

(Translation)

IR 015/18

August 9, 2018

President and Director

The Stock Exchange of Thailand

Subject : To explain the reasons on the company's net profit (net loss) 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 June 30, 2018. The company's net profit is Baht 41.54 million. The profit decreased by Baht 20.40 million or 32.94% compared to last year. The main reasons are as follows.

1. The company had the sales revenue of Baht 356.22 million, increased from last year by Baht 3.14 million or 0.89% as the company had increased the sale of Cosmetics and Consumer Products. Income from warehouse rental services of Baht 5.18 million, same as last year.

2. The company had the cost of sales and service of Baht 171.71 million, increased from last year by Baht 9.95 million or 6.15% because the company increase in allowance for reducing cost of inventories of Baht 4.47 million.

3. The company had the selling and administrative expenses of Baht 136.78 million, increased from last year by Baht 14.52 million or 11.88% due to exchange losses of Baht 12.44 million.

4. The company had the financial cost of Baht 3.20 million, increased from last year by Baht 0.99 million or 44.80%.

5. The company had Income Tax (Expenses) of Baht 10.39 million, decreased from last year by Baht 3.31 million or 24.16% because The company's profit decreased from the previous year.

Please be informed accordingly.

Sincerely yours,

.....

(Ms. Suwannee Tharacheevin)

Company's Secretary