

(Translation)

IR 013/21

November 12, 2021

Subject : Report on the establishment of a subsidiary and the financial support to the company's subsidiary

To : The President  
The Stock Exchange of Thailand

Karmarts Public Company Limited ("The Company") would like to notify that The Company has established two new subsidiaries with respect to the resolutions of the board of director's meeting no.4, 5/2021, which were held on October 15, and November 11, 2021, respectively, with details as follows:

1. Pa Donphutsa Company Limited

**Name of New Subsidiary** : Pa Donphutsa Company Limited

**Type of Business** : Forestation, Agricultural plantation, and conservation of endangered large-sized river animals.

**Transaction Objectives** : To expand new business opportunity and to encourage social contribution on environmental conservation within Bangkok vicinity area.

**Authorized Capital and**

**Paid-up Capital** : Authorized capital Baht 20,000,000, divided into 200,000 ordinary shares at par value of Baht 100. Paid-up capital : Baht 20,000,000

**Shareholding Proportion** :

Karmarts Public

Company Limited holds 150,000 shares or representing 75% of the authorized capital.

Personal holds 50,000 shares or representing 25% of the authorized capital.

**Board of Directors** : 1. Mr. Wiwat Theekhakhirikul  
2. Mr. Wongwiwat Theekhakhirikul  
3. Mr. Chayut Udomcharoenchaikit  
4. Mr. Parit Teekakirikul

**Source of Investment fund** : The Company's Working Capital

2. To approve the financial support for the Company's subsidiaries. The key issues are as follows:

**Transaction Date** : November 1 and November 3, 2021

**Parties** : Loan Provider - Karmarts Public Company Limited  
Borrower - Pa Donphutsa Co., Ltd.

<b>General Characteristic of the transaction</b>	: Providing financial support
<b>Transaction size</b>	: Compared to the net tangible asset value (NTA) as at September 30, 2021 is equal to 1.81 percent.
<b>Objective</b>	: To facilitate the expansion of the business and increase the liquidity of the subsidiaries.
<b>Loan Amount</b>	: THB 21,000,000
<b>Source of Fund</b>	: The Company's working Capital
<b>Interest Rate</b>	: 2% per annum.
<b>Loan Period</b>	: Upon Loaner's request.
<b>Collateral</b>	: None
<b>Opinion of the Board of Directors</b>	: The Board of Directors has considered and deemed it appropriate to approve to provide the financial support to subsidiaries by deemed that the execution of the financial supporting transaction is reasonable and beneficial to the Company.

As a result, Pa Donphutsa Company Limited has changed the status to become The Company's subsidiary as stated above.

The transaction is 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.

### 3. KJF Global Company Limited

<b>Name of new subsidiary</b>	: KJF Global Company Limited
<b>Type of business</b>	: Wholesale and retail business of cosmetics ("House Brand")
<b>Transaction Objectives</b>	: — Design and launch to markets including but not limited to Thailand and Japan a new cosmetic and skin care brand (hereinafter referred to as "house brand") — Import selected trending products and innovative products from japan for distribution in Thailand market.
<b>Authorized Capital and Paid-up Capital</b>	: Authorized capital Baht 10,000,000, divided into 100,000 ordinary shares at par value of Baht 100. Paid-up capital is Baht 10,000,000

**Shareholding Proportion :**

Karmarts Public

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

Japan Functional Cosmetics

Laboratory Co., Ltd. holds 49,000 shares or representing 49% of the authorized capital.

**Board of Directors :** 1. Mr. Wongwiwat Theekhakhirikul

2. Mr. Kanisorn Oonjittikul

3. Ms. Hayashi Saya

4. Mr. Kure Hisayuki

**Source of Investment Fund :** Working Capital from both parties.

As a result, KJF Global Company Limited has changed the status to become The Company's subsidiary 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