

(Translation)

IR 035/16

November 10, 2016

President and Director

The Stock Exchange of Thailand

Subject : To explain the reasons on the company's net profit (net loss) increased more than 20% from last year.

Dear Sir,

Karmarts Public Company Limited would like to submit financial statement for the period of 3 months ended September 30, 2016. The company's net profit is Baht 72.74 million. The profit increased by Baht 34.85 million or 91.98% compared to last year. The main reasons are as follows.

1. The company had the sales revenue of Baht 359.47 million, increased from last year by Baht 65.43 million or 22.25% as the company had increased the sale of Cosmetics and Consumer Products. Income from warehouse rental services of Baht 5.18 million, increased from last year by Baht 0.49 million or 10.44%.

2. The company had the cost of sales and service of Baht 160.30 million, increased from last year by Baht 29.59 million or 22.64% which is proportionate to the increase of sales revenue.

3. The company had the selling and administrative expenses of Baht 131.06 million, increased from last year by Baht 17.93 million or 15.85% due to the business expansion, and advertising expenses.

4. The company had the financial cost of Baht 2.89 million, increased from last year by Baht 0.19 million or 7.04%.

5. The company had Income Tax (Expenses) of Baht 4.49 million, decreased from last year by Baht 11.22 million or 71.38% because The company had reversal of temporary differences relating to deferred tax.

Please be informed accordingly.

Sincerely yours,

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(Ms. Suwannee Tharacheevin)

Assistant Managing Director - Accounting