

(Translation)

AC 001/17

27th February 2017

Re : The Dividend Payment and the calling of the Annual General Meeting of Shareholders for the year 2017. (The Amendment is in Blue Letter)

To : The President
The Stock Exchange of Thailand

Enclosures : 1. Indicative Terms of the Offering of up to 584,921 Newly Issued Shares of Karmarts Public Company Limited (the Company) to Directors, Manager and/or Employee of the Company.
2. Capital Increase Report Form (F53-4)

As Karmarts Public Company Limited held the Board of Directors' Meeting No. 1/2017 on Monday, 27th February 2017 to inform about the dividend payment and to call The Annual General Meeting of Shareholders for the year 2017 with detail as follows;

1. To consider the allocation of the profit for the performance of the year 2016, retain earning and the dividend payment

The Board of Directors deems it appropriate to present to the meeting of the shareholders for consideration and approval of the allocation of the net profit for the year 2016, retain earning and the dividend payment to the ordinary shareholders at the rate of Baht 0.48 per share or not exceeding Baht 316,593,028.32 in total. Taking into account, this round of the dividend payment when deducted with the interim dividend payments worth Baht 0.21 per share or Baht 138,509,449.89, the total remaining dividend payments of the year 2016 amounts to Baht 0.27 per share or not exceeding Baht 178,083,578.43. This year dividend will also be issued in the form of ordinary shares totaled of 219,856,270 shares valued at Baht 0.60 per share to the current shareholders at the ratio of 3 current shares for 1 dividend shares which has total amount not exceeding Baht 131,913,762 or represent as paying cash dividend in amount of Baht 0.20 per share. In case where any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid in cash at Baht 0.20 per share. Apart from dividend payment in the form of stock dividend, dividend payment in the form of cash will also be paid at Baht 0.07 per share or representing as amount of not exceeding Baht 46,169,816.63. Both cash dividend payment and stock dividend will be subject to Withholding Tax according to the taxation law.

The above dividend distribution shall be payable to the shareholders who are listed in the

record dated on 12nd May 2017 and whose name are collected according to Section 225 of the Securities and Exchange Act B.E. 2535 by the closing date of the Share Registration Book on 15th May 2017. The payment of the dividend will be made on 26th May 2017.

2. To call the Annual General Meeting of Shareholders for the Year 2017

The Annual General Meeting of Shareholders for the year 2017 will be held on Thursday, 27th April 2017 at 14:00 hours at [BallRoom 3, Royal Orchid Sheraton Hotel & Towers, 2 Charoen Krung Road Soi 30 \(Captain Bush Lane\), Siphya Bangrak, Bangkok, 10500, Thailand](#). The agenda for the meeting are as follows:

Agenda 1 To adopt the Minutes of the Annual General Meeting of Shareholders for the Year 2016

Board of Directors' Opinion The Board of Directors deems it appropriate to propose the Minutes of the Annual General Meeting of Shareholders for the Year 2016 to the Meeting of the Shareholders for approval.

Agenda 2 To acknowledge the report of the Company's business operation results for the year 2016

Board of Directors' Opinion The Board of Directors deems it appropriate to present the report on the Company's performance in the past year to the Meeting of Shareholders for acknowledgement.

Agenda 3 Matters for consideration.

3.1 To consider the approval of the Statements of Financial Position and Statements of Comprehensive Income for the year ended 31st December 2016.

Board of Directors' Opinion The Board of Directors deems it appropriate to present to the Meeting of Shareholders for approval the Statements of Financial Position and Statements of Comprehensive Income for the year ended 31st December 2016. The financial statements have already been reviewed and endorsed by the Audit Committee and the Board of Directors. As well, the financial statements have been audited and certified by the auditor without any qualified opinion.

3.2 To consider the appointment of the auditor and determine the audit fee for 2017.

Board of Director's Opinion The Board of Directors agrees with the Audit Committee and recommends the Meeting of Shareholders to consider and approve the appointment of the auditors and audit fee for the year 2017 as follows:

- 1) The appointment of the auditors from EY Office Limited
 - 1) Mr. Sophon Permsirivallop (Certified Auditor No. 3182) and/or
 - 2) Ms. Rungnapa Lertsuwankul (Certified Auditor No. 3516) and/or
 - 3) Ms. Pimjai Manitkajohnkit (Certified Auditor No. 4521) and/or
 - 4) Mr. Chayapol Suppasedtanon (Certified Auditor No. 3972) and/or
 - 5) Ms. Rosaporn Decharkom (Certified Auditor No. 5659) and/or
 - 6) Ms. Sumana Punpongsanon (Certified Auditor No.5872)

These are the auditors responsible for giving the opinion and signing the Company's financial statements for fiscal year 2017.

- 2) To approve the audit fee for the Company's financial statements of 2017 in the amount of Baht 1,642,000.00. The audit fee in 2016 was in the amount of Baht 1,520,000.00.

3.3 To consider and elect the Directors who are retired by rotation and the remuneration for the Company Board of Directors for 2017

Board of Director's Opinion In the Annual General Meeting of Shareholders for the Year 2017, there are three Directors who will retire by rotation as follows:

- 1) Mr. Wongwiwat Theekhakhirikul
- 2) Mr. Seah Sin Loo
- 3) Mr. Parit Teekakirikul

The Board of Directors, not including the retiring Directors by rotation, agrees to re-elect the following candidates to replace the retiring Directors by rotation in the Annual General Meeting of Shareholders for the year 2017.

- 1) Mr. Wongwiwat Theekhakhirikul
- 2) Mr. Seah Sin Loo
- 3) Mr. Parit Teekakirikul

And determine the remuneration fees for Directors not exceeding Baht 5 million per year.

3.4 Approval of 2016 Dividend Payment Policy

Board of Director's Opinion The Board of Directors deems it appropriate to propose The 2016 Dividend Payment Policy by the declaration of dividend in form of stock dividend and cash dividend to the shareholders for approval.

3.5 To approve the allocation of the profit for the performance in the year 2016, retain earning and the dividend payment

Board of Director's Opinion The Board of Directors deems it appropriate to present to the meeting of the shareholders for consideration and approval of the allocation of the net profit for the year 2016, retain earning and the dividend payment to the ordinary shareholders at the rate of Baht 0.48 per share or not exceeding Baht 316,593,028.32 in total. Taking into account, this round of the dividend payment when deducted with the interim dividend payments worth Baht 0.21 per share or Baht 138,509,449.89, the total remaining dividend payments of the year 2016 amounts to Baht 0.27 per share or not exceeding Baht 178,083,578.43. This year dividend will also be issued in the form of ordinary shares totaled of **219,856,270** shares valued at Baht 0.60 per share to the current shareholders at the ratio of 3 current shares for 1 dividend shares which has total amount not exceeding Baht **131,913,762** or represent as paying cash dividend in amount of Baht

0.20 per share. In case where any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid in cash at Baht 0.20 per share. Apart from dividend payment in the form of stock dividend, dividend payment in the form of cash will also be paid at Baht 0.07 per share or representing as amount of not exceeding Baht 46,169,816.63. Both cash dividend payment and stock dividend will be subject to Withholding Tax according to the taxation law.

3.6 To consider the Offering of newly issued shares of Karmarts Public Company Limited to Director, Manager and/or Employee of the Company (ESOP Scheme)

Board of Director's Opinion The Board of directors has resolved to propose to the Annual General Meeting of shareholders for the year 2017 to consider and approve the allotment of ordinary share up to 584,921 shares for the Directors, the Management, and/or the employees of the company. The detail of Employee Stock Option Plan Scheme (the "ESOP Scheme") for the Directors, the Management, and/or the employees of the company is in the Attachment 1. Also, to assign the Board of Directors and/or the appointed person by the Board of Directors to authorize the terms and conditions and other related details of the allotment of the remaining ordinary shares issued.

3.7 Approval of the decrease in the Company's registered capital for stock dividend payment.

Board of Director's Opinion The Board of directors has resolved to propose to the Annual General Meeting of shareholders for the year 2017 to consider the decrease in the Company's registered capital 431,191 shares at par value of Baht 0.60 which amounted to Baht 258,714.60 from current registered capital of 660,000,000 shares or Baht 396,000,000 to 659,568,809 shares or Baht 395,741,285.40 by cancelling the 431,191 shares at par value Baht 0.60 that reserved for KAMART – W as at 8th May 2013 and the exercising right had ended on 7th May 2014.

3.8 To consider and approve the amendment of Clause 4 of the Memorandum of Association of the company of the Memorandum of Association of the company to reflect to capital decrease.

Board of Director's Opinion The Board has resolved to propose to the Annual General Meeting to amend Clause 4 of the Memorandum of Association of the company to reflect to capital decrease as follows:

Old Clause 4	Registered Capital	396,000,000	Baht	(Three hundred and ninety six million baht)
	Divided into	660,000,000	shares	(Six hundred and sixty million shares)
	Par value	0.60	Baht	(Zero point six zero baht)
	Categorized into			
	Ordinary shares	660,000,000	shares	(Six hundred and sixty million shares)
	Preferred shares	-None-		

New Clause 4	Registered Capital	395,741,285.40	Baht	(Three hundred and ninety five million seven hundred and forty-one thousand two hundred and eighty five baht forty satang)
	Divided into	659,568,809	shares	(Six hundred and fifty nine million five hundred and sixty eight thousand eight hundred and nine shares)
	Par value	0.60	Baht	(Zero point six zero baht)
	Categorized into			
	Ordinary shares	659,568,809	shares	(Six hundred and fifty nine million five hundred and sixty eight thousand eight hundred and nine shares)
	Preferred shares	-None-		

3.9 Approval of the increase in the Company's registered capital for stock dividend payment and the Offering newly issued shares of Karmarts Public Company Limited to Director, Manager and/or Employee of the Company.

Board of Director's Opinion The Board of directors has resolved to propose to the Annual General Meeting of shareholders for the year 2017 to consider the increase in the Company's registered capital from current registered capital of 659,568,809 shares amounted Baht 395,741,285.40 to 880,000,000 shares amounted Baht 528,000,000 by issuing the new ordinary shares of 220,431,191 shares at par value of Baht 0.60 per share for stock dividend payment and the offering of newly issued shares of Karmarts public company limited to directors managers and/or employees of the company.

3.10 To consider and approve the amendment of Clause 4 of the Memorandum of Association of the company of the Memorandum of Association of the company to reflect to capital increase.

Board of Director's Opinion The Board has resolved to propose to the Annual General Meeting to amend Clause 4 of the Memorandum of Association of the company to reflect to capital increase as follows:

Old Clause 4	Registered Capital	395,741,285.40	Baht	(Three hundred and ninety five million seven hundred and forty one thousand two hundred and eighty-five baht forty satang)
	Divided into	659,568,809	shares	(Six hundred and fifty nine million five hundred and sixty-eight thousand eight hundred and nine shares)
	Par value	0.60	Baht	(Zero point six zero baht)
	Categorized into			
	Ordinary shares	659,568,809	shares	(Six hundred and fifty nine million five hundred and sixty eight thousand eight hundred and nine shares)
	Preferred shares	-None-		

New Clause 4	Registered Capital	528,000,000	Baht	(Five hundred and twenty eight million baht)
	Divided into	880,000,000	shares	(Eight hundred and eighty million shares)
	Par value	0.60	Baht	(Zero point six zero baht)
	Categorized into			
	Ordinary shares	880,000,000	shares	(Eight hundred and eighty million shares)
	Preferred shares	-None-		

3.11 To consider and approve the allotment of new ordinary shares Issued for stock dividend payment and the remaining indivisible shares will be allotted for the Directors, the Management, and/or the employees of the company under the Employee Stock Option Plan Scheme (the “ESOP Scheme”) .

Board of Director’s Opinion The Board of directors has resolved to propose to the Annual General Meeting of shareholders for the year 2017 to consider and approve the allotment of newly Issued ordinary shares of 219,856,270 shares at the par value of Baht 0.60 per share for stock dividend payment and the remaining shares from the stock dividend at ratio of 3:1 (659,568,809 shares divided by 3) amounted up to 10,000 shares for the Directors, the Management, and/or the employees of the company under the Employee Stock Option Plan Scheme (the “ESOP Scheme”) to equalize the paid up capital with the registered capital.

3.12 To consider and approve the allotment of new ordinary shares 574,921 shares for Director, Manager and/or Employee of the Company.

Board of Director’s Opinion The Board of directors has resolved to propose to the Annual General Meeting of shareholders for the year 2017 to consider and approve the allotment of newly Issued 574,921 ordinary shares at the par value of Baht 0.60 per share for Directors, Managers and/or Employees of the Company. The details of the allotment are as follows;

3.12.1 The 431,191 ordinary shares at par value Baht 0.60 that reserved for KAMART – W as at 8th May 2013 and the exercising right had ended on 7th May 2014.

3.12.2 The 143,730 ordinary shares from this stock dividend (431,191 shares divided by 3)

Agenda 4 Other businesses (if any)

Board of Directors’ Opinion The Board of Directors deems it appropriate to provide the shareholders with this agenda so that they can ask questions and/or express opinions on various matters without having to pass any resolution.

The Board of Directors concludes the list of shareholders on Tuesday, 14th March 2017 who are entitled to attend and vote in the Meeting of Shareholders in accordance with Article 225 of the Securities and Exchange Act B.E. 2535 (amended in B.E. 2551) by closing the share register book for suspension of share transfer on Wednesday, 15th March 2017.

Moreover, the Company would like to inform that the Notice of the Annual General Meeting of Shareholders for the year 2017 and the related supporting documents will be available via its website www.karmarts.co.th.

Please be informed accordingly.

Sincerely yours,

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(Ms. Suwannee Tharacheevin)

Company Secretary

KARMARTS PUBLIC COMPANY LIMITED

- Translation –

Indicative Terms of the Offering of up to 584,921 Newly Issued Shares of
Karmarts Public Company Limited (the Company)
to Directors, Managers and/or Employees of the Company
Under the Employee Stock Option Plan
(the “ESOP Scheme”)

1. **Reasons and Necessity for the Offering of Newly Issued Shares**

The Company’s offering of its new shares under the ESOP Scheme is carried out based on the following objectives:

- To motivate its human resources to work hard with appropriate consideration, an entrepreneurial spirit and a willingness to help forge additional values for the Company in the future.
- To compensate the senior executives’ continued dedication to the Company with an opportunity to share in the ownership of the Company.
- To retain key persons’ long-lasting loyalty to the Company which will be beneficial to the Company’s operations in the future.
- To create a mutually beneficial relationship between shareholders and the Company as the employees’ efficient performance can bring about steady operating results to the Company and good investment returns to shareholders.

2. **Details of the Company’s newly issued ordinary shares**

Name of securities : Ordinary shares of Karmarts Public Company Limited (the **Shares**).

Nature : Newly issued ordinary shares.

Type : Registered transferable ordinary shares.

Offering method : To offer the Shares (the **Offering**) by allocating them to Directors, Managers and/or Employees of the Company whose qualifications meet the eligibility criteria under Clause 6 (individually called **ESOP Qualified Employee**). Each ESOP Qualified Employee has the right to subscribe for the Shares according to the conditions specified in Clause 7.

Term of ESOP : 6 month starting from the offering date.

Scheme

Total number of : Up to 584,921 newly issued ordinary shares with the par value Baht 0.60

Ordinary shares to be Offered : each which will be offered under a ESOP scheme (Please see section “Offering Period” for further details in respect of the offering of newly issued Ordinary shares).

Offering price per share : The Company will offer the Shares price at Baht 2.00 per share which was the price warrants were exercised on 8th May 2013.

“Offering Date” means any date which the Board of Directors and/or its designee approves to be fixed as the date for offering the newly ordinary issued shares to the ESOP Qualified Employees.

Offering period : The Company will offer the Shares as detailed as follows:
The Company will offer the Shares within Three (3) months from the date that the shareholders meeting approves the Offering of the Shares to the ESOP Qualified Employees. However, the aggregate number of the Shares in limited to 584,921 shares of the total number of the Shares under this ESOP Scheme.

Secondary market for the Shares : The Company will proceed to list the Shares on the Stock Exchange of Thailand (SET).

Dilution effect to shareholders : 1. Control Dilution
In the event that all of up to 574,921 newly issued ordinary shares are fully allotted, shareholding ratio of the existing shareholders shall be diluted by 0.07* percent.

*Calculated based on the number of the reserved shares divided with the sum of (1) paid-up shares of 879,425,079 shares and (2) the shares accommodated for the exercise of warrants

$$0.07 \% = \frac{574,921}{879,425,079 + 574,921}$$

2. Price Dilution

In the event that all of up to 574,921 newly issued ordinary share are fully allotted, shares price shall be diluted by 0.08 percent, based on the assumption that the market price before the offering of shared is Baht 11.79 per shares which is the weighted average price of shares traded for 15 consecutive days prior to the Board of Directors' Meeting No. 1/2560 held on February 27, 2017 (between February 3 – 24, 2017 – information from www.set.or.th). The calculation details are as follows:

$$\frac{\text{Market Price prior to the offering} - \text{Market Price after the offering} *}{\text{Market Price prior to the offering}}$$

$$0.08 \text{ percent} = \frac{11.79 - 11.78}{11.79}$$

*The Market Price after the offering being calculated from:

$$\frac{(\text{Market Price} \times \text{Amount of pain – up shares}) + (\text{Exercise price} \times \text{Amount of shares accommodated})}{\text{Amount of pain – up shares} + \text{Amount of shares accommodated}}$$

$$11.78 = \frac{(11.79 \times 879,425,079) + (2 \times 574,921)}{(879,425,079 + 574,921)}$$

3. Method for Offering of the Shares

The Company will offer up to 584,921 Shares to the Directors, Managers and/or Employees under the ESOP Scheme. The Board of Directors and/or its designee has the power to determine the offering date, the offering price (pursuant to the criteria specified in the section “Offering Price per Share”), the subscription date and the number of the Shares to be offered to each ESOP Qualified Employee, including all other related rules, conditions and details.

Except as otherwise specified in clauses 4 and 5 hereof, the number of the Shares that the Board of Directors and/or its designee will offer to each ESOP Qualified Employee is limited to 5 percent of the total number of the Shares offered under this ESOP Scheme. The Shares that Board of Directors and/or its designee will offer to each ESOP Qualified Employee under clauses 4 and 5 hereof must not exceed the limit specifically stated in those clauses.

4. List of directors eligible for the Offering and number of the Shares to be offered

Name	Job position	Number of the Shares to be offered in the offering (shares)	Percentage of the number of the Shares to be offered against the total number of the Shares under the ESOP Scheme
1. Mr. Wiwat Theekhakhirikul	Chairman of the board	Up to 35,562	Up to 6.19 percent
2. Mr. Kraiwit Satayapiwat	Director	Up to 23,708	Up to 4.12 percent
3. Mr. Wongwiwat Theekhakhirikul	Director	Up to 23,708	Up to 4.12 percent
4. Lt.Gen.Kobboon Vichit	Director	Up to 35,562	Up to 6.19 percent
5. Puttithorn Jirayus, PhD	Director	Up to 23,708	Up to 4.12 percent
6. Mr. Parit Teekakirikul	Director	Up to 23,708	Up to 4.12 percent
7. Mr. Prasit Dheeraratbongkot	Director	Up to 23,708	Up to 4.12 percent
8. Mr. Seah Sin Loo	Director	Up to 23,708	Up to 4.12 percent

5. Details of senior executives (including any senior executives who are also directors) eligible for an offering of the total number of the Shares in this Offering

1. List of directors

Name	Job position	Number of the Shares to be offered in the offering (shares)	Percentage of the number of the Shares to be offered against the total number of the Shares under the ESOP Scheme
1. Mr. Wiwat Theekhakhirikul	Managing Director	Up to 23,708	Up to 4.12 percent
2. Mr. Kraiwit Satayapiwat	Deputy Managing Director	Up to 23,708	Up to 4.12 percent
3. Mr. Wongwiwat Theekhakhirikul	Assistant Managing Director	Up to 23,708	Up to 4.12 percent

2. List of senior executives

Name	Job position	Number of the Shares to be offered in the offering (shares)	Percentage of the number of the Shares to be offered against the total number of the Shares under the ESOP Scheme
1. Mrs. Tussanee Auncharoen	Deputy Managing Director	Up to 23,708	Up to 4.12 percent
2. Ms. Suwannee Tharacheevin	Assistant Managing Director – Accounting	Up to 23,708	Up to 4.12 percent
3. Ms. Chonthida Theekhakhirikul	Assistant Managing Director – Marketing	Up to 23,708	Up to 4.12 percent
4. Mrs. Aunruen Arunvisavakul	Assistant Managing Director – Warehousing and Distribution	Up to 23,708	Up to 4.12 percent
5. Mr. Pongwiwat Theekhakhirikul	Product Development Senior Director	Up to 23,708	Up to 4.12 percent
6. Mr. Satjapong Yongskulrote	Business Development Director – Information Technology	Up to 17,781	Up to 3.09 percent
7. Mrs. Somsri Viriya	Accounting Director	Up to 17,781	Up to 3.09 percent
8. Ms. Nattanan Muansing	Sales Operation Director – Modern Trade (Acting)	Up to 17,781	Up to 3.09 percent

Note : The table shows the maximum number of Shares to which each ESOP Qualified Employee is entitled. The actual number of Shares to be offered to different ESOP Qualified Employees in each year may vary depending on the duration of their services, job position, scope of duties and responsibilities. However, the total number of Shares to be allocated to each ESOP Qualified Employee must not exceed the limit specified in the table.

Financial gains to be obtained by each ESOP Qualified Employee, calculated from a margin between the offering price and the market price.

6. Eligibility criteria for the Offering

- (1) An ESOP Qualified Director, Manager and/or Employee must be an employee of the Company.
- (2) The number of the Shares to be offered to different ESOP Qualified Employees in each year may vary depending on the duration of their services and/or job position and/or scope of their duties and responsibilities during the relevant period, including their past dedications and contributions to the Company. The Company and/or its designee has the discretion to nominate the suitable employees, establish the eligibility criteria and determine the number of the Shares to be offered to each ESOP Qualified Employee under this ESOP Scheme.

7. Conditions for subscription for the Shares under the ESOP Scheme

- 7.1 The Board of Directors and/or its designee is authorized to specify the date for the subscription of the Shares to be offered to the ESOP Qualified Employees at each offering. Numerous subscription dates may be fixed for each offering. Moreover, the Board of Directors and/or its designee has the discretion to limit the number of the Shares to be subscribed on each subscription date and take any action necessary and appropriate for determining all other details and conditions for subscribing for the Shares under this ESOP Scheme.
- 7.2 Unless otherwise specified in Clause 7.3, an ESOP Qualified Employee who will subscribe for the Shares on the specified subscription date must be an employee of the Company as at the relevant subscription date.
- 7.3 If an ESOP Qualified Employee ceases to be an employee of the Company due to death before or on the relevant subscription date, or retirement pursuant to the Company's regulations, that employee still has the right to subscribe for a portion of the Shares to which he/she is entitled on the unchanged conditions at only one time on the relevant subscription date. If the ESOP Qualified Employee dies, his/her legal heir is able to assume the right to subscribe for the Shares.
- 7.4 Each ESOP Qualified Employee must subscribe for the Shares based on his/her rights and pay the subscription price on the subscription date or any date as may be extended by the Board of Directors and/or its designee.

8. Agreement between the Company and the ESOP Qualified Employees

At each offering that an ESOP Qualified Employee exercises the subscription right and is allotted the Shares under the ESOP Scheme, he/she is prohibited from disposing of the Shares under that offering for one year from the date on which he/she becomes the legal owner of the Shares.

9. Application for official authorization to offer the Shares

The Company will proceed to offer the Shares to its employees. The Shares are subject to the regulations, conditions and standards prescribed in the Notification of the Securities and Exchange Commission No. Thor Jor. 32/2008 Re: Offering of newly issued securities to directors of employees dated 15th December 2008.

10. Right of shareholders to oppose the Offering

The Offering of the Shares under the ESOP Scheme requires approval from shareholders with three quarters (3/4) or more of the total votes cast by the shareholders present and eligible to vote at the meeting and there must be no shareholder(s), having an aggregate shareholding of more than 10 percent of the votes of the shareholders attending the meeting, vote against.

For an offering of more than 5 percent of the total number of the Shares under the ESOP Scheme to any senior executives (including any senior executives who are also directors) of the Company, a resolution of shareholders' meeting to approve such offering for each of those employees is needed. Each of those employees must individually obtain approval of not less than three-quarters (3/4) of the total votes of all the shareholders attending a meeting and having the right to vote and there shall be no shareholder(s), having an aggregate shareholding of more than 5 percent of the total votes of the shareholders attending a meeting, vote against.

Capital Increase Report Form
Karmarts Public Company Limited
27th February 2017

Karmarts Public Company Limited (“the Company”) would like to report of the resolution of the board of directors no. 1/2017 held on 27th February 2017 consequently in respect of a capital increase/share allotment as follows:

1. Capital decrease/increase :

The Board of Directors Meeting had the resolution to approve the increase of a registered capital of the Company as follows:

- To decrease of a registered capital of the Company from Baht 396,000,000 to Baht 395,741,285.40 by cancelling the remaining 431,191 unissued registered shares from the issuance of KAMART-W as at 8th May 2013 with the par value of Baht 0.60 which amounted to Baht 258,714.60
- To increase the registered capital of the Company from Baht 395,741,285.40 to Baht 528,000,000 by means of the issuance of 220,431,191 ordinary shares with the par value of Baht 0.60 totaling Baht 132,258,714.60

2. Allotment of new shares:

The Board of Directors Meeting had the resolution to approve the 220, 431,191 new ordinary shares, with the par value of Baht 0.60, totaling Baht 132, 258,714.60. The details of which are as follows:

2.1 The detail of the share allotment:

Allotted to	Number (shares)	Ratio (old : new)	Sale price Per share (Baht)	Subscription and payment period	Note
Existing Shareholders	219,856,270	3 : 1	—	The Company pay stock dividend by 3 existing ordinary shares per 1 new ordinary share.	To reserve for stock dividend payment
Directors, Manager and/or Employee of the Company Under the Employee Stock Option Plan (the “ESOP Scheme”)	Up to 584,921 shares	—	2.00	After shareholder’s approval from the Shareholders Annual General’s Meeting on 27 th April 2017	To reserve for ESOP Scheme

Remark : By specifying the list of shareholders who are entitled to receive the dividend on 12th May 2017, and collecting the name of shareholders, according to section 225 of the Securities and Stock Exchange Act B.E.2535, by closing the

registration book to suspend the transfer of share on 15th May 2017, and fix the date of dividend payment on 26th May 2017. However, the granting of such rights of the Company is not yet definite, because an approval by the Annual General Meeting of Shareholders is still required.

2.2 The Company's plan in case where there is a fraction of shares remaining

In case that any shareholders holds the indivisible share remaining after such allocation, the dividend shall be paid by cash instead of stock dividend at the rate of Baht 0.20 per share.

2.3 The number of shares remaining from the allotment

-None -

3. Schedule for shareholders meeting to approve the capital increase/allotment

The Annual General Shareholders' Meeting of the year 2017 will be held on 27th April 2017 at 2.00 p.m. at Ballroom 3, Royal Orchid Sheraton Hotel & Towers, 2 Charoen Krung Road Soi 30 (Captain Bush Lane), Siphya Bangrak, Bangkok, 10500, Thailand

The name of the shareholders entitling to attend at the Meeting shall be recorded on Tuesday 14th March 2017. Consequently, Wednesday 15th March 2017 shall be the closing of the registration book to suspend the transfer of share for the shareholder's meeting in accordance with Section 225 of the Securities and Exchange Act B.E.2535.

4. Approval of the capital increase/share allotment by relevant governmental agency and conditions thereto (if any)

4.1 The approval by the Annual General Shareholders' Meeting of the year 2017.

4.2 The registration of the capital increase with the Ministry of Commerce and update all related documents according to this capital increase.

4.3 The approval from the Stock Exchange of Thailand to list the new ordinary shares in the Stock Exchange of Thailand.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

To provide benefits for shareholders in the form of stock dividend and to reward the Directors, Managers and/or Employees of the Company.

6. Benefits which the Company will receive from the capital increase/share allotment:

6.1 To increase the Company's stock liquidity.

6.2 To retain the working capital for company's operation.

6.3 To retain key persons' long – lasting loyalty to the company.

7. Benefits which the shareholders will receive from the capital increase/share allotment:

7.1 Dividend policy

The Company has a policy to pay dividend not less than 50 percent of the net profit after the legal reserve and other reserves each year, if there is no compelling reason or otherwise and no impact on its business operations significantly.

7.2 Shareholders rights

The shareholders who receive the stock dividend are entitled to receive dividends in the future.

8. Other details necessary for shareholders to approve the capital increase/share allotment:

-None-

9. Schedule of action where the board of directors of the Company passes a resolution approving the capital increase or allotment of new shares:

No	Procedures of the capital increase	Date/Month/Year
1	The Board of Directors' Meeting No. 1/2017	27 th February 2017
2	Specifying the name list of shareholders who are eligible to attend the shareholders' meeting	14 th March 2017
3	Collecting the name list, according to Section 225 of the Securities and Stock Exchange, by closing the registration book to suspend the transfer of share for the shareholders' meeting	15 th March 2017
4	Specifying the date for the Shareholders Annual General Meeting of the year 2017	27 th April 2017
5	Specifying the name list of Shareholders who are eligible to receive dividend.	12 th May 2017
6	Collecting the name list, according to Section 225 of the Securities and Stock Exchange Act, by closing the registration book to suspend the transfer of share for the receiving of dividend.	15 th May 2017
7	The date of dividend payment	26 th May 2017

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

Sincerely yours,

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(Mr. Wiwat Theekhakhirikul)

Chief Executive Officer

Karmarts Public Company Limited