

Pan Asia Footwear Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month period ended 31 March 2015

## Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Pan Asia Footwear Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Pan Asia Footwear Public Company Limited and its subsidiaries as at 31 March 2015, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Pan Asia Footwear Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of Review

Except for the matter discussed in the following paragraph, I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### Basis for qualified conclusion

As discussed in Note 9 to the financial statements, the Company did not obtain the consolidated and separate financial statements for the three-month period ended 31 March 2015 of PA Capital Co., Ltd., the associate, and subsidiaries of the associate. The Company obtained only the separate financial statements as at 31 December 2013, which were audited by its auditor. I was unable to apply other reviewing procedures to satisfy myself as to the value of such investment in associate. This matter is considered to be a scope limitation imposed by circumstance.

### **Qualified conclusion**

Based on my review, except for any adjustments that might be required to the interim financial information for the three-month period ended 31 March 2015 as a result of the matter discussed in the basis for qualified conclusion paragraph, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

### **Emphasis of matter**

I draw attention to Note 1.2 to the financial statements, regarding the ability of the Company and its subsidiaries to continue as a going concern. As presented in the separate statement of financial position as at 31 March 2015, the Company have current liabilities exceeded current assets by Baht 85 million and have deficits of Baht 2,488 million (Consolidated financial statements: Baht 2,603 million). In addition, several subsidiaries had ceased their operations. These conditions indicate the existence of a material uncertainty which could give rise to doubt as to the Company's and its subsidiaries' ability to continue as a going concern. My conclusion is not qualified in respect of this matter.



Manee Rattanabunnakit  
Certified Public Accountant (Thailand) No. 5313

EY Office Limited  
Bangkok: 15 May 2015

Pan Asia Footwear Public Company Limited and its subsidiaries  
Statement of financial position  
As at 31 March 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		61,445	81,683	3,453	23,490
Current investments		40,931	105,463	20,928	40,463
Trade and other receivables	3	132,452	127,519	11,335	11,408
Short-term loans to related parties and other	4	3,823	6,916	-	-
Inventories	5	59,593	76,688	10,739	13,004
Other current assets		10,288	9,836	3,210	1,214
		<u>308,532</u>	<u>408,105</u>	<u>49,665</u>	<u>89,579</u>
Assets classified as held for sale	6	30,944	31,093	22,968	22,968
<b>Total current assets</b>		<u>339,476</u>	<u>439,198</u>	<u>72,633</u>	<u>112,547</u>
<b>Non-current assets</b>					
Restricted bank deposits	7	5,237	5,234	1,349	1,349
Investments in available-for-sale securities		49	58	49	58
Investments in subsidiaries	8	-	-	158,480	142,483
Investments in associates	9	51,512	47,694	17,328	17,328
Investments in related parties	10	8,985	8,985	7,745	7,745
Long-term loans to related parties	4	-	-	-	1,500
Investment properties	11	101,452	101,482	101,452	101,482
Property, plant and equipment	12	74,738	71,825	157,049	169,039
Goodwill		-	-	-	-
Leasehold right		-	-	-	-
Receivables from guarantee - related parties	4	-	-	-	-
Deferred tax assets		396	4,057	-	-
Other non-current assets		24,958	19,776	15,961	13,229
<b>Total non-current assets</b>		<u>267,327</u>	<u>259,111</u>	<u>459,413</u>	<u>454,213</u>
<b>Total assets</b>		<u>606,803</u>	<u>698,309</u>	<u>532,046</u>	<u>566,760</u>

The accompanying notes are an integral part of the financial statements.



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Pan Asia Footwear Public Company Limited and its subsidiaries  
Statement of financial position (continued)  
As at 31 March 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	13	4,957	152,718	496	44,727
Trade and other payables	14	134,505	244,004	43,080	46,798
Short-term loan from related party	4	100,000	100,000	100,000	100,000
Current portion of liabilities under finance					
lease agreements		3,041	914	-	-
Current portion of long-term loan under debt					
restructuring agreement	15	13,080	43,405	-	-
Income tax payable		358	170	-	-
Short-term provisions	16	-	17,685	13,080	36,119
Other current liabilities		2,854	2,997	510	773
		<u>258,795</u>	<u>561,893</u>	<u>157,166</u>	<u>228,417</u>
Liabilities directly associated with the assets classified					
as held for sales		33,200	33,202	-	-
<b>Total current liabilities</b>		<u>291,995</u>	<u>595,095</u>	<u>157,166</u>	<u>228,417</u>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements,					
net of current portion		2,263	929	-	-
Long-term loan under debt restructuring agreement, net					
of current portion	15	78,708	-	-	-
Accrued interest under debt restructuring agreement	15	82,577	-	-	-
Provision for long-term employee benefits		2,640	2,431	631	535
Long-term provisions	16	29,865	29,865	138,814	167,084
Deferred tax liabilities		870	788	592	547
Other non-current liabilities		3,410	3,382	23	23
<b>Total non-current liabilities</b>		<u>200,333</u>	<u>37,395</u>	<u>140,060</u>	<u>168,189</u>
<b>Total liabilities</b>		<u>492,328</u>	<u>632,490</u>	<u>297,226</u>	<u>396,606</u>

The accompanying notes are an integral part of the financial statements.



*Nitabegshahid*

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Pan Asia Footwear Public Company Limited and its subsidiaries  
 Statement of financial position (continued)  
 As at 31 March 2015

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	
<b>Shareholders' equity</b>					
Share capital					
Registered					
	540,000,000 ordinary shares of Baht 5 each	2,700,000	2,700,000	2,700,000	2,700,000
Issued and fully paid-up					
	540,000,000 ordinary shares of Baht 5 each	2,700,000	2,700,000	2,700,000	2,700,000
	Premium on ordinary shares	1,677	1,677	1,677	1,677
	The Company's shares held by subsidiaries	(17,553)	(17,553)	-	-
Retained earnings					
	Appropriated - statutory reserve	21,000	21,000	21,000	21,000
	Unappropriated (deficit)	(2,602,178)	(2,649,641)	(2,487,782)	(2,552,457)
	Other component of shareholders' equity	(75)	(66)	(75)	(66)
	Equity attributable to owners of the Company	102,871	55,417	234,820	170,154
	Non-controlling interests of the subsidiaries	11,604	10,402	-	-
	<b>Total shareholders' equity</b>	<b>114,475</b>	<b>65,819</b>	<b>234,820</b>	<b>170,154</b>
	<b>Total liabilities and shareholders' equity</b>	<b>606,803</b>	<b>698,309</b>	<b>532,046</b>	<b>566,760</b>

The accompanying notes are an integral part of the financial statements.



*W. Subegunardi*

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Directors

(Unaudited but reviewed)

## Pan Asia Footwear Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 31 March 2015

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		122,577	122,837	5,752	13,104
Revenues from hire of work		9,133	9,933	-	-
Interest income		7,685	7,111	3,687	3,932
Gain on sales of assets		19,950	1,500	9,130	-
Gain on debt restructuring	15	39,068	-	-	-
Other income		1,962	3,765	1,867	2,156
<b>Total revenues</b>		<b>200,375</b>	<b>145,146</b>	<b>20,436</b>	<b>19,192</b>
<b>Expenses</b>					
Cost of sales and hire of work		109,660	109,515	5,606	3,573
Selling expenses		1,954	1,120	457	145
Administrative expenses		27,584	20,866	7,350	10,676
Allowance for doubtful accounts (reversal)		6,682	(5,242)	(8,124)	(27,270)
Reversal of provision from guarantee for subsidiaries	20.3 b)	-	-	(51,309)	-
<b>Total expenses</b>		<b>145,880</b>	<b>126,259</b>	<b>(46,020)</b>	<b>(12,876)</b>
<b>Profit before shares of profit from investments</b>					
in associates, finance cost and income tax expenses		54,495	18,887	66,456	32,068
Shares of profit from investments in associates		3,818	3,074	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>58,313</b>	<b>21,961</b>	<b>66,456</b>	<b>32,068</b>
Finance cost		(5,467)	(7,261)	(1,736)	(2,557)
<b>Profit before income tax expenses</b>		<b>52,846</b>	<b>14,700</b>	<b>64,720</b>	<b>29,511</b>
Income tax (expenses) benefit	17	(4,037)	1,790	(45)	(43)
<b>Profit for the period before loss from discontinued operations</b>		<b>48,809</b>	<b>16,490</b>	<b>64,675</b>	<b>29,468</b>
Loss for the period from discontinued operations		(147)	(74)	-	-
<b>Profit for the period</b>		<b>48,662</b>	<b>16,416</b>	<b>64,675</b>	<b>29,468</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Deficit on changes in value of available-for-sale investments - net of income tax		(9)	(7)	(9)	(7)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gains - net of income tax		-	126	-	-
<b>Other comprehensive income for the period</b>		<b>(9)</b>	<b>119</b>	<b>(9)</b>	<b>(7)</b>
<b>Total comprehensive income for the period</b>		<b>48,653</b>	<b>16,535</b>	<b>64,666</b>	<b>29,461</b>

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Profit attributable to:</b>				
Equity holders of the Company	47,463	16,093	64,675	29,468
Non-controlling interests of the subsidiaries	1,199	323		
	<u>48,662</u>	<u>16,416</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	47,454	16,212	64,666	29,461
Non-controlling interests of the subsidiaries	1,199	323		
	<u>48,653</u>	<u>16,535</u>		
<b>Basic earnings per share</b>				
Profit attributable to equity holder of the Company	0.09	0.03	0.12	0.05

The accompanying notes are an integral part of the financial statements.





(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Other comprehensive income				
	Issued and paid-up share capital	Share premium	The Company's shares held by its subsidiaries	Retained earnings (deficit)	Unappropriated legal reserve	Appropriated legal reserve	on changes in value of available-for-sale investments	Deficit	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries
<b>Balance as at 1 January 2014</b>	2,700,000	1,677	(17,553)	21,000	(2,680,502)	(92)	(92)	24,530	10,330	34,860
Profit for the period (restated)	-	-	-	-	16,093	-	-	16,093	323	16,416
Other comprehensive income for the period (restated)	-	-	-	-	126	(7)	(7)	119	-	119
Total comprehensive income for the period	-	-	-	-	16,219	(7)	(7)	16,212	323	16,535
<b>Balance as at 31 March 2014</b>	2,700,000	1,677	(17,553)	21,000	(2,664,283)	(99)	(99)	40,742	10,653	51,395
<b>Balance as at 1 January 2015</b>	2,700,000	1,677	(17,553)	21,000	(2,649,641)	(66)	(66)	55,417	10,402	65,819
Profit for the period	-	-	-	-	47,463	-	-	47,463	1,199	48,662
Other comprehensive income for the period	-	-	-	-	-	(9)	(9)	(9)	-	(9)
Total comprehensive income for the period	-	-	-	-	47,463	(9)	(9)	47,454	1,199	48,653
Increased in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	3	3
<b>Balance as at 31 March 2015</b>	2,700,000	1,677	(17,553)	21,000	(2,602,178)	(75)	(75)	102,871	11,604	114,475



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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries  
 Statement of changes in shareholders' equity (continued)  
 For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Separate financial statements									
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Unappropriated	on changes in value of available-for-sale investments	Other comprehensive income	Deficit	Total	shareholders' equity
			Appropriated - legal reserve	Unappropriated						
<b>Balance as at 1 January 2014</b>	2,700,000	1,677	21,000	(2,605,325)	(92)	117,260				
Profit for the period	-	-	-	29,468	-	29,468				29,468
Other comprehensive income for the period	-	-	-	-	-	(7)				(7)
Total comprehensive income for the period	-	-	-	29,468	-	(7)				29,461
<b>Balance as at 31 March 2014</b>	<b>2,700,000</b>	<b>1,677</b>	<b>21,000</b>	<b>(2,575,857)</b>	<b>(99)</b>	<b>146,721</b>				
<b>Balance as at 1 January 2015</b>	2,700,000	1,677	21,000	(2,552,457)	(66)	170,154				
Profit for the period	-	-	-	64,675	-	64,675				64,675
Other comprehensive income for the period	-	-	-	-	-	(9)				(9)
Total comprehensive income for the period	-	-	-	64,675	-	(9)				64,666
<b>Balance as at 31 March 2015</b>	<b>2,700,000</b>	<b>1,677</b>	<b>21,000</b>	<b>(2,487,782)</b>	<b>(75)</b>	<b>234,820</b>				



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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## Pan Asia Footwear Public Company Limited and its subsidiaries

## Cash flows statement

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities</b>				
Profit before tax	52,846	14,700	64,720	29,511
Loss from discontinued operations	(147)	(74)	-	-
Profit for the period	52,699	14,626	64,720	29,511
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	3,373	3,500	1,831	1,899
Bad debt and allowance for doubtful accounts (reversal)	6,682	(5,242)	(8,124)	(27,270)
Reversal of reduction of inventory to net realisable value	(434)	(14,673)	(454)	(14,839)
Loss from impairment of assets	-	950	-	1,037
Loss (gain) on sales of property, plant and equipment	(19,950)	(1,500)	(9,130)	1,515
Share of profit from investments in associates	(3,818)	(3,074)	-	-
Allowance for impairment loss on investments	-	-	-	3,400
Provision for litigation	-	2,026	-	-
Reversal of provision from guarantee for subsidiaries	-	-	(51,309)	-
Provision for long-term employee benefits	209	329	96	20
Gain on debt restructuring	(39,068)	-	-	-
Unrealised loss (gain) on exchange rate	6	(391)	(60)	(579)
Interest income	(7,685)	(7,111)	(3,687)	(3,932)
Interest expenses	5,467	7,261	1,736	2,557
Loss from operating activities before changes in operating assets and liabilities	(2,519)	(3,299)	(4,381)	(6,681)
Operating assets (increase) decrease				
Trade and other receivables	(4,952)	7,024	(28,109)	28,666
Inventories	17,529	20,792	2,719	18,125
Other current assets	(452)	737	(1,996)	(1,248)
Other non-current assets	(4,632)	1,336	(2,411)	-
Assets of subsidiaries that classified as held for sale	149	(8,894)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(17,107)	(2,183)	(3,576)	(15,917)
Other current liabilities	(143)	114	(263)	424
Other non-current liabilities	28	95	-	-
Liabilities directly associated with assets of subsidiaries that classified as held for sales	(2)	9,028	-	-
Cash from (used in) operating activities	(12,101)	24,750	(38,017)	23,369
Cash paid for corporate income tax	(656)	(2,400)	(321)	(602)
Income tax refunded	-	588	-	-
<b>Net cash flows from (used in) operating activities</b>	<b>(12,757)</b>	<b>22,938</b>	<b>(38,338)</b>	<b>22,767</b>

The accompanying notes are an integral part of the financial statements.



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(Unaudited but reviewed)

## Pan Asia Footwear Public Company Limited and its subsidiaries

## Cash flows statement (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted bank deposits	(3)	57	-	60
Decrease (increase) in current investments	64,532	(40,000)	19,535	(40,000)
Cash receipt from short-term loans to related parties and other	3,293	990	-	-
Increase in long-term loans to related parties	-	-	(4,480)	-
Cash receipt from long-term loans to related parties	-	20,260	22,400	20,000
Cash paid for investment in a subsidiary	-	-	(3,907)	-
Purchase of property, plant and equipment	(3,472)	(148)	(1,911)	-
Proceeds from disposal of property, plant and equipment	21,246	4,866	21,230	1,360
Interest income	704	526	11,483	-
<b>Net cash flows from (used in) investing activities</b>	<b>86,300</b>	<b>(13,449)</b>	<b>64,350</b>	<b>(18,580)</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(55,973)	(58,294)	(44,231)	(57,534)
Repayment of short-term loans from related parties	-	-	-	(5,000)
Repayment of liabilities under finance lease agreements	(619)	(265)	-	-
Repayment of long-term loans	(32,642)	(39,432)	-	(39,315)
Cash receipt from non-controlling interests of a subsidiary				
for investment in a subsidiary	3	-	-	-
Interest expenses	(4,550)	(3,032)	(1,818)	(3,125)
<b>Net cash flows used in financing activities</b>	<b>(93,781)</b>	<b>(101,023)</b>	<b>(46,049)</b>	<b>(104,974)</b>
Net decrease in cash and cash equivalents	(20,238)	(91,534)	(20,037)	(100,787)
Cash and cash equivalents at the beginning of period	81,683	194,652	23,490	124,420
<b>Cash and cash equivalents at end of period</b>	<b>61,445</b>	<b>103,118</b>	<b>3,453</b>	<b>23,633</b>

**Supplementary cash flows information:**

## Non-cash transactions:

Equipment increased due to payment received from an

account receivable - subsidiary

- - 12,090 -

Transfer equipment to investment in a subsidiary

- - 12,090 -

Transfer assets classified as held for sale to

investment properties

- 95,808 - 95,808

Assets acquired under finance lease agreement

4,080 - - -

Transfer short-term loan from a financial institution to

long-term loan under debt restructuring agreement

91,788 - - -

Transfer accrued interest from short-term loan to

accrued interest under debt restructuring agreement

82,577 - - -

The accompanying notes are an integral part of the financial statements.



**Pan Asia Footwear Public Company Limited and its subsidiaries**

**Notes to consolidated interim financial statements**

**For the three-month period ended 31 March 2015**

**1. General information**

**1.1 Corporate information**

Pan Asia Footwear Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture, distribution and export of footwear. However, the Company had restructured its business in 2013. Currently, the Company is principally engaged in investment in other companies (Holding company). The registered office of the Company is at 177/20 Moo 5, Nongkharm, Siracha, Chonburi.

**1.2 Going concern**

As presented in the separate financial statements as at 31 March 2015, the Company has current liabilities exceeded current assets by Baht 85 million and has deficits of Baht 2,488 million (Consolidated financial statements: Baht 2,603 million). In addition, several subsidiaries had ceased their operations. Although these factors raise substantial doubt about their ability to continue as a going concern. However, the Company had restructured its business and the Company and its subsidiaries had entered into the debt restructuring with the bank as described in Note 15 to the financial statements. For these reasons, the financial statements have been prepared on the going concern basis.

**1.3 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.



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#### 1.4 Basis of interim consolidation

These consolidated interim financial statements include the financial statements of Pan Asia Footwear Public Company Limited and its subsidiaries and have been prepared on the same basis applied for the consolidated financial statements for the year ended 31 December 2014. During the current period, the Company has invested in a new subsidiary, Exact Q Co., Ltd., as described in Note 8 to the financial statements.

#### 1.5 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

##### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company and its subsidiaries had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 2 to the financial statements.



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### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

## **1.6 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 1.5 to the financial statements.



*W. Steyn*  
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(Unaudited but reviewed)

**2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 1.5 and Note 1.6 to the financial statements, during the current period, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards.

The amounts of adjustments affecting the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

For the three-month period ended

31 March 2014

**Statements of comprehensive income**

**Profit or loss:**

Decrease in actuarial gains (126) -

Decrease in profit for the period (126) -

**Other comprehensive income:**

Increase in actuarial gains 126 -

Increase in other comprehensive income for the period 126 -

**Earnings per share (Baht):**

Decrease in basic earnings per share - -



*W. Subparit* *[Signature]*





(Unaudited but reviewed)

#### 4. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with individual or related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and subsidiaries and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	4	4	7.50% per annum
Purchase of goods	-	-	2	-	Cost plus margins
<u>Transactions with associates</u>					
Sales of goods	1	1	-	-	Cost plus margins
Interest income	7	6	-	-	3.00% - 8.63% per annum
Purchase of goods	2	2	-	-	Cost plus margins
<u>Transactions with related companies</u>					
Sales of goods	72	67	-	-	Cost plus margins
Purchase of goods	1	2	-	-	Cost plus margins
Utilities expenses	2	-	-	-	As specified in the agreement
Other expenses	2	2	-	-	As specified in the agreement
<u>Transaction with related person</u>					
Interest expenses	1	1	1	1	4.90% per annum



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(Unaudited but reviewed)

The balances of the accounts between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<b><u>Trade and other receivables - related parties (Note 3)</u></b>				
Subsidiaries	-	-	93,719	113,624
Associates	273,098	262,280	18,250	18,239
Related companies (related by common shareholders and directors)	227,600	226,288	37,976	38,272
Total	500,698	488,568	149,945	170,135
Less: Allowance for doubtful accounts	(408,347)	(397,940)	(143,715)	(161,266)
Net	92,351	90,628	6,230	8,869
<b><u>Receivables from guarantee - related parties</u></b>				
Subsidiaries	-	-	42,903	17,055
Associates	36,286	36,286	36,286	36,286
Related companies (related by common shareholders)	14,734	14,734	14,734	14,734
Total	51,020	51,020	93,923	68,075
Less: Allowance for doubtful accounts	(51,020)	(51,020)	(93,923)	(68,075)
Net	-	-	-	-
<b><u>Trade and other payables - related parties (Note 14)</u></b>				
Subsidiaries	-	-	8,536	7,246
Associates	22,956	26,543	289	289
Related companies (related by common shareholders)	51,474	51,380	29,231	29,394
Total	74,430	77,923	38,056	36,929



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Short-term loans to related parties and other

During the three-month period ended 31 March 2015, the movements of short-term loans to related parties and other were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 1 January 2015	Decrease	As at 31 March 2015
<b><u>Short-term loans to related parties and other</u></b>			
Short-term loans to related parties			
Associates			
Nongchang Rubber Co., Ltd.	850	-	850
PA Capital Co., Ltd.	2,533	(2,533)	-
Total	3,383	(2,533)	850
Related companies			
Narai Bangkok Rubber Co., Ltd.	200	(200)	-
Thai Sung Shin New Material Co., Ltd.	2,600	-	2,600
Pan Biotech Co., Ltd.	240	(240)	-
Natural Art and Technology Co., Ltd.	3,000	-	3,000
Rattananakorn Engineering Co., Ltd.	650	(300)	350
Total	6,690	(740)	5,950
Total short-term loans to related parties	10,073	(3,273)	6,800
Less: Allowance for doubtful accounts	(3,650)	200	(3,450)
Total short-term loans to related parties - net	6,423	(3,073)	3,350
Short-term loans to other	493	(20)	473
Total short-term loans to related parties and other, net	6,916	(3,093)	3,823



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(Unaudited but reviewed)

Long-term loans to related parties

During the three-month period ended 31 March 2015, the movements of long-term loans to related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 1 January 2015	Increase/ Decrease	As at 31 March 2015
<u>Long-term loans to related parties</u>			
Associates			
PA Capital Co., Ltd.	390,785	-	390,785
P.L. John Industries Co., Ltd.	10,700	-	10,700
Pek Engineering Co., Ltd.	9,540	-	9,540
Total	411,025	-	411,025
Related companies			
Rangsit Footwear Co., Ltd.	2,109	-	2,109
Pan Tech Machinery Co., Ltd.	1,820	-	1,820
Total	3,929	-	3,929
Total long-term loans to related parties	414,954	-	414,954
Less: Allowance for doubtful accounts	(414,954)	-	(414,954)
Total long-term loans to related parties, net	-	-	-

(Unit: Thousand Baht)

	Separate financial statements			
	As at 1 January 2015	Increase	Decrease	As at 31 March 2015
<u>Long-term loans to related parties</u>				
Subsidiaries				
Modern Technology Component Co., Ltd.	22,400	-	(22,400)	-
Kabinburi Pan Asia Footwear Co., Ltd.	152,000	-	-	152,000
Phimai Footwear Co., Ltd.	23,050	-	-	23,050
International Curity Footwear Co., Ltd.	1,500	2,000	-	3,500
Innovation Nakornluang Footwear Co., Ltd.	-	2,480	-	2,480
Total	198,950	4,480	(22,400)	181,030
Related company				
Rangsit Footwear Co., Ltd.	2,109	-	-	2,109
Total	2,109	-	-	2,109
Total long-term loans to related parties	201,059	4,480	(22,400)	183,139
Less: Allowance for doubtful accounts	(199,559)	(5,980)	22,400	(183,139)
Total long-term loans to related parties, net	1,500	(1,500)	-	-



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Short-term loan from related party

As at 31 March 2015, the balance of short-term loan from related person is as follows:

(Unit: Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>31 March 2015</u>	<u>31 December 2014</u>
<b><u>Short-term loan from related party</u></b>		
Related person		
Mr. Boonyasit Chokwatana	100,000	100,000
Total short-term loan from related party	<u>100,000</u>	<u>100,000</u>

Directors and management's benefits

During the three-month periods ended 31 March 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	2,320	1,005	927	303
Post-employment benefits	99	22	96	19
Total	<u>2,419</u>	<u>1,027</u>	<u>1,023</u>	<u>322</u>

Guarantee obligations with related parties

The Company and its subsidiary have outstanding guarantee obligations with its related parties, as described in Note 20.2 a) to the financial statements.



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**5. Reduce cost to net realisable value of inventories**

Movements in the reduce cost to net realisable value of inventories account during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	138,949	96,598
Add: Reduce cost to net realisable value of inventories increase during the period	201	-
Less: Reversal of reduce cost to net realisable value of inventory account during the period	(635)	(454)
Balance as at 31 March 2015	<u>138,515</u>	<u>96,144</u>

**6. Assets classified as held for sale**

Movements in assets classified as held for sale account during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	31,093	22,968
Decrease during the period	(149)	-
Balance as at 31 March 2015	<u>30,944</u>	<u>22,968</u>

**7. Restricted bank deposits**

As at 31 March 2015, the Company and its subsidiaries had pledged the fixed deposits at financial institutions to secure loans and bank guarantee facilities issued by the banks on behalf of the Company and its subsidiaries.



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(Unaudited but reviewed)

**8. Investments in subsidiaries**

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment on investments		Net	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)						
Footwear Tech 1530 Co., Ltd.	400,000	400,000	100	100	467,968	467,968	(467,968)	(467,968)	-	-
International Curity										
Footwear Co., Ltd.	350,000	350,000	100	100	349,999	349,999	(349,999)	(349,999)	-	-
Kabinburi Pan Asia										
Footwear Co., Ltd.	350,000	350,000	100	100	443,523	443,523	(443,523)	(443,523)	-	-
Excellent Rubber Co., Ltd.	370,000	370,000	100	100	385,887	385,887	(385,887)	(385,887)	-	-
Phimai Footwear Co., Ltd.	100,000	100,000	100	100	115,969	115,969	(115,969)	(115,969)	-	-
WBLP Co., Ltd.	30,000	30,000	100	100	43,371	43,371	-	-	43,371	43,371
Pantech R&D Co., Ltd.	150,000	150,000	100	100	149,998	149,998	(149,998)	(149,998)	-	-
Innovation Nakornluang										
Footwear Co., Ltd.	350,150	350,150	96	96	264,290	264,290	(264,290)	(264,290)	-	-
Pontex (Thailand) Co., Ltd.	60,800	60,800	93	93	122,112	122,112	(23,000)	(23,000)	99,112	99,112
Exact Q Co., Ltd.	16,000	-	100	-	15,997	-	-	-	15,997	-
<b>Total</b>					<b>2,359,114</b>	<b>2,343,117</b>	<b>(2,200,634)</b>	<b>(2,200,634)</b>	<b>158,480</b>	<b>142,483</b>

Exact Q Co., Ltd. operates a fabric dyeing factory business, which was registered with the Ministry of Commerce on 6 February 2015, with a registered share capital of Baht 16 million, divided into 160,000 ordinary shares of Baht 100 each. The Company holds 159,970 shares or 99.98% of the issued and paid-up share capital. The Company paid for the shares with machinery valued at Baht 12 million that it acquired from a subsidiary in settlement of debt, and a cash payment of Baht 4 million.

**9. Investments in associates**

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2015	31 December 2014
Investments in associates - at cost	504,943	504,943
Accumulated share of loss in associates	(453,431)	(457,249)
Investments in associates - equity method	51,512	47,694



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Partial of investments in associates at cost of Baht 375 million was investment in PA Capital Co., Ltd. ("the associate"), the Company did not obtain the financial statements for the three-month period ended 31 March 2015 of the associate and subsidiaries of the associate. The latest financial statements of the associate available to the Company were the financial statements as at 31 December 2013, which were audited by its auditor, and only separate financial statements was presented, not consolidated financial statements, even though it has subsidiaries and associates. However, the Company recorded investment in the associate under the equity method as equal to zero.

(Unit: Thousand Baht)

	Separate financial statements	
	31 March 2015	31 December 2014
Investments in associates - at cost	81,887	81,887
Less: Allowance for impairment of investments	(64,559)	(64,559)
Investment in associates - net	17,328	17,328

#### 10. Investments in related parties

Details of investment in related parties are as follows:

(Unit : Thousand Baht)

Company's name	Consolidated financial statements					
	Cost		Allowance for impairment of investments		Net	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Sahapat Properties Co., Ltd.	500	500	-	-	500	500
Nutrition House Co., Ltd.	13,598	13,598	(8,232)	(8,232)	5,366	5,366
Thai Takaya Co., Ltd.	2,000	2,000	-	-	2,000	2,000
Pan Long John Co., Ltd.	1,750	1,750	(1,631)	(1,631)	119	119
Natural Art and Technology Co., Ltd.	1,000	1,000	-	-	1,000	1,000
Barnpan Engineering and Holding Co., Ltd.	130,000	130,000	(130,000)	(130,000)	-	-
Pancomp International Co., Ltd.	2,000	2,000	(2,000)	(2,000)	-	-
Total	150,848	150,848	141,863	141,863	8,985	8,985



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(Unit : Thousand Baht)

Company's name	Separate financial statements					
	Cost		Allowance for impairment of investments		Net	
	31 March	31 December	31 March	31 December	31 March	31 December
	2015	2014	2015	2014	2015	2014
Sahapat Properties Co., Ltd.	1,050	1,050	-	-	1,050	1,050
Nutrition House Co., Ltd.	4,268	4,268	-	-	4,268	4,268
Thai Takaya Co., Ltd.	2,308	2,308	-	-	2,308	2,308
Pan Long John Co., Ltd.	119	119	-	-	119	119
Total	7,745	7,745	-	-	7,745	7,745

## 11. Investment properties

Movements in the investment properties account during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
Balance as at 1 January 2015	101,482
Depreciation for the period	(30)
Balance as at 31 March 2015	101,452

As at 31 March 2015, the Company has mortgaged investment properties with net book value amounting to Baht 94 million (31 December 2014: Baht 94 million) as collateral against loan from related person.

## 12. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	71,825	169,039
Acquisitions during the period - cost	7,552	14,001
Disposals/write-off during the period - net book value at disposal date	(1,296)	(12,100)
Transfer equipment to investment in a subsidiary	-	(12,090)
Depreciation for the period	(3,343)	(1,801)
Balance as at 31 March 2015	74,738	157,049



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As at 31 March 2015, the Company and its subsidiaries have mortgaged assets with net book value amounting to Baht 32 million (31 December 2014: Baht 33 million) as collaterals against credit facilities received from financial institutions (Separate financial statements: Baht 145 million (31 December 2014: Baht 145 million)).

### 13. Bank overdrafts and short-term loans from financial institutions

Short-term loans from financial institutions of the Company are secured by the mortgage of land and construction thereon of the Company. Bank overdrafts and short-term loans from financial institutions of subsidiaries are secured by the guarantees of the Company, the pledge of fixed deposits and machines, and the mortgage of land and construction thereon of subsidiaries as described in Notes 7 and 12 to the financial statements.

### 14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
Trade accounts payable - related parties	30,511	31,519	5,677	4,307
Trade accounts payable - unrelated parties	38,224	44,827	840	898
Other payables - related parties	6,271	6,249	5,036	5,220
Other payables - unrelated parties	2,507	2,353	1,967	1,952
Accrued expenses - related parties	17,148	19,655	6,843	6,902
Accrued expenses - unrelated parties	17,719	117,735	2,182	6,984
Advance received for share subscription - related parties	20,500	20,500	20,500	20,500
Unearned revenue - unrelated parties	1,625	1,166	35	35
Total	134,505	244,004	43,080	46,798



*W. Abeyaratne*

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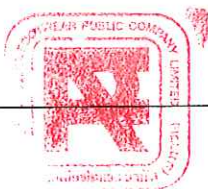
### 15. Long-term loan under debt restructuring agreement

Movements in long-term loan under debt restructuring agreement account during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)
	<u>Consolidated financial statements</u>
Balance as at 1 January 2015	43,405
Add: Transfer short-term loan to long-term loan under debt restructuring agreement	91,788
Less: Repayment	(32,642)
Unpaid interest forgiven by the bank	(10,763)
Balance as at 31 March 2015	<u>91,788</u>
Less: Portion due within one year	<u>(13,080)</u>
Long-term loan under debt restructuring agreement, net of current portion	<u><u>78,708</u></u>

On 26 January 2015, the Company and its subsidiaries entered into compromise agreements with the bank in the presence of the court to restructure their debts. Under the terms of the agreement, payment is to be made as follows:

Agreement	Parties	Principal payment	Original interest payment	New interest payment
1, 2	Innovation Nakornluang Footwear Co., Ltd. and Pan Asia Footwear Plc.	Full amount of principal of Baht 33 million to be paid on 26 January 2015.	The bank agreed to forgive the unpaid interest upon full payment of principal.	-
3, 4	Modern Technology Component Co., Ltd. and Pan Asia Footwear Plc.	Principal of Baht 14 million to be paid in monthly installments from January 2015 - December 2019, totaling 60 installments.	Unpaid interest accrued up to 31 December 2014 is deferred.*	From 1 January 2015 until principal is settled in full, interest is to be paid monthly, at the Prime Rate (6.75%) started January 2015 (the difference between interest charged at a rate of 18% per annum and interest charged at the Prime Rate is to be deferred).*
5	International Curity Footwear Co., Ltd. and Pan Asia Footwear Plc.	Principal of Baht 95 million to be paid in monthly installments from January 2015 - December 2019, totaling 60 installments.	Unpaid interest accrued up to 31 December 2014 is deferred.*	From 1 January 2015 until principal is settled in full, interest is to be paid monthly, at the Prime Rate (6.75%) started January 2015 (the difference between interest charged at a rate of 18% per annum and interest charged at the Prime Rate is to be deferred).*



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\* If the Company and its subsidiaries are able to comply with the requirements stipulated in the agreements, the bank will forgive the accrued interest that is deferred.

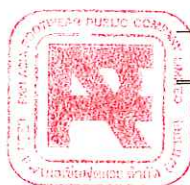
In addition, the Company and its subsidiaries must comply with certain conditions as stipulated in the agreements. In the event of any breach of the agreements, whether of a condition or an installment, the Company and its subsidiaries will be considered to have defaulted on the whole agreements and all remaining debts are deemed to be due immediately.

During the current period, the Company and its subsidiaries repaid loan principal under the agreements no.1 - no.4 to the bank in full. The Company and its subsidiaries recorded gain on debt restructuring amounting to Baht 39 million in profit or loss in the consolidated financial statements for the current period.

As at 31 March 2015, the Company and its subsidiary classified short-term loan and accrued interest according to the original agreement to long-term loan and accrued interest under debt restructuring agreement according to the term of payment.

## 16. Provisions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
<b>Short-term provisions</b>				
Provision from guarantee for subsidiaries	-	-	13,080	36,119
Provision for litigation	-	17,685	-	-
<b>Total</b>	<b>-</b>	<b>17,685</b>	<b>13,080</b>	<b>36,119</b>
<b>Long-term provisions</b>				
Provision from guarantee for subsidiaries	-	-	109,190	137,460
Provision from guarantee for related companies	241	241	-	-
Provision for litigation	29,624	29,624	29,624	29,624
<b>Total</b>	<b>29,865</b>	<b>29,865</b>	<b>138,814</b>	<b>167,084</b>



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(Unaudited but reviewed)

## 17. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expense (benefit) for the three-month periods ended 31 March 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Restated)			
<b>Current income tax:</b>				
Interim corporate income tax charge	294	461	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,743	(2,251)	45	43
<b>Income tax expense (benefit) reported in the statements of comprehensive income</b>	<u>4,037</u>	<u>(1,790)</u>	<u>45</u>	<u>43</u>

## 18. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares held by outsiders in issue during the period.

## 19. Segment information

The one main reportable operating segment of the Company and its subsidiaries is the manufacture, distribution and export of footwear and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the three-month period ended 31 March 2015, the Company and its subsidiaries have revenue from a major customer in amount of Baht 33 million (2014: Baht 47 million derived from 2 major customers)



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## 20. Commitments and contingent liabilities

### 20.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building, plant, machinery and motor vehicles. The terms of the agreements are generally between 1 and 5 years. These operating lease contracts are non-cancellable contracts.

Future minimum lease payments were as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Payable:				
In up to 1 year	10	13	-	-
In over 1 and up to 5 years	1	1	-	-

### 20.2 Guarantees

- a) As at 31 March 2015, the Company and its subsidiary have obligations under their guarantees of loans and credit facilities provided to their related parties by banks and financial institutions totaling Baht 346 million (31 December 2014: Baht 349 million) (Separate financial statements: Baht 341 million (31 December 2014: Baht 344 million)).
- b) The Company and its subsidiaries have outstanding bank guarantees as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Guarantee electricity use	6	6	1	1
Other guarantees	9	9	-	-

### 20.3 Legal cases

- a) The Company faced a lawsuit in connection with the layoff its directors, demanding compensation totaling Baht 32 million, but the Company pursued a countersuit. The Court of First Instance has ordered the Company to make payment amounting to Baht 10 million. The case is currently under consideration of the Appeal Court. The Company then recorded provision for the litigation at the amount ordered by the Court.



*W. Mahayonharn*

*[Signature]*





(Unaudited but reviewed)

## 21. Financial instruments

The outstanding balances of the Company's and its subsidiaries' financial assets and liabilities denominated in foreign currencies which were unhedged are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2015 (Million)	31 December 2014 (Million)	31 March 2015 (Million)	31 December 2014 (Million)	31 March 2015 (Baht per 1 foreign currency unit)	31 December 2014 (Baht per 1 foreign currency unit)
US dollar	0.2	0.3	0.3	0.3	32.5551	32.9630

## 22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Boards of Directors on 15 May 2015.



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