

(Translation)

IR 002/24

February 28, 2024

Subject : The rationale behind the Company's net profit (or net loss) or net income exceeding a 20% increase from the previous year

To : President and Director
The Stock Exchange of Thailand

Karmarts Public Company Limited hereby submits its financial statement for the year ended December 31, 2023. The Company's net profit of 660.96 million Baht saw an increase of 333.96 million Baht, representing a growth of 102.13%, while net income amounted to 2,455.49 million Baht, marking an increase of 580.34 million Baht or 30.95% compared to the previous year. The primary reasons for this notable growth are outlined below:

1. The Company's sales and service income amounted to 2,397.52 million Baht, representing an increase of 558.76 million Baht or 30.39% compared to the previous year. Income from warehouse services totaled 26.15 million Baht.

Other income reached 31.82 million Baht, marking an increase from the previous year's figure of 20.34 million Baht or 177.18%. This increase is attributed to various factors, including the Company selling investments in equity instruments for a profit of 7.22 million Baht, reversing the allowance for diminution in investment value of 3.56 million Baht, foreign exchange gain of 4.76 million Baht, and other income of 4.80 million Baht.

2. The Company incurred costs of sales and services amounting to 1,148.68 million Baht, representing an increase of 194.24 million Baht or 20.35% compared to the previous year. This increase is primarily attributed to the growth in sales. Additionally, costs from warehouse services amounted to 0.12 million Baht

3. The Company incurred selling and administrative expenses totaling 630.72 million Baht, reflecting an increase of 99.67 million Baht or 18.77% compared to the previous year. This rise can be attributed to selling expenses amounting to 367.51 million Baht, which increased by 74.89 million Baht or 25.59% in response to market conditions. Additionally, administrative expenses amounted to 263.21 million Baht, marking an increase of 24.78 million Baht or 10.39% compared to the previous year. Expenses under contractual obligations amounted to 25.83 million Baht.

4. Gain on the change in fair value of investments in equity instruments stood at 84.52 million Baht, marking a significant increase of 84.52 million Baht or 100%.

5. Gain on the change in fair value of investment properties amounted to 5.14 million Baht, indicating a decrease from the previous year's figure of 30.06 million Baht. This decline is attributed to the Company entering into a new lease agreement in 2022 and evaluating the price using the income approach, resulting in a profit from changes in the fair value of investment properties of 35.20 million Baht.

6. The Company's share of gains from investments in joint ventures and associates amounted to 50.32 million Baht, reflecting an increase from the previous year's 49.22 million Baht due to improved performance in joint ventures and associates, along with gains from changes in the fair value of investment properties totaling 45.76 million Baht.

7. Finance income increased to 7.49 million Baht from the previous year's 7.11 million Baht, marking a rise of 187.10%. This increase can be attributed to the Company's heightened cash reserves resulting from capital increases, leading to higher interest income.

8. Finance costs increased to 15.56 million Baht from the previous year's 1.02 million Baht, representing a rise of 7.02%.

9. Income tax expenses amounted to 144.71 million Baht, marking an increase from the previous year's 60.20 million Baht, or 71.23%, attributable to the Company's improved operating results.

Please be advised accordingly.

Sincerely yours,

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(Ms. Suwannee Tharacheevin)
Company Secretary