



Ocean Commerce Public Company Limited

148/1 Soi Ramintha 14, Ramintra Road , Tharang, Sub - District Bangkok 10230

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(Translation)

No OCMSET/6106/002

June 12, 2018

**Subject** Increase of Registered Capital, Allocation and Offering of the Newly Issued Ordinary Shares to a Specific Investor (Private Placement), Application for Waiver from the Requirement to Make a Tender Offer for all Securities of a Business Takeover by Virtue of the Resolution of the Shareholders' Meeting (Whitewash) and Convening the Extraordinary General Meeting of Shareholders No. 1/2018

**To** The President  
The Stock Exchange of Thailand

**Attachment**

1. Information Memorandum regarding the Offering and Allocation of the Newly Issued Shares of Ocean Commerce Public Company Limited to the Specific Investor (Private Placement)
2. Capital Increase Report Form (F 53-4)
3. Information Memorandum regarding the Connected transaction of Ocean Commerce Public Company Limited

Ocean Commerce Public Company Limited (the "**Company**") would like to inform that the Board of Directors' Meeting No. 3/2018 held on June 12, 2018 at 14.00 p.m. has resolved the following material matters:

1. Approved to propose to the Extraordinary General Meeting of Shareholders No .1/2018 to consider and approve the reduction of the Company's registered capital in the amount of THB 36,184,761.50 from the existing registered capital of THB 217,155,228 to THB 180,970,466.50 by canceling the Company's 144,739,046 authorized but unissued shares, with a par value of THB 0.25 per share.

2. Approved to propose to the Extraordinary General Meeting of Shareholders No .1/2018 to consider and approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital. The details are as follows:

"Clause 4 Registered Capital	THB 180,970,466.50 (One Hundred Eighty Million Nine Hundred Seventy Thousand Four Hundred Sixty Six Point Five Baht)
Divided into	723,881,866 shares (Seven Hundred Twenty Three Million Eight Hundred Eighty One Thousand Eight Hundred Sixty Six shares)
Par Value	THB 0.25 (zero point two five bath)



Classified into

Ordinary Shares	723,881,866 shares (Seven Hundred Twenty Three Million Eight Hundred Eighty One Thousand Eight Hundred Sixty Six shares)
Preferred Shares	-shares ”( - )

3. Approved to propose to the Extraordinary General Meeting of Shareholders No .1/2018 to consider and approve the increase of the Company’s registered capital in the amount of THB 120,641,793.25 from the existing registered capital of THB 180,970,466.50 to be the new registered capital of THB 301,612,259.75 by issuing 482,567,173 newly ordinary shares at the par value of THB 0.25 per share.

4. Approved to propose to the Extraordinary General Meeting of Shareholders No .1/2018 to consider and approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company’s registered capital. The details are as follows:

“Clause 4 Registered Capital	THB 301,612,259.75 (Three Hundred One Million Six Hundred Twelve Thousand Two Hundred Fifty Nine Baht)
Divided into	1,206,449,039 shares (One Billion Two Hundred Six Million Four Hundred Forty Nine Thousand Thirty Nine shares)
Par Value	THB 0.25 (zero point two five bath)

Classified into

Ordinary Shares	1,206,449,039 shares (One Billion Two Hundred Six Million Four Hundred Forty Nine Thousand Thirty Nine shares)
Preferred Shares	-shares ”( - )

5. Approved to the Extraordinary General Meeting of Shareholders No. 1/2018 to consider and approve the allocation of 482,567,173 newly issued shares at the par value of THB 0.25 per share on a private placement basis to Mrs. Chatchaya Tritrakulchai which is private placement and considered a connected transaction for the listed Company, at the offering price of THB 0.80 with the total of THB 380,053,738.40.

In accordance to the increase of the Company's registered capital in the amount of THB 120,641,793.25 from the existing registered capital of THB 180,970,466.50 to be the new registered capital of THB 301,612,259.75 by issuing 482,567,173 newly ordinary shares at the par value of THB 0.25 per share as detailed in clause 3. The Company must consider the propose offering and allocation of 482,567,173 newly issued shares at the par value of THB 0.25 per share to the investor, at the offering price of THB 0.80 with the total of THB 380,053,738.40. After the allocation of newly issued ordinary shares to the investor, the investor will represent 40 percent of the Company's total issued shares (after the paid-up capital registration). Therefore, such issuance and allocation of newly issued ordinary shares is considered a transaction to a potential controlling person of the Company. Furthermore, the investor will have the rights to nominate a person to be a director for the Company, follow the proportion of shares held by the investor. Hence, such issuance of the newly issued shares to the investor is considered a connected transaction for the listed Company pursuant to the Notification No. TorJor. 21/2551 prior to connected transaction rules, dated August 11, 2008 (as amended) and the Notification of the board of governors of the Stock Exchange of Thailand prior to Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003, dated November 19, 2003 (as amended) ("**Notification of Connected Transactions**"). The valuation equivalent to 168.5 percent subject to the Company's net tangible assets (NTA), greater than THB 20,000,000 and greater than 3 percent of the Company's net tangible assets pursuant to consolidated financial statement for the period ended March 31, 2018. Therefore, the Company must obligate subject to the Notification of Connected Transactions by disclose information memorandum regarding to the Company's transaction to the Stock Exchange of Thailand and proceed as follow:

- (1) Convene a Shareholders' Meeting by deliver the invitation letter to shareholders no less than 14 days prior to the meeting date to consider to approve such transaction with a vote of not less than three-quarters of the votes of all shareholders attending the meeting and having the right to vote, excluding interested shareholders' equity;
- (2) Appoint an independent financial adviser (IFA) to provide an opinion pursuant to the Notification of Connected transactions, which the Company appointed Advance Capital Services Co., Ltd. as IFA.

Nonetheless, the Company has no other connected transaction with the same connected person or related person or close relatives subjected to the connected person, within 6 months prior to this transaction agreement date.

Such issuance of the newly issued shares is treated as an offering which the Shareholders' Meeting has a resolution clearly specified the offering price at THB 0.80 per share which is considered as an offer of newly issued share at a price not lower than 90 percent of market price pursuant to the Notification of the Capital Market Supervisory Board Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended) (the "**Notification No. TorJor. 72/2558**"). "Market Price" for the newly issued share offering to the investor is calculated from the weighted average price of the Company's shares listed on the Stock Exchange of Thailand – MAI ("**SET**") for the previous 15 consecutive business days prior to the resolution of the Board of Directors' Meeting proposing the Extraordinary General Meeting of Shareholders No.1/2018 to approve the issuance and allocation of the newly issued ordinary shares to the specific investor on a private placement basis, which



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the share price between May 18, 2018 – June 8, 2018 is equal to THB 0.87 per share (source: SETSMART from www.setsmart.com).

In addition, such issuance of the newly issued shares must be approved at the Shareholders' Meeting of the Company with a vote of not less than three-fourths of the votes of the shareholders attending such meeting and having the right to vote. In addition to seeking approval for the allocation and offering of the Company's newly issued ordinary shares at the Shareholder's Meeting the Company must obtain an approval from the Office of the Securities and Exchange Commission ("SEC") to offer the newly issued ordinary shares to the specific investor pursuant to the Notification No. TorJor. 72/2558 prior to the allocation and offering of the Company's newly issued ordinary shares.

If the offering price of the Company's newly issued ordinary shares is lower than 90 percent of the market price of the Company's shares prior to the first date that offering of the newly issued ordinary shares, the Company shall prohibit the investor to sell the Company's newly issued ordinary shares within 1 year from the first day on which the Company's newly issued ordinary shares are first traded on the SET (Silent Period). Nonetheless, the investor may sell not more than 25 percent of the lock-up shares after the Company's newly issued ordinary shares have been traded on the SET for 6 months according to the Notification of the Stock Exchange of Thailand Re: Criteria, Condition, and Procedure in Considering an Application to Approve to List Newly Issued Ordinary or Preference Shares as Registered Securities B.E.2558, dated May 11, 2015 (as amended).

In this connection, the Board of Directors has verify the investor's profile and view that such investor has sufficient fund for subscribe the newly issued shares which offering to the specific investor on a private placement basis and has a strong financial status. Therefore, this capital increase will help to support the Company's financial liquidity, capital structure, potential for generating income in the future and the better financial status as the Company does not create an additional liability from loan and can reduce the financial cost. Also, the Company foresee the growth of Biodiesel industry as the government support this kind of business as it is a clean renewable energy compare to diesel. This will help to reduce the purchase of Crude Oil from other country and also support stability of the power business of Thailand. The Company contemplates to expand its business to cover the production of biodiesel. Therefore, apart from the benefit from the source of fund of investor, the Company also bring the investor's knowledge experiences in the manufacturing and trading Palm Oil as the raw material in the food industry, pet food industry, soap, and biodiesel to support the business plan regarding the expansion of biodiesel business of the Company.

Details of the Board of Directors' opinion and details of the capital increase and the allocation of the newly issued ordinary shares are as shown in the Information Memorandum regarding the Offering and Allocation of the Newly Issued Shares of Ocean Commerce Public Company Limited to the Specific Investor (Private Placement) (**Enclosure 1**) the Capital Increase Report Form (F53-4) (**Enclosure 2**) and kindly consider details in Information Memorandum regarding the Connected transaction of Ocean Commerce Public Company Limited (**Enclosure 3**)

In this regard, the Board of Directors approve to propose to the Extraordinary General Meeting of Shareholders No. 1/2018 to consider and authorize the director or executive committee or the



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chief executive officer or other person assigned by the director or executive committee or the chief executive officer, to be an authorize person to determine the terms and conditions and other details as necessary for and in connection with the issuance and offering of newly issued shares as it deems appropriate, including but not limited to the following matters:

- (1) To determine or to amend details, methods, any other relating conditions regarding the issuance and offering of the newly issued shares, share subscription, the offering of newly issued shares date and the share capital increase payment method
- (2) To negotiate, agree, sign, and to amend agreements, document, sell reports, disclosures, waivers, reports, applications, and other significant evidences relating to the issuance and offering of newly issued share including to contact and filing required document and other relating document for approval to the SET;
- (3) to sign, amend contact or report any information in the application and necessary document for the offering and allocation, share subscription and deliver such share including contact and filing the application, documents and evidence to the Ministry of Commerce, SEC, SET government agency, and/or relating authority regarding the issuance and offering of newly issued shares, and the listing of the newly issued shares in the SET; to have an authority to process as deemed necessary and appropriate, concerning the above mentioned, and to ensure that the issuance and offering of the newly issued shares is complete

6. Approved to propose to the shareholder's meeting to consider and approve a waiver from the requirement to make a tender offer for all securities of the business by virtue of the shareholder's meeting resolution (Whitewash):

Following the Company's proposed offering and allocation of the Company's 482,567,173 newly issued shares to the investor, representing 40 per cent of the Company's total issued shares (after the paid up capital registration) as detailed in clause 5). Therefore, the investor is required to make a tender offer for all securities of the Company pursuant to the Securities and Exchange Act. B.E.2535 (as amended), and the Notification of the Capital Market Supervisory Board TorChor. 12/2554 Re. Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended).

However, the investor does not wish to make a tender offer for all securities of the Company, but wishes to apply for a waiver from the requirement to make a tender offer for all securities of the business by virtue of the resolution of the Shareholders' Meeting (Whitewash), in accordance to the Notification of the Office of the Securities and Exchange Commission No.SorJor.36/2546 Re: Rules for the Application for Waiver from the Requirement to Make Tender Offer for All Securities of the Business by Virtue of the Shareholders' Meeting Resolution, dated November 17, 2003. According to the said rules on an application of a tender offer waiver, the application of the waiver from the requirement to make a tender offer for all securities of the business requires approval from the Shareholders' Meeting of such company, with a score of at least three fourth of the voting rights held by shareholders attending such meeting and having a right to vote, less the votes of the shareholders that are person under Section 258 of the investor; moreover, the Company's Board of Directors shall provide opinions towards the following matters:

- 1) The Rational and Necessity to Increase Capital:

Recently, retail business trend is decelerate due to the continuously decreasing of economic status and consumption product resulting the total revenue and net profit of the



Company is decreased. In 2017, the Company has total revenue of THB 294 Million decreasing from THB 322 Million in 2016 or equal to 11 percent which result the Company's net profit in 2017 is THB 32 Million decreasing from THB 2 Million in 2016. Therefore, the Company seek for other investment opportunity to increase its revenue via other channel. The Company has interested in the Alternative Energy by set up the Solar Roof Top power plant in Singburi to support the saving energy also incorporated the Green Ocean Water (Thailand) Co., Ltd. which is the Company's subsidiary that 100% shares held by the Company for conducting public utility business.

The Company study for the business expansion in relation to the manufacturing and trading of palm oil for the production of biodiesel which is not the Company's previous expertise, the Company considers that the Investor is specialized in this industry who could contribute knowledge, skills and experiences in the palm oil business to enhance the Company's efficiency in business expansion. Moreover, in building additional business alliances in connection with tasks which were not the Company's previous expertise, having generally accepted in this business, having good relationships with suppliers to become the major shareholders will promote good company image and attract more investors.

The Board of Directors view that such investor has sufficient fund for subscribe the newly issued shares which offering to the specific investor on a private placement basis and has a strong financial status. Therefore, this capital increase will help to support the Company's financial liquidity, capital structure, potential for generating income in the future and the better financial status as the Company does not create an additional liability from loan and can reduce the financial cost. Also, the Company foresee the growth of Biodiesel industry as the government support this kind of business as it is a clean renewable energy compare to diesel. This will help to reduce the purchase of Crude Oil from other country and also support stability of the power business of Thailand. The Company contemplates to expand its business to cover the production of biodiesel. Therefore, apart from the benefit from the source of fund of investor, the Company also bring the investor's knowledge experiences in the manufacturing and trading Palm Oil as the raw material in the food industry, pet food industry, soap, and biodiesel to support the business plan regarding the expansion of biodiesel business of the Company.

2) Objective regarding the Issuance of Newly Issued Shares to Offer to the investor:

Recently, retail business trend is decelerate due to the continuously decreasing of economic status and consumption product resulting the total revenue and net profit of the Company is decreased. In 2017, the Company has total revenue of THB 294 Million decreasing from THB 322 Million in 2016 or equal to 11 percent which result the Company's net profit in 2017 is THB 32 Million decreasing from THB 2 Million in 2016. Therefore, the Company seek for other investment opportunity to increase its revenue via other channel. The Company has interested in the Alternative Energy by set up the Solar Roof Top power plant in Singburi to support the saving energy also incorporated the Green Ocean Water (Thailand) Co., Ltd. which is the Company's subsidiary that 100 percent shares held by the Company for conducting public utility business.

In addition, the Company has study and interested in the renewable energy business

regarding the Biodiesel which consists of Palm Oil as there is a high demand on this product and also support by the public sector and the campaign to use the renewable energy by many organization. In 2016, the volume of Palm Oil for Biodiesel production is 0.89 million ton increasing from 0.83 million ton in 2015 or increased by 7.2 percent (source: Department of International Trade).

Therefore, the Company would like to have an investor which having an experienced, specialist, available funds and good business relationships with customers to serve the business expansion of the production and trading of Palm Oil for the production of biodiesel. The Company view that the investor is a long term relationship partner which the Company can use her knowledge and experience in the Palm Oil business to support the Company's business expansion which the Company is not familiar with and creating more creditability to the investor, business partner, financial institution and the stakeholders.

As a result, the Company view that the allocation and offering of capital increase ordinary shares to the Investor is reasonable as this will increasing efficiency and confidence of the Company to the production and trading of palm oil business including the growth of the Company in parallel with cooperation regarding the renewable energy according to the government policy.

- 3) Relationship Between the Investor and the Company, the Company's Executive, Controlling Person, or Major Shareholder; and Material Agreement amongst Them:

Currently, the Investor does not have any relationship with the Company, the management, the person having control, or major shareholder of the Company. Nevertheless, after the subscription of capital increase ordinary shares, the Investor will become a major shareholder of the Company as shown in details under item No. 5.

- 4) Benefits of Effects from the Company's Policy or Business Plan Resulting from the Acquisition of Shares by the Investor including the Possibility of such Policy and the Company's Business Plan:

For this, the Investor does not intend to delist the shares of the business from listed securities in the SET. In addition, the Investor does not have the policy to significantly change the management plan, organizational structure and financial structure, save for the implementation of the Company's plan. However, in order to increase the efficiency and capacity in business competition, the Investor may reconsider and amend the Company's organizational structure, management plan and financial structure in the future to make it in line with the Company's then business and financial status, as amended each period.

Moreover, the board of directors of the Company considers that the investment in the Company by the Investor will support and increase the channels for the palm oil business operation, as well as promoting synergy, increasing income earning channels of the Company, and building more capacity in the business operation of the Company in various area, e.g. market expansion for palm oil products which were not the Company's previous expertise, renovation of factories and production lines of the Company so as to increase its efficiency to meet market demand, contribution of information on procurements leading to the selection of quality raw materials at the reasonable price.

At the same time, the board of directors of the Company realizes that the investment of the Investor must not lead to the transfer of control over the Company to the Investor. Therefore, the Company has negotiated appropriate terms for the transaction and shareholding structure.

- 5) Opinion Proposed to the Shareholders on whether the Investor Should acquire the Newly Issued Securities without Making a Tender Offer for All Securities of the Company and Rationale Therefore:

The Company's Board of Directors approve to propose to the Shareholders' Meeting to consider and approve the application for a waiver from the requirement to make a tender offer for all securities of the business (Whitewash), since the aforesaid application for a waiver from the requirement to make a tender offer for all securities of the business was reasonable, given the necessity to increase the Company's registered capital, and benefits that the Company would receive from such increase of capital as shown in (1) to (4) above.

7. Approve an appointment of Advance Capital Services Co., Ltd. as a financial advisor listed by the SEC, to be the Company's Independent Financial Advisor to provide the following opinion:

- (1) the waiver from the requirement to make a tender offer for all securities of the business by virtue of the shareholder's meeting resolution (Whitewash) and
- (2) the Company's connected transaction on issuing 482,567,173 newly ordinary shares at the par value of THB 0.25 per share, at the offering price of THB 0.80 with the total of THB 380,053,738.40 to propose the offer and allocation to the investor.

8. Approved to the Extraordinary General Meeting of Shareholders No. 1/2018 to consider and approve the amendment of the Company's objectives and add of the Company's objectives, from 27 clauses to 29 clauses, as follows:

“Clause 28 Manufacturing and trading of Palm Oil

Clause 29 Oil palm plantations and crushing mills, storage of palm oil and oil from all plant”

In this connection, the Board of Directors approved to propose to the Extraordinary General Meeting of Shareholders No .1/2018 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



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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.

9. Approved 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 29 objectives, details are as prescribed in an attached BorMorJor.002 Form.”

10. Approve and acknowledged the resignation of Mr. Apichart Paphanpowong, the director of the Company which has submitted the resignation letter from his position as the director of the Company, effective from June 12, 2018 onwards due to his personal reason.

11. Approved that the determination of the date of the Extraordinary General Meeting of Shareholders No. 1/2018 will be held on August 27, 2018 at 14.00 p.m. at Ratchada Ballroom, SC Park Hotel, No. 474, Ramkhamhang 39 (Praditmanutham) Road, Wangthonglang District, Wangthonglang Sub-district, Bangkok and to determine the name of shareholders entitle to attend such meeting (Record Date) on June 27, 2018, the meeting agenda are as follows:

- (1) To consider and certify the minutes of 2018 Annual General Meeting of the Shareholders
- (2) To consider and approve the reduction of the Company's registered capital in the amount of THB 36,184,761.50 from the existing registered capital of THB 217,155,228 to THB 180,970,466.50 by canceling the Company's 144,739,046 authorized but unissued shares, with a par value of THB 0.25 per share.
- (3) To consider and approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital.
- (4) To consider and approve the increase of the Company's registered capital in the amount of THB 120,641,793.25 from the existing registered capital of THB 180,970,466.50 to be the new registered capital of THB 301,612,259.75 by issuing 482,567,173 newly ordinary shares at the par value of THB 0.25 per share
- (5) To consider and approve the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increase of the Company's registered capital.
- (6) To consider to approve the issuance and the allocation of the Company's newly issued shares on a private placement basis, which is considered as a connected transaction of the listed company
- (7) To consider to approve a waiver from the requirement to make a tender offer to all securities of the business by virtue of the Shareholders' Meeting resolution (Whitewash)
- (8) To consider and approve the amendment of the Company's objectives.



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- (9) 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.
- (10) To consider other business (if any).

Since the matters in agenda items 2 – 9 are related, the approval for each matter is conditional upon the other matters also being approved. Therefore, if any of such agenda items is rejected by the Shareholders' Meeting, the other agenda items that have already been approved by the Shareholders' Meeting shall be cancelled and no other agenda shall be further considered.

12. Approve to empower either the executive committee or the chief of executive committee to or any person assigned by the executive committee or the chief of executive committee to amend or change the determination of the date, time, and place of the Extraordinary Shareholders' Meeting No.1/2018 including the amendment or addition of the Extraordinary Shareholders' Meeting No.1/2018's Agenda, and/or change of the determination of shareholders who shall be entitled to attend the Extraordinary General Meeting of Shareholders (Record Date) and to amend or change the date to gather the names of shareholders as it deemed appropriate under the applicable laws.

Please be informed accordingly.

Sincerely Yours,

Mr.Uchai Vilailerstpoca  
Managing Director