

**Opinion of the Independent Financial Advisor Regarding Connected Transaction and
Application for a Waiver from the Requirement to Make a Tender Offer for All Securities by
Virtue of the Resolution of the Shareholders' Meeting (Whitewash)**

of

Ocean Commerce Public Company Limited



Prepared by

Advance Capital Services Company Limited



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Subject Opinion of the Independent Financial Advisor regarding connected transaction and application for a waiver from the requirement to make a tender offer for all securities of OCEAN by virtue of the resolution of the shareholders' meeting (Whitewash) of Ocean Commerce Public Company Limited

To The Board Directors of and the Shareholders of Ocean Commerce Public Company Limited

Refer

1. Approved to propose Board of Directors' Meeting 3/2018 of Ocean Commerce Public Company Limited ("OCEAN") held on June 12, 2018, and amendment dated 20 June 2018. The Board of Directors has approved to propose to the shareholders' meeting to approve the allotment of new shares to Mrs. Chatchaya Tritrakulchai To consider and approve the waiver of the tender offer for all securities of the Business
2. Financial Statements of OCEAN audited by MR & Associates Co., Ltd., ended March 31, 2018 and December 31, 2017 by Miss Waraporn Varyasuwitsuwan Certified Public Accountant Registration No.5087 and ended December 31, 2016 by Mr. Akaradej Changsak Certified Public Accountant Registration No.5389 and ended December 31, 2015 by Mr. Methee Ratanasrimetha Certified Public Accountant Registration No.3425
3. Annual Registration Statement of the year 2017 OCEAN
4. The Business Agreement between OCEAN and Mrs. Chatchaya Tritrakulchai, dated July 10, 2011
5. Application for a waiver from the requirement to make a tender offer for all securities of OCEAN by virtue of the resolution of the shareholders' meeting of OCEAN (Form 247-7) by Mrs. Chatchaya Tritrakulchai
6. List of shareholders of OCEAN at the record date June 27, 2018
7. Information Memorandum Concerning the Offering and Allocation of the Newly Issued Shares of Ocean Commerce Public Company Limited
8. Capital Increase Report
9. Information Memorandum regarding the Connected Transaction of Ocean Commerce Public Company Limited

10. Company Affidavit, Memorandum of Association and other information and documents such as financial projection and assumptions for business operation, including interview with the management of OCEAN and Mrs. Chatchaya Tritrakulchai

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Abbreviations

“SEC”	The Office of the Securities and Exchange Commission
“SET”	The Stock Exchange of Thailand and MAI (As the case may be)
“OCEAN”, “ the Company ”	Ocean Commerce Public Company Limited
“TorChor. 72/2558 Notification”	The Notification of the Capital Market Supervisory Board TorChor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Shares to Specific Investors dated October 28, 2015 (as amended)
“Notification No.SorJor.36/2546”	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 (as amended)
“Notification No. SorKor. 29/2561”	Notification of the Office of the Securities and Exchange Commission No. SorKor. 29/2561 Re: Rules Relating to the Waiver of Tender Offer for Securities of the Business By virtue of the resolution of the shareholders' meeting dated 30 May 2018 (and amended)
“Purchaser”, “Applicant”	Mrs. Chatchaya Tritrakulchai
“Whitewash”	Application for a waiver from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders’ meeting
“CPOA”	Crude Palm Oil Grade A
“CPOB”	Crude Palm Oil Grade B
“IFA”, “ Independent Financial Advisor”	Advance Capital Services Company Limited
“Connected Transaction Notifications”	The Notification of the SET’s Board of Governors Re: Disclosure Information and Practice of Listed Company Concerning the Connected Transaction B.E.2546, dated November 19, 2003 (as amended)

Disclaimers

1. The study results and opinions of the Independent Financial Advisor in this report, are based on information and assumptions obtained from the management of OCEAN and Purchaser and also from publicly disclosed information available on the websites of the Office of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th).
2. The Independent Financial Advisor will not be responsible or liable for any profit, loss or effect incurred by the transaction and/or by OCEAN future performance from the transaction.
3. The Independent Financial Advisor's study was conducted by using knowledge, skills, and cautions, based on sound professional practices.
4. The Independent Financial Advisor determined and analyzed the transaction based on current situations and information available to our knowledge. If there is any material adverse change and effect of the situations and information, it may affect the opinions provided herein by the Independent Financial Advisor.

Executive Summary

The Board of Directors' Meeting 3/2018 of Ocean Commerce Public Company Limited ("OCEAN") held on June 12, 2018, has passed a resolution to propose to the Extraordinary General Meeting of the Shareholders No. 1/2018 to consider and approve the increase of OCEAN'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 on a private placement basis to Mrs. Chatchaya Tritrakulchai, at the offering price of THB 0.80 with the total of THB 380,053,738.40. ("Purchaser", "Applicant") 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: Notification No.TorJor. 72/2558. "Market Price" for the newly issued share offering to the investor is calculated from the weighted average price of OCEAN's shares listed on the Stock Exchange of Thailand – MAI for the previous 15 consecutive business days prior to the resolution of the Board of Directors' Meeting proposing is equal to THB 0.87 per share.

The issuance and allocation of the newly issued shares of OCEAN is considered as connected transaction of a listed company in accordance with the Notification of the Capital Market Supervisory Board No.TorJor 21/2551 Re: Criteria on Relating Transaction, dated August 31, 2008 (as amended), and the Notification of the SET's Board of Governors Re: Disclosure Information and Practice of Listed Company Concerning the Connected Transaction B.E.2546, dated November 19, 2003 (as amended) (the "Connected Transaction Notifications"). Upon the completion of the issuance and allocation of the newly issued shares of OCEAN, the Investor shall hold 40 percent shares of the total OCEAN's issued shares (after the paid up capital registration), therefore, such transaction is regarded as the entering into the transaction with the controlled person. Additionally, the Investor is entitled to nominate 2 persons from the current 7 persons to be the OCEAN's director based on the shareholding portion in OCEAN. As a result, OCEAN is required to comply with the Connected Transaction Notifications, by disclosing information memorandums regarding the aforementioned transaction to the SET, and to convene OCEAN's Shareholders' Meeting 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 and appoint the an independent financial advisor to provide opinion as prescribed in the Connected Transaction Notifications and send such opinion to the SEC, SET and the shareholders OCEAN.

Following OCEAN's proposed offering and allocation of OCEAN's to the investor, representing 40 per cent of OCEAN's total issued shares (after the paid up capital registration) Therefore, the investor is

required to make a tender offer for all securities of OCEAN pursuant However, the investor does not wish to make a tender offer for all securities of OCEAN, 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), The applicant will be granted a waiver of the tender offer for all securities of OCEAN only when OCEAN's Shareholders' Meeting to consider to approve such transaction with a vote of not less than three-quarters of the votes.

The acquisition of the OCEAN's newly issued ordinary shares by the Purchaser is subject to the significant conditions which are approval for the increase of OCEAN's registered capital, the allocation and offering of OCEAN's newly issued ordinary shares on a private placement basis, which constitutes a connected transaction, and approval for the waiver from the requirement to make a tender offer for all securities of OCEAN (Whitewash), including other related matters as indicated on the agenda for the Extraordinary General Meeting of Shareholders No. 1/2018. Since all these agenda items are related to and conditional upon one another, if any of them is disapproved at the shareholders' meeting, the other agenda items which have been approved will be cancelled and there will be no further consideration of the remaining agenda items. In such event, it will be deemed that the matters are disapproved at the shareholders' meeting.

For this reason, OCEAN has decided to offer new ordinary shares to the purchasers for the proceeds from the capital increase to the CPOA oil business for the production of biodiesel and edible palm oil production together. All proceeds from the sale will be used to purchase 280 million baht of crude palm oil for sale, while the remaining capital of 106.05 million baht will be used as working capital for the purchase of oil. CPOA and other operating expenses, such as shipping costs and administration costs.

Opinion of Independent Financial Advisor

Connected Transaction

Regarding the following Connected Transaction, IFA opined that OCEAN will receive multiple benefits. These benefits are, for instance, the palm oil trading business which has a sustainable growth trajectory and from rising consumption demands, palm oil industry which has been supported by Government, and world petroleum oil price which is expected to grow in the future. By expanding the business into distributing crude palm oil, CPOA expected to improve its operation results and financial position, and engaged OCEAN with business relationships with the Purchaser which has strong financial position and experience in the industry. Meanwhile, in the initial stage of the palm oil trading business, CPOA will use its working capital mainly for stocking up on inventory without investing in fixed assets. This reduces the risks of

investment loss in case the expected operations results are not achieved. Moreover, the newly issued shares to Purchaser will also enable the financing activities to sustain the requirements and timeline of business expansion. However, this transaction may affect OCEAN shareholders, such as voting rights, share price, and earnings per share from the newly issued shares. There is also a risk from the shifting balance of voting rights due to the Purchaser becoming majority shareholder. Risk from the share offering at lesser than the market price at the time of transferring the newly issued shares, may trigger large volume of share trading and affect OCEAN's market price. Additionally, the issuing and allocating the newly issued shares to the Purchaser may be recognized as share-based payments, which could affect OCEAN's profits in 2018. There are also other considerations such as operating risks' crude palm Oil (CPOA) trading which may not be according to expectations in the future, risks from business competition between the Purchaser's business and OCEAN's crude palm oil (CPOA) trading business, and risks of related party transaction of connected transaction.

At present, the Purchaser does not have any relationship with OCEAN's management, controlling interest, and major shareholders. However, after purchasing the newly issued shares, the Purchaser will take up and appoint persons to hold positions in Board of Director for additional directors of 2 persons, which made this transaction a related party transaction according to the Related Party Transaction Regulation.

In general funding activity, OCEAN may engage in other activities such as debt financing or share offering to its original shareholders, to the public, or to other unrelated private investors. However, offering the shares to the Purchaser allowed OCEAN to engage in Palm oil trading business and reduces the risks from having no prior experience in the industry. Moreover, OCEAN's operational loss and lack of experience are the limitations that prevents it from receiving debt financing from financial institutions. Moreover, debt financing will increase its liabilities and interest obligations, which may affect its future debt servicing capabilities and OCEAN's operating results.

In comparison to allocating the newly issued shares to original shareholders, to the public, and to other private placement investors than the Buyers; OCEAN may only receive the cash from capital increase, but will not receive the opportunity to engage in palm oil trading business from the Purchaser. Moreover, that the Purchaser has the Board of Director's seats or appointing persons to the Board of Director's seats, enables the Purchaser to give guidance and business plans through the Directors which is beneficial to OCEAN's business in the long term.

Regarding the fair valuation of OCEAN's shares, IFA has completed the valuation with different methods. The method which IFA deemed appropriate for the valuation is the Discounted Cash Flow Approach, because this method uses the future operation results as a factor in determining the value of the shares. This method resulted in OCEAN's share price at 0.257 – 0.44 Baht per share measured by IFA,

whereas the offering price to the Purchaser in this transaction is at 0.80 Baht per share, which is higher than the share price measured by IFA. Therefore, the offering price of OCEAN's shares at 0.80 baht per share is appropriate.

Waiver from the Requirement to Make a Tender Offer for all Securities of the Business by Virtue of the Resolution of the Shareholders' Meeting of the Company (Whitewash)

The offering of newly issued shares to Mrs. Chatchaya Tritrakulchai ("Purchaser" or the "Applicant") will result in the Purchaser holding 40% ownership of the OCEAN's issued and paid shares after purchasing newly paid shares. Meanwhile, the Applicant expressed an intention to extend Ocean's business into crude palm oil (CPOA) trading business. As a result of ownership of the newly issued ordinary share, this will result in the Applicant having to make a tender offer for all securities of the business. However, the Applicant has the purpose to waiver the tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting of the company, in which IFA has the following opinions regarding the waiver of the Applicant as follows;

Regarding the IFA's opinion to the policy and business plans, business missions, management planning, organization structure and human capital, financial restructuring, investing activities of core operating assets of the business or its subsidiaries, and dividend policy, IFA opined that OCEAN's business operations would not be affected by the policy and business plans according to letter of request for resolution of the shareholders' meeting to approve an acquisition of new securities without making a tender offer for all securities of the business (Form 247-7). Because the Applicant has stated that there will be no change in the business operations, management, and organization structure related to the business of distributing valves and related equipment, except for the changes in the Company's Board of Director's structure, for the restructure of few management team and for the recruitment of new employees to reflect the changes in the shareholding structure and new business after the newly issued shares. Therefore, OCEAN will still remain its ongoing business normally during the aforementioned 12-month period which IFA has considered to be beneficial to OCEAN and its shareholders as previously aforementioned.

Regarding the IFA's opinions for the related party transaction, according to the Applicant's information in Form 247-7 that there may be related transaction between OCEAN and Applicant's private company, IFA opined that the Applicant does not plan to make any material change to the future policy on related party transactions from that originally determined by the Company. Moreover, in the engagement of the related party transaction, OCEAN would be forced to proceed by OCEAN's regulations and policy of related party transactions, and controlled by Board of Directors and the Audit Committee so that the related party transactions follow the relevant rules and regulations of the SEC and the SET. IFA opined that this will not result in the loss of benefits from related party transactions. Moreover, IFA opined that the expected

related party transactions will be crucial to the initial stage of the business which still needs involvement from the original business owners in some operations. If OCEAN chose not to rely of the service provided by the business of the Purchaser, OCEAN would have to rely on service from external parties which may not have sufficient capacity for the service, or if OCEAN chose to invest in oil storage and oil trucks, it would require a lot of investment.

Regarding the retention OCEAN's status as a Listed Company, the Applicant does not have any plan to delist OCEAN's securities from the SET within the 12 month period from the date which the Applicant receives OCEAN's securities. IFA opined that the Applicant has this intention due to envisioning the benefits of being Listed Company from having business credibility, opportunities in expanding its customer targets which are mostly listed companies, and having access to multitude of equity funding or debt financing from financial institutions.

The benefits, effects, or risks which may occur to the shareholders of the Company from approving the Applicant's waiver the tender offer for all securities of the business, including the fair value of the newly issued shares that the Company offers to the Applicant, are according to the aforementioned summary of IFA's opinions in the Connected Transaction.

In summary, due to the offer price to the Purchaser or the Applicant is higher than the fair value measured by IFA, and comparison of benefits and effects which may occur to shareholders, IFA is of the opinion that OCEAN's shareholders should approve the Connected Transaction and approve the waiver for the tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting of the company (Whitewash). However, the consideration to approve the following transaction is up to the individual judgement of shareholder, in which the shareholder could take other important document from OCEAN and IFA's opinion report into consideration.

Part 1 Connected transaction in the allocation and offering of newly issued ordinary shares of OCEAN on a private placement basis

1.1 Nature and details of the transaction

1.1.1 Nature of the transaction

The Board of Directors' Meeting No. 3/2018 of Ocean Commerce Public Company Limited ("OCEAN"), held on June 12, 2018, has passed a resolution to propose to the Extraordinary General Meeting of the 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 on a private placement basis to Mrs. Chatchaya Tritrakulchai ("Purchaser"), at the offering price of THB 0.80 with the total of THB 380,053,738.40. 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 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 the share price between May 21, 2018 – June 11, 2018 is equal to THB 0.87 per share (source: SETSMART from www.setsmart.com). 2561

The issuance and allocation of the newly issued shares of OCEAN is considered as connected transaction of a listed company in accordance with the Notification of the Capital Market Supervisory Board No.TorJor 21/2551 Re: Criteria on Relating Transaction, dated August 31, 2008 (as amended), and the Notification of the SET's Board of Governors Re: Disclosure Information and Practice of Listed Company Concerning the Connected Transaction B.E.2546, dated November 19, 2003 (as amended) (the "Connected Transaction Notifications"). Upon the completion of the issuance and allocation of the newly issued shares of OCEAN, the Investor shall hold 40 percent shares of the total Company's issued shares (after the paid up capital registration), therefore, such transaction is regarded as the entering into the transaction with the controlled person. Additionally, the Investor is entitled to nominate 3 persons from the current 7 persons to be the Company's director based on the shareholding portion in OCEAN.

Subsequent to the allocation and offering of OCEAN shares to the applicant, Applicants for waiver shall be holders of shares representing 40 percent of OCEAN's total issued shares (after the paid up capital registration) resulting the investor to make a tender offer for all securities of OCEAN. However, the Applicant intends to apply for a waiver of the OCEAN Tender Offer for all securities of OCEAN (Whitewash). For more details, please refer to Part 2. The application for waiver of the tender offer for all securities of the Company By the resolution of the shareholders' meeting (Whitewash)

The acquisition of the Company's newly issued ordinary shares by the Applicant is subject to the significant conditions which are (1) approval for the increase of the Company's registered capital, the allocation and offering of the Company's newly issued ordinary shares on a private placement basis, which constitutes a connected transaction, and (2) approval for the waiver from the requirement to make a tender offer for all securities of OCEAN (Whitewash), including other related matters as indicated on the agenda for the Extraordinary General Meeting of Shareholders No. 1/2018, i.e. the reduction of the registered capital by canceling 144,739,046 authorized but unissued shares of OCEAN and the amendment to Clause 4 of the Memorandum of Association to be in line with the reduction and the increase of the Company's registered capital. Amendment of the objectives of the business. Amendments to Clause 3 of OCEAN's Memorandum of Association to be in line with the amendment of the objectives. Since all these agenda items are related to and conditional upon one another, if any of them is disapproved at the shareholders' meeting, the other agenda items which have been approved will be cancelled and there will be no further consideration of the remaining agenda items. In such event, it will be deemed that the matters are disapproved at the shareholders' meeting.

1.1.2 Valuation of the Connected Transaction

The issuance and allocation of the newly issued shares of OCEAN is considered as connected transaction under the category of the assets or services with the transaction size of 174.98 percent of the Company's net tangible assets (NTA), exceeding THB 20,000,000, and more than 3 percent of the Company's NTA value according to the consolidated Audited Financial Statement of the Company, as of March 31, 2018. As a result, the Company is required to comply with the Connected Transaction Notifications, by disclosing information memorandums regarding the aforementioned transaction to the SET, and to convene the Company's Shareholders' Meeting 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 and appoint the an independent financial advisor to provide opinion as

prescribed in the Connected Transaction Notifications and send such opinion to the SEC, SET and the shareholders of the Company.

The net tangible asset of OCEAN as of March 31, 2018 are as follows:

Consolidate financial statements for quarter 1/2018	(Thousand Baht)
Total asset	368,956
Intangible assets (Deferred Income Tax)	(8,510)
Total liabilities	(139,816)
Non-controlling interests	-
Net Tangible Assets (NTA)	220,630
Transaction size (details of which are shown in item 1.1.3)	386,054
Transaction size compared with	174.98%

1.1.3 Value of consideration and basis for determination of the value of consideration

The total value of consideration for the allocation and offering of the newly issued shares of OCEAN to the investor in the amount of 482,567,173 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, the payment of which shall be made in cash.

The offering price of such newly issued ordinary shares with the discount of market price for this private placement is THB 0.80 per share is the determination from the negotiation between OCEAN and the investor. The Board of Directors consider that such offering price will be the most benefit OCEAN. In this connection, OCEAN considers the offering price to the private placement investor by comparing the Company's share value by using the following valuation methods:

1	Book value as of March 31, 2018	THB 0.32 per share
2	weighted average price of the Company's shares on the Stock Exchange of Thailand at least for the previous 15 consecutive business days prior to the date the Board of Directors passes its resolution (during May 21, 2018 to June 11, 2018)	THB 0.87 per share
3	Offering price to the private placement investor	THB 0.80 per share

The market price of OCEAN calculated from the weighted average price of OCEAN shares for 15 consecutive business days prior to the date the Board of Directors passes the resolution to the shareholders meeting of OCEAN for approval. Ordinary shares of OCEAN Private Placement is from May 21, 2018 to June 11, 2018, calculated at Baht 0.87 (SETSMART).

The Company determined the offering price by the weighted average market price for the previous 15 consecutive business days (May 21, 2018 – June 11, 2018) prior to the Board of Directors' Meeting has passed a resolution. The Company believes that the market price reflects the fair value of the Company as cleared, faired and acceptable manners. Nevertheless, the Company has considered the benefits regarding to acquiring the capital from the issuance of the new shares, as a beginning of the establishment on the crude palm oil (CPOA) trading business for biodiesel and edible oil. Including the experiences and expertise of the Investor, to enhance knowledge and understanding regarding the business as a strong foundation of sustainable growth in the crude palm oil (CPOA) trading business for biodiesel and edible oil. The Company has considered the discount of THB 0.07 per share from the market value, or equivalent to 91.95percent from the market value which is the price not lower than 90 percent of market price pursuant to the Notification No.TorJor. 72/2558. Allowing listed companies to offer newly issued shares to private placement (Code).

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).

1.1.4 Relating Parties and their Relationship with OCEAN

Issuer	: Ocean Commerce Public Company Limited
Purchaser	: Mrs. Chatchaya Tritrakulchai ("Purchaser")
Relationship	:Currently, Mrs. Chatchaya Tritrakulchai has no relationship with the Company. However, after the execution of the Share Purchase Transaction, Mrs. Chatchaya Tritrakulchai shall hold 40 percent of all

issued shares of the Company (after registration of the Company's paid-up registered capital increase). and entitled to nominate three persons from the current seven persons to be the Company's director based on the shareholding portion in the Company.

List of the Board of Directors of OCEAN before and after capital increase and allotment of new ordinary shares to a Specific Investor (Private Placement) held on June 12, 2018

No	Name - Surname	Name - Surname	Position
1	Ms. Wanna Maluengnon	Ms. Wanna Maluengnon	Chairman of the Board
2	Mrs.Ratana Vilailerstpoca	Mrs. Chatchaya Tritrakulchai	Vice Chairman / Deputy Managing Director
3	Mr. Uchai Vilailerstpoca	Mr. Uchai Vilailerstpoca	Board of Directors
4	Dr. Adul laohapo	Mr. Kong Suriyamonthon	Chairman of Audit Committee / Independent Director
5	Mr. Boonlert jaimun	Mr. Boonlert jaimun	Board of Directors / Audit Committee
6	Mr.Boonlert lewpornchai	Mr.Boonlert lewpornchai	Board of Directors / Audit Committee
7	Mr.Apichart Paphanpuwong ⁽¹⁾	Mr. Jirat. Tritrakulchai	Directors

Remark

- (1) Formerly OCEAN has 7 directors but Mr.Apichart Paphanpuwong which has submitted the resignation letter from his position as the director of the Company, effective form June 12, 2018, No director has been appointed to replace the resigned director.
- (2) The authorized signatories of OCEAN will be changed from Mr. Uchai Vilailerstpoca, Ms. Wanna Maluengnon and Mrs.Ratana Vilailerstpoca , two of these three to sign and seal. The importance of the company. Mrs. Chatchaya Tritrakulchai sign with Mr. Uchai Vilailerstpoca or Ms. Wanna Maluengnon t to be the Company's seal affixed.

List of the Board of Directors of OCEAN after the transaction

After the acquisition of the newly issued ordinary shares, Mrs. Chatchaya Tritrakulchai, Mr. Jirat. Tritrakulchai and Mr. Kong Suriyamonthon will be the OCEAN's directors to replace the existing director in proportion to the shareholding as detailed in the table above. The directors who will resign are Mrs.Ratana Vilailerstpoca and Mr. Adul laohapo. The resignation of the two directors is expected to have no impact on the existing tap water business. By Mr. Uchai Vilailerstpoca will serve as the chief executive of the faucet distribution business. In addition, OCEAN will change its authorized director to conform to the shareholding structure, there will be 3

persons to nominate as additional management of OCEAN. This will include Mrs. Chatchaya Tritrakulcha and 2 others.

Shareholding Structure before and after the Share Allocation

No	Name - Surname	Shareholding Percentage before Share Allocation (As of June 27, 2018)		Shareholding Percentage after Share Allocation	
		Number of Shares (shares)	percent	Number of Shares (shares)	percent
1	Mrs. Chatchaya Tritrakulchai	-	-	482,567,173	40.0
2	Mr. Uchai Vilailerstpoca	202,040,000	27.9	202,040,000	16.7
3	Mr. Fhapratan Jitratsanee	152,148,900	21.0	152,148,900	12.6
4	Mr. Prasert Lohawiboonsub	20,443,200	2.8	20,443,200	1.7
5	Mr. Teerapon Sirikwanchai	17,400,000	2.4	17,400,000	1.4
6	Mrs. Panissara Pranyachaleekun	13,300,000	1.8	13,300,000	1.1
7	Mr. Aethapol Sittipongtanakul	12,909,600	1.8	12,909,600	1.1
8	Mr. Phuritcha Rohitachart	12,800,000	1.8	12,800,000	1.1
9	Miss Thanat Leotrakul	11,843,500	1.6	11,843,500	1.0
10	Mr. Set Pattanamat	11,111,000	1.5	11,111,000	0.9
11	Others	269,885,666	37.28	269,885,666	22.4
Total		723,881,866	100.0	1,206,449,039	100.0

The shareholders, as shown in the table above, do not have any shareholders holding the same group of shareholders.

1.1.5 Details of the connected person

Purchaser information

Name : Mrs. Chatchaya Tritrakulchai

Address : No.599/195, Ratchadaphisek Road, Chatuchak Sub-district, Chatuchak District,

Bangkok

Education : Bachelor of the Faculty of Information and Communication Technology of Mahidol
University

Occupation/experience :

Period	Company	Position / Shareholding
2013 - Present	<p>Paragon Agritech Co., Ltd.</p> <p>Business type: trading of Crude Palm Oil type A or CPOA and Crude Palm Oil type B or CPOB</p> <p>The CPOA business will be ceased and will be proceed the Company's amendment registration to carve out the CPOA business and expect to complete within November 2018</p>	<p>Director and 95 percent shareholder (Including Mr. Jirat. Tritrakulchai as a spouse)</p>
2014 - Present	<p>Lamair Palm Oil Co., Ltd.</p> <p>Business type: trading of Crude Palm Oil type A or CPOA and Crude Palm Oil type B or CPOB</p> <p>The CPOA business will be ceased and will be proceed the Company's amendment registration to carve out the CPOA business and expect to complete within November 2018</p>	<p>Director and 100 percent shareholder (Including Mr. Jirat. Tritrakulchai as a spouse)</p>
2014 - Present	<p>AMT Growth Co.,Ltd.</p> <p>Business type: Retailers hire outsiders to supply raw materials and produce vegetable oils for consumption.</p> <p>The CPOA business will be ceased and will be proceed the Company's amendment registration to carve out the CPOA business and expect to complete within November 2018.</p>	<p>Director and 70 percent shareholder (Including Mr. Jirat. Tritrakulchai as a spouse)</p>

Period	Company	Position / Shareholding
2017 - Present	<p>Triple P Global Intertrade Co., Ltd.</p> <p>Business type: Distribution of edible cooking oil, "Savoey"</p> <p>Investors and spouses will resign as directors and / or management in the Company and sell all of the ordinary shares held in the Business to a third party who is not a person under section 258 of the investor, which is expected to be completed by 2018.</p>	<p>Director and 99.99 percent shareholder (Including Mr. Jirat. Tritrakulchai as a spouse)</p>
2017 - Present	<p>Paragon Core Asset Co., Ltd.</p> <p>Business type : Renting and operating on real estate and movable property.</p> <p>(Apartment)</p>	<p>Director and 95 percent shareholder (Including Mr. Jirat. Tritrakulchai as a spouse)</p>
2005 - present	<p>Tupfa Bio Company Limited</p> <p>Type of Business: Biodiesel Manufacturer and Distributor</p> <p>At present, this company has ceased its business operations and undergone dissolution, which is expected to be completed by 2018.</p>	<p>Purchaser has no shareholding and is not a director, but the spouse of the purchaser holds 10% of shares and is a director.</p>

The OCEAN will disclose the progress of the share sale in Triple P Global Intertrade Co., Ltd. and the dissolution of Tupfa Bio Co., Ltd. through the notification system of the Stock Exchange of Thailand.

The purchase has started into the palm oil business. Crude Palm Oil Grade B (CPOB) is mainly traded in the feed industry. She has also studied palm oil business and conducted experiments in each part of the palm oil business, such as palm oil palm oil extraction and trading and it was found that the palm oil business was a low fixed asset investment. But can make a profit so well. Purchaser has established Paragon Agritech Co., Ltd., located in Trang province, in 2013 to operate crude palm oil trading type B (CPOB) for animal feed mill industry, and then

expand to start crude palm oil trading type A (CPOA) for biodiesel and edible oil. (Details of CPOA and CPOB please find Appendix of 5. A Different Between Crude Palm Oil Grade A (Crude Palm Oil Grade A: CPOA) and Crude Palm Oil Grade B (Crude Palm Oil Grade B: CPOB)).

In 2017, Purchaser has established Lamair Palm Oil Co., Ltd., located in Trang province to operate CPOA and CPOB trading. In addition, she has stepped into retail business by establishing Triple P Global Intertrade Co., Ltd. to outsource third party to secure raw material and produce edible cooking oil under its own brand, "Savoey". Purchaser has knowledge, understanding, experienced and expertise in trading crude oil. As there is a continuously on the trading of crude oil between the buyer and the seller. Also, each sale and purchase of crude oil agreement shall be approximately 1,000 ton with the delivery term of approximately 1-2 weeks, therefore, the Company is able to amend the agreement and start such business accordingly.

To avoid the Conflict of Interest after the capital increase, the Company shall operate the crude palm oil (CPOA) trading business for biodiesel and edible oil in which Mrs. Chatchaya Tritrakulchai will not engage in the same business of the Company and will continue to operate the trading of crude palm oil (CPOB) for the feed industry which shall not create the Conflict of Interest as CPOA and CPOB has the different qualification and will use for the production of product in a clear different purpose. The purchase and OCEAN will enter into a mutually agreeable agreement as detailed in the next part.

1.1.6 Agreement and Significant Conditions

1. The Purchaser acknowledged and agreed that the crude palm oil trading (CPOA) business for Bio-diesel production and edible oil will only be operated by OCEAN.
2. The Purchaser (whether operated by her own or joint venture with other operators) agrees to not engage in the same and competitive business and products to the crude palm oil trading (CPOA) business for Bio-diesel and edible oil of OCEAN, including any other actions which may hinder the business opportunity of crude palm oil trading (CPOA) business for Bio-diesel and oil for consumption of OCEAN.
3. The Purchaser agrees to not disclose OCEAN's confidential information to external parties, which includes information related to suppliers, palm plantation farmers, client group which require crude palm oil (CPOA) for Bio-diesel and edible oil, and business plans which the Purchaser received from OCEAN.
4. This Agreement is in effect from the date which OCEAN received the payment for newly issued shares from the Purchaser, and when the following conditions are met;

- 4.1 OCEAN has been approved for the offering of newly issued shares on private placement basis from the SEC according to TorChor. 72/2558 Notification of the Capital Market Supervisory Board.
- 4.2 The Purchaser is approved for its waiver for tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting of the company (Whitewash) from the SEC.
5. This Agreement ceases to be in effect when the Purchaser and any persons according to Section 258 of the Purchaser pursuant to the Securities and Exchange Act B.E. 2535 (as amended) (if available)) ceases their status of being majority shareholder (majority shareholder means having a share ownership of more than 10%) of OCEAN and/or controlling interest of OCEAN.

From the conclusion of major details and conditions of this aforementioned agreement stated that the applicant will not conduct any business that is related to Crude Palm Oil (CPOA) trading business for now on but will allow to continue Crude Palm Oil (CPOB) trading business. On the contrary, the aforementioned agreement did not prohibit OCEAN to engage in Crude Palm Oil (CPOB) trading business. However, at the beginning stage, OCEAN will only mainly focus on Crude Palm Oil (CPOA) trading business.

1.1.7 Nature of the Conflict of Interest

At present, None of the Company's directors has the conflict of interest regarding this transaction. As after the share allocation agreement of newly issued ordinary shares, the investor will nominate a person to be the Company's director. There are currently no shareholders of OCEAN that has a stake in this transaction.

1.1.8 Opinion of the Board of Directors

In the past following years, the overview industry of retail business is shrinking mainly caused by the economic slowdown and the continuity of the decrease of public consumption's spending, resulting in the continuous decrease of OCEAN's revenue and net profit. For the aforementioned reason, the Company continue to search other potential business that may drive the Company forward. The scope of the research is included the project that may relate with all type of oil business, energy business and environmental business. After that, the new business began by the registration of OCEAN Water (Thailand) Company Limited which OCEAN holds 100.0% of ordinary shares. However, OCEAN Water (Thailand) Company Limited does not generate any income as the Company cannot find a suitable infrastructure project to invest. Based on information from this research, OCEAN envisage that Biodiesel fuel has a potential growth rate

and is received several government's subsidiary schemes. This find out is later on influenced the Company to extend the business scope into Crude Palm Oil (CPOA) trading business for biodiesel and household consumption. Accordance to Alternative Energy Development Plan between 2016-2036 written by Department of Alternative Energy Development and Efficiency, the plan is envisaged the target of biodiesel consumption to 7.0 million liter per day in 2036 from 3.4 million liter per day in 2016, indicating a solemn subsidiary and supporting scheme to biodiesel production. Based on aforementioned policy, the Board of Director is confident in Crude Palm Oil (CPOA) trading business for biodiesel production and household consumption.

OCEAN also studies the feasibility of business plan, discovering that the key success factor is depended ranging from sufficient working capital to strong relationship with supplier and customer. Moreover, the feasibility indicated that aforementioned business sustained a revenue's growth rate of 3-4% per year aligned with the increase demand of biodiesel volume and a net profit margin of 1-2% from the business.

However, accordance with aforementioned business, OCEAN is not specialized in that particular area, so the Company requires the investor who has an experience in that industry and envisage that the applicant has an expertise knowledge, comprised of an experience in the Crude Palm Oil trading to enhance the business expansion, and a vast network connection to coverage in an unfamiliar scope of business. Moreover, the applicant is widely accepted in this industry and has a strong business relationship with supplier, enhancing OCEAN's credibility from the whitewash transaction.

Moreover, for the source of funding to start Crude Palm Oil (CPOA) trading business for biodiesel production and household consumption, the Company consider to increase the capital register by offering and allocating newly issued ordinary shares to the applicant who has a stable finance record and sufficient working capital to subscribe this capital increase, which the transaction will allow the Company to begin the business as soon as possible and sustain a sufficient fund to usage of fund and align the business plan of the Company.

By the offering and the allocation of newly issued ordinary shares to private placement, the Company will be benefit in several aspects compared to other methods such as financial loan from financial institution; may have financial constrain as the current performance is still a net loss and the financing cost is hefty expense, public offering; takes several processes and require a tremendous timeline included several operating cost and imminent risk that may not be able to raise enough sufficient fund, and right offering; there is several uncertainty risks that the Company may not adequate money from subscribing process as well.

Therefore, the Board of Director is of the opinion that the offering and the allocation of private placement is suitable because the transaction will allow business supportive and enhance business confidence to engage into Crude Palm Oil (CPOA) trading business for biodiesel production and household consumption and may include to unleash business growth rate of the Company and also to support the government's policy.

1.1.9 Conditions of the Entering into the Transaction

Addition to the given connected transactions above, OCEAN is required to follow the terms and conditions regarding the offer of newly issued share at a price not lower than 90 percent of market price pursuant to the Notification No. Tor.Jor. 72/2558. The conditions for the waiver of the tender offer for all securities of the Business According to the resolution of the shareholders meeting (Whitewash) under the Notification No. Sor Jor. 36/2546 and Sor Kor. 29/2561. Therefore, OCEAN is obliged to disclose the information of the transaction. To the SET. It can be summarized as follows:

- (1) Obtaining an approval from the Shareholders' Meeting of OCEAN with a vote of not less than three-fourths of the votes of the shareholders attending such meeting and having the right to vote for the issuance and allocation of the newly issued ordinary shares to the specific investor.
- (2) Obtaining an approval from the Shareholders' Meeting of OCEAN 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 for the connected transaction and 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).
- (3) Obtaining an approval from the SEC before offering the newly issued ordinary shares to the specific investor on private placement basis.
- (4) Obtaining an approval from the SEC regarding 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).
- (5) Offering of the newly issued shares on a Private Placement basis within 3 months from the date on which the Extraordinary General Meeting of Shareholders No.1/2018 passes the resolution.
- (6) Filing the applications to the SET to accept the newly issued ordinary shares as listed securities in the SET.

1.2 Profile of Ocean Commerce Public Company Limited

Please refer to appendix 1. Information of Ocean Commerce Public Company Limited (“OCEAN”) of this report.

1.3 Appropriateness and Benefits of the Transaction to the Listed Company

1.3.1 Purpose and Requirement to Enter this Transaction

In the recent years, the valve and related equipment distribution business has been slumped due to being affected from illegally tax-evaded imported goods. This resulted in volume decrease in OCEAN’s trading business, and that OCEAN needed to reduce its price to compete with illegally tax-evaded imported goods. Because of this reason, OCEAN’s revenue and net profit has been on a decreasing trend. To resolve this situation, OCEAN has the vision to expand its businesses to other industry to increase its sources of income, and one of the businesses which OCEAN is very interested in is the alternative energy sector, under the category of Biodiesel.. To resolve this pragmatic issue, OCEAN started to study alternative business. Later on, the scopes of study are included all relatable water infrastructure business, energy business and environmental business. After that, the new business began by the registration of OCEAN Water (Thailand) Company Limited which OCEAN holds 100.0% of ordinary shares. However, OCEAN Water (Thailand) Company Limited does not generate any income as the Company cannot find a suitable infrastructure project to invest.

OCEAN has the vision that alternative energy sector under the category of Biodiesel, which uses palm oil as the main ingredient, will have a growing trend in consumption from the supportive measures by the Government and alternative energy efforts by other public sector organizations according to the Renewable Energy and Alternative Energy Development Plan 2015 – 2036 under the guidance of Department of Renewable Energy and Energy Conservation, Ministry of Energy. This development plan set the goal of Biodiesel production at 7 million liter per day in 2036 from 3.4 million liter per day in 2016, which shows significant supportive measures and promotion of Biodiesel production. With Thailand having the capabilities as one of the highest palm plantation capacity in the world, OCEAN decided to expand its business operations into crude palm oil (CPOA) trading and partly for consumption, because they use the same crude palm oil.

However, accordance of aforementioned business, OCEAN is not specialized in that particular area, so the Company requires the investor who has an experience in that industry and envisage that the applicant has an expertise knowledge, comprised of an experience in

the Crude Palm Oil trading to enhance the business expansion, and a vast network connection to coverage in an unfamiliar scope of business. Moreover, the applicant is widely accepted in this industry and has a strong business relationship with supplier, enhancing OCEAN's credibility from the whitewash transaction.

Because of the aforementioned reason, OCEAN decided to offer newly issued shares to the Purchaser as mentioned in Part 1.1, so that it can use the fund to engage in CPOA oil trading business, mainly for Biodiesel production due to growth opportunities from domestic and international demands, and will also engage in CPOA oil trading business for partly consumption as well as they use the same palm oil type. This new business will be an additional source of income and profit in the long term for OCEAN. The fund from newly issued shares of 386.05 million Baht will be used to purchase crude palm oil (CPOA) to sell to customers for 280 million Baht, whereas the remaining 106.05 million Baht will be used as a working capital for CPOA palm oil purchasing and other operating expenses such as transportation and general administration expenses.

As of now, OCEAN does not have any concrete plan to operate Palm Oil Refinery (CPOA) plant. However, the investment is required significant investment, approximately billion baht to construct a refinery that will be sufficient to operate in business and reach break-even point of investment. Additionally, the operating plan does not include to business coverage in Crude Palm Oil (CPOB) trading business. The details of between Entering and Not Entering the Transaction is next part.

1.3.2 Advantages and Disadvantages between Entering and Not Entering the Transaction

1. Advantages of Entering the Transaction

- Palm oil trading Business is on a growing trend

The CPOA palm oil trading business which OCEAN is engaging with is on a growing trend with the following supportive reasons;

1. Demand of crude palm oil is on a growing trend

The Demand of crude palm oil consumption in Thailand has been on a growing trend for biodiesel consumption, especially for the Biodiesel production, which is according to the Strategic Plan of Palm and Palm oil for the year 2015 – 2016 under the guidance of the Office of agricultural economy, Ministry of Agriculture and Cooperatives. This plan has the goal of expanding palm oil plantation along with increasing crop yield, increasing domestic demand, and the Renewable Energy and Alternative Energy

Development Plan 2015 – 2036 which expected to increase the ratio of palm oil in Biodiesel from B7 to B10 Biodiesel in the future. Therefore, production volume and consumption volume of Crude Palm Oil (CPOA) in Thailand in the past can be described below;

(Unit: 1,000 tons)	2014	2015	2016	2017	Jan - Apr 2018
Production of palm oil in the country	2,000.61	2,068.48	1,804.45	2,626.01	1,045.59
Crude palm oil output CPOA	NA	NA	NA	2,494.21	1,006.50
Crude palm oil output CPOB	NA	NA	NA	131.80	39.09
<i>Proportion of CPOA to palm oil production</i>	NA	NA	NA	94.98%	96.26%
<i>Proportion of CPOB to palm oil production</i>	NA	NA	NA	5.02%	3.74%
Consumption of palm oil in the country	1,781.77	1,886.55	1,803.76	2,136.81	868.81
- Refined Oil & Oleochemical	939.37	1,053.33	987.80	1,165.63	476.55
- Biodiesel Industry	842.40	833.22	815.96	971.18	392.26

Source: Department of Internal Trade Ministry of Commerce

A majority proportion of Crude Palm Oil production is Crude Palm Oil (CPOA) meanwhile Crude Palm Oil (CPOB) is minority proportion (The different between Crude Palm Oil (CPOA) and Crude Palm Oil (CPOB) will be analyzed and described as disadvantage of the transaction under topic of Future operational risks of crude palm oil (CPOA) trading business) The volume of Crude Palm Oil (CPOA) in domestic market for Biodiesel Industry in the past still have a positive outlook.

For Crude Palm Oil (CPOA) consumption volume in domestic market based on analysis research on Crude Palm Oil Industry from Krungsri Bank conducted under Economy and Industry division, the research unveils an upward trend industry. The growth factor is mainly contributed from incremental biodiesel domestic consumption and supportive scheme from Alternative Energy Development Plan; aims to target the increase portion of Crude Palm Oil in Biodiesel to B10. However, the aforementioned policy may

be delay due to the technical problems of engine and automaker that may not be ready to support the usage of B10

Therefore, OCEAN decided to engage in Crude Palm Oil (CPOA) trading business but exclude in Crude Palm Oil (CPOB) trading business because the demand of CPOA has potential growth rate from the increase usage of Biodiesel. Moreover, the CPOA production portion is attributed to be 95.0% of total production, resulting in high confidence procurement process. Meanwhile, CPOB outlook is remained questionable. The Company decided to exclude the business coverage in CPOB and the price of CPOB is normally trading below CPOA's approximately 1.50 - 2.00 Baht per liter.

2. Thailand is one of the highest volume crude palm oil producers in the world

Thailand is ranked 3rd by its crude palm oil production, having average produce of 2 million tons per year, which is 1.20% of world palm oil production and is expected to be growing in the future according to the Strategic Plan of Palm and Palm oil for the year 2015 – 2016 which will further increase palm oil plantation area . In the palm oil trading business, having more goods for trading will result in having a higher revenue, since the trading business takes up on the margin difference between purchasing and selling.

In 2018, Thailand has produced a significant volume of Crude Palm Oil into system, causing a surplus in supply. However, the surplus in supply is expected to be decrease mainly due by the incremental usage of Crude Palm Oil in biodiesel consumption. Accordance with Crude Palm Oil Industry research from Krungsri Bank conducted under Economy and Industry division, the research indicated that Thailand will increase the volume of biodiesel from 3.39 million liter in 2016 to 7.0 million liter in 2036, or CAGR 3.69% per year. Moreover, the surplus event will not affect Crude Palm Oil (CPOA) trading business due to the nature of business that realized the gross profit via gap as has already mentioned above.

3. Palm Oil industry is supported and promoted by the Government

The Ministry Cabinet Meeting has resolved to approve the Draft of the Act for Palm and Palm Oil in 2017. The Act outlined the policy responsible for management of the whole integrated Palm oil industry, so that it is promoted, monitored, and supported by the Government in order to expand crop field area of Crude Palm Oil and yield per crop and to improve refinery's efficiency

and metrology for higher yield rate of Crude Palm Oil. Moreover, the government's policy is aimed to increase demand of Crude Palm Oil for biodiesel production and household consumption to sustain a growth rate of 3.00 per year, resulting in higher demand of Crude Palm Oil. This outcome will have a positive outlook toward the trading volume of CPOA by OCEAN.

4. World Petroleum Oil Price is expected to increase

The Petroleum oil price is still on the upward trend from the production quota of the Organization of the Petroleum Exporting Countries (OPEC) and non OPEC Group. Rising petroleum oil price will be the main factor that pushes the demand for Biodiesel and demand for palm oil for Biodiesel production because Biodiesel mingled with CPOA has a lower price and has a lower price sensitive of Crude Oil than Crude Oil's. Therefore, if the outlook of Petroleum Oil's price will appreciate in the future, this scenario will automatically dive overall demand of CPOA accordingly.

- Additional information regarding the palm oil industry outlook can be found in Attachment 4 Palm oil Industry Outlook Recovering Operation results and financial position to achieve better growth trajectory

(Unit: THB Million)	2015	2016	2017	Jan - Mar 18
Total revenue	293.45	329.12	292.12	84.85
Profit (Loss) for the Period	(3.73)	1.57	(32.26)	(2.79)
Unappropriated Retained Earning (Deficit)	10.89	1.51	(29.65)	(32.44)
Total Shareholder's Equity	272.38	263.09	231.93	229.14

For OCEAN's past operating results, revenue is on a decreasing trend as the total revenue of 329.12 million Baht in 2016 was reduced to 292.12 million Baht in 2017, and the consecutive net loss from operations resulted in the unappropriated accumulated deficit of 32.44 million Baht. The operation result is not expected to recover in the near future due to the valve and related equipment products are affected from competition against cheap imported goods. If the valve distribution business is still generating operational loss, the shareholder's equity may become negative, which would affect the company's status as the listed company in the SET. Although the management already plans for resolving the operation results of the valve distribution

business, by adding the high growth business operations in CPOA palm oil trading, it is expected that this business unit would help OCEAN to have net profit. The profit would eliminate unappropriated accumulated deficit and enable the company to pay dividends to its shareholders. Additionally, the fund transfer for the newly issued shares would also improve the company's financial position, because it would decrease the debt to equity ratio from 0.61x to 0.23x, and create capacity for debt financing to accommodate future business expansions.

After the transaction is completed, Paragon Agritech Co., Ltd. and Lamair Palm Oil Co., Ltd. (Private owned by the applicant) will stop all Crude Palm Oil (COPA) transaction immediately and switch to OCEAN to continue Crude Palm Oil (CPOA) trading forward. Hence, OCEAN envisages that OCEAN can start to realize the revenue from Crude Palm Oil (CPOA) trading within September 2018. The performance of Crude Palm Oil (CPOA) of the applicant's company will become revenue baseline of OCEAN in the future. IFA assume the revenue of Crude Palm Oil (CPOA) trading business as it below;

(Unit: THB Million)	Sep - Dec					
	2018	2019	2020	2021	2020	2023
CPOA Sales Volume (Million kilogram)	44.02	136.92	141.98	147.22	152.65	158.29
CPOA Sale Price (THB per kilogram)	23.20	23.20	23.20	23.20	23.20	23.20
Revenue from Sales	1,021.15	3,176.55	3,293.83	3,415.43	3,541.53	3,672.28
Cost of Sales	977.14	3,039.63	3,151.85	3,268.22	3,388.88	3,513.99
Gross Profit	44.02	136.92	141.98	147.22	152.65	158.29
Selling and Administrative Expenses	25.65	80.62	84.46	88.50	92.74	97.18
Income Tax	3.67	11.26	11.50	11.74	11.98	12.22
Net Profit	14.69	45.04	46.01	46.97	47.93	48.89

The detail of assumption is as of

Volume Sold of CPOA	The sold volume per month is forecasted to approximate 11 million kilogram per month accordance to the revenue and volume from Crude Palm Oil trading based on historical activity of the applicant; Paragon Agritech Co., Ltd. and Lamair Palm Oil Co., Ltd. The revenue portion of Crude Palm Oil (CPOA) of two aforementioned companies is estimated to be 80.00% of total revenue of combined two companies and forecasted the growth of
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	selling volume from 2019 onward to be 3.69% accordance to Crude Palm Oil Industry research from Krungsri Bank conducted under Economy and Industry division. The research forecasted that the volume of biodiesel in 2016 will increase from 3.39 million liter per day to 7.00 million liter per day in 2036, or CAGR 3.69 % per year, resulting in the increase consumption of Crude Palm Oil accordingly.
CPOA's Price	OCEAN assume that the price of CPOA is fixed at 23.20 baht per kilogram (Source: Department of Internal Trade of Thailand)
Cost of Raw Material's Procurement by Refinery	OCEAN assume the spread between cost of Crude Palm Oil from Palm Oil refinery and selling price of Crude Palm Oil to Biodiesel refinery is equal to 1 THB per kilogram or equal to Crude Palm Oil's price from refinery is 22.0 baht per kilogram
Management Expense	Comprise of transportation cost and tank rental, 0.55 and 0.22 baht per kilogram respectively. Assume that the portion of sold crude palm oil volume and reserve volume is equal to 5.0% of total sold volume and salary expenses and management expense equal to 250,000 baht per month with the growth rate of 1.18 per year (Source of Information; the 10 years trailing inflation rate of Thailand: Bank of Thailand)
Tax Rate	20.00%

Under given assumption, OCEAN will have the volume of Crude Palm Oil (CPOA) estimated to be 136-160 million kilogram per year or approximately 5-6 % of total domestic crude palm oil production in 2017. In comparison, the performance of the Company in 2017 is THB 32.26 million from faucets and related water supply products business so the profit from Crude Palm Oil (CPOA) trading business will improve OCEAN's performance since 2019 forward. The improvement of performance will write off loss carry forward and allow OCEAN to pay dividend eventually.

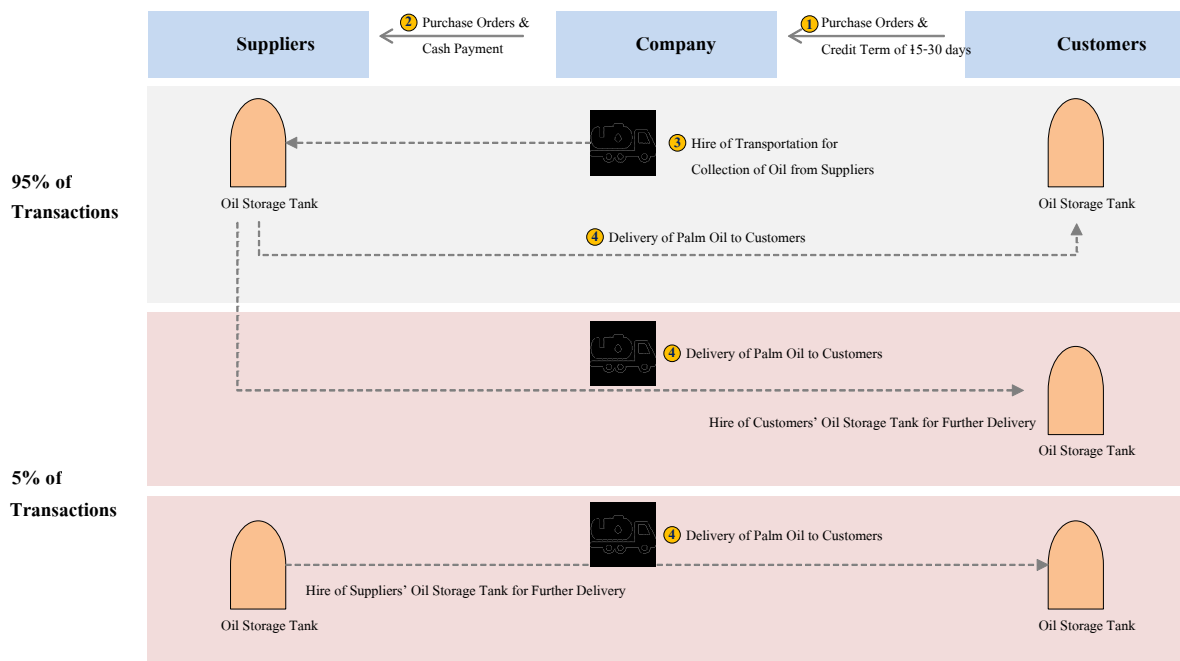
After OCEAN begin Crude Palm Oil (CPOA) trading business will become a majority portion of revenue equal to 92.0% of OCEAN's total revenue. Meanwhile Cost of Good Sold and Management Expense are equal 91.0% of total expense (Assumed all revenue and cost of goods sold from faucets and related water supply products business in 2018 to calculate the proportion)

Nevertheless, the money from capital increase will improve overall financial position by reducing the debt-equity (D/E) ratio to 0.61 time to 0.23 time in order to qualify the requirement for financial institution loan to support business expansion in the future.

As there is no period for construction and acquisition of non-current asset. Moreover, the expansion to palm oil trading business can be immediately initiated after the process of selling the newly issued shares and receiving permits from related organizations and the progress of registration of Palm Oil Purveyor. Because the sales and purchase contract of palm oil has the transportation period of 1 – 2 weeks, and are not long-term contracts, if OCEAN can proceed with the stages of funding and legal requirements, it could initiate the business operations to recognize revenue and profit, and resolve its failing operation results within 2018.

- CPOA Palm Oil trading business requires funding mainly for inventory stocking

OCEAN will begin Crude Palm Oil (CPOA) trading business by themselves without via subsidiary company or related company with the Applicant and will not operate under related company that is operated by the Applicant’s employee but will explicitly operate via the database of Supplier and Customers from the Applicant to begin the aforementioned business. The detail of business is below;



1. When the order is confirmed for volume, price, delivery period and delivery location, OCEAN will procure Crude Palm Oil (CPOA) from all CPOA supplier and will allocate and deliver CPOA by order within 1-2 weeks
2. Hire tank truck to pick up Crude Palm Oil (CPOA) from supplier and will deliver to confirmed location based on the order. The transaction is categorized to be Back to Back transaction, as said, the procurement of feedstock will align with the volume of order to reduce the overstock risk. OCEAN will continue the transaction in approximate of 95% of the total transaction volume. However, OCEAN may rent oil tanks for some occasion such as in case that the volume of Crude Palm Oil (CPOA) may not procure enough volume to fill in a full tank truck or in case that Crude Palm Oil (CPOA)'s price may be underpriced for feedstock speculation so the oil tank rental may occur 5% of the total volume.

However, as a trader is responsible of CPOA's procurement to fill in order immediately, OCEAN need to rent oil tank to collect Crude Palm Oil for management and logistic. The transaction is required to rent an oil tank approximate 5.0% of the total volume. Therefore, at the beginning of Crude Palm Oil (CPOA) trading business, the transaction is not required to invest in non-current asset such as palm oil tank truck and oil tank.

The purpose of THB 386.05 mil capital increase will be divided into feedstock procurement;

1. Proceed as working capital for THB 280 mil

OCEAN is aimed to procure Crude Palm Oil (CPOA) feedstock in order to supply 4,000 ton per week (Assumed Crude Palm Oil's price is estimated to be 22-23 Baht per kilogram or THB 88-92 mil per week) and the cash settlement will be done in 3 weeks advance for first installment (The period of procurement of Crude Palm Oil from supplier must be settled within 1 week and the credit-term to supplier is estimated to be 2 weeks combined into 3 weeks)

2. Proceed as cash reserve for THB 106 mil to be utilized as a contingency plan to prevent any disruption in daily operation in case that the Client made a delay payment or any delay from any progress and may utilized as a reserve for additional payment.

Therefore, for the CPOA palm oil trading business in the initial stage, OCEAN would use the fund only as working capital to purchase oil, and will not use the fund to

purchase operating assets. As source of funding is from a capital increase (might borrow money from financial institution in some portion which the loan from financial institution is required a personal collateral assets from Board Director of Company but there will be no expense to be calculated to use personal collateral assets) However, this means that OCEAN can immediately enter this business without waiting for construction or purchasing operating assets which may require certain period until being fully operational. Moreover, in the event that the oil trading business does not return expected operational results, this business can be quickly liquidated and would not result in great financial distress.

- Acquiring business partner which is financially strong and well-experienced in the Industry

The Purchaser has the knowledge, understanding, expertise, and good business relationship with Palm oil extractors and refineries, and has the experience of doing business related to palm oil for a long period of time. The Purchaser has studied and experimented many businesses related to palm oil business, such as plantation, extraction, and crude palm oil trading since 2011. She found out that the trading business has little requirement in fixed assets but could generate good profit, which led her to enter crude palm oil (CPOB) trading for many large animal feed production factories. At present, she has expanded the business to CPOB palm oil extraction factory. After the government's policy supported the production of Biodiesel from palm oil, the Purchaser saw the opportunity to enter CPOA palm oil business. Therefore, the Purchaser entered the CPOA oil trading business from 2013 onwards. In total, she had 8 years of experience in the palm oil-related business.

OCEAN would receive the benefit of Purchaser's status as a majority shareholder, as a strategic shareholder to promote the potential of business operations related to palm oil in the long term. Moreover, having good relationship with many crude palm oil cooperatives would also increase opportunity in expanding the business related to palm oil.

- Sufficient and Timely financing activity

In the past, OCEAN has plans to expand the business to alternative energy, in which OCEAN acknowledged that the business expansion required substantial amount of funding, which may come from debt financing from financial institutions in conjunction with offering shares to original investors. However, this would become obligation for OCEAN's shareholders, and posed uncertainty to be supported by its

shareholders, which are the reasons that OCEAN has not decided to expand to this particular business. In case that OCEAN may allocate the newly issued ordinary shares to other investors, OCEAN will not have an expertise and experience in Crude Palm Oil (CPOA).

This offering of newly issued shares is on private placement basis to the Purchaser who is financially strong, and has the experience and expertise in the palm oil business. This means OCEAN's financing activity can be executed in a timely manner and in whole, so that it can be used per business operation and expansion requirements. There are also many advantages of this method comparing to other methods. For example, debt financing from financial institutions may impose limitations on the use of funds, because at present OCEAN's financial position is weak, and still has some amount of loan outstanding to the financial institutions. On the other hand, public offering has many requirements and takes a longer time, needs higher expenses in order to execute it, and posed a risk of insufficient funding to the use of funds. As for the offering of newly paid shares to original shareholders according to the share ownership (Right Offering), there is also uncertainty that the Company would receive sufficient amount of funding from purchasing of newly issued shares by original shareholders.

2. Disadvantages of the Transaction

- Effect to original shareholders from the newly issued shares (Dilution Effect)

As previously mentioned, the offering and allocating of newly issued shares to the Purchaser for the total of 482,567,173 shares at the offering price of 0.80 Baht would affect the original shareholders in both the voting rights by 40% and market price of OCEAN by 3.45%. There would also be dilution effect to the profit per shares to shareholders as well, however because OCEAN has net loss in 2017, the dilution effect could not be calculated.

IFA is of opinion that the allocation of newly issued ordinary shares to the applicant may have dilution effect but the offering price is 0.8 baht per share is more than the fair price estimated by IFA (The detail of valuation of stock price is next part) Moreover, the capital increase will allow OCEAN to engage in Crude Palm Oil (CPOA) business. With the aforementioned estimated performance of Crude Palm Oil (CPOA) business, the net profit from Crude Palm Oil (CPOA) trading business will improve overall profit of OCEAN to sustain a net profit (carry a net loss in the past) for 2019 forward.

- Risk from balancing of controlling interest from shareholding ownership

The 40% share ownership by the Purchaser out of the total voting rights from not having any shares, could be considered as significant share ownership. Although this share ownership percentage is not majority shareholding which could almost control the resolution of the shareholder's meeting, but this ownership exceed 25% of the total issued and paid shares, and Voting rights in the company. Therefore, the Purchaser can use the right to affect certain events in which the law or the company's regulation requires voting of at least 3 out of 4 approval from the shareholder's meeting. These events include approval to increase paid-up capital, decrease paid-up capital, waiver to make tender offer for all securities of the company, entering into transaction to acquire or sales of assets, entering into Connected Transaction per Notification of the SET, and issuing and offering of corporate bonds.

Additionally, if there are shareholders other than the Purchaser that do not attend the shareholder meeting or appoint an attendee, the Purchaser's voting right may be higher than half of the total shareholder's voting right that attended the meeting. This may result in the Purchaser having control over any resolutions which require majority voting, and other shareholders would not be able to accumulate voting rights against the Purchaser. In the event that the Purchaser has the voting right in the shareholder's meeting up to or more than 75% of the total voting rights present, the Purchaser would be able to control the approving of all resolutions in the shareholder's meeting, including resolutions which the law requires at least 3 out of 4 voting rights.

For this transaction, the fact that the Purchaser would receive the waiver the tender offer for all securities of the business (Whitewash), means that the Purchaser could own additional OCEAN's shares of less than 10.00% of the total voting rights of the Company, in which the Purchaser would not be obliged to make a tender offer for all securities of the business, in the event that her shareholding does not increase up to and beyond 50% of the total voting rights in OCEAN.

- Risks of being allocated the newly issued shares at a lower price than the market price, at the time of allocating the newly issued shares

The newly issued shares are offered to the Purchaser at the price of 0.80 Baht per share, which is lower than the share's market price as of 12th July 2018 which is the date that IFA compile this report. The share price that the Purchaser is offered is significantly lower than the market price, and may enable the Purchaser to sell the shares and benefit from the share price difference between the market price and the

share offer price from OCEAN. However, this case is highly unlikely. Regarding the Purchaser's acquisition of OCEAN shares, the Purchaser has the intention of investing and becoming business alliance in the long term, without any intention for short term gains from sales of shares as the application is intend to utilize the Crude Palm Oil (CPOA) trading business, which was carried by the private owned company to be operation under OCEAN.

- In addition, according to the SET Notification Re: Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558. (and which has been edited), it is stated that if OCEAN's offer price of ordinary shares to the Purchaser is lower than 90% of the market price within 7-15 working days before the SET listed the ordinary shares as a listed security, the Purchaser must not sell the total ordinary shares for capital increase within 1 year period since the first day that newly issued shares of OCEAN are being traded in the market (Silent Period). Hence, in case that the Stock Price of OCEAN at the date of sale and subscription of capital increase is more than the applicant's subscription price. The applicant cannot divest the shares. In contrast, if the stock price is lower than the subscription price, the application is not motivated to divest that portion from net loss. After 6 months from the day that the newly issued shares are being traded, the Purchaser could sell 25% of the shares that are imposed with Silent Period. With the Silent Period imposed on the Purchaser, the share sales transaction cannot proceed. Accounting effects from the financial reporting standards regarding share based payments

The offering and allocating the newly issued ordinary shares to 0.80 baht per share may affect to the accounting policy of Share Based Payments. Based on the aforementioned accounting policy, the policy is regulated the Company which offer and allocate the newly issued shares under the fair value shall book the gap between subscription price and fair price. The gap of fair value can be described as below

1. The Stock Price as of date before Board of Director passed on a resolution to call capital increase agenda to Shareholders at 12 June 2018
2. The valuation of OCEAN's stock price by IFA
3. The Stock Price of OCEAN during the interval period that OCEAN is offering the newly issued ordinary shares to the applicant after the extra ordinary shareholder meeting No.1/2018

The calculation will use gap between offering share price and share fair price multiplied by the number of offering and allocating newly issued ordinary as an expense in profit and loss statement

Therefore, as consideration of share fair value and gap between offering share price and share fair price accordance to the aforementioned accounting policy, IFA has evaluated the impact of impairment scenario by three scenarios as it below;

Fair Valuation Methods for OCEAN Shares	Fair Price (Baht/share)	Offer Price (Baht/share)	The Offer price lower than Fair price by (Baht/share)
1. Average trailing-15 trading day before Board of Director Meeting (12 June 2018)	0.87	0.8	0.07
2. IFA Valuation by discounted cash flow method	0.257 - 0.44	0.8	-
3. Stock Price of OCEAN as of date that OCEAN is offering to newly issued shares to the applicant which will occur after the extraordinary shareholder meeting No.1/2018*	NA	NA	NA

* Remark: As the event will happen in the future, the calculation cannot be estimated as of now.

The affect toward financial statement of OCEAN is happened when issuing an ordinary share for payment. In case of evaluating fair price by average trailing price (method-1) will affect the accounting equal to 0.07 baht per share that is offering to the applicant or approximate THB 33.78 Mil which OCEAN may have to impair aforementioned gap to be an expense under share-based policy caused OCEAN to sustain an increased net loss from operation in 2018

For valuation of OCEAN is estimated by discounted cash flow (method-2) which is the metrology that IFA is of opinion that the aforementioned method is suitable to evaluate fair price, estimated to be 0.257 – 0.44 baht per share below than the offering

price to the applicant at 0.8 Baht per share. Hence, OCEAN will not incur any share-based expense from above metrology

However, if applying fair value metrology to OCEAN's stock price in pertaining interval time when the offering and allocating a newly issued ordinary shares to the applicant (Method-3) will cause share-based expense more or less entirely depended on market price at that specific time and offering price to the applicant at THB 0.80 per shares multiple by the number of offering shares

Hence, as for the consideration of metrology to valuate a fair price for share-based expense, currently, OCEAN is still discussing with Company's auditor

- IFA point out that if OCEAN has to book a share-based expense from aforementioned metrology, the impairment will significantly and inevitably affect toward operation of the Company. However, with the consideration of offering newly issued shares to the applicant to OCEAN will expand business into Crude Palm Oil (CPOA) trading business, the new business will drive net profit more than any incurred share-based expense. Moreover, share-based expense is considered to be an accounting expense not an actual cash-flow expense. Future operational risks of crude palm oil (CPOA) trading business

Although the palm oil trading industry has a good potential in the future as previously mentioned in the Advantages of Entering the Transaction, the palm oil trading industry still have other factors that may affect the business operations of crude palm oil (CPOA) trading business as follows;

1. The oil palm yield significantly depends on the amount of rainfall in each year. If there were any year in which the rainfall decreased, the fresh palm yield in the following year is expected to decrease. This may affect the sales quantity and revenue from palm oil trading business.
2. The fully AEC free trade may induce competition from international sources to import palm oil to Thailand and compete with OCEAN. At present, importing of crude palm oil from international sources is controlled by the Department of Foreign Trade, Ministry of Commerce, in order to safeguard domestic production. However, there has been importing of palm oil from international sources in the past to resolve shortage of palm oil in the short terms. Because the importation is controlled by government organization, it

would not affect the competition in the crude palm oil (CPOA) trading business.

3. The roadmap to increase palm oil in Biodiesel from B7 to B10 may face limitation from the vehicle models that can run on B10 Biodiesel. This affect the policy to launch B10 Biodiesel, which may not be initiated in the near future.

OCEAN has considered these risks, and selected investor who has good relationship with palm plantation farmers (Palm Farmers Cooperatives), and has good relationship with customers that use crude palm oil. It is expected that certain characteristics of the Purchaser would alleviate the aforementioned risks that may occur in the future.

- There may be competition between the Purchaser’s business and OCEAN’s crude palm oil (CPOA) trading business

Currently the Purchaser is operating the CPOA palm oil trading under the Lamae Palm Oil Company Limited, and Paragonock Retake Company Limited, which are personal business. After the Purchaser has been allocated with the newly issued shares and approved with the requirements and related regulations, the Purchaser will cease the CPOA palm oil trading business which is operated under the personal business immediately. The Purchaser will transfer the entire business which is related to the crude palm oil (CPOA) trading to continue operations under OCEAN. However, the Purchaser will continue to operate crude palm oil (CPOB) trading business under her personal business. Because both CPOA and CPOB are oil extracted from palms, it may be observed that the Purchaser’s personal business and OCEAN’s future operations may overlap, and result in competition. In this regards, IFA observed in detail that the two types of palm oil have the following differences;

	CPOA	CPOB
Extraction Process	Oil Press using steam (the press excludes the palm flesh) Steaming the palm fruits in steam tank so that the palm flesh departs from the palm seeds. The palm flesh would enter the press, so that the	Oil press without steam (the press takes in the whole palm fruit) Palm fruits are roasted and enter the press to extract palm oil. The resulting palm oil becomes CPOB palm oil

	CPOA	CPOB
	resulting palm oil is becomes CPOA palm oil. The palm seeds are then further extracted into oil from palm seeds.	
Characteristics	Free Fatty Acid (FFA) not exceeding 5% of 1 unit of palm oil, and the Deterioration of Bleachability Index (DOBI, which determines the difficulty of the refinery process) is not lesser than 2.0. The oil retains its color ranging from yellow to red, and its viscosity.	FFA not exceeding 8 – 10% of 1 1 unit of palm oil. The oil has the characteristic of being in between yellow, red, and darkish brown in color.
Usage	Mixing with Diesel to produce Biodiesel, and processed into vegetable oil for consumption	Mixing with other ingredients, such as corn, according to each animal feed producer's proportion
Customers	Oil refinery and vegetable oil factory. In addition, CPOA is priced 1 – 1.50 Baht per liter higher than CPOB oil.	Animal feed production factory

Additional information can be found in Attachment 5: difference between Crude Palm Oil Grade A (CPOA) and Crude Palm Oil Grade B (CPOB)

As previously mentioned, CPOA and CPOB crude palm oil are significantly different from each other, therefore the two categories of palm oil are not competing with each other.

However, as previously mentioned, the palm oil trading business does not need capital in building or purchasing core operating assets, and can be initiated without much difficulty, especially for operators that have already done this business or operated similar oil trading business. Therefore, OCEAN may run the risk that the Purchaser return to operate crude palm oil (CPOA) trading business, which is the same type of business that OCEAN would operate in the future. OCEAN has considered this risk, and has entered the agreement to reduce the probability of

competition between the Purchaser and OCEAN, in which the conditions can be summarized as follows;

1. The Purchaser acknowledged and agreed that the crude palm (CPOA) oil trading business for Biodiesel production and oil for consumption would only be operated by OCEAN.
2. The Purchaser (whether operated solely or in joint venture with other operators) agreed to not enter into overlapping businesses and products that would result in competition with OCEAN's crude palm oil (CPOA) trading for Biodiesel and oil for consumption, including any actions which would hinder the business opportunities of the crude palm oil (CPOA) trading for Biodiesel and oil for consumption.

The condition to not enter into competitive business in 2 does not prohibits the Purchaser (whether operated solely or in joint venture with other operators) from operating the crude palm oil (CPOB) trading business for animal feed industry.

3. The Purchaser agreed to not disclose OCEAN's confidential information which includes information regarding Suppliers, Palm plantation farmers, Customers that use CPOA crude palm oil for Biodiesel and consumption oil production, and business plans which the Purchaser receive from OCEAN to any external parties.
4. This Agreement ceases to be in effect when the Purchaser and any persons according to Section 258 of the Purchaser pursuant to the Securities and Exchange Act B.E. 2535 (as amended) (if available)) ceases their status of being majority shareholder (majority shareholder means having a share ownership of more than 10%) of OCEAN and/or controlling interest of OCEAN.

Moreover, it is expected that the incentive for the Purchaser to return to crude palm oil (CPOA) trading business is quite low. At present, the Purchaser which operates the crude palm oil (CPOA) trading business has issues and limitations to seek further working capital by financial institutions to accommodate for the high growth of the crude palm oil (CPOA) trading but only receive unfavorable cost of financing. The Purchaser has been continually looking for support from additional credit facilities. Due to OCEAN's status as a listed public company being traded in the SET, the credibility of the management system, monitoring, and internal control to the

financial institution is increased. Therefore, it is expected that this business would be supported with additional credit facilities under more favorable term sheet, and Purchaser would not return to palm oil (CPOA) trading business under her own personal business (private limited company).

- **Probability of Related Party Transaction or Connected Transaction**

As aforementioned, the palm oil (CPOA) trading business would not require investment in buildings or oil trucks in the initial stage. This means that OCEAN have to use service from related service providers, and at times OCEAN may need to use the service from service providers which are associated with the Purchaser's group or any persons according to Section 258 of the Puchaser or any concert party with the Purchaser, which would become related party transactions. The characteristics of probable related party transactions can be summarized as follows;

Related Party Transaction	Cause and Necessity	Expected Transaction Size
1. Rental Tank Truck for CPOA	At the primary stage of Crude Palm Oil (CPOA) Trading Business, OCEAN may have to utilize the transportation service from the Applicant or related party in some portion because the related party is a specialist and has in-depth knowledge in the transportation route. In this respect, OCEAN will ensure the transaction are made on the arm's length basis compared with the third party's service and also will use the logistic service from a third party as well.	0.5% -1.0% of total revenue from CPOA Trading per year (Estimated revenue from Crude Oil Trading to be THB 3,000-4,000 million per year)
2. Rental Oil Tank for CPOA	At the primary stage of Crude Palm Oil (CPOA) Trading Business, OCEAN may have to rent the oil tank from the Applicant or concert party. However, OCEAN expects that tank truck which goes to collect palm oil from Crude Palm Oil supplier will deliver all goods to buyer immediately.	0.1% -0.5% of total revenue from CPOA Trading per year

Related Party Transaction	Cause and Necessity	Expected Transaction Size
3. The Applicant uses personal guarantee for Credit-line from Financial Institution	OCEAN is currently under the negotiation with financial institution to seek credit-facility to utilize in Crude Palm Oil (CPOA) trading business, the financial institution considers the applicant's personal asset to be used for collateral assets. Therefore, the applicant did not charge any fee to use personal asset to be used as collateral assets.	

As for the potential related party transactions, OCEAN has disclosed that the transactions that could be considered related party transaction would be treated according to OCEAN's policy in related party transaction, and according to regulations of SET and SEC strictly. The price and condition of the related party transaction will be implemented on an arm's-length basis, in which the audit committee would opinionated on the price, conditions, necessity, appropriateness of each transaction. The audit committee will also disclose the related party transactions in the notes to financial statements in annual report and the annual registration statement (Form 56-1) and annual report (Form 56-2).

Moreover, the transaction to use the Purchaser's assets as collateral for the credit facility is for the purpose of OCEAN's business operations, in which the Purchaser does not demand compensation from using her personal assets as collateral. In the future, IFA opinionated that if OCEAN chose to not rely on the Purchaser's service, it would have to rely on external party operator's service, which may not be able to accommodate for the service requirements by OCEAN. On the other hand, if OCEAN chose to invest in oil storage or transportation trucks, it would require heavy investment.

Because the Purchaser still currently owns the personal business that extracts and trades CPOB palm oil, and even though Form 247-7 would outline the policy that OCEAN would not expand the business to CPOB palm oil business after the Purchaser become the shareholder of OCEAN; but OCEAN may intend to expand its oil trading business to include CPOB palm oil, in which OCEAN may purchase the

operating assets from the Purchaser. This transaction would be deemed as Acquisition of Assets and the Rules on Connected Transaction which has to be approved from the Company's shareholder meeting (including if OCEAN may intend to expand business to CPOA oil extraction factory). If the size of the acquisition or the investment is very large, it may be recognized as Backdoor Listing in which OCEAN must comply with the regulations of SET and SEC.

3. Advantages of not Entering this Transaction

- If OCEAN does not increase its capital of offer the ordinary shares on private placement basis, the original shareholders of OCEAN would not be affected by the decrease in ownership and control dilution, price dilution, and earning dilution.
- OCEAN would not be affected by the potential share based payment accounting effect.
- Original shareholders of OCEAN would not have the risk of shifting balance in share ownership percentage, which is related to the balance of voting right in the event of approval of resolution in the shareholder's meeting.
- There is no risk from the potential business competition between the Purchaser's business and OCEAN's CPOA palm oil trading business.
- There is no risk in the transfer of benefits which may occur from the related party transaction from using the Purchaser's business services, which would become Connected Person to OCEAN

4. Disadvantages of not Entering the Transaction

- OCEAN may face continual operational loss from the valve business which does not show signs of growth. This may affect the financial position, shareholder's equity, and retention of Listed Company status of OCEAN.
- Loss of business opportunity to expand to oil fuel business, , which is within the scope of OCEAN's business expansion policy, and is a business which has a good growth trajectory.
- Loss of opportunity to joint venture with business alliance which is financial strong, and equipped with experience and expertise in palm oil trading business.

1.3.3 Comparison of Advantages and Disadvantages of Entering the Connected Transaction and Transaction with External Parties, the Necessity to enter the Connected Transaction, and the Reason to not Enter the Transaction with External Parties.

OCEAN will increase capital by allocating and offering the newly issued shares on private placement basis to the Purchaser. At present, the Purchaser does not have any

relationship with OCEAN, the management, the controlling interest, or the major shareholders of OCEAN. However, after purchasing the newly issued shares, the Purchaser would become major shareholder in OCEAN, holding 40% of the total paid shares after the registration to increase capital. The Purchaser may also become a Director or propose other persons to become the Company's Directors for the total of 3 persons, which makes this transaction becomes Connected Transaction according to the Connected Transaction Notifications.

In general financing activities, OCEAN can engage in other methods such as debt financing from financial institution, Right Offering of the newly issued shares to original shareholders, Public offering of newly issued shares to public investors, or all of the methods combined. However, with OCEAN's intention to expand its business to related alternative energy, the choice of offering newly issued shares to the Purchaser would give OCEAN the opportunity to enter the palm oil trading business. In conjunction with OCEAN's continuing operational loss, and lack of experience in the alternative energy business, this becomes the limitation to receive credit facility from financial institutions for business expansion, and poses a risk in business operation due to lack of previous experience in operating palm oil trading business. Borrowing additional funds would also increase financial risk from the debt and interest service obligations, which may affect the debt service capabilities in the future and worsen OCEAN's operational results.

In comparison to the Right Offering to original shareholders, or public offering to public investors, or the offering on a private placement basis to any party other than the Purchaser, OCEAN would only receive the fund from the capital increase, but would not receive the opportunity to enter palm oil business in the similar fashion that it receives from the Purchaser (such as experience in operating the business, the network of palm oil extraction factories, and customers that operate oil refineries who purchase palm oil, for instance). In addition, OCEAN has not contacted or been contacted from other interested investors to invest in the similar fashion as the Purchaser.

Moreover, the fact that the Purchaser has the right to will eventually become Director or and select persons to become Directors makes this a Connected Transaction. The advantage is that the Purchaser can outline the policy and business plans as a Director which is beneficial to OCEAN's business operations in the long term.

However, because of this transaction with the Purchaser is deemed as Connected Transaction, OCEAN has the obligation to ask for approval from the shareholder's meeting, and must arrange for IFA's Opinion for this Transaction, which increases the expense to enter this Transaction.

1.4 Fairness of price and conditions for the transaction

To evaluate the share value, IFA has considered all sources of information from management interview, financial projection, and other publicly disclosed information. The opinion of the IFA is based on the assumptions that information and documents received as well as information obtained during the interview with management are complete and accurate. In addition, our consideration has been made based on economic condition and information perceivable at the time of the study. IFA has calculated the fair value of OCEAN by employing 5 financial valuation approaches as follows:

1. Book Value Approach
2. Adjusted Book Value Approach
3. Market Value Approach
4. Market Comparable Approach
5. Discounted of Free Cash Flow Approach

1. Book Value Approach

The book value approach evaluates the value of shareholders' equity of OCEAN at a certain point of time as appeared in its financial statements. The valuation based on this method is based on the book value of OCEAN from the reviewed financial statements. By the certified public accountants of the SEC, which include: MR & Associates Co., Ltd., ended March 31, 2018 and December 31, 2017 by Miss Waraporn Varyasuwitwan Certified Public Accountant Registration No.5087

As of March 31, 2018	(Unit: THB Million)
Paid-up Capital	180.96
Share premium	75.61
Appropriated retained earnings - statutory reserve	5.00
Profit (loss) Unappropriated retained	(32.44)
Shareholders' Equity	229.14
Number of issued ordinary shares (shares)	723.88
Book value per share (THB / share)	0.32

Book value of OCEAN share based on the latest financial statements as of March 31, 2018 was THB 0.32 per share

The book value approach takes into consideration only the book value of shareholders' equity at only a certain point in time, without taken into consideration the market value of assets and operating

performance in the future. Therefore, the IFA believes that the book value approach is not an appropriate valuation method since it does not suggest real value of OCEAN

2. Adjusted Book Value Approach

The valuation approach considers a value from subtracting a company's total assets by its total liabilities stated in the updated financial statements at a certain point of time and then adjusts the result by major items which affect the company's assets for their true value such as premium/discount from asset valuations. Finally, the adjusted number will be divided by number of shares of OCEAN. IFA has accounted book value of shareholders' equity of OCEAN as presented in financial statements audited by an auditor approved by the SEC to improve with the increase or decrease of assets and liabilities.

OCEAN has appraised land asset but the appraised report has evaluated for the period longer than 6 months (evaluating date on November 28, 2017). In addition, OCEAN does not evaluate other types of assets, such as machinery, so IFA does not have enough information to do valuation by this approach.

However, the IFA views that valuation by using the adjusted book value approach could not be reflected the real market value of assets and it does not indicate real value since it does not take into account OCEAN's profit generating capability in the future. Therefore, the IFA believes that the Adjusted Book Value Approach is not an appropriate valuation method in this case

3. Historical Market Price Approach

Historical market price approach evaluates fair value of shares by taking into consideration the trading price and volume in the Stock Exchange of Thailand. In this regard, the IFA has calculated the historical volume weighted average price of shares during 15 – 180 business days until July 11, 2018. Which is the last business day prior to the Board of Directors OCEAN announced the resolution of the Board of Directors to approve the offering of new ordinary shares to purchaser as follows.

Historical Period (trading days)	Weighted Average Trading Price (THB per share)	Average Daily Trading Volume (shares)	% per Total Shares	Average Daily Trading Value (THB)
15 days	0.87	1,734,042	0.24%	1,511,791
30 days	0.90	3,237,981	0.45%	2,912,944
60 days	0.88	5,585,819	0.77%	4,913,027
90 days	0.83	5,492,465	0.76%	4,584,684

Historical Period (trading days)	Weighted Average Trading Price (THB per share)	Average Daily Trading Volume (shares)	% per Total Shares	Average Daily Trading Value (THB)
120 days	0.83	5,378,733	0.74%	4,443,467
180 days	0.84	4,076,710	0.56%	3,433,246
Price Range of OCEAN shares	0.83 – 0.90			

However, IFA did not consider the recent market price after the Board of Directors' resolution regarding the capital increase and offering of new shares to the purchasers for the purpose of this share valuation. During this period, OCEAN shares may be affected by news of capital increase and new shares offering.



The above table and graph above shows that the trading price of the OCEAN in the trading price of about 0.61 to 1.07 THB per share. The average daily trading volume of approximately 1.73 to 5.59 million shares per day. Approximately 0.24 - 0.77% of total shares. The average daily trading volume is around 1.51 to 4.91 THB Million per day.

Therefore, the average daily trading volume is relatively low compared to the total number of shares. and And the average trading volume per day in the past is quite small. Therefore, the past trading price of Bt. 0.83 - 0.90 per share is not reflective of OCEAN's stock price. Therefore, it is not appropriate to consider the fair price.

4. Market Comparable Approach

4.1. Price to Book Value Ratio Approach : P/BV Ratio

Share valuation by price to book value is the book value of OCEAN as at March 31, 2018, which equates to THB 0.32 per share multiplied by the average price to book value (P / BV) of the company listed on the Stock Exchange of Thailand. However, there are no listed companies that trade faucets which is similar to OCEAN's type of business, so IFA can not evaluate the stock by this method. In addition, IFA has the opinion that Price to Book Value Ratio (Approach) is a way to bring the market price comparable to the book value of a business operating similarly but how is the market price compared to the book value. By reflects the price increase that investors add to their book value. Therefore, the Price to Book Value Approach (P / BV) approach is not yet a reflection of the future performance of OCEAN and is not appropriate for fair pricing.

4.2. Price to Earnings per Share Ratio Approach : P/E Ratio

The Price to Earnings per share ratio approach evaluates the share value by multiplying OCEAN's accumulating net profit, the summation of recently preceding 4 quarters (from April 2017 - March 2018) with an average price to earnings per share ("P/E") ratio of listed company which is similar to the OCEAN business. Moreover, OCEAN's operating results for this period had also a net loss. Therefore, this method cannot be applied.

5. Discounted Cash Flow Approach

This method will reflect the firm value by calculating the net future Free Cash Flow to Firm then discount to present value with Weighted Average Cost of Capital to determine for the fair value of OCEAN. IFA has created financial forecasting by referring to the past operating performance and adjust some of the assumptions to reflect for the overall industry situation, net profit generating capability and business growth. However, IFA has not accounted for the impact of entering into the transaction in the financial projection.

IFA has considered all sources of information and assumptions received from OCEAN and management and staffs interview purposed to evaluate for the fair value of OCEAN shares. Besides, if the economic situation and outside factors relevant to the operation have significantly changed from the stated assumptions, the evaluated fair value of shares will also change accordingly.

Assumption underlying financial projection

1. Revenues

1.1 Sale Revenue

OCEAN is an importer, assembler and manufacturer of the product parts for products assembly of faucets, water supply products and sanitary wares. The goods are included products under own OCEAN brand, the imported products and original equipment manufacturer. Moreover, OCEAN has conducted as the sale representative of products under the brand of GOODYEAR as well.

● Sale Quantity

IFA has estimated the sale quantity of OCEAN as follows.

No	Sale Volume (unit: piece)	Actual				Forecast						
		2015	2016	2017	Jan - Mar 2018	Apr-Dec 2018	2018	2019	2020	2021	2022	2023
1	Brass Faucet	325,468	231,746	220,412	48,749	182,684	231,433	243,004	255,154	263,330	271,767	280,475
2	Zinc Faucet	513,390	523,664	499,476	167,312	357,138	524,450	550,672	578,206	596,732	615,852	635,585
3	Ball Faucet / Faucet Accessories	5,645,567	7,289,412	7,457,045	1,783,738	6,046,159	7,829,897	8,221,392	8,632,462	8,909,056	9,194,514	9,489,117
4	Bathroom Accessories	367,358	423,969	496,385	155,000	366,204	521,204	547,264	574,628	593,039	612,041	631,652
5	GOODYEAR	14,181	13,923	58,676	7,751	53,859	61,610	64,690	67,925	70,101	72,347	74,665
6	Made to order, OEM	408,918	404,570	269,180	118,680	163,959	282,639	296,771	311,609	321,594	331,898	342,533
Total		7,274,882	8,887,284	9,001,174	2,281,230	7,170,003	9,451,233	9,923,794	10,419,984	10,753,853	11,098,420	11,454,027

No	Growth of Sale Quantity	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	Brass Faucet	NA	-28.80%	-4.89%	5.00%	5.00%	5.00%	3.20%	3.20%	3.20%
2	Zinc Faucet	NA	2.00%	-4.62%	5.00%	5.00%	5.00%	3.20%	3.20%	3.20%
3	Ball Faucet / Faucet Accessories	NA	29.12%	2.30%	5.00%	5.00%	5.00%	3.20%	3.20%	3.20%
4	Bathroom Accessories	NA	15.41%	17.08%	5.00%	5.00%	5.00%	3.20%	3.20%	3.20%
5	GOODYEAR	NA	-1.82%	321.43%	5.00%	5.00%	5.00%	3.20%	3.20%	3.20%
6	Made to order, OEM	NA	-1.06%	-33.47%	5.00%	5.00%	10.00%	3.20%	3.20%	3.20%

No	Growth of Sale Quantity	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Total sale growth of all products	NA	22.16%	1.28%	5.00%	5.00%	5.00%	3.20%	3.20%	3.20%

In the past 3 years, the sale quantity of faucets product (the major product generating revenue of OCEAN) has continuously decreased due to the cheap goods illegally imported with tax evasion. To recover the business operation in 2018, OCEAN has marketing plan to boost up for the sale volume of department store, oversea and online customers group. Therefore, OCEAN has expected the sale volume in 2018 – 2020 will grow for 5% - 10% per year.

However, the sale volume growth of OCEAN products will pretty change consistent with the direction of real estate industry business. In this regard, Kasikorn Research Center has viewed about the real estate industry research in 2018 that the real estate will poorly perform by expecting that the new launch of residential units in 2018 in the Bangkok and perimeter areas will grow for 0% - 2% from 2017. Therefore, IFA has forecasted the sale volume growth of OCEAN at the lowest level according to the sale expecting forecast of OCEAN which is 5.00% per year for the year of 2018 – 2020 and grow for 3.20% per year for the year of 2021 – 2023, based on the average growth of gross domestic product of preceding 10-years (source : Bank of Thailand).

- **Sale Price per Unit**

IFA has projected for sale price per unit of OCEAN products group as follows.

No	Average Sale Price (THB: Unit) (after deducted with sale discount)	Actual				Forecast						
		2015	2016	2017	Jan - Mar 2018	Apr-Dec 2018	2018	2019	2020	2021	2022	2023
1	Brass Faucet	199.75	276.14	247.22	254.68	254.68	259.47	264.34	269.31	274.38	279.53	284.79
2	Zinc Faucet	103.52	109.85	107.95	103.54	103.54	105.49	107.47	109.49	111.55	113.65	115.78
3	Ball Faucet / Faucet Accessories	15.40	14.96	11.40	12.37	12.37	12.60	12.84	13.08	13.33	13.58	13.83
4	Bathroom Accessories	164.33	177.10	160.00	163.67	163.67	166.74	169.88	173.07	176.33	179.64	183.02
5	GOODYEAR	116.94	145.86	69.75	82.43	82.43	83.98	85.56	87.16	88.80	90.47	92.17
6	Made to order, OEM	63.50	52.63	56.30	59.26	59.26	60.37	61.51	62.66	63.84	65.04	66.27

No	Growth of Average Sale Price per Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	Brass Faucet	NA	38.25%	-10.47%	4.95%	1.88%	1.88%	1.88%	1.88%	1.88%
2	Zinc Faucet	NA	6.12%	-1.73%	-2.28%	1.88%	1.88%	1.88%	1.88%	1.88%
3	Ball Faucet / Faucet Accessories	NA	-2.86%	-23.82%	10.59%	1.88%	1.88%	1.88%	1.88%	1.88%
4	Bathroom Accessories	NA	7.77%	-9.66%	4.22%	1.88%	1.88%	1.88%	1.88%	1.88%
5	GOODYEAR	NA	24.73%	-52.18%	20.39%	1.88%	1.88%	1.88%	1.88%	1.88%
6	Made to order, OEM	NA	-17.12%	6.98%	7.23%	1.88%	1.88%	1.88%	1.88%	1.88%

The average sale price of all products group have continuously decreased (except for the group of Brass Faucet because it is produced under TIS standard and aiming for high-level customer group, so it is not affected by the illegally imported products, so the sale price can be reasonably adjusted.) due to the cheap goods illegally imported with tax evasion. Consequently, OCEAN has to lower the sale price for competing purpose.

Besides, OCEAN has expected that the sale price might not be able to level up since 2018 because OCEAN has to compete with the imported cheap products imported from China. However, OCEAN has expected that the sale price can be adjusted to compensate for the increase of raw material price. Therefore, IFA has adjusted tie products sale price to grow for 1.88% per year (based on on the average growth of 10-years inflation rate).

Conclusion of Sale Revenue of each Product Group

	Actual					Forecast						
	2014	2015	2016	2017	Jan - Mar 2018	Apr-Dec 2018	2018	2019	2020	2021	2022	2023
(Unit: THB Million)												
Sale Revenue												
Brass Faucet	85.27	65.01	63.99	54.49	12.42	46.53	58.94	64.24	68.72	72.25	75.97	79.88
Zinc Faucet	41.13	53.15	57.52	53.92	17.32	36.98	54.30	59.18	63.31	66.57	69.99	73.59
Ball Faucet / Faucet Accessories	107.00	86.95	109.06	84.99	22.07	74.80	96.86	105.57	112.93	118.74	124.85	131.27
Bathroom Accessories	51.01	60.37	75.08	79.42	25.37	59.94	85.30	92.97	99.45	104.57	109.95	115.60
GOODYEAR	0.00	1.66	2.03	4.09	0.64	4.44	5.08	5.53	5.92	6.23	6.55	6.88
Made to order, OEM and other	34.03	25.97	21.29	15.16	7.03	9.72	16.75	18.25	19.53	20.53	21.59	22.70

	Actual					Forecast						
	2014	2015	2016	2017	Jan - Mar 2018	Apr-Dec 2018	2018	2019	2020	2021	2022	2023
(Unit: THB Million)												
Services Revenue	0.49	0.35	0.14	0.06	-	-	-	-	-	-	-	-
Total Sale Revenue	318.93	293.45	329.12	292.12	84.85	232.39	317.24	345.74	369.85	388.88	408.89	429.92

2. Cost of Sale

Cost of sale consists of variable and fixed cost as follows;

- Variable Cost

Cost of sale majorly consists of cost varying with sale revenue as details as follows.

	Actual			
	2015	2016	2017	Jan - Mar 2018
(Unit: THB Million)				
Variable Costs				
Finished Goods	139.43	153.82	171.81	43.06
Raw Materials	37.99	47.86	28.01	11.12
Direct Labours	8.36	6.17	5.41	2.88
Other Variable Costs	1.99	1.31	1.95	0.54
Total	187.78	209.16	207.19	57.60

Variable Costs to Sale Revenue	Jan - Mar				Average
	2015	2016	2017	2018	
Finished Goods	47.51%	46.74%	50.00%	50.75%	48.08%
Raw Materials	12.95%	14.54%	9.59%	13.10%	12.36%
Direct Labours	2.85%	1.87%	1.85%	3.40%	2.19%
Other Variable Costs	0.68%	0.40%	0.67%	0.63%	0.58%
Total Variable Costs to Sale Revenue	70.71%	69.21%	77.12%	74.79%	72.96%

To estimate the variable cost, IFA has applied the ratio of variable cost to sale revenue average for the period of 2015 – first quarter of 2018, equaling to 72.96% to estimate the cost. Besides, the ratio of variable cost to sale revenue for the period of 2015 – first quarter of 2018 are between 69.21% - 77.12%.

● **Fixed Cost**

(Unit: THB Million)	Actual			
	2015	2016	2017	Jan - Mar 2018
Fixed Cost				
Overhead	15.19	12.33	11.84	4.18
Depreciation	4.55	6.31	6.26	1.68
total	19.74	18.64	18.09	5.86

To forecast for the fixed cost, IFA has estimated overhead cost (part of the fixed cost) to constantly grow for 1.18 % per year (based on on the average growth of 10-years inflation rate : Bank of Thailand) and applied to grow from the recent overhead cost of January – March 2018. Depreciation expense is calculated according to accounting policy of OCEAN.

3. Product Distribution Cost

OCEAN has negative performance in the past of few years and the product distribution cost is aimed to minimize in order to recover the OCEAN operating performance to be positive.

Most of product distribution cost are variable cost that varies according to the sale revenue except for employees expense as follows;

(Unit: THB Million)	Actual			
	2015	2016	2017	Jan - Mar 2018
Product Distribution Cost				
Employees Expense	28.10	28.37	32.77	6.92
Commission	10.72	9.74	7.87	2.63
Sale Supporting	16.62	24.37	25.98	5.82
Sale Materials	0.43	0.46	0.46	0.16
Other Product Distribution Cost	6.37	5.96	6.09	1.08
Total Product Distribution Cost	62.24	68.90	73.18	16.59
Product Distribution Cost to Sale Revenue Ratio				
Commission	3.65%	2.96%	2.69%	3.10%
Sale Supporting	5.66%	7.40%	8.89%	6.85%
Sale Materials	0.15%	0.14%	0.16%	0.18%
Other Product Distribution Cost	2.17%	1.81%	2.09%	1.27%

OCEAN management team has targeted to minimize product distribution cost in order to recover the OCEAN operating performance as follows;

Items	% Sales Revenue	
	Average of 2015 - 1st quarter of 2018	OCEAN Target
Commission	3.10%	2.00%
Sale Supporting	7.20%	4.00%
Sale Materials	0.16%	0.15%
Other Product Distribution Cost	1.83%	1.00%

OCEAN has targeted to minimize the product distribution cost to sale revenue ratio according to the above table of which OCEAN has expected that employees will not be affected from the commission revenue because OCEAN will be able to sale for higher amount of products, given the lowered commission percentage, so the total amount revenue received by employees will not be affected. Furthermore, OCEAN has aimed to minimize the sale supporting expense, the expense to distribute products to each store and if the products cannot be sold will incur the expense for the products return, expense to be 4% of sale revenue. OCEAN will create for the selling plan to be consistent with the sale volume of sale representative store to minimize the unsold product and also to minimize the sale materials expense. Therefore, IFA has applied that lowered adjusted figure to forecast for the products distribution cost in the future. For employees expense, IFA has applied growth of 1.18% per year (based on on the average growth of 10-years inflation rate : Bank of Thailand).

4. Administrative Expense

Due to its fixed variable, IFA has applied growth of 1.18% per year (based on the average growth of 10-years inflation rate : Bank of Thailand) from the expense of quarter 1 in 2018. Depreciation expense is calculated according to accounting policy of OCEAN.

5. Assumption on corporate income tax:

OCEAN has tax loss carry forward of 37.89 million THB as of 31 March 2018. After the all tax loss carry forward is utilized, IFA has applied corporate income tax of 20 percent.

6. Assumption on working capital:

Collection period, inventory period and account payable period are based according to the policy of OCEAN as follows;

	Days
Accounts Receivable	90
Inventory	120
Account Payable	40

7. Assumption on additional investment:

No additional investment has been applied. The costs and expenses to maintain the manufacturing system are realized in the cost of production.

8. Assumptions on borrowing and interest rate

In the present, OCEAN has long term loan with some of financial institution which has repayment term according to the term conditions at interest rate of 6.25% per year. In addition, there are short term loan and overdraft at interest rate of 4.53% and 7.12% respectively.

9. Assumption on discount rate:

The discount rate used to estimate the net present value of the cash flow of OCEAN is calculated from the Weighted Average Cost of Capital which is formulated as follows:

$$WACC = K_e \times (E/V) + K_d \times (1-T) \times (D/V)$$

by

K_e = Cost of equity based on Capital Asset Pricing Model (CAPM) as shall be further

K_d = Average interest rate of OCEAN is 4.61%

IFA has calculated the K_d from the forecasted short term and long term debt and interest expense which will exist in each year in the future and calculating to be the average interest rate as follows.

(Unit: Million Baht)	Apr - Dec 2018	2019	2020	2021	2022	2023	Average
Total Outstanding Short and Long Term Debt : Beginning of the Period	94.05	93.26	84.10	82.93	82.06	82.06	
Total Outstanding Short and Long Term Debt : End of the Period	93.26	84.10	82.93	82.06	82.06	82.06	
Average Outstanding Debt	93.66	88.68	83.51	82.49	82.06	82.06	
Total Interest Expense	3.38	4.17	3.81	3.74	3.72	3.72	
Calculated Interest Rate	4.82%	4.70%	4.56%	4.54%	4.53%	4.53%	4.61%

T = Corporate income tax rate which is equal to 20%

E = Shareholders' equity

D = Interest-bearing debt

V = E+D

Capital Asset Pricing Model (CAPM) is formulated as below.

$$K_e = R_f + \text{Beta} \times (R_m - R_f)$$

by

R_f = The risk free rate based on the 49 year Government Bond Yield as of 11 June 2018 which equivalent to 3.66 percent (Source: www.thaibma.or.th) with the assumption that OCEAN can maintain their business for all over the forecasted period.

IFA has applied the period of Government Bond Yield to be consistent with the period that OCEAN still operates their business with the assumption that OCEAN will be able to operate their business endlessly.

R_m = The market return on equity expected from the SET since the Stock Exchange of Thailand was established. (The SETSMART system of the Stock Exchange of Thailand) from April 1975 to May 2018 was 14.75% per annum, cover for all excessive fluctuation climate of stock market exchange.

Beta = Beta co-efficient between the return of share price and the change in the SET index. Such Beta is considered a Leverage Beta, accounting for the impact of business' debts. Beta of OCEAN equaled to 1.49 (Average number of days between June 12, 2015 - June 11, 2018)

From above Beta, K_e and WACC can be calculated according to the same formula as follows;

K_e	K_d	Tax	E/V	D/V	WACC
19.95%	4.61%	20%	0.63	0.38	13.85%

10. Terminal Value

IFA estimated OCEAN's free cash flow after the forecasting period (5th year) by assuming terminal growth rate of 1.00% per year based on an assumption that SKY's operation is on a going concern basis and has a tiny continuous growth.

Net Profit Forecasting

Unit: THB Million	Actual					Forecast						
	2014	2015	2016	2017	Jan - Mar 2018	Apr-Dec 2018	2018	2019	2020	2021	2022	2023
Sales Revenue												
Brass Faucet	85.27	65.01	63.99	54.49	12.42	46.53	58.94	64.24	68.72	72.25	75.97	79.88
Zinc Faucet	41.13	53.15	57.52	53.92	17.32	36.98	54.30	59.18	63.31	66.57	69.99	73.59
Ball Faucet / Faucet Accessories	107.00	86.95	109.06	84.99	22.07	74.80	96.86	105.57	112.93	118.74	124.85	131.27
Bathroom Accessories	51.01	60.37	75.08	79.42	25.37	59.94	85.30	92.97	99.45	104.57	109.95	115.60
GOODYEAR	0.00	1.66	2.03	4.09	0.64	4.44	5.08	5.53	5.92	6.23	6.55	6.88
Made to order, OEM and other	34.03	25.97	21.29	15.16	7.03	9.72	16.75	18.25	19.53	20.53	21.59	22.70
Service revenue	0.49	0.35	0.14	0.06	-	-	-	-	-	-	-	-
Total Sales Revenue	318.93	293.45	329.12	292.12	84.85	232.39	317.24	345.74	369.85	388.88	408.89	429.92
Cost of sales	207.24	207.51	227.80	225.28	63.46	164.48	227.94	242.31	257.87	270.23	283.20	296.84
Gross Profit (Loss)	111.69	85.94	101.33	66.84	21.39	67.91	89.30	103.43	111.98	118.65	125.68	133.08
Foreign exchange gain	-0.60	(0.26)	0.62	0.49	0.19	0.00	0.19	0.00	0.00	0.00	0.00	0.00
Other revenues	2.94	3.26	2.21	1.47	0.12	1.41	1.52	2.09	2.24	2.35	2.47	2.60
Total Revenues	321.27	296.45	331.95	294.08	85.15	233.80	318.95	347.83	372.09	391.23	411.36	432.52
Depreciation expense	58.31	62.25	68.90	73.18	16.60	37.36	53.96	52.90	55.16	57.06	59.04	61.10
Administrative expense	25.35	27.30	28.80	30.21	7.28	26.33	33.61	29.49	29.88	30.28	30.69	31.10
Financial costs	2.98	3.99	4.06	4.84	1.19	3.38	4.57	4.17	3.81	3.74	3.72	3.72
Profit (loss) before income tax expense	27.39	4.60	2.40	(39.43)	(3.37)	2.24	(1.13)	18.96	25.37	29.93	34.72	39.77
Income tax	5.40	(0.87)	0.83	(7.16)	(0.58)	-	(0.58)	-	1.74	5.99	6.94	7.95
Net Profit (loss)	22.00	(3.73)	1.57	(32.26)	(2.79)	2.24	(0.55)	18.96	23.64	23.94	27.77	31.81
Financial Ratios												
Growth of total revenue	35.02%	29.29%	30.79%	22.88%	25.21%	29.22%	28.15%	29.92%	30.28%	30.51%	30.74%	30.95%
Growth of Net Profit	6.85%	NA	0.47%	NA	NA	0.96%	NA	5.45%	6.35%	6.12%	6.75%	7.36%
Gross Profit Margin	NA	-7.99%	12.16%	-11.24%	NA	NA	8.60%	8.99%	6.97%	5.14%	5.14%	5.14%
Net Profit Margin	NA	NA	NA	NA	NA	NA	NA	NA	24.64%	1.30%	16.00%	14.55%

Statement of Financial Position

(Unit: THB Million)	Actual				Forecast					
	2015	2016	2017	Mar 2018	Dec 2018	2019	2020	2021	2022	2023
Current assets										
Cash and Cash Equivalents	15.72	4.18	2.12	2.71	91.60	99.58	121.13	145.54	174.25	206.62
Trade receivables	71.83	86.08	80.20	86.95	78.22	85.25	91.20	95.89	100.82	106.01
Inventories - net	76.62	168.57	153.45	141.99	74.94	79.66	84.78	88.84	93.11	97.59
Other current assets	5.06	4.45	3.86	5.54	5.54	5.54	5.54	5.54	5.54	5.54
Current assets Total	269.23	263.28	239.63	237.19	250.30	270.04	302.65	335.81	373.73	415.76
Non-current assets										
Deposits at financial institutions with guarantees	0.73	0.73	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74
Property, plant and equipment - net	106.83	96.90	95.94	96.39	89.84	81.12	72.40	63.67	54.95	46.22
Asset Investment					0.00	0.00	0.00	0.00	0.00	0.00
Land not used in operations.	-	24.87	24.87	24.87	24.87	24.87	24.87	24.87	24.87	24.87
Deferred tax assets	1.40	1.04	7.93	8.51	8.51	8.51	8.51	8.51	8.51	8.51
Other non-current assets	2.75	1.77	1.39	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Total non-current assets	111.71	125.31	130.87	131.77	125.22	116.50	107.78	99.05	90.33	81.60
Total assets	380.94	388.59	370.49	368.96	375.53	386.54	410.43	434.86	464.06	497.36
Current liabilities										
Overdrafts and Short-term loans from financial institutions	67.28	80.58	87.04	90.11	90.11	82.06	82.06	82.06	82.06	82.06
Trade payables	26.84	19.02	26.13	19.42	24.98	26.55	28.26	29.61	31.04	32.53
Accrued expenses other current liabilities.	11.05	16.04	17.72	21.70	21.70	21.70	21.70	21.70	21.70	21.70
Total current liabilities	105.17	115.64	130.88	131.24	136.79	130.31	132.02	133.37	134.80	136.29
Non-current liabilities										
Liabilities under hire-purchase and financial lease agreements	0.09	0.58	0.04	1.08	0.64	0.28	-	-	-	-
Long-term Loan from Financial Institute	-	5.17	4.19	3.93	3.15	2.04	0.86	-	-	-
Employee Benefits Obligation	3.31	4.12	3.46	3.57	3.57	3.57	3.57	3.57	3.57	3.57
Total Non-current Liabilities	3.40	9.86	7.68	8.58	7.36	5.89	4.44	3.57	3.57	3.57
Total liabilities	108.57	125.50	138.56	139.82	144.15	136.20	136.45	136.94	138.37	139.86

(Unit: THB Million)	Actual				Forecast					
	2015	2016	2017	Mar 2018	Dec 2018	2019	2020	2021	2022	2023
Shareholders' Equity										
Share capital										
Registered capital	181.50	217.16	217.16	217.16	217.16	217.16	217.16	217.16	217.16	217.16
Issued and paid-up share capital	180.96	180.96	180.96	180.96	180.96	180.96	180.96	180.96	180.96	180.96
Premium on Share Capital	75.61	75.61	75.61	75.61	75.61	75.61	75.61	75.61	75.61	75.61
Retained earnings										
Allocated to legal reserve.	4.91	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Unappropriated	10.89	1.51	- 29.65	- 32.44	- 30.20	- 11.24	12.40	36.34	64.11	95.93
Total equity	272.38	263.09	231.93	229.14	231.38	250.34	273.97	297.92	325.69	357.50
Total liabilities and shareholders' equity	380.94	388.59	370.49	368.96	375.53	386.54	410.43	434.86	464.06	497.36

Ordinary Share Valuation by Discounted Cash Flow Method

(Unit: THB Million)	Apr-Dec 2018	2019	2020	2021	2022	2023
Net profit	2.24	18.96	23.64	23.94	27.77	31.81
Depreciation and amortization expense.	6.54	8.72	8.72	8.72	8.72	8.72
Interest Rate x (1 - corporate Income Tax)	2.71	3.33	3.05	3.00	2.97	2.97
Change in working capital	81.33	(10.18)	(9.36)	(7.40)	(7.78)	(8.18)
Investments	-	-	-	-	-	-
Free Cash Flow	92.82	20.84	26.05	28.26	31.69	35.34
Terminal Value						38.86
Present Value of Cash Flow	84.21	16.61	18.23	17.37	17.11	148.42
Total Present Value of Cash Flow	301.96					
Cash amount as March 31, 2018	2.71					
Interest bearing debt amount as March 31, 2018	95.12					
Value of Shareholders' Equity	209.54					
Number of OCEAN shares (Million Shares)	723.88					
Share value of OCEAN (THB/share)	0.289					

Sensitivity Analysis

IFA has conducted for sensitivity analysis to reflect the effect of each factor and assumption as follows;

- Discount Rate and Terminal Value

Adjust up and down the discount factor from 13.85% (as calculation details as above) by 1% to reflect the probability that the calculated discount factor can be varied according to the relevant calculated factors. Moreover, IFA has adjusted up and down Terminal Value growth by 0.5% to reflect that the Terminal Value can vary higher or lower than the Terminal Value of 1.00% as applied in the calculation. The details are as follows;

Share value of OCEAN (THB per Share)		Discount Rate		
		Decrease of 1%	-	Increase of 1%
Growth of Terminal Value		12.85%	13.85%	14.85%
Decrease of 0.5%	0.50%	0.310	0.282	0.257
-	1.00%	0.320	0.289	0.263
Increase of 0.5%	1.50%	0.330	0.298	0.270

- Growth of Sale Quantity

According to the topic of Sale Quantity forecasting, OCEAN management team has expected the sale volume in 2018 – 2020 will grow for 5% - 10% per year. However, due to the poor performance overview of real estate industry which significantly affects to the products sale volume of OCEAN, IFA has applied for the growth rate at the lowest expected growth rate of 5%.

Therefore, IFA has applied the growth according to the expectation of management team of OCEAN, and also adjusted for the discount rate as mentioned above. For year of 2020 – 2023, IFA has applied sale growth volume of 3.20% per year as stated in subject of 1.1 Sale Revenue. This has resulted OCEAN share value as follows;

Share value of OCEAN (THB/share)	Discount Factor		
	Decrease of 1%	-	Increase of 1%
Growth of Sale Quantity from 2018 to 2020 (per year)	12.85%	13.85%	14.85%
	5%	0.320	0.289
7%	0.367	0.332	0.302
10%	0.440	0.398	0.362

Summary of Share Valuation by Using the Discounted Cash Flow Approach

The valuation of OCEAN shares is subject to a change in assumptions based on the sensitivity analysis as discussed above. The value of OCEAN shares can be appraised with a discounted cash flow approach of THB 0.257 - 0.44 per share.

Summary of valuation of OCEAN

Valuation Approaches	Valuation of OCEAN THB per share	Opinion of IFA
1. Book Value	0.32	Not appropriate for assessing the value
2. Adjusted Book Value	Not be evaluated	Not appropriate for assessing the value
3. Historical Market Price Approach	0.83 – 0.90	Not appropriate for assessing the value
4. Market Comparable 4.1 Price to Book Value 4.2 Price to Earnings Per Share Ratio	Not be evaluated	Not appropriate for assessing the value
5. Present Value of Free Cash Flow Approach	0.257 – 0.44	Appropriate for assessing the value

Each valuation approach has its own points of consideration, hence, resulting in an appropriateness of share value derived from each approach as described below:

- 1) The book Value Approach takes into consideration only the book value of shareholders' equity at only a certain point in time, without taken into consideration the market value of assets and operating performance in the future. Therefore, the IFA believes it does not take into account SKR's and SKHY's profit generating capability in the future.

- 2) Adjusted book value approach derives share value by adjusting the value of assets and liabilities to be fair value ones. However, this valuation does not take into account OCEAN's profit generating capability in the future, the IFA hence views that the adjusted book value approach is not an appropriate valuation method for this case.
- 3) Historical market price approach evaluates the fair value of shares by taking into account the trading price of shares in the Stock Exchange in the past. However, the average daily trading volume is relatively low compared to the total number of shares. And the past average trading value per day in the past is quite small. Therefore, this can be considered that the average trading is a low liquidity. The past trading value cannot reflect the real value of OCEAN. Therefore, the IFA believes that the Historical market price is not an appropriate valuation method in this case.
- 4) Market Comparable
 - 4.1) The price to book value ratio approach evaluates share value by comparing market price to book value of comparable companies. This approach, although, suggests only the multiples of market price over book value. The IFA, therefore, views that the P/BV ratio could not reflect future performance.
 - 4.2) The price to earnings ratio approach evaluates share value by considering short-term financial performance of the business, without taking into consideration future capability. Thus, the IFA views that this approach could not reflect real fair value.
- 5) The discounted cash flow approach takes into consideration business operation and future performance of the business. The approach evaluates share value by considering present value of free cash flow expected to receive in the future based on past performance and future capability of the business. Therefore, it can better reflect the fair value of share than other valuation approaches. The IFA views that the Discounted Cash Flow Approach is appropriate for share valuation in this case.

The IFA views that the appropriate valuation approach of OCEAN is the discounted cash flow approach because this method takes into consideration business operation and future performance of the business to evaluate the value. . This approach yields share value of OCEAN of THB 0.257 – 0.44 per share in respectively.

Part 2 Application for a waiver from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash)

2.1 Nature and details of the transaction

2.1.1 Characteristics of related securities and securities offered to the Applicant.

The Board of Directors' Meeting of the Company No.3/2018 held on June 12, 2018 passed the resolution to propose that the shareholders' meeting consider and approve the significant matters which are (1) the increase of OCEAN amount of 120,641,793.25 THB from the original registered capital 180,970,466.50 THB is the registered capital 301,612,259.75 THB by issuing 482,567,173 new ordinary shares, with a par value of THB 0.25 per share, to be allocated and offered on a private placement basis to Mrs. Chatchaya Tritrakulchai ("Applicant") at an 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") and (2) the waiver of the Applicant from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash).

After the allocation of newly issued ordinary shares OCEAN to the Applicant as in above, the Applicant will hold 40.0% of OCEAN's total issued shares and total voting rights (following registration of OCEAN's paid-up capital). As a result, the Purchaser is required to make a tender offer for all securities of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated May 13, 2011. (as amended) However, the Applicant does not wish to make a tender offer for all securities of the Company, but wishes to file an application to the SEC for a waiver from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash) under the Notification of the SEC No. SorChor. 36/2546 Re: Rules for the Application 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 and the Notification of the Office of the Securities and Exchange Commission No. SorKhor. 29/2561 Re: Rules for Waiver of Tender Offer for Securities of the Business By virtue of the resolution of the shareholders' meeting dated 30 May 2018 (and amended).

The Board of Directors' Meeting No. 3/2018 on June 12, 2018 resolved to approve the application for a waiver from the requirement to make a tender offer for all securities of

OCEAN by virtue of the resolution of the shareholders' meeting (Whitewash) and to propose this matter to the Extraordinary General Meeting of Shareholders No. 1/2017 to be held on April 27, 2018 for further consideration and approval. In this regard, the Applicant will be granted the waiver from the requirement to make a tender offer for all securities of OCEAN only after an approval is obtained from the shareholders' meeting of OCEAN with affirmative votes of not less than three-fourths of the total votes of the shareholders attending such meeting and having the right to vote. This does not include the voting of shareholders who are persons under Section 258 of the applicant. The concert party of the applicant and a person under Section 258 of the concert party of the applicant.

2.1.2 General information of the Applicant

Please see details in Part 1, Item 1.1.4 Relating Parties and their Relationship with OCEAN , of this report.

2.1.3 General information of the Issuer

Please see details in Attachment 3. Company Information Related to the Applicant, of this report.

2.2 IFA's Opinions Regarding the Waiver to Tender Offer for all Securities of the Business

2.2.1 Opinion to Policy and Company Management Plans Proposed by the Applicant

(a) Policy and Company Management Plans

After the acquisition of the newly issued shares, the Applicant would become OCEAN's shareholders by holding 482,567,173 shares, which is 40% of the total outstanding and paid shares (after the registration to increase capital). The Applicant has stated in the letter for waiver the tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting of the company (Form 247-7). The letter stated that within the following 12 month period after the shareholder's meeting has approved the resolution to issue new shares to offer to the Applicant, and agree to the Applicant's waiver to tender offer for all securities of the business, the Applicant has the following policy and company management plans;

(1) Policy and plan on business management

The Applicant will continue to operate as an assembler and manufacturer of the product parts for products assembly of faucets, water supply products, and sanitary wares, under the trademark of "GOODYEAR" with no material changes the business operation. Furthermore, the Applicant purposes to extend the business

coverage to Crude Palm Oil (CPOA) trading business, mainly supplying Crude Palm Oil to biodiesel production, minorly selling to household industry and potentially exporting CPOA to other countries. The nature of the Crude Palm Oil transaction is back to back; the procurement of Palm Oil will be aligned with the selling volume of Palm oil, resulting in the mitigation risk of raw material overstock. (the detail is mentioned in Part 1.3 Appropriateness and Benefits of the Transaction to the Listed Company).

The Applicant envisages the purposed business to sustain a growth rate of 3-4% per annum and generate an estimated THB 3,000 – 4,000 Mil revenues from Crude Palm Oil (CPOA) trading business in the next 3 years, under the assumption that the demand of palm oil feedstock in biodiesel and household consumption will gradually increase due to the government's supporting scheme; the objectives of the scheme are to promote the alternative renewable energy and to reduce the imported crude oil from oversea, resulting in the stabilities and sustainability of the national energy.

(2) Expansion of Business / Delay of Investment or Production Capacity

For faucets and related water supply products business, the Applicant has a business policy to improve and drive the existing business more efficiency. For Crude Palm Oil (CPOA) business, as described above. This business is expected to sustain a revenue growth rate of 3-5% per year and forecasted to generate revenue approximately THB 320-350 mil in next 3-5 years by incremental distribution channel via domestic retail, oversea market and online market. The business restructure and business expansion plans are envisaged to be a success, resulting a net profit margin of 2-3% of this business. However, in case that the growth rate of revenue and revenue fail to meet the target or sustain a net loss significantly, OCEAN may consider to close down the aforementioned business to explicitly concentrate on other business that has a higher growth rate and sustain a better revenue outlook.

(3) Management Plan

For the existing business, the Applicant has no policy to make a material change in the management plan but may subject to reconsider the change of management plan to enhance the performance of the company and the continuous

growth in business upon the overall economy and industry competitive in local and foreign market.

(4) Reorganization and Human Resource

The Applicant will make a change in the board of director and management team as mentioned in Part 1.1.4 Agreement Parties and Relationship with OCEAN in this report and will allocate employees and implement a new system to align with the Crude Palm Oil (CPOA) trading business as well.

(5) Financial Restructuring Plan

The financial structure of OCEAN will dramatically improve mainly contributed by an increased shareholder's equity from THB 229.0 mil as of 31 March 2018 to be THB 615 mil. After the capital increase, the applicant has no policy to make a material change in the financial structure plan. However, Accordance to the Crude Palm Oil (CPOA) trading business's plan, the Company may consider an additional source of fund to facilitate business transaction which volume of CPOA is expected to sustain a growth rate of 3%-4% per year. Therefore, OCEAN may consider to utilize alternative source of fund (such as financial loan from financial institution) for additional THB 130 – 180 million per year to support a future growth of the Company.

(6) Divestment Plan of Core Asset or Subsidiary

The Applicant currently has no policy to divest core operating assets in the Company nor in the Subsidiary, but except the asset disposal in the usual course of business operation in the Company or its subsidiary or except line with the business plan that already exists or is under the Considerations of the Company or its subsidiaries. The Company may consider to dispose non-core assets such as land, building and equipment etc. In the future, if there is any acquisition of assets or divestment of asset, the Applicant will comply with Notifications on Acquisition or Disposal of Assets and related regulation.

(7) Dividend Payment

The Applicant will make no material change in the Company's dividend policy as the Applicant will carry out the dividend's policy in consideration of the Company's performance, the business expansion and the shareholder's return in the long term.

Moreover, the Applicant stated further that, in order to ensure the competitive advantage and efficiency, the Applicant may reconsider and reorganize the management policy and the financial structure aligned with certain situation in consideration of the Company's benefits. If the above implement plan has any discrepancy material change from the Application before the Application has submitted, the Applicant will request the approval of board of directors and shareholders, complying with the Company's regulation and other related laws.

IFA is of the opinion that the existing business may not have a material impact from mentioned Applications' business policy and management plan. As the policy will not make any material change that may related with faucets and related water supply products business, except in the reorganization of board of director's structure and recruit few employees in order to reflect the new capital structure and new business after the capital increase. Hence, OCEAN will continue to operate in a usual business. In the said 12-month period, the Applicant has shown an intention to improve and develop the existing business sustained a better performance but may not unveil the concrete plan and policy. For the divestment of asset, the Applicant may consider to divest non-operating assets in the future.

The Applicant stated explicitly that will extend the scope of business to Crude Palm Oil Trading (CPOA). IFA verified that the purposed strategy will have benefit toward OCEAN and OCEAN's Shareholders. To be said, the purposed strategy will improve overall Company's revenue and net profit, resulting in turn around of the performance by sustaining a positive net profit, with the positive assumption that Palm Oil Industry will expand furthermore.

The Applicant is an industrial expert with the strong financial support background, including a strong business relationship with the palm oil supplier and palm oil refinery operator, and a proven successful record in the palm oil trading business before. Hence, for operating new business, IFA envisages the necessity of additional management plan related with CPOA trading business, resulting in the improvement Company's efficiency, including with the expansion of organization structure to support operating new business as well. As of now, the Company does not reveal any concrete plan so far.

(b) Policy on related party transactions

As of now, the Applicant has no related party transactions with the Company. After the asset acquisition of the Company, the Applicant does not plan to make any material change to the policy on related party transactions that originally determined by the Company. In case of the future related party transaction, after the Applicant become the shareholder of the Company, the Applicant will ensure that the Company will still comply with the policy on related party transactions with consideration of maximizing benefits toward the Company and Shareholders on arm's length basis and the Company will ensure to comply with the law, the regulation, the relevant rules and regulations of SET and SEC, including the Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Rules on Connected Transactions.

In this respect, after the approval of capital increase in OCEAN, the Applicant may have a related party transaction, complying with the juristic entities under Section 256 of the Applicant and Concert party as it below;

Related Party Transaction	Reason and Necessity	Size of Transaction
1. Rental Tank Truck for CPOA	At the primary stage of Crude Palm Oil (CPOA) Trading Business, OCEAN may have to utilize the transportation service from the Applicant or related party in some portion because the related party is a specialist and has in-depth knowledge in the transportation route. In this respect, OCEAN will ensure the transaction are made on the arm's length basis compared with the third party's service and also will use the logistic service from a third party as well.	0.5% -1.0% of total revenue from CPOA Trading per year (Estimated revenue from Crude Oil Trading to be THB 3,000-4,000 million per year)
2. Rental Oil Tank for CPOA	At the primary stage of Crude Palm Oil (CPOA) Trading Business, OCEAN may have to rent the oil tank from the Applicant or concert party. However, OCEAN expects that tank truck which goes to collect palm oil from Crude Palm Oil supplier will deliver all goods to buyer immediately.	0.1% - 0.5% of total revenue from CPOA Trading per year

Related Party Transaction	Reason and Necessity	Size of Transaction
3. The Applicant uses personal guarantee for Credit-line from Financial Institution	OCEAN is currently under the negotiation with financial institution to seek credit-facility to utilize in Crude Palm Oil (CPOA) trading business, the financial institution considers the applicant's personal asset to be used for collateral assets. Therefore, the applicant did not charge any fee to use personal asset to be used as collateral assets.	

IFA is of opinion that the Applicant does not have any policy to make a material change in the policy on related party transaction that originally determined by OCEAN. For any future related party transaction, the Company will comply under the arm's length basis and will follow the policy and regulation of approval related party transaction based on the relevant rule and regulation of SEC and SET.

For future related party that may occur from the Crude Palm Oil Trading (CPOA) Business, IFA is of opinion that the transaction is necessary at the primary stage of business, requiring some supportive from the Applicant's existing business. In case that OCEAN prefers not to rely on related party transaction from the Applicant, OCEAN may have to entirely rely on the third-party service which may not have a capacity to facilitate all OCEAN's demand or OCEAN may require a significant investment to invest in oil tanks or to purchase tank trucks.

The above related party transaction, OCEAN will abide by the policy on and procedures for corporate governance. At the same time, the Audit Committee will have duty to scrutinize the entry into related party transactions to ensure that they comply the relevant rule and regulation of SEC and SET. IFA is of the opinion that all mentioned related party transaction will have a potential cause of OCEAN to loss any economic benefit from the transaction.

2.3 Qualification for listing with SET

The Applicant has no policy to delist the common ordinary shares of OCEAN from the Stock Exchange of Thailand in the said 12-month period after the appl received the newly issued ordinary shares of OCEAN.

IFA is of the opinion that the Applicant make an explicit statement during the interview with the Applicant about the benefit of listing company in the Stock Exchange such as a creditability of business or an opportunity to reach out the client, mostly listed company or an assessment of capital increase or funding channel from the financial institution which will benefit Applicant significantly.

2.3.1 Total voting rights obtained by the Applicant after the acquisition of securities and to be additionally obtained in the future without the tender offer requirement

As of the date the Applicant submits the whitewash waiver Application and a copy of the letter of request for resolution of shareholders' meeting to approve an acquisition of new shares without making a tender offer for all securities of the business (247-4) to the SEC, the Applicant and Concert Party with the juristic entities under Section 258 has not held any share in OCEAN. After the allocation of 482,567,173 newly issued ordinary shares, the Applicant will hold ordinary shares of OCEAN in amount of 40.0% of the Company's total issued shares after the capital increase. If the Shareholder's meeting has passed a resolution to wavier a tender offer for all securities shares (Whitewash), the Applicant shall allow to hold an ordinary share of OCEAN not exceed 10.0% of total issued ordinary shares which the Applicant will not hold or trigger the tender offer threshold at 50.0% of total issued ordinary shares.

2.3.2 Possible impacts on the Company's shareholders

2.3.2.1. Control dilution, earning dilution and price dilution

In case the Extraordinary General Meeting of Shareholder approves the capital increase and the allocation on a private placements basis to the Applicant and also approve the Application's acquisition of the Company's newly issued ordinary shares without requirement to make a tender offer for all securities, the existing shareholders of the Company will then be affected by control dilution of 40.0% and price dilution of 3.45%, respectively and also net profit dilution; OCEAN has sustained a negative net profit so the dilution effect cannot be calculated

2.3.2.2. Risk of the Applicant exercising a block vote against the resolution of the shareholder's meeting

As discussed in the sub-item 2.3.2.1 the Applicant will, after being granted the whitewash wavier, hold 40.0% of the Company's total issued ordinary shares and total voting rights. Although the Applicant may not have a majority vote to almost totally control voting at a shareholder's meeting, such percentage of shareholding,

which exceed 25.0% of the Company's total issued ordinary shares and total voting rights, will allow the Applicant to exercise a block vote on certain matters that are required by law or by the Company's Articles of Association to obtain affirmative votes of not less than three-fourths of the total votes of the shareholders, including matters such as capital increase or decrease, waiver from the requirement to make a tender offer for all securities of the business, acquisition or disposal of assets, entering into a connected transaction under the SET's Notification, issuance and offering of debentures, etc.

However, if at any shareholders' meeting there are any shareholders, other than the Applicant, being absent or appointing no proxy, the number of votes cast by the Applicant may then exceed a half of the votes of the shareholders attending such meeting and having the right to vote, thereby leading the Purchaser to be able to control all resolutions required to be passed by a majority vote.

Other shareholders will therefore be unable to gather sufficient votes to exercise checks and balances against the Purchaser. In the event that the number of votes cast by the Applicant reaches or exceeds 75% of the total voting rights, the Applicant will be able to totally control all resolutions, including some matters required by law to obtain affirmative votes of not less than three-fourths of the total voting rights.

2.3.2.3. Benefits obtainable by the shareholders from approval of the whitewash waiver

From the allocation of its newly issued ordinary shares to the Applicant, OCEAN will receive funds in a total sum of THB 386.05 Mil which will be used for crude palm oil trading (CPOA) business, improving overall OCEAN's performance to generate a positive net profit. The Company will benefit from the strategic shareholder who is a specialist in the Crude Palm Oil. For the necessity of the transaction, please see details in Part 1.3.2 Advantage and Disadvantage of entering the transaction or disengaging the transaction.

2.3.2.4. Risk incidental to disapproval of the whitewash waiver

It is made a condition that the agenda items proposed for approval from the shareholders' meeting, which include;

- (1) The Capital Increase of the Company
- (2) The issue and allocation of new ordinary shares to Private Placement which subsequently will be categorized as the related party transactions

- (3) The whitewash waiver Application is approved by the resolution of shareholder's meeting

Other related matters that are related with the capital increase of the Company

For the issue and allocation of newly ordinary shares to the Applicant and the business extension to Crude Palm Oil Trading (CPOA) business as discussed above agenda, if any of agenda items is disapproved, the other agenda item which has been previously approved will be all cancelled. Since the Applicant does not wish to make a tender offer for all securities of the Company. For the necessity of the transaction, please see the detail in Part 1.3.1. Objectives and the necessity of the transaction, of this report. If the Shareholder's meeting disapproves the whitewash waiver, OCEAN will then be unable to issue the new ordinary shares and extend the business scope to Crude Palm Oil Trading (CPOA) Business which will pose the following impacts or risks to the Company.

- 1) OCEAN may sustain continuous net loss as faucets and related water supply products business has a stable outlook, which may potentially affect the financial status, the shareholder' equity and the qualification of listing company of OCEAN.
- 2) Loss business opportunity to expand the business into Crude Palm Oil trading will not comply with the business expansion policy of OCEAN that forecasts the prominent industrial outlook.
- 3) Loss business opportunity to secure a strategic investor who has a strong financial support, experience and expertise of Crude Palm Oil Trading business.

2.4 Appropriateness of price of newly issued securities to be offered to the Applicant

IFA is of the opinion that valuation of OCEAN's securities by different approaches to identify appropriateness of such offering price. Please refer to Part 1, Item 1.4 Fairness of price and conditions for the transaction, Sub-item 1.4.1 Fairness of transaction price, of this report.

Summary table of IFA shares valuation comparison with the offering price of shares to the applicant.

Valuation Approaches	Appraised value by IFA (THB/shares)	Appraised value by IFA higher (lower) offering price to the applicant * (THB)	Higher (Lower) Offer Price Percent
1) Book Value	0.32	(0.48)	NA
2) Adjusted Book Value	NA	NA	NA
3) Historical Market Price Approach	0.83 – 0.90	0.03 - 0.10	3.75% - 12.50%
4) Price to Book Value	NA	NA	NA
5) Price to Earnings Per Share Ratio	NA	NA	NA
6) Present Value of Free Cash Flow Approach	0.257 - 0.44	(0.543) - (0.36)	NA

* Offering price to the applicant is 0.80 THB per share

IFA is of the opinion that the discounted cash flow is suitable method to evaluate appropriateness of price of newly issued securities. The fair value of shares measured by this approach is equal to 0.257 -0.44 Baht per share. Thus, offering price of the newly issued ordinary share of 0.8 Baht per share is higher than fair value appraised herein. We therefore consider that the offering price of the Company's newly issued ordinary share to the Applicant of 0.8 Baht per share is a reasonable.

2.5 Completeness and accuracy of names and number of shares held by related persons under Section 258 of the Applicant

As of the date the Applicant submits the whitewash waiver application and a copy of the letter of request for resolution of the shareholders' meeting to approve an acquisition of new securities without making a tender offer for all securities of the business (Form 247-7) to the SEC, the Applicant does not have the related persons under Section 258 of the Applicant holding any shares in the Company.

Thus, IFA had verified the list of shareholders of OCEAN as of 27 June 2018 and found that the Applicant does not related persons under Section 258 of the Applicant holding any shares in the Company.

Part 3. Opinion of Independent Financial Advisor

Connected Transaction

Regarding the following Connected Transaction, IFA opined that OCEAN will receive multiple benefits. These benefits are, for instance, the palm oil trading business which has a sustainable growth trajectory and from rising consumption demands, palm oil industry which has been supported by Government, and world petroleum oil price which is expected to grow in the future. By expanding the business into distributing crude palm oil, CPOA expected to improve its operation results and financial position, and engaged OCEAN with business relationships with the Purchaser which has strong financial position and experience in the industry. Meanwhile, in the initial stage of the palm oil trading business, CPOA will use its working capital mainly for stocking up on inventory without investing in fixed assets. This reduces the risks of investment loss in case the expected operations results are not achieved. Moreover, the newly issued shares to Purchaser will also enable the financing activities to sustain the requirements and timeline of business expansion. However, this transaction may affect OCEAN shareholders, such as voting rights, share price, and earnings per share from the newly issued shares. There is also a risk from the shifting balance of voting rights due to the Purchaser becoming majority shareholder. Risk from the share offering at lesser than the market price at the time of transferring the newly issued shares, may trigger large volume of share trading and affect OCEAN's market price. Additionally, the issuing and allocating the newly issued shares to the Purchaser may be recognized as share-based payments, which could affect OCEAN's profits in 2018. There are also other considerations such as operating risks' crude palm Oil (CPOA) trading which may not be according to expectations in the future, risks from business competition between the Purchaser's business and OCEAN's crude palm oil (CPOA) trading business, and risks of related party transaction of connected transaction.

At present, the Purchaser does not have any relationship with OCEAN's management, controlling interest, and major shareholders. However, after purchasing the newly issued shares, the Purchaser will take up and appoint persons to hold positions in Board of Director for additional directors of 2 persons, which made this transaction a related party transaction according to the Related Party Transaction Regulation.

In general funding activity, OCEAN may engage in other activities such as debt financing or share offering to its original shareholders, to the public, or to other unrelated private investors. However, offering the shares to the Purchaser allowed OCEAN to engage in Palm oil trading business and reduces the risks from having no prior experience in the industry. Moreover, OCEAN's operational loss and lack of experience are the limitations that prevents it from receiving debt financing from financial institutions. Moreover, debt financing will increase its liabilities and interest obligations, which may affect its future debt servicing capabilities and OCEAN's operating results.

In comparison to allocating the newly issued shares to original shareholders, to the public, and to other private placement investors than the Buyers; OCEAN may only receive the cash from capital increase, but will not receive the opportunity to engage in palm oil trading business from the Purchaser. Moreover, that the Purchaser has the Board of Director's seats or appointing persons to the Board of Director's seats, enables the Purchaser to give guidance and business plans through the Directors which is beneficial to OCEAN's business in the long term.

Regarding the fair valuation of OCEAN's shares, IFA has completed the valuation with different methods. The method which IFA deemed appropriate for the valuation is the Discounted Cash Flow Approach, because this method uses the future operation results as a factor in determining the value of the shares. This method resulted in OCEAN's share price at 0.257 – 0.44 Baht per share measured by IFA, whereas the offering price to the Purchaser in this transaction is at 0.80 Baht per share, which is higher than the share price measured by IFA. Therefore, the offering price of OCEAN's shares at 0.80 baht per share is appropriate.

Waiver from the Requirement to Make a Tender Offer for all Securities of the Business by Virtue of the Resolution of the Shareholders' Meeting of the Company (Whitewash)

The offering of newly issued shares to Mrs. Chatchaya Tritrakulchai ("Purchaser" or the "Applicant") will result in the Purchaser holding 40% ownership of the OCEAN's issued and paid shares after purchasing newly paid shares. Meanwhile, the Applicant expressed the intention to extend OCEAN's business into crude palm oil (CPOA) trading business. As a result of ownership of the newly issued ordinary share, this will result in the Applicant having to make a tender offer for all securities of the business. However, the Applicant has the purpose to waive the tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting of the company, in which IFA has the following opinions regarding the waiver of the Applicant as follows;

Regarding the IFA's opinion to the policy and business plans, business missions, management planning, organization structure and human capital, financial restructuring, investing activities of core operating assets of the business or its subsidiaries, and dividend policy, IFA opined that OCEAN's business operations would not be affected by the policy and business plans according to letter of request for resolution of the shareholders' meeting to approve an acquisition of new securities without making a tender offer for all securities of the business (Form 247-7). Because the Applicant has stated that there will be no change in the business operations, management, and organization structure related to the business of distributing valves and related equipment, except for the changes in the Company's Board of Director's structure, for the restructure of few management team and for the recruitment of new employees to reflect the changes in the shareholding structure and new business after the newly issued shares. Therefore, OCEAN will still remain its

ongoing business normally during the aforementioned 12-month period which IFA has considered to be beneficial to OCEAN and its shareholders as previously aforementioned.

Regarding the IFA's opinions for the related party transaction, according to the Applicant's information in Form 247-7 that there may be related transaction between OCEAN and Applicant's private company, IFA opined that the Applicant does not plan to make any material change to the future policy on related party transactions from that originally determined by the Company. Moreover, in the engagement of the related party transaction, OCEAN would be forced to proceed by OCEAN's regulations and policy of related party transactions, and controlled by Board of Directors and the Audit Committee so that the related party transactions follow the relevant rules and regulations of the SEC and the SET. IFA opined that this will not result in the loss of benefits from related party transactions. Moreover, IFA opined that the expected related party transactions will be crucial to the initial stage of the business which still needs involvement from the original business owners in some operations. If OCEAN chose not to rely of the service provided by the business of the Purchaser, OCEAN would have to rely on service from external parties which may not have sufficient capacity for the service, or if OCEAN chose to invest in oil storage and oil trucks, it would require a lot of investment.

Regarding the retention OCEAN's status as a Listed Company, the Applicant does not have any plan to delist OCEAN's securities from the SET within the 12 month period from the date which the Applicant receives OCEAN's securities. IFA opined that the Applicant has this intention due to envisioning the benefits of being Listed Company from having business credibility, opportunities in expanding its customer targets which are mostly listed companies, and having access to multitude of equity funding or debt financing from financial institutions.

The benefits, effects, or risks which may occur to the shareholders of the Company from approving the Applicant's waiver the tender offer for all securities of the business, including the fair value of the newly issued shares that the Company offers to the Applicant, are according to the aforementioned summary of IFA's opinions in the Connected Transaction.

In summary, due to the offer price to the Purchaser or the Applicant is higher than the fair value measured by IFA, and comparison of benefits and effects which may occur to shareholders, IFA is of the opinion that OCEAN's shareholders should approve the Connected Transaction and approve the waiver for the tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting of the company (Whitewash). However, the consideration to approve the following transaction is up to the individual judgement of shareholder, in which the shareholder could take other important document from OCEAN and IFA's opinion report into consideration.

Yours sincerely

Advance Capital Services Company Limited

Navaporn Kiatkhajornvong

(Mr. Navaporn Kiatkhajornvong)

The Operational Control

in line Financial Advisors

Yupadee Ratanasrisompoth

(Ms. Yupadee Ratanasrisompoth)

Managing Director

Appendix

1. Information of Ocean Commerce Public Company Limited (“OCEAN”)

1. History

OCEAN was incorporated on 11 April 2003 with the initial registered capital of THB 10 million. The company is an importer, assembler and manufacturer of the product parts for products assembly of faucets, water supply products and sanitary wares. The key management is Mr. Uchai Vilailerstpoca who is a major shareholder and an authorized director of the Company. The management team have an intensive experience and expertise in faucets, water supply products and sanitary wares business. The products are well-known for modern-style and high quality which make it popular among water supply products and sanitary wares’ users. Later on, managements have a vision on business expansion and sustainable growth by listing on the Market for Alternative Investment (mai) Stock Exchange. Therefore, the Company acquired related legal entity operating assets from “DUSS” faucets company that manufactures faucet, water supply parts and sanitary wares products made of Brass. The acquisition enhanced the company competitive position into Brass faucet and water supply manufacturer industry for example Brass fitting products.

At present, OCEAN increased its registered capital to THB 217.16 million with a paid up capital of THB 180.97 million and a par value of THB 0.25. Its operation include import, assembly and manufacture the product parts for faucets, water supply products and sanitary wares both domestic and international under brand “DUSS”, “3P”, “Bay”, “Bay-Tex”, Feed, “Union” and “Icon” as well as Appliances and equipment under brand “GOODYEAR”. At OCEAN, we adhere on slogan “DUSS for better life” developing high standard production process, maintaining the quality of products and customer safety. Our products are well-known and accepted by the market because our priorities are based on product quality and customer safety. When using our product, customer can be confident that they are safe from contaminant. Moreover, OCEAN have received Thai Industrial Standards (TIS) Product Certificate certification that show high standard production process, high durability and long-lasting life product cycle. Other products are price friendly and received certificate from King Mongkut's University of Technology Thonburi.

OCEAN has two establishments as followed

1. Head Office : An office building, finished-product factory and distribution center is located at Sahachok Building, No. 148/1, Soi Raminthra 14, Raminthra Road, Tharang sub-district, Bang Khen district, Bangkok Metropolis 10230 and has a total area of 1-0-0 Rai (an ownership of Mrs. Ratana Vilailerstpoca whom is a Vice Chairman of the Company)
2. Branch 1 : A main factory used for faucet part production and assembly finished products is located at 88/8 Moo 4, Banmor sub-district, Phromburi

district, Singburi 16120 and has a total area of 51-0-145 Rais (owned by OCEAN)

2. Vision

OCEAN adheres to a principle of development and quality level management in order to produce high standard products and customer safety as a slogan “DUSS for better life”.

3. Mission

Continuous Improvement : Enhancing an efficiency of inventory management, logistics and production process in consistent with OCEAN’s products that divided into 2 categories.

Categories 1 Faucet parts and fittings, water supply products and sanitary wares which the company is both distributor and OEM manufacturer.

Categories 2 Appliances and equipment products under brand “GOODYEAR”.

Managements focus on a cost control and increase its revenue via a distribution channels expansion, efficient logistic management as well as a cost reduction in raw materials. This approach should drive a revenue to grow rapidly.

Customer Satisfaction : Satisfying customers need to maximize a customer satisfaction at the right price.

Quality Product : Bringing international standard quality products

Sustainable Growth : Building a sustainable growth under suitable business ethics and corporate social response framework.

4. Nature of Business

OCEAN is an importer, assembler and manufacturer of the product parts for products assembly of faucets, water supply products, and sanitary wares are distributed to both domestic and foreign countries which can be divided into 2 categories;

Categories 1 Products include faucet parts and fittings, water supply products and sanitary wares which OCEAN operate as both distributor and OEM manufacturer. It can be separated into 5 sub categories;

- 1) Faucet Group
- 2) Water Supply Products Group
- 3) Sanitary Wares Group

4) Consumable Products Group

5) OEM Group

Categories 2 The appliances and equipment products under “GOODYEAR” brand.

At present, the market for faucets, water supply products and sanitary wares industries can be classified by customer groups with different objectives and product quality requirements into 2 segments. Firstly, the high-end market is those who choose products based on certified quality standard (TIS) and reliability. Most products in a high-end market are manufactured by big manufacturers in Thailand while some are imported from abroad. They mainly concern on a product quality standard, durability as well as a warranty by trustable manufacturers/ distributors. This group is accounted for 40% of domestic market.

The rest are those who select lower quality products than the previous group. These products might be at or below the TIS standard depending on quality of work pieces and material used in production. These products are a mid-to-low segment which some features of products are inferior compared to those of premium grade. However, such products offer a low-price advantage as they lack some features such as elegant, exceptional durability etc. The pricing factor makes consumers not attached to the brand and motivate them to buy lower grade products. A group is accounted for another 60% of domestic market.

In case of technician’s tools and equipment’s under “GOODYEAR” brand, OCEAN focus on appearance and quality of products as well as the need of consumers. The company added new production lines emphasizing on daily use, for example door knob. This product line focus on a mid-to-high group to help strengthen the “GOODYEAR” brand.

Managements suggest that OCEAN should adapt its brand image to capture low-to-high segment in both faucet and sanitary wares products. The implementation can be achieved through a variety of OCEAN brand such as “DUSS”, “3P”, “Ba4”, “Ba4-Te3”, “Feed”, “Union” and “Icon”. The company communicate to customers about product’s beneficiary and quality of product under the difference brand. Additional, a differentiation strategy is used to distinguish products among its brands. Therefore, a majority of customers is domestic market but sometimes a company receives OEM orders from abroad depending on a demand in each period. In general, Thai consumer behaviors perceive all faucet, water supply and sanitary products as construction materials and decorative supplies related to plumbing and sanitary ware. Most of consumers will buy products via construction material stores, home furnishing stores as well as a building material and interior design department in specialty stores/ modern trades e.g. Homepro, Boonthavorn, Index, Central. As a result, these faucet, water supply, sanitary ware and specialty tool manufacturers normally distribute their products to their customers via these retail/ wholesale distribution channels. OCEAN

categorizes customer segmentation based on business model, order methods and order value into 4 groups.

- 1) Agent and Dealer
- 2) Modern Trade and Department Store
- 3) Retailer and Other Customer
- 4) International

In the past, OCEAN distributes their products to neighbor countries via agents and dealers. To capture business opportunity on the Asean Economics Community (AEC), we plan to expand into more Southeast Asia countries as OCEAN has an advantage of the “Made in Thailand” products which are reliable on product quality.

5. Board and Management

Board of Directors

As of June 12, 2018, OCEAN has 6 directors as follows:

No	Name - Surname	Position
1	Mr. Uchai Vilailerstpoca	Chairman of the Board of Directors / Director
2	Mrs. Ratana Vilailerstpoca	Vice Chairman of the Board
3	Mr. Uchai Vilailerstpoca	Director
4	Dr. Adul Laohapo	Chairman of the Audit Committee / Independent Director
5	Mr. Boonlert Jaimun	Audit Committee / Independent Director
6	Mr. Boonlerd lewpornchai	Audit Committee / Independent Director

Remark :

- (1) Formerly OCEAN has 7 directors but Mr. Apichart Paphanpuwong which has submitted the resignation letter from his position as the director of the Company, effective from June 12, 2018, No director has been appointed to replace the resigned director.
- (2) The authorized directors of OCEAN are Mr. Uchai Vilailerstpoca, Mrs. Ratana Vilailerstpoca, Ms. Wanna Maluengnon, two of these three directors jointly sign with the Company's seal affixed.

Audit Committee

As at December 31, 2017, there are 3 audit committees as follows:

No	Name - Surname	Position
1	Mr. Adul Laohapol	Chairman of the Audit Committee
2	Mr. Boonlert Jaimun	Audit Committee
3	Mr. Boonlerd lewpornchai	Audit Committee

Executive Committee

As at December 31, 2017, there are 4 Executive Committee members as follows:

No	Name - Surname	Position
1	Mr. Uchai Vilailerstpoca	Chairman of Chairman of Executive Committee
2	Mrs. Ratana Vilailerstpoca	Executive Director
3	Mr. Ratanachai Vilailerstpoca	Executive Director
4	Miss Apiwadee Vawitaya	Executive Director

Risk Management Committee

The Board of Directors Meeting No. 1/2558 of January 15, 2015 approved the appointment of the Risk Management Committee for Enterprise Risk Management as follows:

No	Name - Surname	Position
1	Mr. Boonlert Jaimun	Chairman of the Risk Management Committee
2	Mr. Ratanachai Vilailerstpoca	Risk Management Committee
3	Mr. Nontawit Thaiphiriyakul	Risk Management Committee

The Management team

As at December 31, 2017, OCEAM has 5 management teams as follows:

No	Name - Surname	Position
1	Mr. Uchai Vilailerstpoca	managing director Deputy Managing Director Marketing (Acting)
2	Mrs. Ratana Vilailerstpoca	Deputy Managing Director Finance
3	Mr. Ratanachai Vilailerstpoca	Deputy Managing Director Manufacturing and Product Development
4	Miss Apiwadee Vawitaya	Deputy Managing Director Support
5	Mr. Khun Chaisuwan	Assistant Vice President of Marketing

6. Summary of financial status and operating results

The financial information for the year ended 31 December 2015 and the financial statements for the 3 month period ended 31 March 2018 are summarized as follows:

(Unit: THB Million)	2015	2016	2017	Mar.-18
Current Assets				
Cash and cash equivalents	15.72	4.18	2.12	2.71
Trade receivables	71.83	86.08	80.20	86.95
Inventories - net	176.62	168.57	153.45	141.99
Other current assets	5.06	4.45	3.86	5.54
Total Current Assets	269.23	263.28	239.63	237.19
Non-current assets				
Deposits at financial institutions with guarantees	0.73	0.73	0.74	0.74
Property, plant and equipment - net	106.83	96.90	95.94	96.39
Asset Investment				
Unused land	-	24.87	24.87	24.87
Deferred tax assets	1.40	1.04	7.93	8.51
Other non-current assets	2.75	1.77	1.39	1.26
Total Non-current assets	111.71	125.31	130.87	131.77
Total Asset	380.94	388.59	370.49	368.96

(Unit: THB Million)	2015	2016	2017	Mar.-18
Current Liabilities				
Bank overdrafts and short-term loans from financial institutions	67.28	80.58	87.04	90.11
Trade payables	26.84	19.02	26.13	19.42
Accrued expenses and other current liabilities	11.05	16.04	17.72	21.70
Total Current Liabilities	105.17	115.64	130.88	131.24
Non-current liabilities				
Liabilities under hire-purchase and financial lease agreements	0.09	0.58	0.04	1.08
Long-term loans from financial institutions - net	-	5.17	4.19	3.93
Post-employment benefits obligation	3.31	4.12	3.46	3.57
Total Non-current liabilities	3.40	9.86	7.68	8.58
Total Liabilities	108.57	125.50	138.56	139.82
Shareholder				
Share capital				
Registered capital	181.50	217.16	217.16	217.16
Issued and paid-up share capital	180.96	180.96	180.96	180.96
Share premium	75.61	75.61	75.61	75.61
Retained earnings				
Allocated to legal reserve.	4.91	5.00	5.00	5.00
Unallocated (deficit))	10.89	1.51	- 29.65	- 32.44
Total Shareholders' Equity	272.38	263.09	231.93	229.14
Total Liabilities And Shareholders' Equity	380.94	388.59	370.49	368.96

(Unit: THB Million)	2015	2016	2017	Jan - Mar 18
Sales Revenue				
Brass Faucet	65.01	63.99	54.49	12.42
Zinc Faucet	53.15	57.52	53.92	17.32
Ball Faucet / Faucet Accessories	86.95	109.06	84.99	22.07
Bathroom Accessories	60.37	75.08	79.42	25.37

(Unit: THB Million)	2015	2016	2017	Jan - Mar 18
GOODYEAR	1.66	2.03	4.09	0.64
Made to order, OEM and other	25.97	21.29	15.16	7.03
Service revenue	0.35	0.14	0.06	-
Total Sales Revenue	293.45	329.12	292.12	84.85
Production costs	207.51	227.80	225.28	63.46
Gross Profit (Loss)	85.94	101.33	66.84	21.39
Exchange rate	(0.26)	0.62	0.49	0.19
Other income	3.26	2.21	1.47	0.12
Total Revenue	296.45	331.95	294.08	85.15
Cost of distribution	62.25	68.90	73.18	16.60
Administrative expenses	27.30	28.80	30.21	7.28
Financial costs	3.99	4.06	4.84	1.19
Profit (loss) before income tax	(4.60)	2.40	(39.43)	(3.37)
Income Tax	(0.87)	0.83	(7.16)	(0.58)
Profit (loss) for the period	(3.73)	1.57	(32.26)	(2.79)

2. Company Information Related to the Applicant and person concerned with the applicant

Information of Applicant

Name : Mrs. Chatchaya Tritrakulchai

Spouse : Mr. Jirat Tritrakulchai

Related companies:

1. Paragon Agritech Co., Ltd.

Company Registration Date	9 July 2013
Address	5/55 Moo 5 Tambon Na To Ming, Amphoe Mueang Trang, Trang 92000
Type of Business	Business type: trading of Crude Palm Oil type A or CPOA and Crude Palm Oil type B or CPOB
Registered Capital	70,000,000 THB
Number of Share Issued and	700,000 shares
Par Value	100.00 THB
Official Signatory	A director's signature with a company seal

List of Board of Directors of Paragon Agritech Co., Ltd.

Name - Surname	Position
Mrs. Chatchaya Tritrakulchai	Directors
Mr. Jirat Tritrakulchai	Directors

List of shareholders of Paragon Agritech Co., Ltd.

No	Name - Surname	Number of shares (shares)	Shareholding (percent)
1.	Mr. Jirat Tritrakulchai	695,999	99.43%
2.	Mrs. Chatchaya Tritrakulchai	4,000	0.57%
3.	Mr. Phisit Tritrakulchai	1	0.00%
	Total	700,000	100.00%

Statement of Financial Position

Unit: THB Million	December 31, 2017	December 31, 2016	December 31, 2015
Total assets	351.61	279.36	168.12
Total liabilities	274.21	273.67	163.42
Total Shareholders' Equity	77.40	5.69	4.70
Total assets and shareholders' equity	351.61	279.36	168.12

Profit and Loss Statement

Unit: THB Million	2017	2016	2015
Total Revenue	1705.88	1581.10	1388.60
Cost of sales and service	1690.09	1570.88	1381.31
Total Operating Expenses	6.10	5.83	4.24
Interest	6.26	3.07	1.08
income tax	0.73	0.33	0.39
Net profit (loss)	2.70	0.99	1.58

2. Lamair Palm Oil Co., Ltd.

Company Registration Date	June 19, 2014
Address	5/55 Moo 5 Tambon Na To Ming, Amphoe Mueang Trang, Trang 92000
Type of Business	Trading of Crude Palm Oil type A or CPOA and Crude Palm Oil type B or CPOB
Registered Capital	90,000,000 THB
Number of Share Issued and Paid-up	900,000 shares
Par Value	100.00 THB
Official Signatory	A director's signature with a company seal

List of Board of Directors of Lamair Palm Oil Co., Ltd.

Name - Surname	Position
Mr. Jirat Tritrakulchai	Directors
Mrs. Chatchaya Tritrakulchai	Directors
Mr. Ek Kaiboonmee	Directors

List of shareholders of Lamair Palm Oil Co., Ltd.

No	Name - Surname	Number of shares (shares)	Shareholding (percent)
1.	Mr. Jirat Tritrakulchai	899,000	99.89%
2.	Mrs. Chatchaya Tritrakulchai	500	0.06%
3.	Mr. Ek Kaiboonmee	500	0.06%
	Total	900,000	100.00%

Statement of Financial Position

Unit: THB Million	December 31, 2017	December 31, 2016	December 31, 2015
Total assets	367.88	201.98	107.88
Total liabilities	270.60	197.01	104.88
Total Shareholders' Equity	97.29	4.96	3.00
Total assets and shareholders' equity	367.88	201.98	107.88

Profit and Loss Statement

Unit: THB Million	2017	2016	2015
Total Revenue	2400.73	2213.56	785.38
Cost of sales and service	2382.02	2205.07	777.47
Total Operating Expenses	5.46	4.88	5.94
Interest	9.04	1.14	-
income tax	0.89	0.50	0.39
Net profit (loss)	3.32	1.96	1.58

3. Triple P Global Intertrade Co., Ltd.

Company Registration Date	September 5, 2017
Address	17/21 Soi Sukhumwit 31 (Sawatdi), Khlong Toei Nuae, Watthana, Bangkok, 10110
Type of Business	Distribution of edible cooking oil, "Savoey"
Registered Capital	1,000,000 THB
Number of Share Issued and Paid-up	10,000 shares
Par Value	100.00 THB
Official Signatory	Mr. Jirat Tritrakulchai signed and sealed the company's

List of Board of Directors of Triple P Global Intertrade Co., Ltd.

Name - Surname	Position
Mr. Jirat Tritrakulchai	Directors
Mrs. Chatchaya Tritrakulchai	Directors

List of shareholders of Triple P Global Intertrade Co., Ltd.

No	Name - Surname	Number of shares (shares)	Shareholding (percent)
1.	Mr. Jirat Tritrakulchai	9,000	90.00%
2.	Mrs. Chatchaya Tritrakulchai	500	5.00%
3.	Mr. Ek Kaiboonmee	500	5.00%
	Total	10,000	100.00%

Statement of Financial Position

	December 31, 2017
Unit: THB Million	
Total assets	53.43
Total liabilities	50.49
Total Shareholders' Equity	2.94
Total assets and shareholders' equity	53.43

Profit and Loss Statement

Unit: THB Million	2017
Total Revenue	63.69
Cost of sales and service	-57.73
Total Operating Expenses	2.62
income tax	0.65
Net profit (loss)	2.69

4. Paragon Core Assets Co., Ltd.

Company Registration Date	March 3, 2017
Address	115/2 Soi Boonyu, Din Daeng Road, Samsen Nai, Phayathai, Bangkok 10400
Type of Business	Renting and operating on real estate
Registered Capital	1,000,000 THB
Number of Share Issued and	10,000 shares
Par Value	100.00 THB
Official Signatory	Mr. Jirat Tritrakulchai signed and sealed the company's seal.

List of Board of Directors of Paragon Core Assets Co., Ltd.

Name - Surname	Position
Mr. Jirat Tritrakulchai	Directors
Mrs. Chatchaya Tritrakulchai	Directors
Mr. Ek Kaiboonmee	Directors

List of shareholders of Paragon Core Assets Co., Ltd.

No	Name - Surname	Number of shares (shares)	Shareholding (percent)
1.	Mr. Jirat Tritrakulchai	9,000	90.00%
2.	Mrs. Chatchaya Tritrakulchai	500	5.00%
3.	Mr. Ek Kaiboonmee	500	5.00%
	Total	10,000	100.00%

Statement of Financial Position

Unit: THB Million	31 Dec 17
Total assets	33.34
Total liabilities	32.38
Total Shareholders' Equity	0.97
Total assets and shareholders' equity	33.34

Profit and Loss Statement

Unit: THB Million	2017
Total Revenue	0.00
Cost of sales and service	0.00
Total Operating Expenses	0.03
Income tax	0.00
Net profit (loss)	-0.03

5. AMT Growth Co., Ltd.

Company Registration Date	January 9, 2014
Address	Chringchit Rd., Thap Thiang, Amphone Muang Trang, Trang, 92000
Type of Business	Produce and sell bucket vegetable oil
Registered Capital	1,000,000 THB
Number of Share Issued and Paid-	10,000 shares
Par Value	100.00 THB
Official Signatory	A director's signature with a company seal

List of Board of Directors of AMT Growth Co., Ltd.

Name - Surname	Position
Mrs. Chatchaya Tritrakulchai	Directors
Mr. Jirat Tritrakulchai	Directors

List of shareholders of AMT Growth Co., Ltd.

No	Name - Surname	Number of shares (shares)	Shareholding (percent)
1.	Mr. Jirat Tritrakulchai	3,500	35.00%
2.	Mrs. Chatchaya Tritrakulchai	3,500	35.00%
3.	Mr. Aek Khlaibunmee	3,000	30.00%
	Total	10,000	100.00%

Statement of Financial Position

Unit: THB Million	December 31, 2017	December 31, 2016	December 31, 2015
Total assets	2.05	1.96	2.18
Total liabilities	0.09	0.11	0.44
Total Shareholders' Equity	1.96	1.84	1.73
Total assets and shareholders' equity	2.05	1.96	2.18

Profit and Loss Statement

Unit: THB Million	2017	2016	2015
Total Revenue	21.01	83.01	140.32
Cost of sales and service	20.78	82.75	139.89
Total Operating Expenses	0.09	0.12	0.12
Interest	0.00	0.00	0.01
income tax	0.03	0.03	0.06
Net profit (loss)	0.11	0.11	0.24

6. Tupfa Bio Company Limited

Company Registration Date	November 18, 2005
Address	22/10 Moo Soi Khlong Si West 19, Khlong Si Road, Tambon Khlong Si, Amphoe Khlong Luang, Pathum Thani 12120
Type of Business	Produce and sell biodiesel
Registered Capital	5,000,000 THB
Number of Share Issued and	50,000 shares
Par Value	100.00 THB

List of Board of Directors

Name - Surname	Position
Mrs. Taninenan Tritrakulchai	Directors
Mr. Jirat Tritrakulchai	Directors

Statement of Financial Position

No	Name - Surname	Number of shares	Shareholding (percent)
1.	Mrs. Taninenan Tritrakulchai	40,500	81.00%
2.	Mr. Thanasert Tritrakulchai	5,000	10.00%
3.	Mr. Phisit Tritrakulchai	4,000	8.00%
4.	Ms. Manasnan Tritrakulchai	500	1.00%
	Total	50,000	100.00%

Statement of Financial Position

Unit: THB Million	December 31, 2017	December 31, 2016	December 31, 2015
Total assets	5.16	5.13	5.26
Total liabilities	0.02	0.01	0.02
Total Shareholders' Equity	5.14	5.12	5.24
Total assets and shareholders' equity	5.16	5.13	5.26

Profit and Loss Statement

Unit: THB Million	2017	2016	2015
Total Income	1.06	0.65	0.66
Cost Of Sales And / Or Service	0.86	0.58	0.53
Include Operating Expenses.	0.17	0.19	0.19
Net Profit (Loss)	0.03	-0.12	-0.06

3. Palm Oil Industry

(Source : Economic and Research Division of Bank of Ayudhya)

General Information

Palm oil is a vegetable oil which has the lowest production cost compared to other vegetable oils. In 2017, the palm oil yield per cultivated area is 6-10 times higher than other natural oil plants. Worldwide production and consumption of palm oil 72.5 million tons and 68.8 million tons, respectively or about 38.3% and 37.3% of the world natural oil production and consumption. Major palm oil production field are in the ASEAN region and the key price influencer players in the global market are Indonesia and Malaysia which has a production capacity of 36.0 million tons and 18.9 million tons, respectively. Moreover, these two countries are major exporter which accounted for over 90% of world export volume. The major consumer of palm oil in the world consists of India (accounted for 20.3% of world import volume in 2017), European countries (15.8%), China (10.6%) and Pakistan (6.7%). Over past 5 years, global palm oil consumption grew steadily 4% per year driven by food consumption, fuel production while a production grew an average of 4.5% per year.

Thailand is the third largest palm oil producer in the world but accounted only 3.8% of total world production which give a country no pricing power in global market. The majority of palm oil cultivated fields and palm oil production plants in Thailand are in the South, or about 85% of country's palm cultivated area. Another 15% are located in the North, Central and Northeastern region. In past 10 years, Thailand palm oil cultivated area continuously increased from the Alternative Energy Development Plan (AEDP). This makes a yielding area of 4.7 million Rais on a total cultivated area of 5.3 million Rais in 2017. It yields 13.5 million tons of palm oil and can be extracted into 2.5 million tons of crude palm oil (Source: Office of Agricultural Economics)

The palm and palm oil industry in Thailand consists of five main components which are palm oil cultivators, palm oil extraction factories, palm oil milling plants, downstream industrial plants and consumers. A change in each component has an impact on a supply chain. Additional, the Biodiesel industry made a demand spike in a palm oil industry which might cause a demand-supply imbalance. This internal factor, a demand in Biodiesel vs. a supply in a consumer segment, could affect palm oil price. On contrary, the external factors that play an important role on a domestic price are global palm oil price, other natural oil substitutions; along with uncontrollable factors such as weather which have a direct impact on raw palm volume in the market. A market competition for raw material mainly competes on pricing, this cause raw material price unstable all the time.

A demand for palm oil in Thailand is divided into 2 parts

- 1) To produce purified palm oil that is a downstream product of palm oil industry. This product accounted for 35% of crude palm oil (CPO) consumption in Thailand.
- 2) To use as a raw material in other industries and accounted for 65% of crude palm oil demand.

This can be breakdown into 3 sub-industries as below

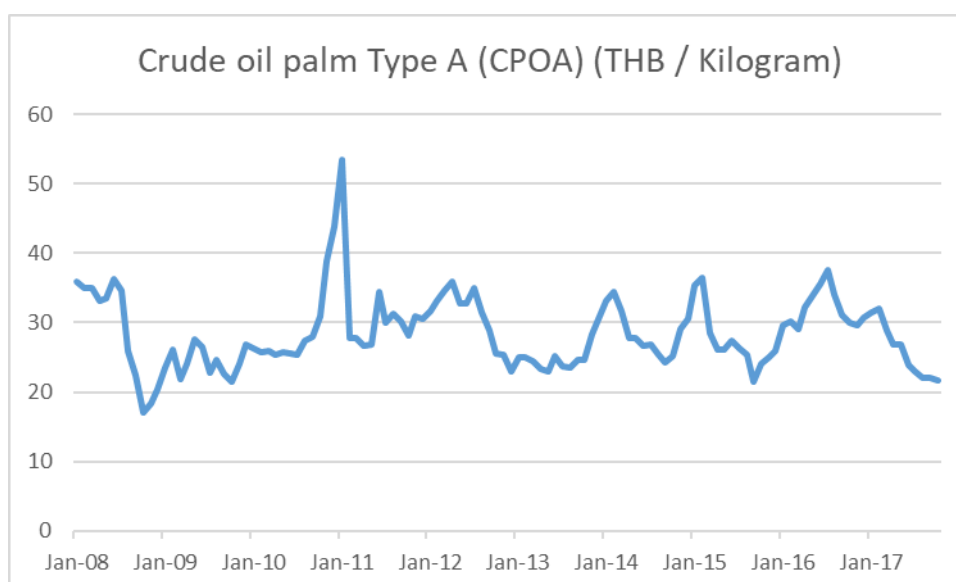
- a. Food industry such as snacks, instant noodles, sweetened condensed milk, non-dairy creamer, margarine, white butter, ice cream and vitamin dietary supplements (about 9%).
- b. Chemical industry and palm fatty-based chemical industry used in a consumer product such as soap, cosmetic and shampoo (about 11%)
- c. Biodiesel industry (B100) (about 45%)

A palm oil demand in the Biodiesel industry rose massively to 45% of total palm oil consumption in 2017, from 32% in 2009. However, a palm oil allocation for Biodiesel production depends on a sufficiency of crude palm oil production in the country. The Government will recalibrate the mixture of palm oil in diesel fuel according to situation of crude palm oil production in the country. As a crude palm oil production has been inadequate for consumption in several industries over past few years, therefore an expansion in the Biodiesel industry is capped

The Past Situation in Thailand Market

In 2017, Thailand palm oil industry has been pressured from domestic oversupply. The palm production and palm oil volume increased after the El Nino phenomenon in 2015-2016 unraveled as well as marginal production from new cultivated areas during 2008-2012 pouring into the market. All this caused a crude palm production in 2017 reached a new record high at 13.5 million tons and a palm oil volume of 2.6 million tons.

Due to an oversupply situation in Thailand, the crude palm price plunged sharply making an average crude palm price in 2017 at THB 4.06/ kg or 25.3% decline compared to the previous year. The palm oil price (CPOA) decreased along the crude palm price to THB 21.59 / kg at October 2017 or 22.1% decline compared to the previous year.



A demand on crude palm oil continuously expanded in every industry reached 2.1 million tons in 2017, or increased 18.4% compared to the previous year. A demand in the purified palm oil, food and chemistry industry grew 18.0% compared to the previous year, driven by stronger domestic consumption. Meanwhile a palm oil demand in the Biodiesel industry also increased 19.0% compared to the previous year driven by a rising demand of gasoline. The higher gasoline demand was resulted from an improved economic sentiment as well as the National Biodiesel policy that increased a proportion of palm oil in the biodiesel from 5% (or B5) to 7% (or B7) (effective on May 2017).

Industry Trend

According to Economic and Research Division of Bank of Ayudhya, it forecasts a non-turbulence weather for next 1-3 years plus a production of palm and palm oil volume should grow from an expansion of the cultivated areas in Indonesia, Malaysia and Thailand past few years. For upcoming years, it expects an oversupply situation remain as a record-high global palm oil stockpile should pressure a world palm oil price.

At the moment, a production of palm and palm oil industry in the country encounter an oversupply situation gradually due to rising cultivated areas. Moreover, a palm plantation in newly cultivated areas become older which provide a high yield per Rai.

The domestic consumption of crude palm oil is expected to grow slightly and a demand can be summarized as below

- For purified palm oil industry, it expects a demand of crude palm oil used the industry remains low given a high soybean production volume in the world. This results a soybean oil price relatively close to palm oil price which is unfavorable for a soybean-to-palm oil substitution demand. Additional, it is

expected that the producers of purified palm oil will not accelerate their production due to a record-high stockpile in history.

- For food and chemical industry, a demand in crude palm oil or palm-fatty tends to increase due to robust economic growth in Thailand and a stronger export of consumer products. However, the trend is that producers will reduce their production cost by importing a palm-fatty raw material from Malaysia and Indonesia instead, as the price is cheaper. This factor might impact some demands in the country.

For biodiesel industry, a crude palm oil demand continues to rise due to a higher gasoline demand from a logistic sector as well as an implementation of the Alternative Energy Development Plan (AEDP). The plan aims to increase a palm oil proportion in biodiesel fuel to 10.0% (B10), but it can't achieve a goal because carmakers does not accept plus technical problems with engine. Moreover, producers and traders were requested a cooperation from an authority, to stock Biodiesel B100. This caused an oversupply situation and a retail price war on B100.

Over next 3 years (2018-2020), it forecasts a demand-supply pressured from oversupply which might cause a domestic price decline in the long-run. While a production of palm and palm oil volume continue to rise, a palm oil price continue to fall; especially a period that the domestic demand for palm oil was slower than the government's target. In addition, an export of excess palm oil may be impeded from a tariff of importing countries. For some European nations, they have stricter policy to monitor palm plantation areas of exporting. In some countries such as Italy, France and Belgium, they prohibit a production and distribution of products containing a palm oil. This might cause an imported and consumption demand for palm oil decelerated continuously as well as higher competition in the global market.

Another factor that impact a palm oil price is petroleum price; which is in the uptrend since the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC agreed to extend a reduction of oil production output. It is expected that the oil price continues to rise in 2018 while a demand momentum remains solid given a robust global economic expansion. OPEC forecasts oil demand to reach 1.53 million barrels per day in 2018, driven by Asian countries' demand e.g. China and India. Nevertheless, the average price of petroleum is expected to be stable at US \$ 65-70 per barrel, pressured by higher supply from shale-gas producers as they open more new drill sites in 2018. As a result, a higher petroleum volume from shale-gas producers remains a key risk that pressure an oil price despite a rising trend after the OPEC agreement.

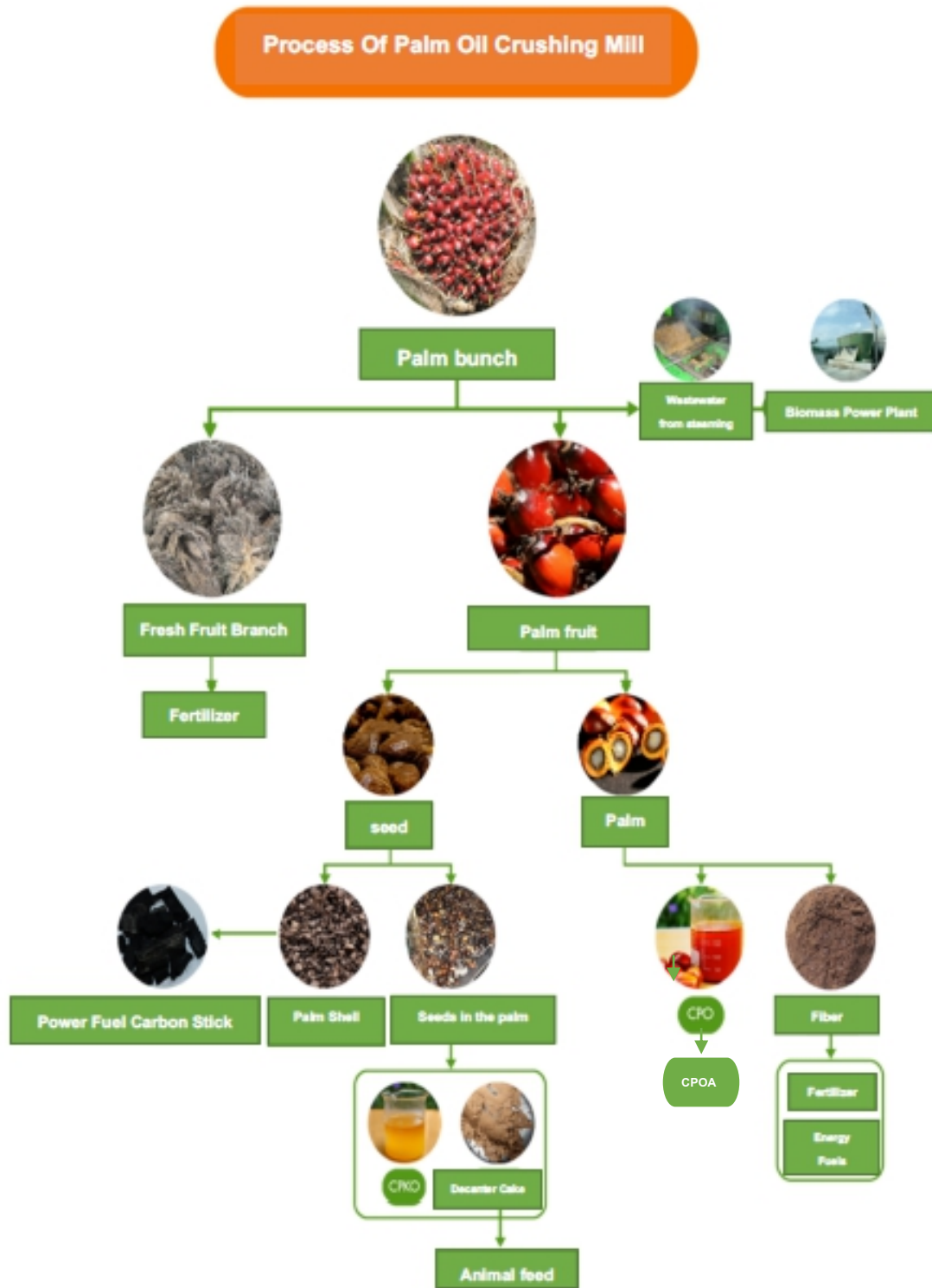
4. A Different Between Crude Palm Oil Grade A (Crude Palm Oil Grade A: CPOA) and Crude Palm Oil Grade B (Crude Palm Oil Grade B: CPOB)



Components of Palm Fruit

Currently, there are 2 types of palm oil extraction in Thailand.

1. A steam method is the most common way that factories use. The extraction process uses hot steam to stop free fatty-acid reaction in oil palm and help a bunch stripping easily. After separate a palm fruit from its bunch, then bring a palm fruit into a steamer to make a palm pulp dropped off a palm shell. A pulp will process into a screw press machine to extract crude palm oil. Then, crude palm oil will pass through filter press, precipitate, clarification and washing process to cleanse it. Finally, a drying process is to eliminate a residual moisture. A crude palm oil from a steam method called Crude Palm Oil Grade A (CPOA) (An extraction process, from a palm fruit to final products, is shown in a diagram below) that has chemical properties of i) Free Fatty Acid (FFA) not more than 5% of 1 palm oil unit, ii) Deterioration of Bleach Ability Index (DOBI) which indicate a difficulty in a milling process. If DOBI value is not less than 2.0, a yellow-to-red color appearance and viscosity, it means that the extracted CPOA is suitable to be a raw material in continuous industries such as biodiesel or vegetable oil for consumption.



Process Of Crude Palm Oil Grade A

2. Non-steam method which the extraction process starts with the drying of the palm fruit to reduce the moisture content and stop a free fatty-acid reaction. Then, bring a dried palm fruit into screw press machine to extract a crude palm oil. Unlike a steam method, this method does not separate a palm pulp and palm nut before extract a crude palm oil. Therefore, it has a cheaper cost because it uses

less equipment and machine, and less sophisticate compared to the previous method. However, the crude palm oil derived from non-steam method is called Crude Palm Oil Grade B (CPOB). The CPOB is the extracted oil from both a palm pulp and a palm nut which a iodine value is not suit for a further milling process. Therefore, the CPOB price per litre is THB 1-1.50 lower than those of the CPOA. It has FFA level not more than 8 – 10% of 1 palm oil unit and a color between yellow, red and dark brown. Normally, it is used for animal feeds.



Crude Palm Oil Grade A



Crude Palm Oil Grade B