

(Translation)

IR 030/17

October 10, 2017

To : Director and Manager
The Stock Exchange of Thailand

Re : Provision of financial assistance to unrelated party by Karmarts Public Company Limited

Dear Sir :

Karmarts Public Company Limited ("Company") would like to inform the SET of its Board of Directors' meeting No. 4/2017 which was held on September 18, 2017, through which a resolution to the provision of financial assistance to unrelated party by Karmarts Public Company Limited was approved. The transaction is summarized as follows:

1. The transaction date and approving party

The transaction was approved by The Board of Directors on 4, September 18, 2017.

2. The parties involved:

2.1 Loan Provider : Karmarts Public Company Limited

Loan Recipient 1 : Large Asia Company Limited

2 : Mr. Somsak Sirilapanan

The relations between Karmarts Public Company Limited, its subsidiaries, and the directors, management and major shareholders of Large Asia Company Limited and Mr. Somsak Sirilapanan : Not Related

<u>Director</u>	Mr. Somsak Sirilapanan	
	Mrs.Lapanavadee Sirilapanan	
<u>Shareholders</u>	Mr. Somsak Sirilapanan	(50%)
	Mrs.Lapanavadee Sirilapanan	(35%)
	Other	(15%)
<u>Type of Business</u>	All Food and Beverage	

3. The general characteristics of the transaction :

Karmarts Public Company Limited will issue long term three-year loan amounting to Baht 40.00 million (Forty million Baht) to Large Asia Company Limited and Mr. Somsak Sirilapanan at interest rate of 15% per annum , Prior to expiry on September 19, 2020. The loan recipient shall provide pieces of lands measuring – rai – ngan 42.2 wa square and a Building No.1- 3 - 5 (Deed no. 1189 Land no. 554 Surveying no. 1150) located at Samphanthawong Sub-district, Samphanthawong District, Bangkok Province, valued Baht 48.00 million, evaluated by Sasipakdi Company Limited on October 3, 2017, in total as loan collateral to Karmarts Public Company Limited without additional guarantor.

4. Reason and source of financial assistance

The source of the loan origins from the Company's introduced working capital. Used in investment the yield is on interest Baht 48.00 million, respectively. Apparently, the loan collaterals provided value more than the loan offered.

The source of transaction began with Mr. Wiwat Theekhakhirikul's friend who introduced loan recipient to the company and Mr. Wiwat also knows that person himself. As the loan recipient urgently needed financial assistance and provided Karmarts with higher values of collaterals. Prevailing interest rate was set as 15% per annum .

5. Use of financial assistance by loan recipient

Investment to use as working capital in food and Beverage.

6. Supporting factors for approval of financial assistance

In consideration of the availability of collateral comprising land area totaling – rai – ngan 42.2 wa square and an Office Building No.1-3-5, interest rate of 15% per annum, the Board of Directors deem it appropriate to issue the short term loan totaling to Baht 40.00 million by tapping on cash reserve.

The company's policy and process to consider the financial assistance to outsiders.

To maximize the company's cash utilization.

Process and consideration criteria to approve the financial assistance to the loan recipients are due to the company's excess cash reserve, together with the offered collaterals have higher value than the loan amount granted.

The authorized person who granted this sum of financial assistance, Mr Wiwat Theekhakhirikul, Chairman of Karmarts Public Company Limited proposed to the board of directors of the company on September 18, 2017 for approval.

The loan recipients pay back ability consideration factors from the transactions are the loan recipient current business operational incomes is sufficient and also the higher value collaterals provided.

Risk management on the financial assistance provided and the impact to the financial position of the company - no impact is expected as the loan is provided from the excess cash reserve produced under

profitable business operations, and the loan recipient's business operational income is sufficient to pay back the loan coupled with the fact that the value of collaterals provided is higher than the loan given.

7. Opinion of the Board of Directors and Audit Committee

The Audit Committee and the Board of Directors have the opinions that the provision of financial assistance is reasonably profitable and expected to benefit the operations of the Company and the terms and conditions of the transaction are justified.

Please be informed accordingly.

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(Ms. Suwannee Tharacheewin)
Company Secretary