



Ocean Commerce Public Company Limited

148/1 Soi Raminthra 14, Raminthra Road, Tharang Sub-district, Bang Khen District, Bangkok 10230

Tel: 02-943-6663-4 Fax: 02-943-6343 02-943-7740

No. OCMSET/1811/004

November 27, 2018

Re: Notification of Discontinuation of Business of Manufacturing Accessories and Faucet Products, the Company's Registered Capital Increase, and Issuance and Allocation of the Warrants to Purchase the Company's Newly Issued Ordinary Shares to the Company's Existing Shareholders according to their Shareholding Percentages (Right Offering) Free of Charge and amendment the Company's objective.

Attn.: President
The Stock Exchange of Thailand

Enclosures

1. Capital Increase Report Form (F53-4)
2. Key Summary of the Warrants to Purchase Newly Issued Ordinary Shares of Ocean Commerce Public Company Limited No. 3 (OCEAN-W3)

Ocean Commerce Public Company Limited (the "**Company**") hereby informs that the Board of Directors' Meeting No. 9/2018, which was held on November 27, 2018 at 9.00 hours, has passed significant resolutions which may be summarized as follows:

1. Resolved to approve the business restructuring of products in the category of accessories and faucet products, whereby the business of manufacturing accessories and faucet products shall be discontinued, and the business direction of products in the category of accessories and faucet products in the future, with the details in essence as follows:

Discontinuation of Business of Manufacturing Accessories and Faucet Products

In the past, the Company's operating results have been declining, whereby in 2017, the Company's total revenue amounted to THB 294 Million, which was decreased from THB 332 Million in 2016 or representing a decrease by 11 percent, thereby causing the Company's net profits in 2017 to be THB (32) Million, which was decreased from THB 2 Million in 2016. The percentage of revenues and gross operating profits from the business of manufacturing and distributing accessories and faucet products may be summarized as follows:

Table of Percentages of Revenues (Business of Accessories and Faucet Products)

	2015		2016		2017		First 9 Months of 2017 (Jan – Sep)		First 9 Months of 2018 (Jan – Sep)	
	Million Baht	percent	Million Baht	percent	Million Baht	percent	Million Baht	percent	Million Baht	percent
Trading	267.6	91.2	307.6	93.5	277.3	94.6	208.5	95.6	218.6	93.1
Manufacturing	25.8	8.8	21.4	6.5	14.8	5.1	9.6	4.4	16.1	6.9
Total main revenues	293.4	99.0	329.0	99.2	292.1	99.3	218.1	99.3	234.7	99.2
Other revenues	3.0	1.0	2.8	0.8	2.0	0.7	1.6	0.7	1.8	0.8
Total revenues	296.4	100.0	331.8	100.0	294.1	100.0	219.7	100.0	236.5	100.0

In the past, the Company’s main revenues were derived from two businesses, namely, business of trading accessories and faucet products (“**Trading Business**”) and business of manufacturing accessories and faucet products (“**Manufacturing Business**”). The percentage of revenues from the Trading Business accounted for 91.2 percent, 93.5 percent and 94.6 percent of the total revenues in 2015, 2016 and 2017, respectively, and accounted for 95.6 percent and 93.1 percent of the total revenues for the first nine month (Jan – Sep) of 2017 and 2018, respectively, whereas the percentage of revenues from the Manufacturing Business accounted for only 4.4 – 9.6 percent of the total revenues for the corresponding periods. The revenues from the Manufacturing Business were declining as a result of more intense competition; particularly a more variety of imported products with relatively lower manufacturing costs than the Company’s manufacturing costs. In this regard, certain groups of customers reduced their contract manufacturing volumes with the Company in order to procure finished products instead, thereby causing the revenues from the Manufacturing Business to continually reduce from THB 25.8 Million in 2015 to THB 14.8 Million in 2017, or representing a declining Compound Annual Growth Rate (CAGR) of (24.3) percent per annum.

Table of Percentages of Gross Operating Profits (Business of Accessories and Faucet Products)

	2015		2016		2017		First 9 Months of 2017 (Jan – Sep)		First 9 Months of 2018 (Jan – Sep)	
	Million Baht	percent	Million Baht	percent	Million Baht	percent	Million Baht	percent	Million Baht	percent
Trading	81.6	95.0	95.1	99.1	87.0	99.1	65.7	100.3	67.2	97.9
Manufacturing	4.3	5.0	0.9	0.9	0.8	0.9	(0.2)	(0.3)	1.5	2.1
Total Gross Operating Profits*	85.9	100.0	96.0	100.0	87.8	100.0	65.5	100.0	68.7	100.0

Remark: * This excludes the administrative expenses.

During 2016 – 2017, the Company’s percentage of gross operating profits from the Trading Business accounted for 95.0 percent, 99.1 percent and 99.1 percent of the total gross operating profits [in 2015, 2016 and 2017,] respectively, whereas the percentage of gross operating profits from the Manufacturing Business accounted for only 1 – 5 percent of the total gross operating profits for the corresponding periods. In addition, the gross operating profits from the Manufacturing Business continued

to decline from THB 4.3 Million in 2015 to THB 0.8 Million in 2017 or representing a declining Compound Annual Growth Rate (CAGR) of (56.8) percent per annum. This was mainly due to the fact that the factory's utilization rate in the past accounted for only 8-10 percent of the total production capacity at approximately 800,000 – 1,000,000 pieces per year, although the Company is required to bear various fixed costs, such as, depreciation, salary of manufacturing support staff etc. In addition, the gross profit margin from the Manufacturing Business amounted to only 4 – 15 percent of the main revenues of the Manufacturing Business, which was less than the total gross profit margin from the Trading Business, which amounted to 30 – 31 percent of the main revenues of the Trading Business.

Should the Company wish to continue the operation of the Manufacturing Business in the future, the Company is required to bear such fixed costs, in which case, the revenues from such business are likely to reduce further, which would result in such business being at a loss. Therefore, the Company foresees that it is not worthwhile to continue the operation of the Manufacturing Business, and that the percentage of revenues from the Manufacturing Business accounted for 4.4 – 9.6 percent of the total revenues, and the gross operating profits from the Manufacturing Business accounted for 1 – 5 of the total gross operating profits, and as such, the discontinuation of the Manufacturing Business will not affect the overall operating results, whereby the Company will continue to focus on its Trading Business of accessories and faucet products. Furthermore, the Company has started the business of trading crude palm oil type A (CPOA) since October 2018, which will help boost the revenues and ensure the Company's constant operating results.

Business Direction of Accessories and Faucet Products in the Future

Further to the Company's plan to discontinue the Manufacturing Business of accessories and faucet products and to continue its Trading Business of accessories and faucet products, the Company foresees that its liquidity is a key factor to carry out the Trading Business of accessories and faucet products. In other words, should the Company's liquidity remain high, e.g., with more cash for business operations, the Company will be able to purchase more goods for sale, in which case, the Company will act as an intermediary to generate profits more from price margins. In this connection, the increase of the Company's liquidity may be accelerated by various means, such as, managing its working capital through negotiations with counterparties, securing more financing sources, including the consideration of potential disposal of non-operating assets and/or assets relating to the Manufacturing Business of accessories and faucet products, etc.

In this connection, to the best interest of the Company in determining how to handle non-operating assets and/or assets relating to the discontinued Manufacturing Business of accessories and faucet products, the Company will appoint an asset appraiser approved by the Office of the Securities and Exchange Commission to assess the fair value and prepare an appraisal report on such assets, and proceed with the bidding process to survey the demands and prices, in support of the Company's further decision, which is expected to be completed by January 2019. The Company will allow business operators and general public to submit bids in accordance with the procedures and conditions to be set out by the Company. In this case, even though the bidding process may be regarded as a fair procedure without any advantage to the Company's connected persons, to ensure the transparency and the Company's due and full compliance with the Notification on Rules on Connected Transactions, the Board of Directors thus deemed it appropriate to set out additional conditions for the bidding process, whereby those with relationships as the Company's connected persons may be eligible to submit bids to purchase any items of assets in the Company's bidding process only if they have been registered in advance as bidders with the Company during the specified period, namely, from January 7, 2019 to January 11, 2019, at the Company's office.

In this regard, should the Company consider disposing of its non-operating assets and/or assets relating to the discontinued Manufacturing Business of accessories and faucet products, the

Company will comply with the applicable laws, rules and regulations, including the Notification on Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification on Rules on Connected Transactions.

Furthermore, the Board of Directors deemed it appropriate to consider and approve the authorization of the Managing Director or the person entrusted by the Managing Director to determine, amend, vary and/or add details, conditions, including taking any arrangements necessary for or in connection with the bidding for non-operating assets and/or assets relating to the discontinued business of manufacturing accessories and faucet products, and the appointment of the asset appraiser approved by the Office of the Securities and Exchange Commission to assess the fair value and prepare the appraisal report on such assets.

2. Resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and approve the increase of the Company's registered capital in the amount of THB 150,806,129.75 from the existing registered capital of THB 301,612,259.75 to be the registered capital of THB 452,418,389.50 by issuing not exceeding 603,224,519 newly issued ordinary shares at the par value of THB 0.25 per share to accommodate the exercise of the warrants to purchase the Company's newly issued ordinary shares issued and allocated to the Company's existing shareholders according to their shareholding percentages (Right Offering).

The details of the opinion of the Board of Directors on the capital increase are described in the Capital Increase Report Form (F53-4) (**Enclosure 1**).

3. Resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 1/2019 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 registered capital, with the details as follows:

Clause 4.	The registered capital	: THB 452,418,389.50	(Four Hundred Fifty-Two Million Four Hundred Eighteen Thousand Three Hundred Eighty-Nine Baht Fifty Satang)
	divided into	: 1,809,673,558 shares	(One Thousand Eight Hundred Nine Million Six Hundred Seventy-Three Thousand Five Hundred Fifty-Eight Shares)
	at the par value of	: THB 0.25 per share	(Twenty-Five Satang)
	divided into	:	
	Ordinary shares	: 1,809,673,558 shares	(One Thousand Eight Hundred Nine Million Six Hundred Seventy-

Three Thousand Five
Hundred Fifty-Eight
Shares)

Preferred shares : -None- -

4. Resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and approve the issuance and allocation of the warrants to purchase the Company's newly issued ordinary shares No. 3 (OCEAN-W3) to the Company's existing shareholders according to their shareholding percentages (Right Offering) (the "**Warrants**") in the amount of not exceeding 603,224,519 units free of charge, at the ratio of 2 existing ordinary shares to 1 unit of the Warrants (any fraction thereof shall be disregarded), for a term of not exceeding 3 years from the issuance date of the Warrants, with the exercise ratio of 1 unit to 1 newly issued ordinary share, and with the exercise price of THB 1 per share, whereby the Company will consider allocating not exceeding 603,224,519 newly issued ordinary shares of the Company at the par value of THB 0.25 per share to accommodate the exercise of the Warrants.

The details of the Warrants are described in the Key Summary of the Warrants to Purchase Newly Issued Ordinary Shares of Ocean Commerce Public Company Limited No. 3 (OCEAN-W3) (**Enclosure 2**).

In addition, the Board of Directors' Meeting also approved to propose the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and approve the authorization of the Board of Directors or the Managing Director or the person entrusted by the Board of Directors or the Managing Director to take any arrangements necessary for and in connection with the issuance and allocation of the Warrants in compliance with the laws, including but not limited to the power to (1) set out and amend rules, terms, conditions and other details relating to the issuance and allocation of the Warrants, including the date to determine the list of shareholders eligible to be allocated with the Warrants; (2) negotiate, agree, enter into, amend, add, sign agreements, applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents necessary for and in connection with the issuance and allocation of the Warrants, as well as contact, filing, amendment, addition and signing of the applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents, with the Office of the Securities and Exchange Commission, the MAI, the Stock Exchange of Thailand, governmental agencies and relevant authorities in relation to the issuance and allocation of the Warrants and the listing of the Warrants and the newly issued ordinary shares from the exercise of the Warrants as listed securities on the MAI; and (3) take any other arrangements as necessary and appropriate in connection with the issuance and allocation of the Warrants in order to ensure the successful completion of the foregoing arrangements and the issuance and allocation of the Warrants on this occasion.

5. Resolved to appoint Thailand Securities Depository Co., Ltd. as the registrar for the warrants to purchase the Company's newly issued ordinary shares No. 3 (OCEAN-W3).

6. Resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and approve the amendment of the Company's objectives from 29 clauses to 30 clauses, as follows:

"Clause 30 Purchase Procure Manufacture Store Transport and Trading of petroleum, liquefied petroleum gas, natural gas, product from petroleum, product from petrochemical, all type of energy power and all fuel"

In this connection, the Board of Directors approved to propose to the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and authorized the Board of Directors and/or the authorized directors and/or the person assigned by the Board of Directors and/or the authorized directors to empower to revise, add, change in wording in the objectives as appropriate to comply with the public company registrar for the purpose of the change of objectives registration with the Ministry of Commerce.

7. Resolved to propose to the Shareholders' Meeting to amend No.3 in the Company's article of association, to be consistent with the amendment of the Company's objectives, details are as follows:

“Clause 3. The Company has 30 objectives, details are as prescribed in an attached BorMorJor.002 Form.”

8. Resolved to approve the scheduling of the Extraordinary General Meeting of Shareholders No. 1/2019 to be held on January 15, 2019 at 14.00 hours at Ratchada Ballroom, SC Park Hotel, No. 474, Ramkhamhang 39 (Praditmanutham) Road, Wangthonglang District, Wangthonglang Sub-district, Bangkok and the record date to determine the list of shareholders eligible to attend the Extraordinary General Meeting of Shareholders No. 1/2019 to be December 12, 2018, with the agenda of the Meeting as follows:

- (1) To consider and certify the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2018;
- (2) To consider and approve the increase of the Company's registered capital in the amount of THB 150,806,129.75 from the existing registered capital of THB 301,612,259.75 to be the registered capital of THB 452,418,389.50 by issuing not exceeding 603,224,519 newly issued ordinary shares at the par value of THB 0.25 per share to accommodate the exercise of the warrants to purchase the Company's newly issued ordinary shares issued and allocated to the Company's existing shareholders according to their shareholding percentages (Right Offering);
- (3) 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 registered capital;
- (4) To consider and approve the issuance and allocation of the warrants to purchase the Company's newly issued ordinary shares No. 3 (OCEAN-W3) to the Company's existing shareholders according to their shareholding percentages (Right Offering) in the amount of not exceeding 603,224,519 units free of charge;
- (5) To consider and approve the amendment of the Company's objectives.
- (6) To consider and approve the amendment of Clause 3 of the Memorandum of Association of the Company to be in line with the amendment of the Company's objectives.
- (7) To consider other business (if any).

Given that agenda items 2 to 4 interrelate, therefore, the consideration and approval of the matters per agenda items 2 to 4 shall be deemed to be conditional with one another, and as such, should any particular agenda item not be approved, the other interrelated agenda items which may have been



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approved shall be deemed to be cancelled, and the remaining items shall not be considered accordingly. In this regard, it shall be deemed that the consideration and approval of all matters per agenda items 2 to 4 are not approved by the Extraordinary General Meeting of Shareholders No. 1/2019.

9. Resolved to approve the authorization of either the Executive Committee or the Chief Executive Officer or the person entrusted by the Executive Committee or the Chief Executive Officer to consider and amend the date, time and place of the Extraordinary General Meeting of Shareholders No. 1/2019, including to revise and/or add the agenda of the Extraordinary General Meeting of Shareholders No. 1/2019 and/or change the record date to determine the list of shareholders eligible to attend the Extraordinary General Meeting of Shareholders No. 1/2019 as necessary and appropriate subject to the legal provisions.

Please be informed accordingly.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Chatchaya Traitrakulchai", is written over a faint, larger version of the same signature.

Mrs. Chatchaya Traitrakulchai

Managing Director

(F 53-4)

Capital Increase Report Form
Ocean Commerce Public Company Limited
November 27, 2018

We, Ocean Commerce Public Company Limited, (the “**Company**”), hereby report on the resolutions of the Board of Directors’ Meeting No. 9/2018, held on November 27, 2018, from 09.00 hours to 10.00 hours, regarding the capital increase and new share allocation, as follows:

1. Capital Increase

The Board of Directors’ Meeting resolved to grant approval to propose the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and approve the increase of the Company’s registered capital in the amount of THB 150,806,129.75 from the existing registered capital of THB 301,612,259.75 to be the registered capital of THB 452,418,389.50 by issuing not exceeding 603,224,519 newly issued ordinary shares at the par value of THB 0.25 per share, with the description of the capital increase as follows:

Capital Increase	Type of Shares	Amount of Shares (shares)	Par Value (THB per share)	Total (THB)
<input checked="" type="checkbox"/> Specific Purpose of Use of Proceeds	Ordinary Shares	603,224,519	0.25	150,806,129.75
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

In case of the capital increase with specific purpose of use of proceeds, complete all of the following items, except item 2.2.

In case of the capital increase with general mandate, complete only items 2.2, 3 and 4.

2. Allocation of New Shares
2.1 Specific Purpose of Use of Proceeds

Allocation to	Amount of Shares (shares)	Ratio (Old : New)	Offering Price (THB per share)	Share Subscription and Payment Date and Time	Remark
To accommodate the exercise of the warrants to purchase the Company's newly issued ordinary shares issued and allocated to the Company's existing shareholders according to their shareholding percentages (Right Offering)	Not exceeding 603,224,519 shares	<u>Allocation Ratio</u> 2 existing ordinary share(s) to 1 unit of the warrants (any fraction thereof is disregarded) <u>Exercise Ratio</u> 1 unit of the warrants is entitled to purchase 1 newly issued ordinary share(s)	<u>Offering Price</u> Free of charge <u>Exercise Price</u> THB 1 per share	Please see remark below.	Please see remark below.
Total	Not exceeding 603,224,519 shares				

Remarks

The Board of Directors' Meeting No. 9/2018, held on November 27, 2018, resolved as follows:

1. It was approved to propose the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and approve the increase of the Company's registered capital in the amount of THB 150,806,129.75 from the existing registered capital of THB 301,612,259.75 to be the registered capital of THB 452,418,389.50 by issuing not exceeding 603,224,519 newly issued ordinary shares at the par value of THB 0.25 per share to accommodate the exercise of the warrants to purchase the Company's newly issued ordinary shares issued and allocated to the Company's existing shareholders according to their shareholding percentages (Right Offering).
2. It was approved to propose the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and approve the issuance and allocation of the warrants to purchase

the Company’s newly issued ordinary shares No. 3 (OCEAN-W3) to the Company’s existing shareholders according to their shareholding percentages (Right Offering) (the “Warrants”) in the amount of not exceeding 603,224,519 units free of charge, at the ratio of 2 existing ordinary shares to 1 unit of the Warrants (any fraction thereof shall be disregarded), for a term of not exceeding 3 years from the issuance date of the Warrants, with the exercise ratio of 1 unit to 1 newly issued ordinary share, and with the exercise price of THB 1 per share, whereby the Company will consider allocating not exceeding 603,224,519 newly issued ordinary shares of the Company at the par value of THB 0.25 per share to accommodate the exercise of the Warrants.

The details of the Warrants are described in the Key Summary of the Warrants to Purchase Newly Issued Ordinary Shares of Ocean Commerce Public Company Limited No. 3 (OCEAN-W3) (**Enclosure 2**).

In addition, the Board of Directors’ Meeting also approved to propose the Extraordinary General Meeting of Shareholders No. 1/2019 to consider and approve the authorization of the Board of Directors or the Managing Director or the person entrusted by the Board of Directors or the Managing Director to take any arrangements necessary for and in connection with the issuance and allocation of the Warrants in compliance with the laws, including but not limited to the power to (1) set out and amend rules, terms, conditions and other details relating to the issuance and allocation of the Warrants, including the date to determine the list of shareholders eligible to be allocated with the Warrants; (2) negotiate, agree, enter into, amend, add, sign agreements, applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents necessary for and in connection with the issuance and allocation of the Warrants, as well as contact, filing, amendment, addition and signing of the applications for permission, waiver, evidence, disclosure, report on the offering for sale, and various documents, with the Office of the Securities and Exchange Commission, the MAI, the Stock Exchange of Thailand, governmental agencies and relevant authorities in relation to the issuance and allocation of the Warrants and the listing of the Warrants and the newly issued ordinary shares from the exercise of the Warrants as listed securities on the MAI; and (3) take any other arrangements as necessary and appropriate in connection with the issuance and allocation of the Warrants in order to ensure the successful completion of the foregoing arrangements and the issuance and allocation of the Warrants on this occasion.

2.1.1 The Company’s arrangements with any fraction of shares

Any fraction of shares from the allocation of the newly issued ordinary shares to accommodate the exercise of the Warrants shall be disregarded.

2.2 General Mandate

Allocation to	Type of Securities	Amount of Shares	Percentage of Paid-up Capital^{1/}	Remark
Existing Shareholders	Ordinary Shares	-	-	-
	Preferred	-	-	-

Allocation to	Type of Securities	Amount of Shares	Percentage of Paid-up Capital ^{1/}	Remark
	Shares			
To accommodate the conversion/ exercise of the transferable warrants	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
Public Offering	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-
Private Placement	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

^{1/} The percentage of the paid-up capital as of the date the Board of Directors resolved to increase its capital with general mandate.

3. Schedule for the Shareholders' Meeting for Approval of the Capital Increase and New Share Allocation

The Extraordinary General Meeting of Shareholders No. 1/2019 is scheduled to be held on January 15, 2019 at 14.00 hours at Ratchada Ballroom, SC Park Hotel, No. 474, Ramkhamhang 39 (Praditmanutham) Road, Wangthonglang District, Wangthonglang Sub-district, Bangkok, whereby:

- The share register shall be closed to suspend any share transfer for the right to attend the Shareholders Meeting from.....until the Shareholders' Meeting is adjourned.
- The record date to determine the list of shareholders eligible to attend the Shareholders' Meeting shall be December 12, 2018.

4. Approval for Capital Increase/New Share Allocation from Relevant Authorities and Conditions of such Approval (if any)

1. The Company shall register its registered capital increase and change of its paid-up registered capital as well as the amendment of the Memorandum of Association with the Department of Business Development, Ministry of Commerce.
2. The Company shall apply for approval from the Stock Exchange of Thailand for listing of the Warrants and the newly issued ordinary shares from the exercise of the Warrants as listed securities on the MAI.

5. Purpose of Capital Increase

The Company issues and allocates the Warrants to make preparations and strengthen its financial structure to ensure its financial flexibility for future projects and serve as reserve for working capital to support its operations upon exercise of the Warrants to purchase the Company’s newly issued ordinary shares. Furthermore, the Company wishes to find more alternatives for investment and generate more returns to the Company’s shareholders, and as such, the Company proceeds to issue and allocate the Warrants on this occasion to the existing shareholders according to their shareholding percentages (Right Offering) free of charge.

6. Expected Benefits to the Company from the Capital Increase/New Share Allocation

The Board of Directors views that the Company’s registered capital increase by issuing newly issued ordinary shares to accommodate the exercise of the Warrants will strengthen its financial structure and the debt to equity ratio in the long run, improve its financial flexibility for future projects and serve as reserve for working capital for the Company’s operations.

7. Expected Benefits to the Shareholders from the Capital Increase/New Share Allocation

7.1 Dividend Policy

The Company has a policy to pay dividends at not less than 40 percent of the net profits according to the Company’s separate financial statements after corporate income tax, legal reserve and all other reserves. However, the Company may declare dividends at a rate less than the above specified rate, depending on the requirement of the working capital in its business operations, expansion and other factors relating to the Company’s management. The Board of Directors’ resolution for approval of dividend payments must be proposed to the Shareholders’ Meeting for approval, except for interim dividends, which the Board of Directors is empowered to approve such interim dividend payment, and report on such approval to the next Shareholders’ Meeting for information.

7.2 Subscribers for new shares on this occasion shall be entitled to dividends from the operating results starting from this period

After the persons which have been allocated with the newly issued ordinary shares on this occasion have been duly registered as the Company’s shareholders, such persons shall be entitled to dividends when the Company declares dividends in the same manner as the Company’s existing shareholders.

8. Other Details Essential for the Shareholders’ Decision on Approval of the Capital Increase/New Share Allocation

-None-

9. Schedule of Actions after the Board of Directors’ Resolution to Approve the Capital Increase/New Share Allocation:

No.	Procedures	Date
1.	The Board of Directors’ Meeting No. 9/2018	November 27, 2018
2.	Record date to determine the list of shareholders eligible to attend the Extraordinary General Meeting of Shareholders No. 1/2019	December 12, 2018

No.	Procedures	Date
3.	The Extraordinary General Meeting of Shareholders No. 1/2019	January 15, 2019
4.	Determination of the list of shareholders eligible to be allocated with the Warrants	To be prescribed by the Board of Directors or the Managing Director or the person entrusted by the Board of Directors or the Managing Director
5.	Delivery of notice of allocation of the Warrants and notice of the right to allocation of the Warrants to all existing shareholders, with copies thereof to the Stock Exchange of Thailand	To be prescribed by the Board of Directors or the Managing Director or the person entrusted by the Board of Directors or the Managing Director, but before the date of allocation of the Warrants
6.	Allocation of the Warrants to the Company's existing shareholders according to their shareholding percentages (Right Offering)	To be prescribed by the Board of Directors or the Managing Director or the person entrusted by the Board of Directors or the Managing Director, but within one year from the date of the resolution of the Shareholders' Meeting

10. Warrant of Directors

In the event where any director of the Company fails to perform his/her functions with integrity and due care to protect the Company's interests from this capital increase, and such failure has caused damage to the Company, the shareholders may take legal actions to claim damages from such director on behalf of the Company pursuant to Section 85 of the Public Limited Companies Act B.E. 2535 (1992) (as amended). In the event where the performance of such functions has caused any directors or persons concerned to gain undue benefits, the shareholders may take legal actions to recover such benefits from the directors on behalf of the Company pursuant to Section 89/18 of the Public Limited Companies Act B.E. 2535 (1992) (as amended).

The Company hereby certifies that the information in this report form is correct and complete in all respects.



Signature

(Mrs. Chatchaya Traitrakulchai)
Authorized Director

Signature

(Mr. Jirat Tritrakulchai)
Authorized Director

**Key Summary of the Warrants to Purchase Newly Issued Ordinary Shares
of
Ocean Commerce Public Company Limited No. 3 (OCEAN-W3)**

Name	Warrants to purchase newly issued ordinary shares of Ocean Commerce Public Company Limited No. 3 (OCEAN-W3) (the “Warrants”)
Type	Named and transferable warrants
Number to be issued	Not exceeding 603,224,519 units
Offering price per unit	THB 0.00 per unit (free of charge)
Tenure	Not exceeding 3 years from the issuance date of the Warrants
Number of shares issued to accommodate the exercise of the Warrants	Not exceeding 603,224,519 shares
Ratio of the number of shares issued to accommodate the Warrants to all issued shares of the Company	= $(603,224,519 / 1,206,449,039) \times 100$ = 50 percent
Offering method and allocation ratio	The Company shall issue and allocate the Warrants to the Company’s existing shareholders according to their shareholding percentages (Right Offering) at the ratio of 2 existing ordinary shares to 1 unit of the Warrants (any fraction thereof shall be disregarded).
Exercise ratio	1 unit of the Warrants is entitled to purchase 1 newly issued ordinary share (unless the exercise ratio is adjusted by the conditions of right adjustment).
Exercise price	THB 1 per share
Exercise period	Holders of the Warrants will be exercised only on the date on which the Warrants reach its 3-year term from the issuance date of the Warrants. In the case where the last Exercise Date falls on a non-business day of the Company, the Exercise Date shall then be the business day immediately preceding such last Exercise Date. (the “Exercise Date”) throughout the term of the Warrants.
Exercise notice period	The holders of the Warrants wishing to exercise the rights to purchase the Company’s newly issued ordinary shares shall be a period of 15 days, prior to the Exercise Date, to give notice of intention to exercise the rights, during the period of which, the holders of the Warrants may give notice of intention to exercise the Warrants on any business days.
Events for issuance of new shares to accommodate the adjustment of the exercise of the Warrants	The exercise price or the exercise ratio of the Warrants may be adjusted under the conditions of right adjustment, subject to the events as set out in the Notification of the Capital Market Supervisory Board No. TorJor. 34/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares Warrants and Newly Issued Underlying Shares, or any other relevant notifications, dated December 15, 2008 (as amended).

Secondary Market for the Warrants	The Company shall list the Warrants as listed securities on the MAI (the “MAI”)
Secondary Market for the Newly Issued Ordinary Shares for Exercise of the Warrants	The Company shall list the newly issued ordinary shares to accommodate the exercise of the Warrants as listed securities on the MAI.
Warrant Registrar	Thailand Securities Depository Co., Ltd.
Other Rights and Benefits	The newly issued ordinary shares issued from the exercise of the Warrants on this occasion shall enjoy the same rights and status as those of the Company’s ordinary shares previously issued in all respects.
Conditions of Right Adjustment	<p>The Company shall adjust the exercise price and the exercise ratio to purchase the Company’s newly issued ordinary shares throughout the term of the Warrants upon the occurrence of any of the following events, with a purpose to secure the interest and returns for the holders of the Warrants not to be less favorable:</p> <ol style="list-style-type: none"> (1) When the Company changes the par value of its shares as a result of a combination or split of shares; (2) When the Company offers for sale any newly issued shares at a lower price; (3) When the Company offers for sale any convertible debentures at a lower price or offers for sale any warrants to purchase shares at a lower price; (4) When the Company pays all or parts of the dividend in the form of newly issued shares to the shareholders; (5) When the Company pays dividend in cash exceeding the rate specified in the terms and conditions of the Warrants; (6) Any other events similar to (1) to (5) which would cause any returns to be received by the holders of the Warrants, once exercised, to be less favorable.
Impact on the Company’s shareholders from the exercise of the Warrants (Dilution Effect)	<p>Case 1 The existing shareholders exercise all the Warrants. Case 2 Those who are not the existing shareholders exercise the Warrants to purchase all ordinary shares of the Company (the existing shareholders sell all the Warrants on the MAI).</p> <p>(1) Impact on the existing shareholders’ voting rights and share of profits (Control Dilution) Case 1: The effect of the Control Dilution is as follows: There is no control dilution effect since this represents the issuance and allocation of the Warrants to the Company’s existing shareholders according to their shareholding percentages (Right Offering). Case 2: The effect of the Control Dilution is as follows: Control Dilution= $\frac{\text{Number of underlying shares issued}}{\text{Number of paid-up shares} + \text{Number of underlying shares issued}}$ $= \frac{603,224,519}{1,206,449,039 + 603,224,519}$ $= 33.33 \text{ percent}$</p> <p>(2) Impact on the market price of shares (Price Dilution) Case 1: The effect of the Price Dilution is as follows: There is no control dilution effect since this represents the issuance and allocation of the Warrants to the Company’s existing shareholders according to their shareholding percentages (Right Offering). Case 2: The effect of the Price Dilution is as follows:</p>

$$\begin{aligned} \text{Price Dilution} &= \frac{\text{Market price} - \text{Price after the offering}}{\text{Market Price}} \\ &= \frac{5.42 - 3.95}{5.42} \\ &= 27.12 \text{ percent} \end{aligned}$$

Whereas:

Market price = The weighted average price of the Company's ordinary shares on the MAI for the past 15 consecutive business days prior to the date the Board of Directors passes its resolution to propose the Shareholders' Meeting of the Company to consider and approve the issuance and allocation of the Company's newly issued ordinary shares No. 3 (OCEAN-W3) to the Company's existing shareholders according to their shareholding percentages (Right Offering) in the amount of not exceeding 603,224,519 units free of charge, from November 6, 2018 to November 26, 2018, the price is equal to THB 5.42 (Source: SETSMART via www.setsmart.com).

$$\begin{aligned} \text{Price after the offering} &= \\ &= \frac{(\text{Market price} \times \text{Number of paid-up shares}) + (\text{Exercise price} \times \text{Number of} \\ &\quad \text{underlying shares issued})}{(\text{Number of paid-up shares} + \text{Number of underlying shares issued})} \\ \text{Price after the offering} &= \frac{(5.42 \times 1,206,449,039) + (1.00 \times 603,224,519)}{(1,206,449,039 + 603,224,519)} \\ &= 3.95 \end{aligned}$$

(3) Impact on the share of profits (Earnings Dilution)

Case 1: The effect of the Earnings Dilution is as follows:

There is no control dilution effect since this represents the issuance and allocation of the Warrants to the Company's existing shareholders according to their shareholding percentages (Right Offering).

Case 2: The effect of the Earnings Dilution is as follows:

The offering of the newly issued ordinary shares on this occasion has no earnings dilution effect since the Company has net operating loss.