnakin</p>	<p>4. Assets to enter into this connected transaction Credit mortgage guarantee with Kiatnakin Bank Public Company Limited on 20 July 2012. The Civil Court sentenced Grand Ratchada Asset Restricted principal repayment of Baht 116.5 million.Interest at the rate of 12 percent per annum from the date the judgment comes. Return to Kiatnakin Bank Public</p>



Bank Public Company Limited (Information No change from the original approved.)	Company Limited
5. The transaction will result in the Company has a burden. Debt and interest expenses are higher. Due to funding By issuing and offering debentures before entering into the transaction in Approval The company plans to issue and offer Sale of warrants to purchase the Company's ordinary shares The third time, which is close to the issuance and offering. debenture	5. The transaction will result in the Company has a burden. Debt and interest expenses are higher. Due to funding By issuing and offering debentures before entering into the transaction. Interest rates are quite high. And not confidently issuing and offering Sale of warrants to purchase the Company's ordinary shares Third, there will be shareholders to exercise the right plan as determined.
Note: Opinion of the Board of Directors in Clause 4 and Clause 5 of Approval and Cancellation of Transaction No difference	

4. The Independent Financial Advisor has the opinion that: Asset Acquisition and Connected Transaction Not reasonable because

4.1 Business Operation Model The Chara Ville Serviced Apartment currently operates on a daily and a monthly rental basis. After entering into the transaction, the Company is required to obtain a hotel operating license. More for lower priced monthly room rentals. In case of not being able to apply for a hotel operation permit, Chara Ville will lose revenue and daily and weekly customers. As a result, the projected revenue estimate for the project has significantly decreased. In applying for a hotel business license will be difficult. Since the law on building control requires certain types of hotels (large) to have a statutory parking space. And the law on building control. The hotel building is designated a building and must be licensed to use the building from a local official. But the Chara Ville serviced apartment business is not parked in compliance with the law and the building has been licensed as a residential building. Control buildings are not in compliance with the law governing the hotel business.

4.2 The assets to be entered into this connected transaction were mortgaged with Kiatnakin Bank Public Company Limited. On 20 July 2012, the Civil Court sent a judgment to Grand Ratchada. Asset Co., Ltd. repays principal amount of Baht 116.5 million plus interest at the rate of 12% per annum from the date the court issues its verdict to Kiatnakin Bank Public Company Limited.

4.3 The transaction will result in the Company. With higher debt and interest expenses. Due to fund raising by issuing and offering debentures before entering into the transaction.

5. Opinion of the Board of Directors The Board recommends that the agenda of the Extraordinary Shareholders' Meeting be **canceled**. The details are as follows.

5.1 Appointment of new directors

Because of the appointment of new directors. In accordance with the Public Limited Company Act, BE 2535 (1992), Section 70, unless the Company has other Articles of Association, such Director shall elect the Director General Meeting in accordance with the following rules and procedures:

- (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 use all the votes in (1) to elect one or several persons to be a director.
- (3) The persons receiving the highest number of votes in descending order shall be elected as directors by the number of directors to be elected by lottery in order to obtain the number of directors to be elected.

Article 5 of the Company's Articles of Association, the Board of Directors, Article 18. The meeting of shareholders shall elect the directors according to the following rules and procedures:

- (1) One shareholder has one (1) vote to one (1) vote.
- (2) Each shareholder will use all available votes under (1) to elect one or several persons as director. In the case of multiple persons, the number of votes can not be divided into any number.
- (3) Persons who receive the highest score in descending order shall be elected as directors, equal to the number of directors to be elected at that time. In cases where the persons elected in descending order have the same number of votes in excess of the number of directors required or will be elected at that time. The chairman of the meeting shall have the casting vote.

According to the Company's Articles of Association, Chapter 5, the Board of Directors

Article 17. The Company has a board of directors to operate the business of the company. It consists of at least five (5) members. At least half of all directors must have a residence in the Kingdom. And the directors of the company must meet the qualifications required by law.

Company directors may be shareholders of the company or not.

When the company will appoint a new director. Therefore, it must be based on the Public Limited Company Act, BE 2535, Section 70, unless the Company has other Articles of Association. Therefore, the new director can not be appointed. Since there is no extraordinary shareholders' meeting The company will continue to



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present this new director at the next shareholders' meeting. As a director, the proportion of major shareholders proposed to the meeting for consideration.

5.2 Consider approving the purchase of land and buildings of Chara Ville, a "Service Apartment" From Grand Ratchada Asset Co., Ltd. total investment value is not more than 234,000,000 baht. Reference cancellation According to the reasons set out in Article 2. - Article 4.

5.3 To consider and approve the issuance and offering of debentures of up to Baht 250,000,000 In issuing and offering debentures This time the purpose is to To repay the Company's existing loan and use it. Operate no more than 10 million baht or investment and support the Company's operations and Affiliates Up to 240 million baht, which the Board of Directors has resolved to cancel the purchase of land and buildings. Chara Ville did not use the investment.

5.4 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)

The Board of Directors has resolved to cancel the purchase of Chara Ville land and buildings. No investment and no issuance and offering of debentures. The company does not have to raise funds from its shareholders. With the issuance and offering of warrants to purchase the Company's ordinary shares No. 3

5.5 To consider and approve the increase of registered capital from Baht 217,155,228 to Baht 271,359,096 by issuing 216,815,472 new ordinary shares with a par value of Baht 0.25 each to support the exercise of warrants to purchase. Ordinary shares of the Company No. 3 (OCEAN-W3) in the amount of 206,814,500 shares and to accommodate the adjustment of the rights to purchase ordinary shares of the Company No. 2 ("Warrants No.2" or "OCEAN- W2 ") of 10,000,972 shares Refer to the reason for cancellation under Clause 5.4.

5.6 To approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the registered capital. Refer to the reason for cancellation under Clause 5.4.

5.7 To approve the allotment of new shares
Refer to the reason for cancellation under Clause 5.4.



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Please be informed accordingly.

Yours sincerely,

(Mr. Uchai Vilailerstpoca)

Managing Director