

Pan Asia Footwear Public Company Limited  
and its subsidiaries

Review report and consolidated interim financial statements

For the three-month and six-month periods ended

30 June 2017



Building a better  
working world

EY Office Limited  
33rd Floor, Lake Rajada Office Complex  
193/136-137 Rajadapisek Road  
Klongtoey, Bangkok 10110  
G.P.O.Box 1047, Bangkok 10501, Thailand  
Tel: +66 2264 9090  
Fax: +66 2264 0789-90  
ey.com

บริษัท สำนักงาน อีวาย จำกัด  
ชั้น 33 อาคารเลอรัดา  
193/136-137 ถนนรัชดาภิเษก  
คลองเตย กรุงเทพฯ 10110  
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501  
โทรศัพท์: +66 2264 9090  
โทรสาร: +66 2264 0789-90  
ey.com

## 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 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-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 7 to the financial statements, the Company did not obtain the consolidated and separate financial statements for the six-month period ended 30 June 2017 of PA Capital Co., Ltd., the associated company, and its subsidiary companies. The Company obtained only the separate financial statements of the associated company as at 31 December 2016, 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, including the related accounts in the statement of comprehensive income. This matter is considered to be a scope limitation imposed by circumstance. In addition, for the review of financial statements for the second quarter of 2016



Building a better  
working world

and the audit of financial statements for the year 2016, I was not furnished with the up-to-date financial statements of the associated company and its subsidiary companies for such periods as well. I therefore issued the qualified conclusion on the financial statements for the second quarter of 2016 and issued the qualified opinion on the financial statements for the year 2016 for such matter.

Since I was unable to determine whether and to what extent any adjustments were required to adjust the value of investment in associate as at 30 June 2017 and 31 December 2016, including the related accounts in the statements of comprehensive income for the second quarter of 2017 and 2016. My conclusion on the current period's financial statements is qualified as the matter may affect the operating results and the financial position for the current period and comparative figures.

#### **Qualified conclusion**

Based on my review, except for any adjustments that might be required to the interim financial information for the three-month and six-month periods ended 30 June 2017 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 June 2017, the Company has current liabilities exceeded current assets by Baht 192 million. In addition, several subsidiaries have operating loss, several subsidiaries have large deficits, and there are indicators of possible persistent losses in the future. Several subsidiaries ceased their operations. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's 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: 10 August 2017

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		38,733	74,691	2,111	3,030
Current investments		300	6,516	-	-
Trade and other receivables	2	167,522	147,818	8,205	9,236
Short-term loans to related parties and others	3	428	1,208	-	-
Inventories	4	101,640	89,326	-	-
Current biological assets		667	-	667	-
Other current assets		11,482	8,304	1,739	1,446
<b>Total current assets</b>		<b>320,772</b>	<b>327,863</b>	<b>12,722</b>	<b>13,712</b>
<b>Non-current assets</b>					
Restricted bank deposits	5	6,443	6,443	1,349	1,349
Investments in available-for-sale securities		52	40	52	40
Investments in subsidiaries	6	-	-	283,593	262,101
Investments in associates	7	-	-	-	-
Investments in related parties	8	13,566	8,566	10,326	7,326
Long-term loans to related parties	3	-	-	-	-
Investment properties	9	279,489	280,570	334,103	335,866
Property, plant and equipment	10	113,150	115,084	8,325	9,759
Goodwill		-	-	-	-
Non-current biological assets		12,558	12,558	-	-
Leasehold right		-	-	-	-
Receivables from guarantee - related parties	3	-	-	-	-
Deferred tax assets		324	268	-	-
Other non-current assets		7,220	9,208	1,379	4,492
<b>Total non-current assets</b>		<b>432,802</b>	<b>432,737</b>	<b>639,127</b>	<b>620,933</b>
<b>Total assets</b>		<b>753,574</b>	<b>760,600</b>	<b>651,849</b>	<b>634,645</b>

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



*Signature*

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	11	22,156	18,157	17,872	14,165
Trade and other payables	12	112,603	107,549	21,119	17,193
Short-term loans from related parties	3	100,000	100,000	165,300	161,000
Current portion of liabilities under finance					
lease agreements		2,787	2,857	-	-
Income tax payable		3,424	3,058	-	-
Other current liabilities		3,417	3,070	129	495
<b>Total current liabilities</b>		<b>244,387</b>	<b>234,691</b>	<b>204,420</b>	<b>192,853</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements,					
net of current portion		2,873	4,239	-	-
Provision for long-term employee benefits		8,573	7,804	563	560
Long-term provisions	13	18,990	18,990	17,865	17,865
Deferred tax liabilities		4,213	4,521	738	654
Other non-current liabilities		3,023	5,786	3,023	3,023
<b>Total non-current liabilities</b>		<b>37,672</b>	<b>41,340</b>	<b>22,189</b>	<b>22,102</b>
<b>Total liabilities</b>		<b>282,059</b>	<b>276,031</b>	<b>226,609</b>	<b>214,955</b>

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



*Handwritten signature in blue ink.*

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	
<b>Shareholders' equity</b>					
Share capital					
Registered					
	540,000,000 ordinary shares of Baht 0.51 each	275,400	275,400	275,400	275,400
Issued and fully paid-up					
	540,000,000 ordinary shares of Baht 0.51 each	275,400	275,400	275,400	275,400
	The Company's shares held by subsidiaries	(17,553)	(17,553)	-	-
Retained earnings					
	Appropriated - statutory reserve	13,028	13,028	13,028	13,028
	Unappropriated	162,413	178,107	136,884	131,346
	Other component of shareholders' equity	4,870	4,858	(72)	(84)
	Equity attributable to owners of the Company	438,158	453,840	425,240	419,690
	Non-controlling interests of the subsidiaries	33,357	30,729	-	-
	<b>Total shareholders' equity</b>	<b>471,515</b>	<b>484,569</b>	<b>425,240</b>	<b>419,690</b>
	<b>Total liabilities and shareholders' equity</b>	<b>753,574</b>	<b>760,600</b>	<b>651,849</b>	<b>634,645</b>

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



*[Handwritten signature]*

*[Handwritten signature]*

Directors

(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		192,338	169,057	2,640	4,292
Revenues from hire of work		8,957	8,003	-	-
Dividend income	6, 8	22	350	10,879	3,949
Gain on sales of assets		784	10,649	-	10,598
Other income		3,491	9,342	3,109	2,558
<b>Total revenues</b>		<b>205,592</b>	<b>197,401</b>	<b>16,628</b>	<b>21,397</b>
<b>Expenses</b>					
Cost of sales and hire of work		174,449	150,129	2,675	3,241
Selling expenses		3,231	3,027	484	561
Administrative expenses		27,396	29,581	7,909	8,220
Allowance for doubtful accounts		135	2,519	1,064	250
Reversal of provision for litigation		-	(10,875)	-	(12,000)
Loss arising from change in fair value of biological assets		161	-	161	-
<b>Total expenses</b>		<b>205,372</b>	<b>174,381</b>	<b>12,293</b>	<b>272</b>
<b>Profit before finance cost and income tax expenses</b>		<b>220</b>	<b>23,020</b>	<b>4,335</b>	<b>21,125</b>
Finance cost		(1,671)	(3,495)	(1,937)	(1,675)
<b>Profit (loss) before income tax expenses</b>		<b>(1,451)</b>	<b>19,525</b>	<b>2,398</b>	<b>19,450</b>
Income tax expenses	15	(1,950)	(1,634)	(43)	(45)
<b>Profit (loss) for the period</b>		<b>(3,401)</b>	<b>17,891</b>	<b>2,355</b>	<b>19,405</b>
<b>Other comprehensive income:</b>					
<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		17	(20)	17	(20)
<b>Other comprehensive income for the period</b>		<b>17</b>	<b>(20)</b>	<b>17</b>	<b>(20)</b>
<b>Total comprehensive income for the period</b>		<b>(3,384)</b>	<b>17,871</b>	<b>2,372</b>	<b>19,385</b>

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



Handwritten signature in blue ink.



(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(5,608)	14,985	2,355	19,405
Non-controlling interests of the subsidiaries		2,207	2,906		
		<u>(3,401)</u>	<u>17,891</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(5,591)	14,965	2,372	19,385
Non-controlling interests of the subsidiaries		2,207	2,906		
		<u>(3,384)</u>	<u>17,871</u>		
<b>Basic earnings per share</b>					
Profit (loss) attributable to equity holders of the Company	16	<u>(0.010)</u>	<u>0.028</u>	<u>0.004</u>	<u>0.036</u>

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



*[Handwritten signature]*  
วิภาดา วัฒนศิริกุล



(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2017

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	378,407	333,106	5,669	9,545	
Revenues from hire of work	15,519	15,224	-	-	
Dividend income	6, 8	22	350	10,879	3,949
Gain on sales of assets	1,769	10,946	-	10,872	
Other income	9,018	20,871	5,383	5,123	
<b>Total revenues</b>	<b>404,735</b>	<b>380,497</b>	<b>21,931</b>	<b>29,489</b>	
<b>Expenses</b>					
Cost of sales and hire of work	336,928	297,229	4,651	9,082	
Selling expenses	6,200	5,767	866	972	
Administrative expenses	53,430	63,306	15,037	15,180	
Allowance for doubtful accounts (reversal)	311	(37,714)	(20,054)	(27,620)	
Reversal of provision for litigation	-	(10,875)	-	(12,000)	
Loss arising from change in fair value of biological assets	24	-	24	-	
<b>Total expenses</b>	<b>396,893</b>	<b>317,713</b>	<b>524</b>	<b>(14,386)</b>	
<b>Profit before shares of profit from investments</b>					
<b>in associates, finance cost and income tax expenses</b>	<b>7,842</b>	<b>62,784</b>	<b>21,407</b>	<b>43,875</b>	
Shares of profit from investments in associates	-	46	-	-	
<b>Profit before finance cost and income tax expenses</b>	<b>7,842</b>	<b>62,830</b>	<b>21,407</b>	<b>43,875</b>	
Finance cost	(3,439)	(8,200)	(3,798)	(3,121)	
<b>Profit before income tax expenses</b>	<b>4,403</b>	<b>54,630</b>	<b>17,609</b>	<b>40,754</b>	
Income tax expenses	15	(4,066)	(2,504)	(84)	(62)
<b>Profit for the period</b>	<b>337</b>	<b>52,126</b>	<b>17,525</b>	<b>40,692</b>	
<b>Other comprehensive income:</b>					
<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	12	(16)	12	(16)	
<b>Other comprehensive income for the period</b>	<b>12</b>	<b>(16)</b>	<b>12</b>	<b>(16)</b>	
<b>Total comprehensive income for the period</b>	<b>349</b>	<b>52,110</b>	<b>17,537</b>	<b>40,676</b>	

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



*Handwritten signature in blue ink, likely of a company representative.*

(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(3,787)	47,763	17,525	40,692
Non-controlling interests of the subsidiaries		4,124	4,363		
		<u>337</u>	<u>52,126</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(3,775)	47,747	17,537	40,676
Non-controlling interests of the subsidiaries		4,124	4,363		
		<u>349</u>	<u>52,110</u>		
<b>Basic earnings per share</b>					
Profit (loss) attributable to equity holders of the Company	16	<u>(0.007)</u>	<u>0.089</u>	<u>0.032</u>	<u>0.075</u>

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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
Other components of shareholders' equity										
Other comprehensive income										
Gain (loss) on changes in value of available-for-sale investments										
Difference resulting from change in shareholding in subsidiaries										
Total other components of shareholders' equity										
Total equity attributable to owners of the Company										
Equity attributable to non-controlling interests of the subsidiaries										
Total shareholders' equity										
Issued and paid-up share capital	275,400	-	-	-	-	-	-	-	-	274,402
Balance as at 1 January 2016										274,402
Profit for the period	-	-	-	-	-	-	-	-	-	52,126
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	(16)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(16)
Decreased in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	52,110
Dividend paid (Note 18)	-	-	-	-	-	-	-	-	-	(14,529)
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	(11,015)
Dividend paid - net	-	-	-	-	-	-	-	-	-	74
Transferred unappropriated retained earnings to statutory reserve	-	9,372	-	-	-	-	-	-	-	(10,941)
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	275,400	(17,553)	9,372	(11,966)	(90)	2,695	2,605	(51)	43,133	300,991
Balance as at 1 January 2017	275,400	(17,553)	13,028	178,107	(84)	4,942	4,858	30,729	484,569	484,569
Profit (loss) for the period	-	-	-	(3,787)	-	-	-	-	4,124	337
Other comprehensive income for the period	-	-	-	-	12	-	-	-	-	12
Total comprehensive income for the period	-	-	-	(3,787)	12	-	-	-	4,124	349
Dividend paid (Note 18)	-	-	-	(11,987)	-	-	-	-	-	(11,987)
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	80	-	-	-	-	-	80
Dividend paid - net	-	-	-	(11,907)	-	-	-	-	-	(11,907)
Decrease in non-controlling interests of the subsidiaries from dividend payment of the subsidiaries	-	-	-	-	-	-	-	-	(1,496)	(1,496)
Balance as at 30 June 2017	275,400	(17,553)	13,028	162,413	(72)	4,942	4,870	33,357	471,515	471,515

*Handwritten signature*



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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

Separate financial statements

	Retained earnings		Unappropriated	on changes in value of available-for-sale investments	Total shareholders' equity	
	Appropriated - statutory reserve					Other comprehensive income
	Issued and paid-up share capital	Gain (loss)				
<b>Balance as at 1 January 2016</b>	-	82,257	82,257	(74)	357,583	
Profit for the period	-	40,692	40,692	-	40,692	
Other comprehensive income for the period	-	-	-	(16)	(16)	
Total comprehensive income for the period	-	-	40,692	(16)	40,676	
Dividend paid (Note 18)	-	(11,015)	(11,015)	-	(11,015)	
Transferred unappropriated retained earnings to statutory reserve	9,372	(9,372)	(9,372)	-	-	
<b>Balance as at 30 June 2016</b>	275,400	9,372	102,562	(90)	387,244	
<b>Balance as at 1 January 2017</b>	275,400	13,028	131,346	(84)	419,690	
Profit for the period	-	-	17,525	-	17,525	
Other comprehensive income for the period	-	-	-	12	12	
Total comprehensive income for the period	-	-	17,525	12	17,537	
Dividend paid (Note 18)	-	-	(11,987)	-	(11,987)	
<b>Balance as at 30 June 2017</b>	275,400	13,028	136,884	(72)	425,240	



*Handwritten signature*

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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit before tax	4,403	54,630	17,609	40,754
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	12,222	9,905	3,280	3,550
Bad debt and allowance for doubtful accounts (reversal)	311	(37,714)	(20,054)	(27,620)
Bad debt recovery	-	-	(841)	-
Reversal of reduction of inventories to net realisable value	(12)	(20,375)	(12)	(20,323)
Gain on disposal of property, plant and equipment	(1,769)	(10,946)	-	(10,872)
Loss arising from change in fair value of biological assets	24	-	24	-
Share of profit from investments in associates	-	(46)	-	-
Loss on fair value measurement of previously held equity interests	-	334	-	-
Gain from a bargain purchase of equity interests in a subsidiary	-	(6,479)	-	-
Gain on disposal of investment that classified as held for sales	-	(6,182)	-	-
Reversal of provision for litigation	-	(10,875)	-	(12,000)
Provision for long-term employee benefits	769	2,104	3	19
Unrealised loss (gain) on exchange rate	11	40	(8)	(14)
Dividend income	(22)	(350)	(10,879)	(3,949)
Interest expenses	3,439	8,200	3,798	3,121
Gain (loss) from operating activities before changes in operating assets and liabilities	19,376	(17,754)	(7,080)	(27,334)
Operating assets (increase) decrease				
Trade and other receivables	(20,091)	12,706	434	(10,886)
Inventories	(12,302)	15,599	12	23,024
Current biological assets	(691)	-	(691)	-
Other current assets	(2,558)	(3,180)	(293)	754
Other non-current assets	(3,489)	(2,131)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	5,119	(33,004)	3,793	(5,561)
Other current liabilities	347	(154)	(366)	(244)
Other non-current liabilities	(2,763)	-	-	-
Cash used in operating activities	(17,052)	(27,918)	(4,191)	(20,247)
Cash paid for corporate income tax	(4,655)	(5,403)	(294)	(121)
Income tax refunded	448	1,295	407	-
<b>Net cash flows used in operating activities</b>	<b>(21,259)</b>	<b>(32,026)</b>	<b>(4,078)</b>	<b>(20,368)</b>

The accompanying notes are an integral part of the financial statements



*[Handwritten signature]*

(Unaudited but reviewed)

## Pan Asia Footwear Public Company Limited and its subsidiaries

## Cash flows statement (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Increase in cash from change in status of associate to be subsidiary	-	11,513	-	-
Decrease in restricted bank deposits	-	182	-	-
Decrease in current investments	6,216	30,238	-	-
Cash receipt from short-term loans to related parties and others	780	655	-	-
Cash receipt from long-term loans to related parties	-	20	-	700
Dividend received	22	350	10,879	3,949
Purchase of property, plant and equipment	(9,328)	(6,528)	(83)	(492)
Proceeds from disposal of property, plant and equipment	1,890	11,831	-	11,727
<b>Net cash flows from (used in) investing activities</b>	<b>(420)</b>	<b>48,261</b>	<b>10,796</b>	<b>15,884</b>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans from financial institutions	3,999	8,981	3,707	8,981
Cash receipt from short-term loans from related parties	-	-	11,500	36,000
Repayment of liabilities under finance lease agreements	(1,436)	(1,723)	-	-
Repayment of short-term loans from related parties	-	-	(7,200)	-
Repayment of liabilities under debt settlement agreement	-	(46,267)	-	(46,267)
Dividend paid	(11,907)	(10,941)	(11,987)	(11,015)
Dividend paid for non-controlling interests of the subsidiaries	(1,496)	(51)	-	-
Cash paid for interest expenses	(3,439)	(5,272)	(3,657)	(3,108)
<b>Net cash flows used in financing activities</b>	<b>(14,279)</b>	<b>(55,273)</b>	<b>(7,637)</b>	<b>(15,409)</b>
Net decrease in cash and cash equivalents	(35,958)	(39,038)	(919)	(19,893)
Cash and cash equivalents at the beginning of period	74,691	113,467	3,030	23,258
<b>Cash and cash equivalents at end of period</b>	<b>38,733</b>	<b>74,429</b>	<b>2,111</b>	<b>3,365</b>

**Supplementary cash flows information:**

## Non-cash transactions:

Investment properties increased due to payment received

from an associate

- 3,100 - -

Investment in subsidiaries increased due to payment

received from a subsidiary

- - 3,857 29,407

Investment in subsidiaries increased due to payment received

from long-term loan to a subsidiary

- - 17,635 -

Change in status of investment in associate to

investment in subsidiary

- 13,396 - -

Transfer advance payment for share subscription to investment

in related party

5,000 - 3,000 -

The accompanying notes are an integral part of the financial statements



*(Handwritten signatures in blue ink)*

**Pan Asia Footwear Public Company Limited and its subsidiaries**  
**Notes to consolidated interim financial statements**  
**For the three-month and six-month periods ended 30 June 2017**

**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 and distribution of footwear. However, the Company had restructured its business in 2013. Currently, the Company is principally engaged in investment in other companies (Holding company) and in 2017 the Company started an organic farming business. The registered office of the Company is at 620/5 Moo 11, Nongkharm, Siracha, Chonburi.

**1.2 Going concern**

As presented in the separate financial statements as at 30 June 2017, the Company's current liabilities exceeded its current assets by Baht 192 million. In addition, several subsidiaries have operating loss, several subsidiaries have large deficits, and there are indicators of possible persistent losses in the future. Several subsidiaries ceased their operations. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, the Company has restructured its business and majority of subsidiaries still have profit from operations. 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 2016) 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.



*[Handwritten signature]*



(Unaudited but reviewed)

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.

#### **1.4 Basis of interim consolidation**

The 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 as that applied for the consolidated financial statements for the year ended 31 December 2016, with no structural changes related to subsidiaries occurring during the current period.

#### **1.5 New financial reporting standards**

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 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 2016.



*Signature*  
Wibha-ayuthan

(Unaudited but reviewed)

**2. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	36,685	39,063	866	150
Past due				
Up to 3 months	25,628	31,111	114	308
3 - 6 months	1,210	2,386	627	-
6 - 12 months	1	901	1	-
Over 12 months	72,824	72,724	231	771
Total	136,348	146,185	1,839	1,229
Less: Allowance for doubtful accounts	(72,733)	(72,733)	(231)	(231)
Total trade receivables - related parties, net	63,615	73,452	1,608	998
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	60,042	36,436	199	2
Past due				
Up to 3 months	32,326	23,575	740	838
3 - 6 months	601	2,436	86	121
6 - 12 months	544	1,148	14	13
Over 12 months	10,689	10,923	244	251
Total	104,202	74,518	1,283	1,225
Less: Allowance for doubtful accounts	(10,628)	(10,557)	(79)	(8)
Total trade receivables - unrelated parties, net	93,574	63,961	1,204	1,217
Total trade receivables - net	157,189	137,413	2,812	2,215
<u>Other receivables</u>				
Other receivables - related parties	170,314	170,395	126,669	126,869
Other receivables - unrelated parties	22,622	22,373	12,653	13,664
Total	192,936	192,768	139,322	140,533
Less: Allowance for doubtful accounts	(182,603)	(182,363)	(133,929)	(133,512)
Total other receivables - net	10,333	10,405	5,393	7,021
Total trade and other receivables - net	167,522	147,818	8,205	9,236



*[Handwritten signature]*

*[Handwritten signature]*

### 3. 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 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Purchases of goods	-	-	1	1	Cost plus margins
Dividend income	-	-	11	4	As declared
<u>Transactions with related companies</u>					
Sales of goods	60	69	-	1	Cost plus margins
Other income	1	1	-	-	Cost plus margins or as indicated in the agreement
Purchases of goods	3	3	-	-	Cost plus margins
Utilities expenses	2	1	-	-	As indicated in the agreement
Other expenses	4	2	-	-	As indicated in the agreement
<u>Transaction with related person</u>					
Interest expenses	1	1	1	1	4.9% per annum

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from consolidated financial statements)					
Sales of goods	-	-	-	3	Cost plus margins
Purchases of goods	-	-	1	1	Cost plus margins
Interest expense	-	-	1	-	2.5% per annum
Dividend income	-	-	11	4	As declared
<u>Transactions with related companies</u>					
Sales of goods	134	154	1	1	Cost plus margins
Other income	1	1	-	-	Cost plus margins or as indicated in the agreement
Purchases of goods	7	4	-	-	Cost plus margins
Utilities expenses	4	2	-	-	As indicated in the agreement
Other expenses	9	4	-	-	As indicated in the agreement
<u>Transaction with related person</u>					
Interest expenses	2	2	2	2	4.9% per annum



*Signature*



(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	financial statements	financial statements
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<b><u>Trade and other receivables - related parties (Note 2)</u></b>				
Subsidiaries	-	-	88,057	89,005
Associates	92,156	92,144	165	153
Related companies (related by common shareholders and directors)	214,506	224,436	40,286	38,940
Total	306,662	316,580	128,508	128,098
Less: Allowance for doubtful accounts	(239,665)	(239,618)	(126,372)	(126,135)
Net	66,997	76,962	2,136	1,963
<b><u>Receivables from guarantee - related parties</u></b>				
Subsidiaries	-	-	21,119	24,026
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	72,139	75,046
Less: Allowance for doubtful accounts	(51,020)	(51,020)	(72,139)	(75,046)
Net	-	-	-	-
<b><u>Trade and other payables - related parties (Note 12)</u></b>				
Subsidiaries	-	-	8,030	6,606
Associates	1,086	643	289	289
Related companies (related by common shareholders)	24,790	24,898	5,779	5,779
Total	25,876	25,541	14,098	12,674



*Signature*

(Unaudited but reviewed)

Short-term loans to related parties and others

During the six-month period ended 30 June 2017, the movements of short-term loans to related parties and other were as follows:

(Unit: Thousand Baht)

Consolidated financial statements			
As at			
1 January			As at
2017	Decrease	30 June 2017	
<b><u>Short-term loans to related parties and other</u></b>			
Short-term loans to related parties			
Associate			
Nongchang Rubber Co., Ltd.	850	-	850
Total	850	-	850
Related companies			
Thai Sung Shin New Material Co., Ltd.	4,600	-	4,600
Natural Art and Technology Co., Ltd.	875	(750)	125
Total	5,475	(750)	4,725
Total short-term loans to related parties	6,325	(750)	5,575
Less: Allowance for doubtful accounts	(5,450)	-	(5,450)
Total short-term loans to related parties - net	875	(750)	125
Short-term loans to others	333	(30)	303
Total short-term loans to related parties and others, net	1,208	(780)	428



*Signature*

(Unaudited but reviewed)

Long-term loans to related parties

During the six-month period ended 30 June 2017, the movements of long-term loans to related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at		As at
	1 January	Decrease	30 June
	2017		2017
<b><u>Long-term loans to related parties</u></b>			
Associates			
PA Capital Co., Ltd.	90,140	-	90,140
P.L. John Industries Co., Ltd.	10,700	-	10,700
Pek Engineering Co., Ltd.	9,540	-	9,540
Total	110,380	-	110,380
Related company			
Rangsit Footwear Co., Ltd.	2,109	-	2,109
Total	2,109	-	2,109
Total long-term loans to related parties	112,489	-	112,489
Less: Allowance for doubtful accounts	(112,489)	-	(112,489)
Total long-term loans to related parties, net	-	-	-

(Unit: Thousand Baht)

	Separate financial statements		
	As at		As at
	1 January	Decrease	30 June
	2017		2017
<b><u>Long-term loans to related parties</u></b>			
Subsidiaries			
Kabinburi Pan Asia Footwear Co., Ltd.	96,014	(17,635)	78,379
Phimai Footwear Co., Ltd.	21,650	-	21,650
Innovation Nakornluang Footwear Co., Ltd.	1,430	-	1,430
Total	119,094	(17,635)	101,459
Related company			
Rangsit Footwear Co., Ltd.	2,109	-	2,109
Total	2,109	-	2,109
Total long-term loans to related parties	121,203	(17,635)	103,568
Less: Allowance for doubtful accounts	(121,203)	17,635	(103,568)
Total long-term loans to related parties, net	-	-	-



*Handwritten signature in blue ink.*

(Unaudited but reviewed)

### Short-term loans from related parties

During the six-month periods period ended 30 June 2017, the movements of short-term loans from related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements				
	As at		As at	As at		As at		
	1 January		30 June	1 January		30 June		
	2017	Increase	Decrease	2017	2017	Increase	Decrease	2017
<b><u>Short-term loans from related parties</u></b>								
Subsidiaries								
Advantage Footwear Co., Ltd.	-	-	-	-	40,000	-	(7,200)	32,800
Excellent Rubber Co., Ltd.	-	-	-	-	11,000	1,500	-	12,500
Aphakorn Industries Co., Ltd.	-	-	-	-	5,000	5,000	-	10,000
Pontex (Thailand) Co., Ltd.	-	-	-	-	5,000	5,000	-	10,000
Total	-	-	-	-	61,000	11,500	(7,200)	65,300
Related person								
Mr. Boonyasit Chokwatana	100,000	-	-	100,000	100,000	-	-	100,000
Total	100,000	-	-	100,000	100,000	-	-	100,000
Total short-term loans from related parties	100,000	-	-	100,000	161,000	11,500	(7,200)	165,300

### Directors and management's benefits

During the six-month periods ended 30 June 2017 and 2016, 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	
	2017	2016	2017	2016
Short-term employee benefits	13,794	5,676	5,006	2,745
Post-employment benefits	66	31	1	17
Total	13,860	5,707	5,007	2,762

### Guarantee obligations with related parties

The Company and its subsidiary have outstanding guarantee obligations with its related parties, as described in Note 19.3 a) to the financial statements.



*Handwritten signature in blue ink.*





(Unaudited but reviewed)

7. Investments in associates

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2017	31 December 2016
Investments in associates - at cost	404,856	404,856
Accumulated share of loss in associates	(404,856)	(404,856)
Investments in associates - equity method	-	-

(Unit: Thousand Baht)

	Separate financial statements	
	30 June 2017	31 December 2016
Investments in associates - at cost	64,559	64,559
Less: Allowance for impairment of investments	(64,559)	(64,559)
Investments in associates - net	-	-

Partial of investments in associates in the consolidated financial statements at cost of Baht 376 million (Separate financial statements: Baht 65 million) was investment in PA Capital Co., Ltd. ("the associate"), the Company did not obtain the financial statements for the six-month period ended 30 June 2017 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 2016, 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 cost method and the equity method as equal to zero.



*Handwritten signature in blue ink, possibly reading 'Abhaya'.*

## 8. 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 six-month periods ended 30 June	
	30 June	31 December	30 June	31 December	30 June	31 December	2017	2016
	2017	2016	2017	2016	2017	2016		
Sahapat Properties Co., Ltd.	500	500	-	-	500	500	20	50
Nutrition House Co., Ltd.	13,598	13,598	(8,532)	(8,532)	5,066	5,066	-	-
Thai Takaya Co., Ltd.	2,000	2,000	-	-	2,000	2,000	2	300
Pan Biotech Co., Ltd.	1,000	1,000	-	-	1,000	1,000	-	-
Bampan 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)	-	-	-	-
Pan Technical Parts Co., Ltd.	720	720	(720)	(720)	-	-	-	-
Thai Sung Shin New Material Co., Ltd.	11,696	11,696	(11,696)	(11,696)	-	-	-	-
Sahachol Foods Supplies Co., Ltd.	5,000	-	-	-	5,000	-	-	-
<b>Total</b>	<b>166,514</b>	<b>161,514</b>	<b>(152,948)</b>	<b>(152,948)</b>	<b>13,566</b>	<b>8,566</b>	<b>22</b>	<b>350</b>

(Unit : Thousand Baht)

Company's name	Separate financial statements							
	Cost		Allowance for impairment of investments		Net		Dividend received during the six-month periods ended 30 June	
	30 June	31 December	30 June	31 December	30 June	31 December	2017	2016
	2017	2016	2017	2016	2017	2016		
Sahapat Properties Co., Ltd.	1,050	1,050	-	-	1,050	1,050	20	50
Nutrition House Co., Ltd.	4,268	4,268	(300)	(300)	3,968	3,968	-	-
Thai Takaya Co., Ltd.	2,308	2,308	-	-	2,308	2,308	2	300
Sahachol Foods Supplies Co., Ltd.	3,000	-	-	-	3,000	-	-	-
<b>Total</b>	<b>10,626</b>	<b>7,626</b>	<b>(300)</b>	<b>(300)</b>	<b>10,326</b>	<b>7,326</b>	<b>22</b>	<b>350</b>



*[Handwritten signature]*



**9. Investment properties**

Movements in the investment properties account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2017	280,570	335,866
Depreciation for the period	(1,081)	(1,763)
Balance as at 30 June 2017	<u>279,489</u>	<u>334,103</u>

As at 30 June 2017, the Company has mortgaged investment properties with net book value amounting to Baht 222 million (31 December 2016: Baht 223 million) as collateral against loan from related person and credit facilities received from financial institutions.

**10. Property, plant and equipment**

Movements in the property, plant and equipment account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2017	115,084	9,759
Acquisitions during the period - at cost	9,328	83
Disposals during the period - net book value at disposal date	(121)	-
Depreciation for the period	(11,141)	(1,517)
Balance as at 30 June 2017	<u>113,150</u>	<u>8,325</u>

As at 30 June 2017, the subsidiaries have mortgaged assets with net book value amounting to Baht 17 million (31 December 2016: Baht 18 million) as collaterals against credit facilities received from financial institutions.

**11. Bank overdrafts and short-term loans from financial institutions**

Bank overdrafts from financial institutions of the Company are secured by the mortgage of investment properties of the Company. Bank overdrafts 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 5, 9 and 10 to the financial statements.



*Handwritten signature in blue ink.*

(Unaudited but reviewed)

## 12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Trade payables - related parties	7,898	7,677	4,938	3,656
Trade payables - unrelated parties	52,831	52,173	906	908
Other payables - related parties	5,813	5,817	5,036	5,036
Other payables - unrelated parties	1,065	1,001	320	320
Accrued expenses - related parties	12,165	12,047	4,124	3,982
Accrued expenses - unrelated parties	30,015	27,297	5,751	3,256
Unearned revenue - unrelated parties	2,816	1,537	44	35
Total	112,603	107,549	21,119	17,193

## 13. Long-term provisions

(Unit: Thousand Baht)

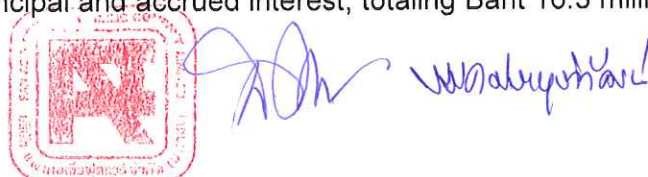
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Provision from guarantee for related companies	241	241	241	241
Provision for litigation	18,749	18,749	17,624	17,624
Total	18,990	18,990	17,865	17,865

## 14. Debt restructuring agreement between a subsidiary and an associate

In December 2016, Modern Technology Component Co., Ltd. (subsidiary/MTC) entered into the debt restructuring agreement with PA Capital Co., Ltd. (associate/PA), who had the outstanding debts with MTC amounting to Baht 31.3 million. Under the agreement, PA is to settle debt of Baht 15.0 million with MTC as follows:

1. Transfer 7 plots of land valued at Baht 11.2 million.
2. Transfer 91,272 ordinary shares of Advantage Footwear Co., Ltd. valued at Baht 2.7 million.
3. Payment for the outstanding debt valued at Baht 1.1 million.

If PA is able to make complete settlement of the debt, MTC will forgive PA the remaining principal and accrued interest, totaling Baht 16.3 million.



(Unaudited but reviewed)

In December 2016, PA transferred the plots of land and the ordinary shares under article 1 and article 2 to MTC to settle its debt with MTC, and MTC therefore reversed allowance for doubtful accounts amounting to Baht 13.9 million in profit or loss in the consolidated financial statements for the year 2016.

As at 30 June 2017, PA has outstanding debt repayable to MTC as mentioned in article 3.

## 15. 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 for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	2,128	1,741	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(178)</u>	<u>(107)</u>	<u>43</u>	<u>45</u>
<b>Income tax expense reported in the statements of comprehensive income</b>	<u>1,950</u>	<u>1,634</u>	<u>43</u>	<u>45</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	4,430	3,030	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(364)</u>	<u>(526)</u>	<u>84</u>	<u>62</u>
<b>Income tax expense reported in the statements of comprehensive income</b>	<u>4,066</u>	<u>2,504</u>	<u>84</u>	<u>62</u>



*Handwritten signature in blue ink.*



**16. 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.

**17. Segment information**

Operating segment information is reported in a manner consistent with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decisions about allocation of resources to the segment and access its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The Company and its subsidiaries have business operation involve 4 principal segments: 1) the manufacture and distribution of footwear 2) the manufacture and distribution of automotive parts 3) the manufacture and distribution of plastic parts and others and 4) the organic farming business. During the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries have no significant activity in segments (2), (3) and (4). As a result, the manufacture and distribution of footwear is the only major reportable operating segment 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.

For the six-month period ended 30 June 2017, the Company and its subsidiaries have revenue from 2 major customers in amount of Baht 116 million (2016: Baht 94 million derived from 2 major customers).

**18. Dividend paid**

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for 2015	Annual General Meeting of the shareholders on 26 April 2016	11	0.0204
Final dividend for 2016	Annual General Meeting of the shareholders on 25 April 2017	12	0.0222



*Handwritten signature in blue ink, possibly reading 'W. Abeyaratne'.*





#### 19.4 Legal cases

a) The Company faced a lawsuit in connection with the layoff its former executives, 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 plus interest at rates of 7.5% and 15% per annum. In May 2017, the Supreme Court ordered the Company to make payment amounting to Baht 6 million plus interest at rates of 7.5% and 15% per annum. The Company then has already recorded provision for the litigation at the amount ordered by the Supreme Court.

b) 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 Company recorded provision for the litigation amounting to Baht 19 million as ordered by the Court.

During 2016, the Supreme Court ordered the Company to make payment amounting to Baht 5 million plus interest charged 7.5% per annum to that related company. The Company reversed the provision for litigation of Baht 12 million in profit or loss in the financial statements for the year 2016 and remains such provision in accordance with the order by the Supreme Court.

c) Two subsidiaries were sued by a related company for the unpaid rental and damages for breach of the car rental agreements. The Court of First Instance has ordered these subsidiaries to make payment totaling Baht 2.5 million plus interest at the rate of 7.5% per annum. In June 2016, these subsidiaries filed a petition requesting for reconsideration of the court order, but the Court denied the request. The subsidiaries recorded a portion of such liabilities in their account. Therefore, the remaining amount was recorded as provision for litigation in accordance with the order by the Court of First Instance.

d) Three subsidiaries were sued by a related company for the unpaid rental and damages for breach of the car rental agreements amounting to Baht 4 million. In October 2016, the Court of First Instance dismissed the suit. Subsequently, during the second quarter of 2017, the Appeal Court affirmed the decision of the lower court on the judgement issued to these three subsidiaries.



*Handwritten signature in blue ink, possibly reading 'Wibabun'.*

**20. 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 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.7	0.4	0.1	0.1	33.9814	35.8307

**21. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Boards of Directors on 10 August 2017.



*ADM* / *Abeyaratne*