

OCMSET-6309-002

September 8, 2020

Subject: Report details of the complaint of V Sukhumvit 81 Co., Ltd. (The subsidiary)

To: Director and Manager
The Stock Exchange of Thailand

According to Ocean Commerce Public Company Limited has disclosed in the notes to financial statements No. 21.2. Contingent liabilities in the second quarter ended of June 30, 2020 that on June 8, 2020, V Sukhumvit 81 Co., Ltd. (The subsidiary) was sued by a company complaint that the subsidiary breach of the construction contract claim compensation at the amount of Baht 101.10 million plus interest at a rate of 7.5 percent per annum of principle amounting to Baht 98.73 million. The Company would like to clarify additional details as follows:

Summary of Legal disputes

JeeraThana Korsrang Co., Ltd. (Plaintiff) has sued V Sukhumvit 81 Co., Ltd. (The subsidiary) (Defendant) with the Bangkok South Civil Court on June 8, 2020, in a black case No. Por.1366/2563 in breach of the contract, tort, and claim for damages. The details of the dispute as per the complaint can be summarized as follows:

JeeraThana Korsrang Co., Ltd. (Plaintiff) has alleged V Sukhumvit 81 Company Limited (The subsidiary) (Defendant) which is construct the condominium comprises of 3 buildings and having 8 floors under the name of IKON Sukhumvit 77 at the amount of Baht 392,000,000. V Sukhumvit 81 Co., Ltd. (The subsidiary) breach of construction contract without paying wages 7th, 8th and 9th installment, which is a breach of contract and tort of the plaintiff. The plaintiff has been damaged by not receiving wages 7th, 8th, and 9th installment, retention, additional work, and preparation fees for work under the construction contract. In addition, there are continuously damages from the aforementioned actions of the subsidiary. Total amount of Baht 98,729,510.61 with default interest of Baht 2,370,400.28, totalling Baht 101,099,910.89 therefore, the plaintiff prosecutes for wages and claim damages.

The subsidiary has consulted and appointed a lawyer to defend this case for uphold the legitimate rights and contend the plaint of the plaintiff, and it is the process of determination of dispute issue and take of evidence on October 12, 2020 at 1:30 p.m.

Legal action

The subsidiary has proceeded as follows:

- 1) Appointed a lawyer to uphold the legitimate rights and set forth the defending testimony. The case is on the trial and adjudication. There are facts and laws the subsidiary applies to defend;
 - The subsidiary has not rescinded the breach of contract but the plaintiff has.

- The tardiness of work and the lack of ability to achieve the goals results in this dispute.
 - The subsidiary has found that the wages collecting by the plaintiff are excessively costly compared to the work quality. Also, the rate is higher than the construction standard.
 - Once the plaintiff has rescinded the contract, the area has been seized and blocked which causes the affiliated the subsidiary who are the legal titleholder or any new contractors to access the area. This affects the disability to continue proceeding and causes damages.
- 2) The subsidiary is in the process of collecting information and damage evidence to claim damages from the plaintiff which will have a counterclaim to the case.
 - 3) The subsidiary has filed a criminal complaint with Prakanong Police Station investigator in order to prosecute the plaintiff and related persons, acting in a manner of invasion, interferes with occupying space and any other applicable laws.

Effects on the Company's Financial Statements

This case contains facts that are partly accepted that the subsidiary has wages that cannot come to an agreement to pay to the plaintiff not less than Baht 13.5 million. It has to be reserved for the plaintiff. However, the subsidiary had recorded the liabilities in relation to construction contracts.

In terms of the inflated cost of work and any other damages indicted by the plaintiff. It depends on the court trial to decide which party has rescinded the contract whether they do have to make liable compensation for the other party and how much does it cost.

According to the litigation process, the expected period is 6 months to the Court of First Instance to make a judgment. If either party does not agree with the judgment, the process may exercise the right to the appeal court and the Supreme Court afterwards.

Currently, the IKON Sukhumvit 77 project is able to proceed as usual, which is about 80 percent of the construction has been completed and expected to transfer ownership to customers within the 4th quarter of 2020.

If there is more progress, the Company will publish the message on website of the Stock Exchange of Thailand accordingly.

Please be informed accordingly

Yours sincerely,



(Mr. Yossatat Nitisarun)

Managing Director (Acting)