



Ocean Commerce Public Company Limited

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No. OCMSET/1907/003

July 30, 2019

Subject: Clarification of the operating results for the six-month period of 2019, change of rate more than 20%

Dear: Director and Manager the Stock Exchange of Thailand

According to the resolution of the Board of Directors Meeting of Ocean Commerce Public Company Limited No. 7/2019 on 30 July 2019, it was resolved to approve the financial statements and the operating results of the Company. For the six-month period Ended June 30, 2019, which was audited by the auditor with significant operational results as follows:

1. Net profit in the amount of 21.92 million baht, compared with the same period of 2018, with a net loss of 30.84 million baht, representing an increase of 52.76 million baht or 171.08 percent, consisting of net profit of palm oil trading business 20.43 million baht. And the net profit of the faucet business is 1.00 million baht, indicating that the operation of palm oil trading business is in the direction that better

2. Gross profit in the amount of 101.91 million baht, compared with the same period of 2018 with gross profit of 13.63 million baht representing an increase in gross profit, amounting to 88.28 million baht, or an increase of 647.69%, consisting of

- **Faucet business** : Gross profit of 56.36 million baht, compared with the same period of 2018, gross profit, amount 13.63 million baht, representing a gross profit increase of 42.73 million baht, or an increase of 313.50 percent. The reason from the year 2018, the allowance for diminution in value of deteriorated and slow moving goods increased to 26.80 million baht. Higher cost than normal

- **Palm oil trading business** : gross profit amount 45.19 million baht or 100 percent Since the palm oil business has commenced operations on 1 October 2018

3. Sales and service income of the Company increased from 158.61 million baht to 1,206.45 million baht or 660.63 percent consisting of

- **Faucet business** : Revenue from sales and services increased from 158.61 million baht to 176.56 million baht In the amount of 17.95 million baht or 11.32 percent as a result of the company's policy in planning procurement of new products to sell instead of old products that are not popular in the market. Therefore, the revenue from sales and services of the Company in 2019 increased as follows

Income	Jan - Jun2019	Jan - Jun2019	Increase (decrease)	
			Million baht	Percent
1. Stores, distributors and wholesale stores	35.63	43.53	(7.90)	(22.17)
2. Modern retail Store and Department Store	110.48	85.99	24.49	28.48
3. Retail Store and other retail customers	28.27	27.18	1.09	4.01
4. Foreign customers	4.08	6.36	(2.28)	(35.85)
Total revenue from sales	178.46	163.06	15.40	9.44
Service Income	-	-	-	-
<u>Less</u> Domestic product return / Discount paid	1.90	4.45	2.55	57.30
Total Net sale and Service income	176.56	158.61	17.95	11.32

- **Palm oil trading business** : Revenue from sales and services of the Company Revenue from sales and services - The Company's palm oil trading business has increased from the same period of last year. In the amount of 1,029.18 million baht, equivalent to 100 percent because the said business started operation on 1 October 2018 as follows

Income	Jan – June 2019	Jan-Jun 2018 (started business on October 1, 2018)	Increase (decrease)	
			Million baht	percent
1. Crude Palm Oil CPOA	995.00	-	995.00	100.00
2. Refinery Oil	34.18	-	34.18	100.00
Total revenue from sale	1,029.18	-	1,029.18	100.00
Service Income	-	-	-	-
<u>Less</u> Domestic product return / Discount paid	-	-	-	100.00

Total Net sale and Service income	1,029.18	-	1,029.18	100.00
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4 . Distribution costs and administrative expenses increased 61.18% compared to the same period last year. Because the company has increased palm oil trading business from the distribution of tap water and tap water products business Therefore, the company has increased expenses for new business such as transportation cost which is the main distribution cost of palm oil trading business and administrative expenses such as consulting fees and other fees

In accordance with the resolution of the Board of Directors of Ocean Commerce Public Company Limited No. 7/2562 held on 30 July 2019, it was resolved to approve the financial statements and the operating results of the Company. For the three-month period Ended June 30, 2019, which was audited by the auditor With significant operational results as follows

1. Net profit in the amount of 20.60 million baht, compared with the same period of 2018, with a net loss of 28.05 million baht, increasing net profit amount 48.65 million baht or 173.44 percent, consisting of net profit of palm oil trading business 20.02 million baht And the net profit of the business is 0.06 million baht, indicating that the operation of the palm oil trading business is in the direction that better

2. Gross profit in the amount of 60.56 million baht, compared with the same period of 2018, with gross loss in the amount of 7.33 million baht, gross profit increased by 67.89 million baht or 926.19% increase, which consists of

- **Faucet business** : Gross profit of 26.79 million baht, compared with the same period of 2018, with gross loss of 7.33 million baht, increasing gross profit amount 34.12 million baht or 465.48 percent increase due to the year In 2018, the allowance for diminution in value of deteriorated and slow moving goods was increased to 26.80 million baht, resulting in higher costs than usual.

- **Palm oil trading business** : Gross profit was 33.77 million baht or 100 percent because palm oil business started operation on 1 October 2018.

3. Sales and service income of the company increased from 158.61 million baht to 765.94 million baht or 382.91 percent consisting of

- **Faucet business** : Revenue from sales and services of the Company increased from 73.77 million baht to 89.45 million baht, amounting to 15.73 million baht, representing 21.33 percent. As a result, the company has a policy to plan the procurement of new models. To sell instead of old products that are not popular in the market Therefore, the revenue from sales and services of the Company in 2019 increased as follows

- **Palm oil trading business** : Revenue from sales and services of the Company Revenue from sales and services - The Company's palm oil trading business has increased from the same period of last year. In the amount of 676.44 million baht, equivalent to 100 percent because such business has commenced operations on 1 October 2018

4 . Distribution costs and administrative expenses increased by 52.84% compared to the same period last year. Because the company has increased palm oil trading business from the distribution of tap water and tap water products business Therefore, the company has increased expenses for new business such as transportation cost which is the main distribution cost of palm oil trading business and administrative expenses such as consulting fees and other fees

Please be informed accordingly.

Yours sincerely



(Mr. Jirat Tritrakulchai)

Managing Director