



Ocean Commerce Public Company Limited

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

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No. OCMSET/1808/001

(translation)

August 8, 2018

Re : Report the operating result for the year ended June 30 ,2018 by more than 20 percent.

To : Director and Manager the Stock Exchange of Thailand

Approved by the Board of Directors of Ocean Commerce Limited ( Company) No. 4/2018 held on August 8, 2018 , has approved the financial statements and results of operations of the Company. For the ended June 30, 2018 which was audited by the auditor . The results of operations are as follows .

The Company's performance For six months As of June 30, 2018, the Company had a net loss of Baht 30.80 million, compared with the same period of the previous year. The net loss was Baht 13.64 million, representing an increase of Baht 17.16 million. Up to 125.81 percent. The causes are as follows.

1. Sales and service income increased from Baht 133.41 million to Baht 158.61 million in the amount of Baht 25.20 million or an increase of 18.89%. As a result, the company adjusts its sales policy. By increasing the sales of modern retail stores and department stores. The sales are as follows.

Incomes	January – June 2018	January – June 2017	Increase(Decrease)	
			Mimmion Baht	Percent
1. retailers and wholesalers.	43.53	42.67	0.86	2.02
2. modern retailers and department stores.	85.99	66.02	19.97	30.25
3. retailers, retail and other retail customers.	27.18	28.02	(0.84)	(3.00)
4. customers abroad.	6.36	8.01	(1.65)	(20.60)
Total revenue from sales	<b>163.06</b>	<b>144.72</b>	<b>18.34</b>	<b>12.67</b>
<b>Services Income</b>	-	-	-	-
Less Returns in / Discount.	<b>4.45</b>	<b>11.31</b>	<b>(6.86)</b>	<b>(60.65)</b>
Total Incomes from sales and services net.	<b>158.61</b>	<b>133.41</b>	<b>25.20</b>	<b>18.89</b>

2. An increase of 20.51% in cost of sales and services compared to the same period last year. Caused by the sale of long outstanding products. The company must bring the product (Rework) to get the product ready to sell.

3. The increase in selling and administrative expenses was 51.92% when compared to the same period last year. The company has been affected by competitors that have imported goods from abroad to sell at low prices. In addition, the company has bought a lot of products in the past, so it can not sell the products according to the sales plan. From such factors, As a result, the Company has set aside allowance for diminution in value of defective and slow moving goods to Baht 26.80 million.

**OLD** Policy on allowance for obsolete inventories Considering inventories that are 5 years or older and considering the inventories. The net realizable value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

4. **New** policy on allowance for obsolete inventories Inventory from 1 year and above and Inventory turnover. Below or equal to 30 percent. The total amount of inventory and inventory. The net realizable value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

5. Financial Ratios Include:

- The liquidity ratio is good. The liquidity ratio is 1.48 times and the liquidity ratio is 0.51 times faster
- Profitability Ratios The gross margin was 25.50% and the net profit margin (%) was 19.42%
- Performance Ratio The return on assets (8.74) indicates that the company can not use the asset efficiency. To achieve the target revenue.
- Financial ratio analysis. From the debt to equity ratio of 0.75%, there is no risk in borrowing.

Performance of the Company For three months As at June 30, 2018, there was a net loss of Baht 28.03 million, compared with the same period of the previous year. Ended March 31, 2018. The net loss was Baht 2.77 million, representing a net loss of Baht 25.26 million or an increase of 911.91 percent.

Revenues from sales and services decreased from Baht 84.85 million to Baht 73.77 million in the amount of Baht 11.08 million or a decrease of 13.06 percent. And the company has a policy of long overdue goods, which is a product that companies need to sell products at a lower price than normal. To expel a lot of existing goods. The group is divided into sales

Incomes	April – June 2018	January – March 2018	Increase(Decrease)	
			Million baht	Percent
1. retailers and wholesalers.	22.52	21.01	1.51	7.19
2. modern retailers and department stores.	38.04	47.94	(9.90)	(20.65)
3. retailers, retail and other retail customers.	12.64	14.54	(1.90)	(13.07)
4. customers abroad.	2.75	3.61	(0.86)	(23.82)
Total revenue from sales	<b>75.95</b>	<b>87.10</b>	<b>(11.15)</b>	<b>(12.80)</b>
<b>Services Income</b>	-	-		
Less Returns in / Discount.	<b>2.18</b>	<b>2.25</b>	<b>0.07</b>	<b>3.11</b>
Total Incomes from sales and services net.	<b>73.77</b>	<b>84.85</b>	<b>(11.08)</b>	<b>(13.06)</b>

2. Decrease in cost of goods sold and services (13.79) As of March 31, 2018, sales volume decreased.

3. The increase in selling and administrative expenses was 122.83% compared to the same period last year. Ended March 31, The company has been affected by competitors that have imported goods from abroad to sell at low prices. In addition, the company has bought a lot of products in the past, so it can not sell the products according to the sales plan. From such factors, As a result, the Company has set aside allowance for diminution in value of defective and slow moving goods to Baht 26.80 million.

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Sincerely yours,

( Mr.Uchai Vilailerstpoca )

Managing Director