

No. OCMSET-6305-005

15 May 2020

Subject: Clarification of the operating results for the period ended 31 March 2020, change of rate more than 20 percent

To: Director and Manager
The Stock Exchange of Thailand

Ocean Commerce Public Company Limited (OCEAN) would like to inform the operating results of the Company for the period ended 31 March 2020 as follows:

	Consolidated	Consolidated	Increase (decrease)	
	financial statements	financial statements		
	Q1'2020	Q1'2019		
	Million Baht	Million Baht	Million Baht	%
Continuing operations				
Revenues	0.05	353.93	(353.88)	(99.99)
Costs	(0.42)	(341.66)	(341.24)	(99.88)
Gross (loss) profit	(0.37)	12.27	(12.64)	(103.02)
Selling expenses	(4.25)	(9.88)	(5.63)	(56.98)
Administrative expenses				
- Recurring administrative expenses	(6.55)	(2.01)	4.54	225.87
- Reversal estimated loss from cost over income	14.68	-	(14.68)	(100.00)
- Reversal allowance for advance payments palm oil	1.00	-	(1.00)	(100.00)
Finance costs	(0.03)	-	0.03	100.0
Profit before income tax from continuing operations	4.48	0.38	4.10	1,078.95
Tax income	2.60	-	2.60	100.0
Profit for the period from continuing operations	7.08	0.38	6.70	1,763.16
Discontinued operation*				
Profit for the period from discontinued operation	0.77	0.94	(0.17)	(18.09)
Profit for the period	7.85	1.32	6.53	494.70

*Cessation of the faucets business since 1 November 2019

Revenues

	Consolidated	Consolidated	Increase (decrease)	
	financial statements	financial statements		
	Q1'2020	Q1'2019		
	Million Baht	Million Baht	Million Baht	%
Revenues from main business				
Faucets business*	-	87.08	(87.08)	(100.00)
Palm oil trading business	-	353.43	(353.43)	(100.00)
Consulting and property development business	-	-	-	-
Total revenues from main business	-	440.51	(440.51)	(100.00)
Other income	0.05	1.05	(1.00)	(95.24)
Total revenues	0.05	441.56	(441.51)	(99.99)

*Cessation of the faucets business since 1 November 2019

Gross profit and gross profit margin

	Consolidated	Consolidated	Increase (decrease)	
	financial statements	financial statements		
	Q1'2020	Q1'2019		
	Million Baht	Million Baht	Million Baht	%
Faucets business**	-	29.59	29.59	100.00
Palm oil trading business	-	11.76	11.76	100.00
Consulting and property development business	-	-	-	-
Total gross profit	-	41.35	41.35	100.00

*Cessation of the faucets business since 1 November 2019

The Group has total revenues for the 1st quarter of 2020 amounted Baht 0.05 million, a decrease of Baht 441.51 million or 99.99% compared to the total revenues of Baht 441.56 million for the 1st quarter of 2019. The Group has no revenues from the main business palm oil trading. The main reason was that the crude palm oil price continuously increased since the end of 2019 due to the shortage of fresh fruit bunch during the season in the 1st quarter of 2020. Consequently, most crushing mills delayed supplying crude palm oil. In addition, The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments, assessed the financial impact, and has used estimates and judgement in respect of various issues as the situation has evolved.

Selling expenses

The Group has the selling expenses for the 1st quarter of 2020 amounted Baht 4.25 million, a decrease of Baht 5.63 million or 56.98% compared to the selling expenses of Baht 9.88 million for the 1st quarter of 2019. It is due to the decrease in transportation expenses from palm oil trading business. It is in line with decreased revenues. Most of the selling expenses for the 1st quarter of 2020 is selling expenses of V Sukhumvit 81 Co., Ltd., a real estate development company. V81 is the first real estate development project and expects to completed and transferred by the 4th quarter of 2020.

Administrative expenses

The Group has the recurring administrative expenses for the 1st quarter of 2020 amounted Baht 6.55 million, an increase of Baht 4.54 million or 225.87% compared to the recurring administrative expenses of Baht 2.01 million for the 1st quarter of 2019. The non-recurring administrative expenses decrease of Baht 14.68 million from reversal of estimated loss from cost over income and decrease of Baht 1 million from reversal allowance for advance payments palm oil, resulting in the administrative expenses decrease from the 1st quarter of 2019.

Profit (loss) after adjustments

	Consolidated	Consolidated	Increase (decrease)	
	financial statements	financial statements		
	Q1'2020	Q1'2019		
	Million Baht	Million Baht	Million Baht	%
Net Profit from financial statements	7.85	1.32	6.53	494.70
Adjustments:				
(1) Reversal estimated loss from cost over income	(14.68)	-	(14.68)	(100.00)
(2) Reversal allowance for advance payments palm oil	(1.0)	-	(1.0)	(100.0)
Net profit (loss) after adjustments	(7.83)	1.32	(9.15)	(693.18)

The Group has net loss after adjustments for the 1st quarter of 2020 amounted Baht 7.83 million and, a decrease of Baht 9.15 million or 693.18% compared to the net profit after adjustments of Baht 1.32 million for the 1st quarter of 2019.

Please be informed accordingly

Yours sincerely,



(Mr. Yossatat Nitisarun)

Managing Director (Acting)