

Pan Asia Footwear Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and nine-month periods
ended 30 September 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 30 September 2015, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 periods. 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 and nine-month periods ended 30 September 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 2014, 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.

(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2015

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales | | 329,819 | 357,512 | 11,445 | 26,002 |
| Revenues from hire of work | | 21,826 | 26,997 | - | - |
| Interest income | | 22,492 | 23,236 | 9,873 | 11,903 |
| Dividend income | | 151 | - | 9,151 | - |
| Gain on sales of assets | | 26,311 | 27,556 | 9,761 | 9,754 |
| Gain on debt restructuring | 15 | 39,068 | - | - | - |
| Other income | | 19,779 | 13,733 | 6,766 | 10,038 |
| Total revenues | | 459,446 | 449,034 | 46,996 | 57,697 |
| Expenses | | | | | |
| Cost of sales and hire of work | | 295,317 | 320,856 | 13,508 | 7,282 |
| Selling expenses | | 6,387 | 5,325 | 1,984 | 2,032 |
| Administrative expenses | | 77,473 | 54,844 | 24,729 | 15,843 |
| Allowance for doubtful accounts (reversal) | | 19,254 | 5,447 | (41,447) | (25,647) |
| Impairment loss on investments (reversal) | | - | (7,250) | - | 3,400 |
| Impairment loss on assets | | - | 3,978 | - | 3,579 |
| Provision for litigation | | - | 5,002 | - | - |
| Reversal of provision from guarantee for subsidiary | 20.4 b) | - | - | (60,791) | - |
| Total expenses | | 398,431 | 388,202 | (62,017) | 6,489 |
| Profit before share of profit from investments | | | | | |
| in associates, finance cost and income tax expenses | | 61,015 | 60,832 | 109,013 | 51,208 |
| Share of profit from investments in associates | | 8,936 | 8,833 | - | - |
| Profit before finance cost and income tax expenses | | 69,951 | 69,665 | 109,013 | 51,208 |
| Finance cost | | (15,303) | (20,903) | (4,351) | (6,535) |
| Profit before income tax expenses | | 54,648 | 48,762 | 104,662 | 44,673 |
| Income tax (expenses) benefit | 17 | (6,883) | (3,768) | (139) | 7 |
| Profit before loss from discontinued operations | | 47,765 | 44,994 | 104,523 | 44,680 |
| Loss for the period from discontinued operations | | (1,018) | (5,337) | - | - |
| Profit for the period | | 46,747 | 39,657 | 104,523 | 44,680 |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Gain (loss) on changes in value of available-for-sale investments - net of income tax | | (7) | 15 | (7) | 15 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Actuarial gains - net of income tax | | - | 953 | - | 570 |
| Other comprehensive income for the period | | (7) | 968 | (7) | 585 |
| Total comprehensive income for the period | | 46,740 | 40,625 | 104,516 | 45,265 |

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

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2015

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 45,103 | 39,233 | 104,523 | 44,680 |
| Non-controlling interests of the subsidiaries | | 1,644 | 424 | | |
| | | <u>46,747</u> | <u>39,657</u> | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | 45,096 | 40,201 | 104,516 | 45,265 |
| Non-controlling interests of the subsidiaries | | 1,644 | 424 | | |
| | | <u>46,740</u> | <u>40,625</u> | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holder of the Company | 18 | <u>0.084</u> | <u>0.073</u> | <u>0.194</u> | <u>0.083</u> |

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

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | | | | |
|--|--|----------------------------------|---------------|---|------------------------------|-----------------------------|----------------|---|----------------------------|--|--|
| | Equity attributable to owners of the Company | | | | | | | | | | |
| | Note | Issued and paid-up share capital | Share premium | The Company's shares held by its subsidiaries | Appropriated - legal reserve | Retained earnings (deficit) | Unappropriated | Deficit on changes in value of available-for-sale investments | Other comprehensive income | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries |
| | | | | | | | | | | | |
| Balance as at 1 January 2014 | | 2,700,000 | 1,677 | (17,553) | 21,000 | (2,680,502) | (92) | | 24,530 | 10,330 | 34,860 |
| Profit for the period (restated) | | - | - | - | - | 39,233 | - | - | 39,233 | 424 | 39,657 |
| Other comprehensive income for the period (restated) | 2 | - | - | - | - | 953 | 15 | | 968 | - | 968 |
| Total comprehensive income for the period | | - | - | - | - | 40,186 | 15 | | 40,201 | 424 | 40,625 |
| Decreased in non-controlling interests of the subsidiaries | | - | - | - | - | - | - | | - | (461) | (461) |
| Balance as at 30 September 2014 | | 2,700,000 | 1,677 | (17,553) | 21,000 | (2,640,316) | (77) | | 64,731 | 10,293 | 75,024 |
| Balance as at 1 January 2015 | | 2,700,000 | 1,677 | (17,553) | 21,000 | (2,649,641) | (66) | | 55,417 | 10,402 | 65,819 |
| Profit for the period | | - | - | - | - | 45,103 | - | | 45,103 | 1,644 | 46,747 |
| Other comprehensive income for the period | | - | - | - | - | - | (7) | | (7) | - | (7) |
| Total comprehensive income for the period | | - | - | - | - | 45,103 | (7) | | 45,096 | 1,644 | 46,740 |
| Increased in non-controlling interests of the subsidiaries | | - | - | - | - | - | - | | - | 3 | 3 |
| Balance as at 30 September 2015 | | 2,700,000 | 1,677 | (17,553) | 21,000 | (2,604,538) | (73) | | 100,513 | 12,049 | 112,562 |

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
Statement of changes in shareholders' equity (continued)
For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

Separate financial statements

| Note | Issued and paid-up share capital | Share premium | Retained earnings (deficit) | | Other comprehensive income | Total shareholders' equity |
|--|-------------------------------------|---------------|---------------------------------|--------------------|----------------------------------|----------------------------------|
| | | | Appropriated - legal reserve | Unappropriated | | |
| Balance as at 1 January 2014 | 2,700,000 | 1,677 | 21,000 | (2,605,325) | (92) | 117,260 |
| Profit for the period (restated) | - | - | - | 44,680 | - | 44,680 |
| Other comprehensive income for the period (restated) | - | - | - | 570 | 15 | 585 |
| Total comprehensive income for the period | - | - | - | 45,250 | 15 | 45,265 |
| Balance as at 30 September 2014 | 2,700,000 | 1,677 | 21,000 | (2,560,075) | (77) | 162,525 |
| Balance as at 1 January 2015 | 2,700,000 | 1,677 | 21,000 | (2,552,457) | (66) | 170,154 |
| Profit for the period | - | - | - | 104,523 | - | 104,523 |
| Other comprehensive income for the period | - | - | - | - | (7) | (7) |
| Total comprehensive income for the period | - | - | - | 104,523 | (7) | 104,516 |
| Balance as at 30 September 2015 | 2,700,000 | 1,677 | 21,000 | (2,447,934) | (73) | 274,670 |

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

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) |
| Cash flows from operating activities | | | | |
| Profit before tax | 54,648 | 48,762 | 104,662 | 44,673 |
| Loss from discontinued operations | (1,018) | (5,337) | - | - |
| Profit for the period | 53,630 | 43,425 | 104,662 | 44,673 |
| Adjustments to reconcile profit to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 9,749 | 10,576 | 5,205 | 5,554 |
| Allowance for doubtful accounts (reversal) | 19,254 | 5,447 | (41,447) | (25,647) |
| Reversal of reduce cost to net realisable value | (1,479) | (33,328) | (1,674) | (32,860) |
| Impairment loss on assets | - | 3,978 | - | 3,579 |
| Gain on sales of property, plant and equipment | (26,311) | (27,556) | (9,761) | (9,754) |
| Reversal of short-term loan from other party | - | (721) | - | - |
| Gain on sales of investments in subsidiaries | - | (1,605) | - | (60) |
| Share of profit from investments in associates | (8,936) | (8,833) | - | - |
| Allowance for impairment loss on investments (reversal) | - | (7,250) | - | 3,400 |
| Provision for litigation | - | 5,002 | - | - |
| Reversal of provision from guarantee for subsidiary | - | - | (60,791) | - |
| Provision for long-term employee benefits | 628 | 369 | 290 | 50 |
| Gain on debt restructuring | (39,068) | - | - | - |
| Unrealised loss (gain) on exchange | 26 | (745) | 47 | (718) |
| Interest income | (22,492) | (23,236) | (9,873) | (11,903) |
| Dividend income | (151) | - | (9,151) | - |
| Interest expenses | 15,303 | 20,903 | 4,351 | 6,535 |
| Profit (loss) from operating activities before changes in operating assets and liabilities | 153 | (13,574) | (18,142) | (17,151) |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 10,466 | (16,932) | (38,436) | 35,769 |
| Inventories | 4,130 | 31,048 | 4,112 | 38,674 |
| Other current assets | (2,613) | (4,185) | (1,108) | (3,517) |
| Other non-current assets | (5,146) | 793 | 1,259 | - |
| Assets of subsidiaries that classified as held for sale | (5,652) | (3,891) | - | - |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (13,852) | (14,757) | 1,586 | (25,566) |
| Other current liabilities | (606) | (926) | (653) | (829) |
| Other non-current liabilities | 501 | 314 | 760 | - |
| Liabilities directly associated with assets of subsidiaries that classified as held for sales | 6,670 | 9,228 | - | - |
| Cash from (used in) operating activities | (5,949) | (12,882) | (50,622) | 27,380 |
| Cash paid for income tax | (2,762) | (2,889) | (378) | (1,208) |
| Income tax refunded | 168 | 3,134 | - | - |
| Net cash flows from (used in) operating activities | (8,543) | (12,637) | (51,000) | 26,172 |

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 nine-month period ended 30 September 2015

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2015 | 2014 (Restated) | 2015 | 2014 (Restated) |
| Cash flows from investing activities | | | | |
| Decrease in restricted bank deposits | 70 | 1,674 | - | 512 |
| Decrease (increase) in current investment | 76,377 | (40,359) | 19,400 | (40,359) |
| Increase in short-term loans to related parties and other | - | (950) | - | - |
| Cash receipt from short-term loans to related parties and other | 3,793 | 2,540 | - | - |
| Increase in long-term loans to related parties | - | - | (4,480) | (5,000) |
| Cash receipt from long-term loans to related parties | 20 | 23,264 | 25,948 | 24,040 |
| Cash paid for investment in subsidiary | - | - | (3,907) | - |
| Dividend received | 151 | - | 9,151 | - |
| Acquisition of property, plant and equipment | (12,524) | (5,715) | (3,152) | (5,035) |
| Proceeds from disposal of property, plant and equipment | 28,317 | 28,852 | 21,862 | 22,468 |
| Purchase of investment properties | (5,620) | - | (5,620) | - |
| Interest income | 1,400 | 3,567 | 11,767 | 574 |
| Net cash flows from (used in) investing activities | 91,984 | 12,873 | 70,969 | (2,800) |
| Cash flows from financing activities | | | | |
| Decrease in bank overdrafts and short-term loans from financial institutions | (48,446) | (69,787) | (36,241) | (71,065) |
| Repayment of short-term loans from related parties | - | - | - | (5,000) |
| Repayment of liabilities under finance lease agreements | (2,215) | (607) | - | - |
| Repayment of long-term loans | (39,182) | (39,666) | - | (39,315) |
| Cash receipt from non-controlling interests of a subsidiary for investment in a subsidiary | 3 | - | - | - |
| Cash paid for interest expenses | (10,486) | (7,709) | (4,433) | (7,391) |
| Net cash flows used in financing activities | (100,326) | (117,769) | (40,674) | (122,771) |
| Net decrease in cash and cash equivalents | (16,885) | (117,533) | (20,705) | (99,399) |
| Cash and cash equivalents at the beginning of period | 81,683 | 194,652 | 23,490 | 124,420 |
| Cash and cash equivalents at end of period | 64,798 | 77,119 | 2,785 | 25,021 |

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 |
| Investment in subsidiary increase due to payment received from an account receivable - subsidiary | - | - | 36,600 | - |
| Investments in associates increased due to payment receipt from an account receivable - subsidiary | - | - | 9,954 | 5,476 |
| Investments in related parties increased due to payment receipt from an account receivable - related company | - | 1,098 | - | - |
| 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 | 86,478 | - | - | - |
| Long-term loans to related parties decrease due to the debt forgiveness | 1,820 | - | - | - |

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



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Pan Asia Footwear Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 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 30 September 2015, the Company has current liabilities exceeded current assets by Baht 100 million and has deficits of Baht 2,448 million (Consolidated financial statements: Baht 2,605 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

(a) Financial reporting standard that became effective in the current period

The Company has adopted the revised (revised 2014) 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.



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.

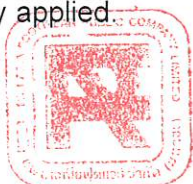
TFRS 13 Fair Value Measurement

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.

(b) Financial reporting standard issued during the period and not yet effective

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's and its subsidiaries' management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.



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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 a) to the financial statements.

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

As described in Note 1.5 a) 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 30 September 2014 | |
| | Consolidated financial statements | Separate financial statements |
| Statements of comprehensive income | | |
| Profit or loss: | | |
| Decrease in actuarial gains | (129) | - |
| Decrease in profit for the period | (129) | - |
| Other comprehensive income: | | |
| Increase in actuarial gains | 129 | - |
| Increase in other comprehensive income for the period | 129 | - |
| Earnings per share (Baht): | | |
| Decrease in basic earnings per share | - | - |

| | (Unit: Thousand Baht) | |
|---|---|----------------------------------|
| | For the nine-month period ended 30 September 2014 | |
| | Consolidated financial statements | Separate financial statements |
| Statements of comprehensive income | | |
| Profit or loss: | | |
| Decrease in actuarial gains | (953) | (570) |
| Decrease in profit for the period | (953) | (570) |
| Other comprehensive income: | | |
| Increase in actuarial gains | 953 | 570 |
| Increase in other comprehensive income for the period | 953 | 570 |
| Earnings per share (Baht): | | |
| Decrease in basic earnings per share | - | - |



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Qualified conclusion

Based on my review, except for any adjustments that might be required to the interim financial information for the three-month and nine-month periods ended 30 September 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 30 September 2015, the Company has current liabilities exceeded current assets by Baht 100 million and has deficits of Baht 2,448 million (Consolidated financial statements: Baht 2,605 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: 12 November 2015

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2015

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--|-------------------------------|--|-------------------------------|
| | | 30 September 2015 (Unaudited but reviewed) | 31 December 2014 (Audited) | 30 September 2015 (Unaudited but reviewed) | 31 December 2014 (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 64,798 | 81,683 | 2,785 | 23,490 |
| Current investments | | 29,086 | 105,463 | 21,063 | 40,463 |
| Trade and other receivables | 3 | 118,833 | 127,519 | 10,786 | 11,408 |
| Short-term loans to related parties and other | 4 | 3,323 | 6,916 | - | - |
| Inventories | 5 | 74,037 | 76,688 | 10,566 | 13,004 |
| Other current assets | | 12,449 | 9,836 | 2,322 | 1,214 |
| | | <u>302,526</u> | <u>408,105</u> | <u>47,522</u> | <u>89,579</u> |
| Assets classified as held for sale | 6 | 36,745 | 31,093 | 22,968 | 22,968 |
| Total current assets | | <u>339,271</u> | <u>439,198</u> | <u>70,490</u> | <u>112,547</u> |
| Non-current assets | | | | | |
| Restricted bank deposits | 7 | 5,164 | 5,234 | 1,349 | 1,349 |
| Investments in available-for-sale securities | | 51 | 58 | 51 | 58 |
| Investments in subsidiaries | 8 | - | - | 195,080 | 142,483 |
| Investments in associates | 9 | 56,630 | 47,694 | 27,282 | 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 | 107,008 | 101,482 | 107,008 | 101,482 |
| Property, plant and equipment | 12 | 76,768 | 71,825 | 154,979 | 169,039 |
| Goodwill | | - | - | - | - |
| Leasehold right | | - | - | - | - |
| Receivables from guarantee - related parties | 4 | - | - | - | - |
| Deferred tax assets | | 179 | 4,057 | - | - |
| Other non-current assets | | 25,557 | 19,776 | 12,348 | 13,229 |
| Total non-current assets | | <u>280,342</u> | <u>259,111</u> | <u>505,842</u> | <u>454,213</u> |
| Total assets | | <u>619,613</u> | <u>698,309</u> | <u>576,332</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 30 September 2015

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|--|-------------------------------|--|-------------------------------|
| | | 30 September 2015 (Unaudited but reviewed) | 31 December 2014 (Audited) | 30 September 2015 (Unaudited but reviewed) | 31 December 2014 (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans from | | | | | |
| financial institutions | 13 | 12,484 | 152,718 | 8,486 | 44,727 |
| Trade and other payables | 14 | 138,059 | 244,004 | 48,350 | 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 | | 2,493 | 914 | - | - |
| Current portion of long-term loan under debt | | | | | |
| restructuring agreement | 15 | 13,080 | 43,405 | - | - |
| Income tax payable | | 962 | 170 | - | - |
| Short-term provisions | 16 | - | 17,685 | 13,080 | 36,119 |
| Other current liabilities | | 2,391 | 2,997 | 120 | 773 |
| | | <u>269,469</u> | <u>561,893</u> | <u>170,036</u> | <u>228,417</u> |
| Liabilities directly associated with the assets classified | | | | | |
| as held for sales | | 39,872 | 33,202 | - | - |
| Total current liabilities | | <u>309,341</u> | <u>595,095</u> | <u>170,036</u> | <u>228,417</u> |
| Non-current liabilities | | | | | |
| Liabilities under finance lease agreements, | | | | | |
| net of current portion | | 1,215 | 929 | - | - |
| Long-term loan under debt restructuring agreement, net | | | | | |
| of current portion | 15 | 72,168 | - | - | - |
| Accrued interest under debt restructuring agreement | 15 | 86,478 | - | - | - |
| Provision for long-term employee benefits | | 3,059 | 2,431 | 825 | 535 |
| Long-term provisions | 16 | 29,865 | 29,865 | 129,332 | 167,084 |
| Deferred tax liabilities | | 1,042 | 788 | 686 | 547 |
| Other non-current liabilities | | 3,883 | 3,382 | 783 | 23 |
| Total non-current liabilities | | <u>197,710</u> | <u>37,395</u> | <u>131,626</u> | <u>168,189</u> |
| Total liabilities | | <u>507,051</u> | <u>632,490</u> | <u>301,662</u> | <u>396,606</u> |

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



ADW

W. Abecperman

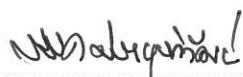
Pan Asia Footwear Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 30 September 2015

(Unit: Thousand Baht)

| Note | Consolidated financial statements | | Separate financial statements | | |
|-----------------------------|---|-------------------------------|--|-------------------------------|----------------|
| | 30 September 2015 (Unaudited but reviewed) | 31 December 2014 (Audited) | 30 September 2015 (Unaudited but reviewed) | 31 December 2014 (Audited) | |
| Shareholders' equity | | | | | |
| 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) | (2,604,538) | (2,649,641) | (2,447,934) | (2,552,457) |
| | Other component of shareholders' equity | (73) | (66) | (73) | (66) |
| | Equity attributable to owners of the Company | 100,513 | 55,417 | 274,670 | 170,154 |
| | Non-controlling interests of the subsidiaries | 12,049 | 10,402 | - | - |
| | Total shareholders' equity | 112,562 | 65,819 | 274,670 | 170,154 |
| | Total liabilities and shareholders' equity | 619,613 | 698,309 | 576,332 | 566,760 |

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





Directors



(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2015

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

| Note | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|---------------|
| | 2015 | 2014 (Restated) | 2015 | 2014 |
| Profit or loss: | | | | |
| Revenues | | | | |
| Sales | 110,611 | 132,005 | 525 | 7,074 |
| Revenues from hire of work | 5,782 | 9,014 | - | - |
| Interest income | 7,471 | 7,774 | 2,832 | 3,856 |
| Gain on sales of assets | 477 | 19,341 | 90 | 7,140 |
| Other income | 7,550 | 3,607 | 2,962 | 1,563 |
| Total revenues | 131,891 | 171,741 | 6,409 | 19,633 |
| Expenses | | | | |
| Cost of sales and hire of work | 97,407 | 115,233 | 2,659 | 2,648 |
| Selling expenses | 2,029 | 2,693 | 613 | 1,443 |
| Administrative expenses | 27,967 | 18,531 | 10,806 | 5,558 |
| Allowance for doubtful accounts (reversal) | 5,836 | 1,164 | (5,669) | (2,622) |
| Provision for litigation | - | 1,558 | - | - |
| Reversal of provision from guarantee for subsidiary | - | - | (4,703) | - |
| Total expenses | 133,239 | 139,179 | 3,706 | 7,027 |
| Profit (loss) before share of profit from investments | | | | |
| in associates, finance cost and income tax expenses | (1,348) | 32,562 | 2,703 | 12,606 |
| Share of profit from investments in associates | 3,063 | 3,716 | - | - |
| Profit before finance cost and income tax expenses | 1,715 | 36,278 | 2,703 | 12,606 |
| Finance cost | (4,734) | (6,734) | (1,325) | (1,873) |
| Profit (loss) before income tax expenses | (3,019) | 29,544 | 1,378 | 10,733 |
| Income tax expenses | 17 (2,230) | (3,155) | (48) | (47) |
| Profit (loss) before loss from discontinued operations | (5,249) | 26,389 | 1,330 | 10,686 |
| Profit for the period from discontinued operations | 345 | 673 | - | - |
| Profit (loss) for the period | (4,904) | 27,062 | 1,330 | 10,686 |
| Other comprehensive income: | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Gain on changes in value of available-for-sale investments - net | | | | |
| of income tax | 7 | 14 | 7 | 14 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | |
| Actuarial gains - net of income tax | - | 128 | - | - |
| Other comprehensive income for the period | 7 | 142 | 7 | 14 |
| Total comprehensive income for the period | (4,897) | 27,204 | 1,337 | 10,700 |

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
Statement of comprehensive income (continued)
For the three-month period ended 30 September 2015

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

| | Consolidated financial statements | | Separate financial statements | | |
|--|-----------------------------------|----------------|-------------------------------|--------------|--------------|
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | | (Restated) | | |
| Profit (loss) attributable to: | | | | | |
| Equity holders of the Company | | (4,149) | 26,941 | 1,330 | 10,686 |
| Non-controlling interests of the subsidiaries | | (755) | 121 | | |
| | | <u>(4,904)</u> | <u>27,062</u> | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | (4,142) | 27,083 | 1,337 | 10,700 |
| Non-controlling interests of the subsidiaries | | (755) | 121 | | |
| | | <u>(4,897)</u> | <u>27,204</u> | | |
| Basic earnings per share | | | | | |
| Profit (loss) attributable to equity holder of the Company | 18 | <u>(0.008)</u> | <u>0.050</u> | <u>0.002</u> | <u>0.020</u> |

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



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(Unaudited but reviewed)

3. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2015 | 2014 | 2015 | 2014 |
| <u>Trade receivables - related parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 31,948 | 29,853 | 46 | - |
| Past due | | | | |
| Up to 3 months | 18,872 | 28,998 | 125 | 485 |
| 3 - 6 months | 6,838 | 8,942 | 103 | 493 |
| 6 - 12 months | 14,559 | 13,708 | 591 | 321 |
| Over 12 months | 69,883 | 67,984 | 571 | 231 |
| Total | 142,100 | 149,485 | 1,436 | 1,530 |
| Less: Allowance for doubtful accounts | (63,701) | (63,718) | (231) | (231) |
| Total trade receivables - related parties, net | 78,399 | 85,767 | 1,205 | 1,299 |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 20,467 | 19,700 | 742 | - |
| Past due | | | | |
| Up to 3 months | 8,656 | 12,009 | 36 | 312 |
| 3 - 6 months | 186 | 307 | - | 133 |
| 6 - 12 months | 158 | 231 | 24 | 137 |
| Over 12 months | 11,065 | 11,476 | 264 | 174 |
| Total | 40,532 | 43,723 | 1,066 | 756 |
| Less: Allowance for doubtful accounts | (10,803) | (10,800) | (8) | (7) |
| Total trade receivables - unrelated parties, net | 29,729 | 32,923 | 1,058 | 749 |
| Total trade receivables - net | 108,128 | 118,690 | 2,263 | 2,048 |
| <u>Other receivables</u> | | | | |
| Other receivables - related parties | 363,246 | 339,083 | 152,840 | 168,605 |
| Other receivables - unrelated parties | 17,689 | 15,134 | 5,647 | 5,423 |
| Total | 380,935 | 354,217 | 158,487 | 174,028 |
| Less: Allowance for doubtful accounts | (370,230) | (345,388) | (149,964) | (164,668) |
| Total other receivables - net | 10,705 | 8,829 | 8,523 | 9,360 |
| Total trade and other receivables - net | 118,833 | 127,519 | 10,786 | 11,408 |



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(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 | | | | Transfer pricing policy |
|---|--------------------------------------|------|----------------------------------|------|--|
| | 30 September | | | | |
| | Consolidated financial statements | | Separate financial statements | | |
| | 2015 | 2014 | 2015 | 2014 | |
| <u>Transactions with subsidiaries</u> | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Sales of goods | - | - | - | 2 | Cost plus margins of 3% - 10% |
| Interest income | - | - | 3 | 3 | 7.5% per annum |
| Other income | - | - | 1 | - | Cost plus margins or as indicated in the agreement |
| Purchase of goods | - | - | 2 | - | Cost plus margins of 3% - 10% |
| <u>Transactions with associates</u> | | | | | |
| Sales of goods | 1 | - | - | - | Cost plus margins of 3% - 10% |
| Interest income | 7 | 7 | - | - | 5.0% - 7.5% per annum |
| Purchase of goods | 3 | 2 | - | - | Cost plus margins of 3% - 10% |
| Other expenses | 1 | 1 | - | - | As indicated in the agreement |
| <u>Transactions with related companies</u> | | | | | |
| Sales of goods | 56 | 75 | - | - | Cost plus margins of 3% - 10% |
| Hire of work income | 1 | 1 | - | - | Cost plus margins of 3% - 10% |
| Other income | - | 1 | - | 1 | Cost plus margins or as indicated in the agreement |
| Purchases of goods | 2 | 2 | - | - | Cost plus margins of 3% - 10% |
| Public utilities expenses | 1 | 2 | - | - | As indicated in the agreement |
| Other expenses | 1 | 2 | - | - | As indicated in the agreement |
| <u>Transactions with related person</u> | | | | | |
| Interest expense | 2 | 2 | 2 | 2 | 4.9% per annum |



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(Unaudited but reviewed)

(Unit: Million Baht)

| | For the nine-month periods ended | | | | Transfer pricing policy |
|---|--------------------------------------|-------------|----------------------------------|-------------|--|
| | 30 September | | | | |
| | Consolidated financial statements | | Separate financial statements | | |
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | |
| <u>Transactions with subsidiaries</u> | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Sales of goods | - | - | 1 | 4 | Cost plus margins of 3% - 10% |
| Interest income | - | - | 10 | 11 | 7.5% per annum |
| Other income | - | - | 2 | 4 | Cost plus margins or as indicated in the agreement |
| Purchases of goods | - | - | 6 | 1 | Cost plus margins of 3% - 10% |
| <u>Transactions with associates</u> | | | | | |
| Sales of goods | 3 | 2 | - | - | Cost plus margins of 3% - 10% |
| Interest income | 21 | 21 | - | - | 5.0% - 7.5% per annum |
| Other income | 1 | 1 | - | - | Cost plus margins or as indicated in the agreement |
| Purchase of goods | 7 | 7 | - | - | Cost plus margins of 3% - 10% |
| Other expenses | 1 | 1 | - | - | As indicated in the agreement |
| <u>Transactions with related companies</u> | | | | | |
| Sales of goods | 158 | 202 | - | - | Cost plus margins of 3% - 10% |
| Hire of work income | 1 | 1 | - | - | Cost plus margins of 3% - 10% |
| Other income | 2 | 1 | 1 | 1 | Cost plus margins or as indicated in the agreement |
| Purchases of goods | 4 | 7 | - | - | Cost plus margins of 3% - 10% |
| Public utilities expenses | 3 | 7 | - | - | As indicated in the agreement |
| Other expenses | 5 | 6 | - | - | As indicated in the agreement |
| <u>Transactions with related person</u> | | | | | |
| Interest expense | 4 | 4 | 4 | 4 | 4.9% 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 | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2015 | 2014 | 2015 | 2014 |
| <u>Trade and other receivables - related parties (Note 3)</u> | | | | |
| Subsidiaries | - | - | 98,105 | 113,624 |
| Associates | 287,216 | 262,280 | 18,272 | 18,239 |
| Related companies (related by common shareholders and directors) | 218,130 | 226,288 | 37,899 | 38,272 |
| Total | 505,346 | 488,568 | 154,276 | 170,135 |
| Less: Allowance for doubtful accounts | (422,739) | (397,940) | (146,562) | (161,266) |
| Net | 82,607 | 90,628 | 7,714 | 8,869 |
| <u>Receivables from guarantee - related parties</u> | | | | |
| Subsidiaries | - | - | 52,385 | 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 | 103,405 | 68,075 |
| Less: Allowance for doubtful accounts | (51,020) | (51,020) | (103,405) | (68,075) |
| Net | - | - | - | - |
| <u>Trade and other payables - related parties (Note 14)</u> | | | | |
| Subsidiaries | - | - | 10,554 | 7,246 |
| Associates | 23,192 | 26,543 | 289 | 289 |
| Related companies (related by common shareholders) | 51,200 | 51,380 | 29,131 | 29,394 |
| Total | 74,392 | 77,923 | 39,974 | 36,929 |

Short-term loans to related parties and other

During the nine-month period ended 30 September 2015, the movements of short-term loans to related parties and other were as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|---|-----------------------------------|----------|--------------|
| | As at | | As at |
| | 1 January | | 30 September |
| | 2015 | Decrease | 2015 |
| <u>Short-term loans to related parties and other</u> | | | |
| 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 |



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(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|--|-----------------------------------|----------|--------------|
| | As at | | As at |
| | 1 January | | 30 September |
| | 2015 | Decrease | 2015 |
| 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 | (250) | 2,750 |
| Rattanakorn Engineering Co., Ltd. | 650 | (500) | 150 |
| Total | 6,690 | (1,190) | 5,500 |
| Total short-term loans to related parties | 10,073 | (3,723) | 6,350 |
| Less: Allowance for doubtful accounts | (3,650) | 200 | (3,450) |
| Total short-term loans to related parties - net | 6,423 | (3,523) | 2,900 |
| Short-term loans to other | 493 | (70) | 423 |
| Total short-term loans to related parties and other, net | 6,916 | (3,593) | 3,323 |

Long-term loans to related parties

During the nine-month period ended 30 September 2015, the movements of long-term loans to related parties were as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|--|-----------------------------------|----------|--------------|
| | As at | | As at |
| | 1 January | | 30 September |
| | 2015 | Decrease | 2015 |
| <u>Long-term loans to related parties</u> | | | |
| Associates | | | |
| PA Capital Co., Ltd. | 390,785 | (20) | 390,765 |
| P.L. John Industries Co., Ltd. | 10,700 | - | 10,700 |
| Pek Engineering Co., Ltd. | 9,540 | - | 9,540 |
| Total | 411,025 | (20) | 411,005 |
| Related companies | | | |
| Rangsit Footwear Co., Ltd. | 2,109 | - | 2,109 |
| Pan Tech Machinery Co., Ltd. | 1,820 | (1,820) | - |
| Total | 3,929 | (1,820) | 2,109 |
| Total long-term loans to related parties | 414,954 | (1,840) | 413,114 |
| Less: Allowance for doubtful accounts | (414,954) | 1,840 | (413,114) |
| Total long-term loans to related parties, net | - | - | - |



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(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|--|-------------------------------|----------|----------|--------------|
| | As at | | | As at |
| | 1 January | | | 30 September |
| | 2015 | Increase | Decrease | 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 | - | (45,654) | 106,346 |
| 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 | (68,054) | 135,376 |
| 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 | (68,054) | 137,485 |
| Less: Allowance for doubtful accounts | (199,559) | (5,980) | 68,054 | (137,485) |
| Total long-term loans to related parties, net | 1,500 | (1,500) | - | - |

Short-term loan from related party

As at 30 September 2015, the balance of short-term loan from related person is as follows:

(Unit: Thousand Baht)

| | Consolidated/Separate financial statements | |
|--|--|------------------|
| | 30 September 2015 | 31 December 2014 |
| <u>Short-term loan from related party</u> | | |
| Related person | | |
| Mr. Boonyasit Chokwatana | 100,000 | 100,000 |
| Total short-term loan from related party | 100,000 | 100,000 |



(Unaudited but reviewed)

Directors and management's benefits

During the nine-month periods ended 30 September 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

| | (Unit: Thousand Baht) | | | |
|------------------------------|-----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| Short-term employee benefits | 10,253 | 3,153 | 5,876 | 981 |
| Post-employment benefits | 298 | 72 | 289 | 49 |
| Total | <u>10,551</u> | <u>3,225</u> | <u>6,165</u> | <u>1,030</u> |

Guarantee obligations with related parties

The Company and its subsidiary have outstanding guarantee obligations with its related parties, as described in Note 20.3 a) to the financial statements.

5. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventories account during the nine-month period ended 30 September 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 | 807 | - |
| Less: Reversal of reduce cost to net realisable value of inventory account during the period | (2,286) | (1,674) |
| Balance as at 30 September 2015 | <u>137,470</u> | <u>94,924</u> |



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(Unaudited but reviewed)

6. Assets classified as held for sale

Movements in assets classified as held for sale account during the nine-month period ended 30 September 2015 are summarised below.

| | (Unit: Thousand Baht) | |
|---------------------------------|---|-------------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Balance as at 1 January 2015 | 31,093 | 22,968 |
| Increase during the period | 5,652 | - |
| Balance as at 30 September 2015 | 36,745 | 22,968 |

7. Restricted bank deposits

As at 30 September 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.

8. Investments in subsidiaries

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

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | | Allowance for impairment on investments | | Net | | Dividend received during the nine-month periods ended 30 September | |
|--|-----------------|----------|-------------------------|----------|------------------|------------------|--|--------------------|----------------|----------------|---|----------|
| | 30 | 31 | 30 | 31 | 30 | 31 | 30 | 31 | 30 | 31 | | |
| | September | December | September | December | September | December | September | December | September | December | | |
| | 2015 | 2014 | 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 Curiry 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 | 9,000 | - |
| 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 | - | - | - |
| Modern Technology Component Co., Ltd. | 50,000 | - | 100 | - | 36,600 | - | - | - | 36,600 | - | - | - |
| Total | | | | | <u>2,395,714</u> | <u>2,343,117</u> | <u>(2,200,634)</u> | <u>(2,200,634)</u> | <u>195,080</u> | <u>142,483</u> | <u>9,000</u> | <u>-</u> |



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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.

In June 2015, a subsidiary has settled a debt of Baht 36.6 million with 1,999,993 shares of the common stock of Modern Technology Component Co., Ltd. The execution of this transaction changed the Company's indirect equity interest of 99.99% to a direct equity interest of 99.99% of the issued and paid-up share capital of that company.

9. Investments in associates

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|---|-----------------------------------|------------------|
| | 30 September 2015 | 31 December 2014 |
| Investments in associates - at cost | 504,943 | 504,943 |
| Accumulated share of loss in associates | (448,313) | (457,249) |
| Investments in associates - equity method | 56,630 | 47,694 |

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 and nine-month periods ended 30 September 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 2014, 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 | |
|--|-------------------------------|------------------|
| | 30 September 2015 | 31 December 2014 |
| Investments in associates - at cost | 91,841 | 81,887 |
| Less: Allowance for impairment of investments | (64,559) | (64,559) |
| Investment in associates - net | 27,282 | 17,328 |



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10. Investments in related parties

Details of investments in related parties are as follows:

(Unit : Thousand Baht)

| Company's name | Consolidated financial statements | | | | | | | |
|---|-----------------------------------|----------------|---|----------------|--------------|--------------|---|----------|
| | Cost | | Allowance for impairment of investments | | Net | | Dividend received during the nine-month periods ended | |
| | 30 September | 31 December | 30 September | 31 December | 30 September | 31 December | 30 September | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Sahapat Properties Co., Ltd. | 500 | 500 | - | - | 500 | 500 | 150 | - |
| 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 | 150 | - |

(Unit : Thousand Baht)

| Company's name | Separate financial statements | | | | | | | |
|------------------------------|-------------------------------|--------------|---|-------------|--------------|--------------|---|----------|
| | Cost | | Allowance for impairment of investments | | Net | | Dividend received during the nine-month periods ended | |
| | 30 September | 31 December | 30 September | 31 December | 30 September | 31 December | 30 September | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Sahapat Properties Co., Ltd. | 1,050 | 1,050 | - | - | 1,050 | 1,050 | 150 | - |
| 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 | 150 | - |

11. Investment properties

Movements in the investment properties account during the nine-month period ended 30 September 2015 are summarised below.

(Unit: Thousand Baht)

Consolidated/Separate financial statements

Balance as at 1 January 2015

101,482

Addition during the period

5,620

Depreciation for the period

(94)

Balance as at 30 September 2015

107,008



(Unaudited but reviewed)

As at 30 September 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 nine-month period ended 30 September 2015 are summarised below.

| | (Unit: Thousand Baht) | |
|--|-----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| Balance as at 1 January 2015 | 71,825 | 169,039 |
| Acquisitions during the period - cost | 16,604 | 15,242 |
| Disposals/write-off during the period - net book value at disposal date | (2,006) | (12,101) |
| Transfer equipment to investment in a subsidiary | - | (12,090) |
| Depreciation for the period | (9,655) | (5,111) |
| Balance as at 30 September 2015 | 76,768 | 154,979 |

As at 30 September 2015, the Company and its subsidiaries have mortgaged assets with net book value amounting to Baht 30 million (31 December 2014: Baht 33 million) as collaterals against credit facilities received from financial institutions (Separate financial statements: Baht 143 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.



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14. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 |
| Trade accounts payable - related parties | 30,389 | 31,519 | 7,695 | 4,307 |
| Trade accounts payable - unrelated parties | 33,993 | 44,827 | 948 | 898 |
| Other payables - related parties | 6,662 | 6,249 | 5,037 | 5,220 |
| Other payables - unrelated parties | 777 | 2,353 | 199 | 1,952 |
| Accrued expenses - related parties | 16,841 | 19,655 | 6,742 | 6,902 |
| Accrued expenses - unrelated parties | 27,415 | 117,735 | 7,194 | 6,984 |
| Advance received for share subscription - related parties | 20,500 | 20,500 | 20,500 | 20,500 |
| Unearned revenue - unrelated parties | 1,482 | 1,166 | 35 | 35 |
| Total | <u>138,059</u> | <u>244,004</u> | <u>48,350</u> | <u>46,798</u> |

15. Long-term loan under debt restructuring agreement/Accrued interest under debt restructuring agreement

Movements in long-term loan under debt restructuring agreement account during the nine-month period ended 30 September 2015 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements |
|---|--------------------------------------|
| 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 | (39,182) |
| Unpaid interest forgiven by the bank | (10,763) |
| Balance as at 30 September 2015 | 85,248 |
| Less: Portion due within one year | (13,080) |
| Long-term loan under debt restructuring agreement, net of current portion | <u>72,168</u> |



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(Unaudited but reviewed)

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).* |

* 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 first quarter of 2015, 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 30 September 2015, the Company and its subsidiary classified short-term loan and accrued interest according to the original agreement to long-term loan under debt restructuring agreement amounting to Baht 85 million and accrued interest under debt restructuring agreement amounting to Baht 86 million according to the term of payment.



(Unaudited but reviewed)

16. Provisions

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 30 September | 31 December | 30 September | 31 December |
| | 2015 | 2014 | 2015 | 2014 |
| Short-term provisions | | | | |
| Provision from guarantee for subsidiaries | - | - | 13,080 | 36,119 |
| Provision for litigation | - | 17,685 | - | - |
| Total | - | 17,685 | 13,080 | 36,119 |
| Long-term provisions | | | | |
| Provision from guarantee for subsidiaries | - | - | 99,467 | 137,219 |
| Provision from guarantee for related companies | 241 | 241 | 241 | 241 |
| Provision for litigation | 29,624 | 29,624 | 29,624 | 29,624 |
| Total | 29,865 | 29,865 | 129,332 | 167,084 |

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 and nine-month periods ended 30 September 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

| | For the three-month periods ended 30 September | | | |
|--|--|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 2015 | 2014 | 2015 | 2014 |
| (Restated) | | | | |
| Current income tax: | | | | |
| Interim corporate income tax charge | 2,155 | 281 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 75 | 2,874 | 48 | 47 |
| Income tax expense reported in the statements of comprehensive income | 2,230 | 3,155 | 48 | 47 |



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(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2015 | 2014 | 2015 | 2014 |
| | | (Restated) | | (Restated) |
| Current income tax: | | | | |
| Interim corporate income tax charge | 2,751 | 886 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 4,132 | 2,882 | 139 | (7) |
| Income tax expense (benefit) reported in the statements of comprehensive income | <u>6,883</u> | <u>3,768</u> | <u>139</u> | <u>(7)</u> |

18. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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 nine-month period ended 30 September 2015, the Company and its subsidiaries have revenue from 2 major customers in amount of Baht 106 million (2014: Baht 133 million derived from 2 major customers).



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20. Commitments and contingent liabilities

20.1 Capital commitments

As at 30 September 2015, a subsidiary has capital commitments of approximately Baht 1 million relating to acquisition of machinery (31 December 2014: Baht 4 million).

20.2 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.

| | (Unit: Million Baht) | | | |
|-----------------------------|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2015 | 2014 | 2015 | 2014 |
| Payable: | | | | |
| In up to 1 year | 7 | 13 | - | - |
| In over 1 and up to 5 years | 3 | 1 | - | - |

20.3 Guarantees

- a) As at 30 September 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 256 million (31 December 2014: Baht 349 million) (Separate financial statements: Baht 251 million (31 December 2014: Baht 344 million)).
- b) The Company and its subsidiaries have outstanding bank guarantees as follows:

| | (Unit: Million Baht) | | | |
|---------------------------|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2015 | 2014 | 2015 | 2014 |
| Guarantee electricity use | 6 | 6 | 1 | 1 |
| Other guarantees | 8 | 9 | - | - |



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20.4 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.
- b) The Company was sued by a commercial bank as a result of its guarantee of credit facilities provided to Innovation Nakornluang Footwear Co., Ltd., Modern Technology Component Co., Ltd. and International Curity Footwear Co., Ltd. which defaulted on their repayment of debts amounting to Baht 173 million. The Company has recorded the contingent liability as provision from guarantee for subsidiaries.

Subsequently, on 26 January 2015, the Company and these subsidiaries entered into compromise agreements with the bank in the presence of the court to restructure their debts as described in Note 15 to the financial statements.

The Company reversed provisions from guarantee for subsidiaries amounting to Baht 61 million in the profit or loss in the separate financial statements for the current period and remained the contingent liability under provision from guarantee from subsidiaries amounting to Baht 112 million.

- c) In 2010, the Company sued a related company in relation to the hire of work agreement, claiming compensation of Baht 34 million, and that company countersued. The Court of First Instance dismissed the Company's suit and ordered the Company to make payment amounting to Baht 19 million plus interest charged 7.5% per annum to that related company. In addition, in July 2013 the Appeal Court affirmed the decision of the lower court. The case is currently pending in the Supreme Court. However, the Company recorded provision for the litigation amounting to Baht 19 million as ordered by court.
- d) Two subsidiaries faced the lawsuit in connection with layoff of its directors, demanding compensation totaling Baht 20 million. The Court of Frist Instance dismissed the case, and so the plaintiff appealed to the Supreme Court. The cases are currently under consideration of the Supreme Court.
- e) During the first quarter and the second quarter of 2015, two subsidiaries were sued by a related company for the unpaid rent and damages for breach of the car rental agreement amounting to Baht 4 million. The Court scheduled the mediation, testimony and hearing to be in November 2015.



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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 | |
|------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|--|---------------------|
| | 30 September 2015 (Million) | 31 December 2014 (Million) | 30 September 2015 (Million) | 31 December 2014 (Million) | 30 September 2015 (Baht per 1 foreign currency unit) | 31 December 2014 |
| US dollar | 0.3 | 0.3 | 0.2 | 0.3 | 36.3696 | 32.9630 |

22. Events after the reporting period

- 22.1 On 1 October 2015, the Company transferred 94,300 ordinary shares of Hanka Bangkok Rubber Co., Ltd. (a subsidiary classified as assets held for sale) to a related company since the Company has fully received cash payment in accordance with an agreed value of the contract. The Company recognises gain from sale of such investment, amounting to Baht 0.99 million in the fourth quarter of 2015.
- 22.2 On 19 October 2015, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions:
- Approved a transfer of Baht 21 million of legal reserve and Baht 1.68 million of premium on ordinary shares, in order to write off Baht 22.68 million of the retained losses of the Company.
 - Approved a reduction of the Company's registered and paid-up share capital from Baht 2,700 million (540 million ordinary shares of Baht 5 each) to Baht 275.40 million (540 million ordinary shares of Baht 0.51 each), by decreasing the par value of each share, in order to write off Baht 2,424.60 million of the retained losses of the Company.
- 22.3 On 22 October 2015, Kabinburi Pan Asia Footwear Co., Ltd. (a subsidiary) purchased 425,000 ordinary shares of Advantage Footwear Co., Ltd. (an associate) from other associate at Baht 19.37 per shares, or for a total of Baht 8.23 million. This represents 11.58% of the issued and paid-up share capital of that company. As a result, the Company and its subsidiaries hold 58.82% of the shares of that company and Advantage Footwear Co., Ltd. has changed its status from an associate to a subsidiary of the group.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Boards of Directors on 12 November 2015.



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