



Ocean Commerce Public Company Limited

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

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No. OCMSET/1811/001

(translation)

November 14, 2018

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

To : Director and Manager the Stock Exchange of Thailand

Approved by the Board of Directors of Ocean Commerce Limited (Company) No. 7/2018 held on November 14, 2018 , has approved the financial statements and results of operations of the Company. For the ended September 30, 2018 which was audited by the auditor . The results of operations are as follows .

The Company's performance For nine months As of September 30, 2018, the Company had a net loss of Baht 45.32 million, compared with the same period of the previous year. The net loss was Baht 22.57 million, representing an increase of Baht 22.75 million. Up to 100.80 percent. The causes are as follows.

1. Revenue from sales and services of the Company increased from Baht 218.19 million to Baht 234.65 million in the amount of Baht 16.46 million or 7.54% by increasing the sales of modern retail stores and department stores. The Group's sales are as follows:

Incomes	January – September 2018	January – September 2017	Increase(Decrease)	
			Mimmion Baht	Percent
1. retailers and wholesalers.	67.11	64.12	2.99	4.66
2. modern retailers and department stores.	124.23	110.78	13.45	12.14
3. retailers, retail and other retail customers.	40.89	40.27	0.62	1.54
4. customers abroad.	9.13	18.00	(8.87)	(49.28)
Total revenue from sales	241.36	233.17	8.19	3.51
Services Income	-	0.06	(0.06)	-
Less Returns in / Discount.	6.71	15.04	(8.33)	(55.39)
Total Incomes from sales and services net.	234.65	218.19	16.46	7.54



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2. An increase of 9.23% in cost of sales and services compared to the same period last year. Caused by the sale of long outstanding products. The company must bring the product (Rework) to get the product ready to sell.

3. The increase in selling and administrative expenses was 37.65% when compared to the same period last year. The company has been affected by competitors that have imported goods from abroad to sell at low prices. In addition, the company has bought a lot of products in the past, so it can not sell the products according to the sales plan. From such factors, As a result, the Company has set aside allowance for diminution in value of defective and slow moving goods to Baht 34.47 million.

The Company has changed its policy on allowance for diminution in value of deteriorated and moving products as follows:

OLD Policy on allowance for obsolete inventories Considering inventories that are 5 years or older and considering the inventories.

New policy Inventory from 1 year and above and Inventory turnover. Less than or equal to 30 percent

4. Financial Ratios Include:

- The liquidity ratio is good. The liquidity ratio is 2.86 times and the liquidity ratio is 2.02 times faster
- Profitability Ratios The gross margin was 23.94% and the net profit margin (%) was (19.32)%
- Financial ratio analysis. From the debt to equity ratio of 0.44 time there is no risk in borrowing.

The Company's performance For three months As of September 30, 2018, there was a net loss of Baht 14.52 million, compared with the same period of the previous year. As of June 30, 2018, the Company had a net loss of Baht 28.05 million, representing a net loss of Baht 13.53 million or a decrease of 48.19 percent.

Revenue from sales and services of the Company increased from Baht 73.77 million to Baht 76.04 million in the amount of Baht 2.27 million, representing an increase of 3.08 percent as the Company was unable to sell its products to modern retailers and department stores. The department has set goals continuously. As a result, retailers, distributors and wholesalers have begun to focus on sales. The group is divided into sales as follows.

Incomes	July – September 2018	April – June 2018	Increase(Decrease)	
			Million baht	Percent



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1. retailers and wholesalers.	23.58	22.52	1.06	4.71
2. modern retailers and department stores.	38.24	38.04	0.20	0.53
3. retailers, retail and other retail customers.	13.70	12.64	1.06	8.39
4. customers abroad.	2.77	2.75	0.02	0.73
Total revenue from sales	78.29	75.95	2.34	3.08
Services Income	-	-		
Less Returns in / Discount.	2.25	2.18	0.07	3.21
Total Incomes from sales and services net.	76.04	73.77	2.27	3.08

2. The increase in cost of sales and services was 10.13% compared to the same period last year. Ended June 30, 2018 caused by Rework Products

3. The decrease in selling and administrative expenses was 36.40% compared to the same period last year. As of June 30, 2018, since the company has a long inventory, the numbers are quite high and the tendency for long-term sales is quite low. The Company changed its policy on allowance for obsolete inventories in Q2 /2018

OLD Policy on allowance for obsolete inventories Considering inventories that are 5 years or older and considering the inventories.

New policy Inventory from 1 year and above and Inventory turnover. Less than or equal to 30 percent.

Please be informed accordingly.

Sincerely yours,

(Mr.Uchai Vilailertpoca)

Managing Director