

(Translation)

IR 002/16

January 21, 2016

Subject : Report (Amendment) on the establishment of a subsidiary (The Amendment is in blue letter)

To : The President  
The Stock Exchange of Thailand

CC to : Secretary-General  
The Office of the Securities and Exchange Commission

Due to Karmarts Public Company Limited ("The Company")'s information on establishment of subsidiary Reference document no. IR005/14 Dated on 26 February 2014, has some changes. Therefore, The Company would like to make amendment as follows;

**1.1 The authorized person and transaction period**

: Management/ The Memorandum of Understanding of new subsidiaries was on December 1, 2013.

: Change to Management/ The Memorandum of INVESTMENT CERTIFICATE NO.9844520647

**1.2 Name of new subsidiary : Karmarts Vietnam Investment Company Limited**

: Change to Karmarts Vietnam Company Limited

**1.3 Type of business : Wholesale and retail business of cosmetics.**

**1.4 Transaction objectives : To extend the business opportunity to overseas.**

**1.5 Authorized capital and paid-up capital:**

Authorized capital 1,000,000,000 Vietnam Dong, divided into 1,000,000 ordinary shares at par value of 1,000 Vietnam Dong.

Paid-up capital : 1,000,000,000 Vietnam Dong :

Change to Authorized capital VND 8,600,000,000 or US\$ 400,000

Paid-up capital VND 4,300,000,000 or US\$ 200,000

**1.6 Shareholding proportion:**

Karmarts Public Company Limited holds 510,000 shares or representing 51% of the authorized capital.

Mr. Phoonprom Phengphajit holds 490,000 shares or representing 49% of the authorized capital.

: Change to

Karmarts Public Company Limited invests VND 4,214,000,000 or representing 49% of the authorized capital.

Mr. Sumeth Chuthawanichkul invests VND 4,386,000,000 or representing 51% of the authorized capital.

1.7 The investment value : Baht 765,000 (510,000,000 Vietnam Dong)

: Change to The investment value : VND 4,214,000,000 or (US\$ 196,000)

1.8 The basis used to determine the value of the consideration : Par value

1.9 Source of fund : Working capital

1.10 The benefits of the transaction to the Company : dividend

As a result, Karmarts Vietnam Company Limited have changed the status to become The Company's [Joint venture](#) as stated above.

The transaction is not regarded as a connected transaction and a transaction size is not considered as a major acquisition of assets according to the regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Nevertheless, the Company is required to disclose the aforementioned information to the Stock Exchange of Thailand as per the Notification of the Stock Exchange of Thailand regarding Rules, Conditions and Procedures of information disclosure and Practices of Listed Company.

Please be informed accordingly.

Sincerely yours,

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(Mr. Wiwat Theekhakhirikul)

Chief Executive Officer