

Pan Asia Footwear Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended 31 March 2019



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Pan Asia Footwear Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Pan Asia Footwear Public Company Limited and its subsidiaries as at 31 March 2019, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Pan Asia Footwear Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Basis for qualified conclusion

As discussed in Note 7 to the financial statements, the Company did not obtain the consolidated and separate financial statements for the three-month period ended 31 March 2019 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 2018, 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 first quarter of 2018 and the audit of financial statements for the year 2018, I was not furnished with the up-to-date



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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 first quarter of 2018 and issued the qualified opinion on the financial statements for the year 2018 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 31 March 2019 and 31 December 2018, including the related accounts in the statements of comprehensive income for the first quarters of 2019 and 2018. 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 period ended 31 March 2019 as a result of the matter discussed in the basis for qualified conclusion paragraph, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matter

I draw attention to Note 1.2 to the financial statements, regarding the ability of the Company and its subsidiaries to continue as a going concern. As presented in the separate statement of financial position as at 31 March 2019, the Company has current liabilities exceeded current assets by Baht 185 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: 14 May 2019

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		46,852	60,087	1,058	1,071
Current investments		3	13	-	-
Trade and other receivables	2	154,046	133,002	5,887	4,639
Short-term loans to related parties and others	3	6,778	283	2,000	2,000
Inventories	4	91,401	96,191	1,629	1,270
Current biological assets		1,994	1,557	1,994	1,557
Other current assets		7,044	5,847	1,548	1,129
Total current assets		308,118	296,980	14,116	11,666
Non-current assets					
Restricted bank deposits	5	14,086	6,578	1,349	1,349
Investments in available-for-sale securities		36	38	36	38
Investments in subsidiaries	6	-	-	172,535	172,535
Investments in associates	7	-	12,099	-	-
Investments in related parties	8	10,294	10,294	7,439	7,439
Long-term loans to related parties	3	-	-	-	-
Investment properties	9	319,330	319,868	320,307	321,188
Property, plant and equipment	10	83,833	83,328	5,227	5,695
Goodwill		-	-	-	-
Non-current biological assets		3,886	3,886	-	-
Receivables from guarantee - related parties	3	-	-	-	-
Deferred tax assets		1,313	1,265	-	-
Withholding tax deducted at source		3,601	4,135	1,859	1,734
Other non-current assets		10,945	6,016	240	249
Total non-current assets		447,324	447,507	508,992	510,227
Total assets		755,442	744,487	523,108	521,893

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



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Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	11	10,723	12,857	6,208	8,863
Trade and other payables	12	99,419	107,896	25,977	25,393
Short-term loans from related parties	3	100,000	100,000	166,300	166,300
Current portion of liabilities under finance					
lease agreements		3,401	3,707	-	-
Income tax payable		1,468	801	-	-
Other current liabilities		2,357	1,780	157	413
Total current liabilities		217,368	227,041	198,642	200,969
Non-current liabilities					
Liabilities under finance lease agreements,					
net of current portion		3,478	3,896	-	-
Provision for long-term employee benefits		18,224	16,909	2,282	2,231
Long-term provisions		1,366	1,366	241	241
Deferred tax liabilities		3,117	3,016	1,067	1,021
Other non-current liabilities		3,023	3,023	3,023	3,023
Total non-current liabilities		29,208	28,210	6,613	6,516
Total liabilities		246,576	255,251	205,255	207,485

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



Pan Asia Footwear Public Company Limited and its subsidiaries



Statement of financial position (continued)

As at 31 March 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Shareholders' equity				
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	180,631	169,878	29,513	26,066
Other component of shareholders' equity	4,854	4,856	(88)	(86)
Equity attributable to owners of the Company	456,360	445,609	317,853	314,408
Non-controlling interests of the subsidiaries	52,506	43,627	-	-
Total shareholders' equity	508,866	489,236	317,853	314,408
Total liabilities and shareholders' equity	755,442	744,487	523,108	521,893

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

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 Directors



(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2019

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales		201,867	180,925	5,070	2,944
Revenues from hire of work		2,246	11,025	-	-
Dividend income	6	-	-	4,000	6,824
Gain on sales of assets		465	243	280	-
Gain from change in fair value of biological assets		762	-	762	-
Other income		22,854	5,751	8,020	4,527
Total revenues		228,194	197,944	18,132	14,295
Expenses					
Cost of sales and hire of work		185,355	175,251	5,954	5,085
Selling and distribution expenses		3,388	3,511	530	547
Administrative expenses		24,415	25,686	6,255	6,801
Allowance for doubtful accounts (reversal)		(54)	288	123	158
Total expenses		213,104	204,736	12,862	12,591
Profit (loss) before share of profit from investments					
in associated, finance cost and income tax expense		15,090	(6,792)	5,270	1,704
Share of profit from investments in associates		144	-	-	-
Profit (loss) before finance cost and income tax expenses		15,234	(6,792)	5,270	1,704
Finance cost		(1,556)	(1,942)	(1,777)	(2,112)
Profit (loss) before income tax expenses		13,678	(8,734)	3,493	(408)
Income tax expenses	13	(356)	(455)	(46)	(41)
Profit (loss) for the period		13,322	(9,189)	3,447	(449)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of available-for-sale investments					
- net of income tax		(2)	6	(2)	6
Other comprehensive income for the period		(2)	6	(2)	6
Total comprehensive income for the period		13,320	(9,183)	3,445	(443)

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 31 March 2019

(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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit (loss) attributable to:					
Equity holders of the Company		10,753	(11,144)	3,447	(449)
Non-controlling interests of the subsidiaries		2,569	1,955		
		<u>13,322</u>	<u>(9,189)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		10,751	(11,138)	3,445	(443)
Non-controlling interests of the subsidiaries		2,569	1,955		
		<u>13,320</u>	<u>(9,183)</u>		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	14	<u>0.020</u>	<u>(0.021)</u>	<u>0.006</u>	<u>(0.001)</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 three-month period ended 31 March 2019

(Unit: Thousand Baht)

Consolidated financial statements

Equity attributable to owners of the Company

	Other components of shareholders' equity									
	The Company's shares held by its subsidiaries		Retained earnings		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	Appropriated statutory reserve	Unappropriated	Unappropriated						
Balance as at 1 January 2018	275,400	13,028	119,574	119,574	(78)	4,942	4,864	395,313	37,541	432,854
Profit (loss) for the period	-	-	(11,144)	(11,144)	-	-	-	(11,144)	1,955	(9,189)
Other comprehensive income for the period	-	-	-	-	6	-	6	6	-	6
Total comprehensive income for the period	-	-	-	(11,144)	6	-	6	(11,138)	1,955	(9,183)
Decrease in non-controlling interests of the subsidiaries from dividend payment of the subsidiaries	-	-	-	-	-	-	-	-	(1,359)	(1,359)
Balance as at 31 March 2018	275,400	13,028	108,430	108,430	(72)	4,942	4,870	384,175	36,137	422,312
Balance as at 1 January 2019	275,400	13,028	169,878	169,878	(86)	4,942	4,856	445,609	43,627	489,236
Profit for the period	-	-	10,753	10,753	-	-	-	10,753	2,569	13,322
Other comprehensive income for the period	-	-	-	-	(2)	-	(2)	(2)	-	(2)
Total comprehensive income for the period	-	-	-	-	(2)	-	(2)	(2)	2,569	13,320
Increase in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	10,751	6,310	6,310
Balance as at 31 March 2019	275,400	13,028	180,631	180,631	(88)	4,942	4,854	456,360	52,506	508,866

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 three-month period ended 31 March 2019

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Retained earnings		Unappropriated investments	Other comprehensive income	
	Appropriated - statutory reserve	on changes in value of available-for-sale investments			
Issued and paid-up share capital					
Balance as at 1 January 2018	275,400	13,028	69,732	(78)	358,082
Loss for the period	-	-	(449)	-	(449)
Other comprehensive income for the period	-	-	-	6	6
Total comprehensive income for the period	-	-	(449)	6	(443)
Balance as at 31 March 2018	275,400	13,028	69,283	(72)	357,639
Balance as at 1 January 2019	275,400	13,028	26,066	(86)	314,408
Profit for the period	-	-	3,447	-	3,447
Other comprehensive income for the period	-	-	-	(2)	(2)
Total comprehensive income for the period	-	-	3,447	(2)	3,445
Balance as at 31 March 2019	275,400	13,028	29,513	(88)	317,853

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 three-month period ended 31 March 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before tax	13,678	(8,734)	3,493	(408)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	5,936	5,056	1,517	1,521
Allowance for doubtful accounts (reversal)	(54)	288	123	158
Reversal of reduction of inventories to net realisable value	(2,076)	(39,832)	-	(39,641)
Allowance for impairment loss on assets	609	-	-	-
Gain on disposal of property, plant and equipment	(246)	(243)	(280)	-
Loss (gain) from change in fair value of biological assets	(762)	65	(762)	65
Share of profit from investments in associate	(144)	-	-	-
Gain from a bargain purchase of equity interest in a subsidiary	(10,391)	-	-	-
Provision for litigation	-	443	-	443
Provision for long-term employee benefits	578	390	51	1
Unrealised loss (gain) on exchange rate	(144)	24	(23)	(23)
Dividend income	-	-	(4,000)	(6,824)
Interest expenses	1,556	1,942	1,777	2,112
Gain (loss) from operating activities before changes in operating assets and liabilities	8,540	(40,601)	1,896	(42,596)
Operating assets (increase) decrease				
Trade and other receivables	(16,247)	(9,906)	(1,371)	1,163
Inventories	11,959	46,452	(359)	39,471
Current biological assets	325	676	325	676
Other current assets	(570)	(3,735)	(419)	(807)
Other non-current assets	(3,905)	104	9	2
Operating liabilities increase (decrease)				
Trade and other payables	(10,283)	(2,275)	511	634
Other current liabilities	454	495	(256)	(118)
Cash from (used in) operating activities	(9,727)	(8,790)	336	(1,575)
Cash paid for corporate income tax	(607)	(1,231)	(125)	(204)
Income tax refunded	689	-	-	-
Net cash flows from (used in) operating activities	(9,645)	(10,021)	211	(1,779)

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



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(Unaudited but reviewed)

Pan Asia Footwear Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in cash from change in status of associate				
to be subsidiary	7,484	-	-	-
Decrease in current investments	10	-	-	-
Cash paid for investment in a subsidiary	(5,600)	-	-	(878)
Increase in short-term loan to related party	-	-	-	(2,000)
Cash receipt from short-term loans to related party and others	105	-	-	-
Dividend received	-	-	4,000	6,824
Purchase of property, plant and equipment	(1,363)	(3,433)	(168)	(232)
Proceeds from disposal of property, plant and equipment	465	243	280	-
Net cash flows from (used in) investing activities	1,101	(3,190)	4,112	3,714
Cash flows from financing activities				
Decrease in bank overdrafts	(2,134)	(1,931)	(2,655)	(1,939)
Cash receipt from short-term loans from related parties	-	-	-	5,000
Repayment of short-term loans from related parties	-	-	-	(3,000)
Repayment of liabilities under finance lease agreements	(1,087)	(1,112)	-	-
Dividend paid for non-controlling interest of a subsidiary	-	(1,359)	-	-
Cash paid for interest expenses	(1,470)	(1,912)	(1,681)	(2,019)
Net cash flows used in financing activities	(4,691)	(6,314)	(4,336)	(1,958)
Net decrease in cash and cash equivalents	(13,235)	(19,525)	(13)	(23)
Cash and cash equivalents at the beginning of period	60,087	41,400	1,071	1,073
Cash and cash equivalents at end of period	46,852	21,875	1,058	1,050

Supplementary cash flows information:

Non-cash transactions:

Unpaid investment in a subsidiary	-	-	-	10,858
Change in status of investment in associate to investment in subsidiary	12,243	-	-	-

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



Pan Asia Footwear Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month periods ended 31 March 2019

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 investment in other companies (Holding company) and 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 31 March 2019, the Company’s current liabilities exceeded its current assets by Baht 185 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. However, the Company had 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 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

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 2018, with no structural changes related to subsidiaries occurring during the current period, except that the status of Pek Industry Co., Ltd. changes from an associate to a subsidiary, as described in Note 7 to the financial statements.

1.5 New financial reporting standards

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

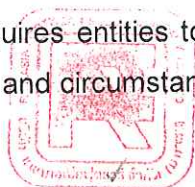
During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.



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

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.



TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

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 2018.

2. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	21,334	21,845	4	25
Past due				
Up to 3 months	15,741	8,856	25	-
3 - 6 months	3,286	4,678	-	-
6 - 12 months	1,990	2	-	1
Over 12 months	76,347	72,824	276	275
Total	118,698	108,205	305	301
Less: Allowance for doubtful accounts	(76,294)	(72,772)	(231)	(231)
Total trade receivables - related parties, net	42,404	35,433	74	70



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	53,967	48,427	1,090	685
Past due				
Up to 3 months	42,044	35,355	1,917	984
3 - 6 months	3,412	3,660	81	32
6 - 12 months	668	1,088	103	55
Over 12 months	12,154	11,494	207	195
Total	112,245	100,024	3,398	1,951
Less: Allowance for doubtful accounts	(11,978)	(11,335)	(168)	(168)
Total trade receivables - unrelated parties, net	100,267	88,689	3,230	1,783
Total trade receivables - net	142,671	124,122	3,304	1,853
<u>Other receivables</u>				
Other receivables - related parties	102,424	93,395	98,722	98,567
Other receivables - unrelated parties	22,657	19,929	9,453	9,688
Total	125,081	113,324	108,175	108,255
Less: Allowance for doubtful accounts	(113,706)	(104,444)	(105,592)	(105,469)
Total other receivables - net	11,375	8,880	2,583	2,786
Total trade and other receivables - net	154,046	133,002	5,887	4,639



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 31 March				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	4	7	As declared
<u>Transactions with related companies</u>					
Sales of goods	42	53	-	-	Cost plus margins
Purchase of goods	3	2	-	-	Cost plus margins
Utilities expenses	1	2	-	-	As specified in the agreement
Other expenses	3	5	-	-	As specified in the agreement
<u>Transaction with related person</u>					
Interest expenses	1	1	1	1	4.9% per annum
Purchases of investments in subsidiary	6	-	-	-	As specified in the agreement

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Trade and other receivables - related parties (Note 2)</u>				
Subsidiaries	-	-	89,405	89,298
Associates	49,186	44,639	180	180
Related companies (related by common shareholders and directors)	171,936	156,961	9,442	9,390
Total	221,122	201,600	99,027	98,868
Less: Allowance for doubtful accounts	(175,108)	(162,619)	(97,820)	(97,787)
Net	46,014	38,981	1,207	1,081
<u>Receivables from guarantee - related parties</u>				
Subsidiaries	-	-	21,119	21,119
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	72,139
Less: Allowance for doubtful accounts	(51,020)	(51,020)	(72,139)	(72,139)
Net	-	-	-	-



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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Trade and other payables - related parties</u> (Note 12)				
Subsidiaries	-	-	17,182	17,112
Associates	393	1,082	289	289
Related companies (related by common shareholders)	17,182	19,167	2,478	2,440
Total	17,575	20,249	19,949	19,841

Short-term loans to related parties and others

During the three-month period ended 31 March 2019, the movements of short-term loans to related parties and others were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at			As at
	1 January	Increase	Decrease	31 March
	2019			2019
<u>Short-term loans to related parties and others</u>				
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.	-	6,600	(100)	6,500
Total	4,600	6,600	(100)	11,100
Total short-term loans to related parties	5,450	6,600	(100)	11,950
Less: Allowance for doubtful accounts	(5,450)	-	-	(5,450)
Total short-term loans to related parties, net	-	6,600	(100)	6,500
Short-term loans to others	283	-	(5)	278
Total short-term loans to related parties and others, net	283	6,600	(105)	6,778

(Unit: Thousand Baht)

	Separate financial statements		
	As at	Increase	As at
	1 January	(Decrease)	31 March
	2019		2019
<u>Short-term loan to related parties</u>			
Subsidiary			
WBLP Co., Ltd.	2,000	-	2,000
Total short-term loan to related party	2,000	-	2,000



(Unaudited but reviewed)

Long-term loans to related parties

During the three-month period ended 31 March 2019, the movements of long-term loans to related parties were as follows:

(Unit: Thousand Baht)

	Separate financial statements		
	As at		As at
	1 January	Increase	31 March
	2019	(Decrease)	2019
<u>Long-term loans to related parties</u>			
Subsidiaries			
Kabinburi Pan Asia Footwear Co., Ltd.	78,379	-	78,379
Phimai Footwear Co., Ltd.	21,650	-	21,650
Innovation Nakornluang Footwear Co., Ltd.	1,430	-	1,430
Total	101,459	-	101,459
Less: Allowance for doubtful accounts	(101,459)	-	(101,459)
Total long-term loans to related parties, net	-	-	-

Short-term loans from related parties

During the three-month period ended 31 March 2019, 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	Increase	31 March	1 January	Increase	31 March
	2019	(Decrease)	2019	2019	(Decrease)	2019
<u>Short-term loans from related parties</u>						
Subsidiaries						
Advantage Footwear Co., Ltd.	-	-	-	29,800	-	29,800
Excellent Rubber Co., Ltd.	-	-	-	17,500	-	17,500
Aphakorn Industries Co., Ltd.*	-	-	-	10,000	(10,000)	-
Pontex (Thailand) Co., Ltd.*	-	-	-	9,000	10,000	19,000
Total	-	-	-	66,300	-	66,300
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	166,300	-	166,300

* In January 2019, Pontex (Thailand) Company Limited and Aphakorn Industries Company Limited have entered into business combination and established new company named "Pontex (Thailand) Company Limited" as described in Note 6 to the financial statements.



Directors and management's benefits

During the three-month periods ended 31 March 2019 and 2018, 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	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	6,372	6,999	2,518	2,520
Post-employment benefits	102	81	34	-
Total	<u>6,474</u>	<u>7,080</u>	<u>2,552</u>	<u>2,520</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 16.2 a) to the financial statements.

4. Reduce cost to net realisable value of inventories

Movements in the reduce cost to net realisable value of inventories account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	4,606	-
Less: Reversal of reduce cost to net realisable value of inventories account during the period	(2,076)	-
Balance as at 31 March 2019	<u>2,530</u>	<u>-</u>

5. Restricted bank deposits

As at 31 March 2019, the Company and its subsidiaries had pledged the fixed deposits at financial institutions to secure credit facilities and bank guarantee facilities issued by the banks on behalf of the Company and its subsidiaries.



6. 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 three-month periods ended	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 March 2018
			(%)	(%)								
Footwear Tech 1530 Co., Ltd.	400,000	400,000	100	100	467,968	467,968	(467,968)	(467,968)	-	-	-	-
International Curly												
Footwear Co., Ltd.	350,000	350,000	100	100	349,999	349,999	(349,999)	(349,999)	-	-	-	-
Kabinburi Pan Asia												
Footwear Co., Ltd.												
(register its dissolution with the Ministry of commerce on 29 April 2019)	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.												
(register its dissolution with the Ministry of Commerce on 2 May 2018)	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)	-	-	-	-
Modern Technology Component												
Co., Ltd.	50,000	50,000	100	100	36,600	36,600	-	-	36,600	36,600	4,000	-
Exact Q Co., Ltd.	16,000	16,000	100	100	15,997	15,997	(15,997)	(15,997)	-	-	-	-
Innovation Nakornluang												
Footwear Co., Ltd.												
(register its dissolution with the Ministry of Commerce on 2 May 2018)	350,150	350,150	96	96	264,290	264,290	(264,290)	(264,290)	-	-	-	-
Pontex (Thailand) Co., Ltd.	82,705	60,800	97	96	159,032	125,970	(86,427)	(86,427)	72,605	39,543	-	-
Advantage Footwear Co., Ltd.	91,750	91,750	79	79	63,330	63,330	-	-	63,330	63,330	-	6,824
Aphakorn Industries Co., Ltd.	-	21,905	-	99	-	33,062	-	-	-	33,062	-	-
Total					<u>2,345,966</u>	<u>2,345,966</u>	<u>(2,173,431)</u>	<u>(2,173,431)</u>	<u>172,535</u>	<u>172,535</u>	<u>4,000</u>	<u>6,824</u>

Business combination of subsidiaries

On 12 November 2018, a meeting of the Company's Board of Directors passed a resolution to approve the restructuring of the group of the Company by combining the business of its two subsidiaries, Pontex (Thailand) Company Limited and Aphakorn Industries Company Limited. The new company (named "Pontex (Thailand) Company Limited") will receive the assets and liabilities at net book values, rights and obligations of the two subsidiaries. The business combination process was completed and the new company was registered with the Ministry of Commerce in January 2019.



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7. Investments in associates

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2019	31 December 2018
Investments in associates - at cost	404,856	417,750
Accumulated share of loss in associates	(404,856)	(405,651)
Investments in associates - equity method	-	12,099

(Unit: Thousand Baht)

	Separate financial statements	
	31 March 2019	31 December 2018
Investments in associates - at cost	64,559	64,559
Less: Allowance for impairment of investments	(64,559)	(64,559)
Investments in associates - net	-	-

As at 31 December 2018, investment in associate in the consolidated financial statements of Baht 12 million was an investment in Pek Industry Co., Ltd. (PEI) which represented a 35.44% interest. However, in February 2019 two subsidiaries purchased 6,993 ordinary shares of PEI from a director at Baht 801 per share, or for a total of Baht 5.6 million. As a result, the group's shareholding in PEI has increased from 35.44% to 81.73% and the status of PEI has changed from an associate to a subsidiary of the group. As at the date of the change in status, PEI had an outstanding balance of cash and cash equivalents of Baht 7 million, and the Company has therefore presented this as "Increase in cash from change in status of associate to subsidiary" in the consolidated cash flow statement for the three-month period ended 31 March 2019.

The acquisition cost of PEI's shares was approximately Baht 10 million lower than the proportionate net fair value of the identifiable assets, liabilities and contingent liabilities of that company, and this amount was recorded as negative goodwill in other income in the consolidated statement of comprehensive income for the current period.



(Unaudited but reviewed)

The values of assets acquired, and liabilities assumed from Pek Industry Co., Ltd. as at the date its status changed are summarised below.

	(Unit: Thousand Baht)	
	Fair values as at status changed date	Carrying values as at status changed date
Cash and cash equivalents	7,484	7,484
Trade and other receivables	4,607	4,607
Inventories	5,093	5,093
Other current assets	363	363
Short-term loan to related party	6,600	6,600
Restricted bank deposits	7,508	7,508
Building improvement and equipment	5,369	3,616
Intangible assets	424	-
Other non-current assets	600	600
Trade and other payables	(1,728)	(1,728)
Current portion of liabilities under financial lease agreements	(219)	(219)
Other current liabilities	(123)	(123)
Income tax payable	(348)	(348)
Liabilities under finance lease agreements, net of current portion	(144)	(144)
Provision for long-term employee benefits	(737)	(737)
Deferred tax liabilities	(203)	-
Net assets of the subsidiary	<u>34,546</u>	<u>32,572</u>
Net assets in the portion held by the Group (81.73%)	28,234	26,621
Less: Investment in associate at the status changed date	(12,243)	(12,243)
The difference between the cash payment for purchase of investments and the net assets of the subsidiary in the Group's proportion	<u>(10,391)</u>	<u>(8,778)</u>
Net cash payment for purchase of investment in subsidiary	<u>5,600</u>	<u>5,600</u>



(Unaudited but reviewed)

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 three-month period ended 31 March 2019 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 2018, 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.

8. Investments in related parties

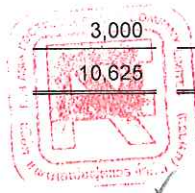
Details of investments in related parties are as follows:

(Unit : Thousand Baht)

Company's name	Consolidated financial statements					
	Cost		Allowance for impairment of investments		Net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Sahapat Properties Co., Ltd.	500	500	-	-	500	500
Nutrition House Co., Ltd.	13,598	13,598	(9,704)	(9,704)	3,894	3,894
Thai Takaya Co., Ltd.	2,000	2,000	(368)	(368)	1,632	1,632
Pan Biotech 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)	-	-
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	(1,732)	(1,732)	3,268	3,268
Total	166,514	166,514	(156,220)	(156,220)	10,294	10,294

(Unit : Thousand Baht)

Company's name	Separate financial statements					
	Cost		Allowance for impairment of investments		Net	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Sahapat Properties Co., Ltd.	1,050	1,050	-	-	1,050	1,050
Nutrition House Co., Ltd.	4,267	4,267	(1,472)	(1,472)	2,795	2,795
Thai Takaya Co., Ltd.	2,308	2,308	(675)	(675)	1,633	1,633
Sahachol Foods Supplies Co., Ltd.	3,000	3,000	(1,039)	(1,039)	1,961	1,961
Total	10,625	10,625	(3,186)	(3,186)	7,439	7,439



9. Investment properties

Movements in the investment properties account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	319,868	321,188
Depreciation for the period	(538)	(881)
Balance as at 31 March 2019	<u>319,330</u>	<u>320,307</u>

As at 31 March 2019, the Company has mortgaged investment properties with net book value amounting to Baht 218 million (31 December 2018: Baht 219 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 three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	83,328	5,695
Increase from change in status of associate to be subsidiary	5,369	-
Acquisitions during the period - at cost	1,363	168
Disposal during the period	(219)	-
Provision for impairment	(609)	-
Depreciation for the period	(5,399)	(636)
Balance as at 31 March 2019	<u>83,833</u>	<u>5,227</u>

As at 31 March 2019, the subsidiaries have mortgaged assets with net book value amounting to Baht 16 million (31 December 2018: Baht 17 million) as collaterals against credit facilities received from financial institutions.

11. Bank overdrafts

Bank overdrafts of the Company are secured by the mortgage of land and construction thereon of the Company as described in Note 9 to the financial statements. Bank overdrafts of subsidiaries are secured by the guarantees of the Company, the pledge of machines, and the mortgage of land and construction thereon of subsidiaries as described in Note 10 to the financial statements.



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(Unaudited but reviewed)

12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Trade payables - related parties	5,988	7,977	3,484	3,509
Trade payables - unrelated parties	51,174	55,834	1,049	1,105
Other payables - related parties	5,810	5,810	15,002	15,002
Other payables - unrelated parties	925	1,126	317	390
Accrued expenses - related parties	5,777	6,462	1,463	1,330
Accrued expenses - unrelated parties	25,568	28,559	4,618	4,013
Unearned revenue - unrelated parties	4,177	2,128	44	44
Total	99,419	107,896	25,977	25,393

13. 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 periods ended 31 March 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods ended 31 March

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	505	661	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(149)	(206)	46	41
Income tax expense reported in the statements of comprehensive income	<u>356</u>	<u>455</u>	<u>46</u>	<u>41</u>



14. 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.

15. 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 assess its performance. The chief operating decision maker has been identified as Board of Directors and Executive Board of Directors of the Company and its subsidiaries.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have four reportable segments as follows:

- The manufacture and distribution of footwear and bag.
- The manufacture of soles and parts for footwear.
- Production support business, consisting of plastic parts injection, molds manufacture and repair, fabric manufacture and dyeing.
- The organic farming business and others.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions:



(Unaudited but reviewed)

The following tables present revenue and profit or loss information regarding the Company's and its subsidiaries' operating segments for the three-month periods ended 31 March 2019 and 2018, respectively

(Unit: Million Baht)

	For the three-month periods ended 31 March											
	The manufacture and distribution of footwear and bag		The manufacture of soles and parts for footwear		Production support business		The organic farming business and others		Elimination		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	16	13	144	133	39	43	5	3	-	-	204	192
Inter-segment revenue	-	-	19	13	1	4	-	-	(20)	(17)	-	-
Total revenue	16	13	163	146	40	47	5	3	(20)	(17)	204	192
Cost of sales and services	(14)	(12)	(154)	(135)	(30)	(40)	(6)	(5)	18	17	(185)	(175)
Segment operating profit (loss)	2	1	9	11	10	7	(1)	(2)	(2)	-	19	17
Gain arising from change in fair value of biological assets											1	-
Other income											23	6
Selling and distribution expenses											(3)	(4)
Administrative expenses											(25)	(26)
Finance cost											(2)	(2)
Profit (loss) for the period											13	(9)



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16. Commitments and contingent liabilities

16.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, 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	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Payable:				
In up to 1 year	12	15	-	-
In over 1 and up to 5 years	1	2	-	-

16.2 Guarantees

- a) As at 31 March 2019, the Company and its subsidiary have obligations under their guarantees of loans and credit facilities provided to their related parties by financial institutions totaling Baht 96 million (31 December 2018: Baht 101 million) (Separate financial statements: Baht 97 million (31 December 2018: Baht 97 million)).
- b) The Company and its subsidiaries have outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Guarantee electricity use	8	8	1	1



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16.3 Legal cases

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.

17. Financial instruments

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

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2019 (Million)	31 December 2018 (Million)	31 March 2019 (Million)	31 December 2018 (Million)	31 March 2019 (Baht per 1 foreign currency unit)	31 December 2018
US dollar	0.6	0.5	0.1	0.5	31.8117	32.4498

18. Events after the reporting period - Amendments to the law relating to the legal severance pay rates

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 5 million (The Company only: Baht 1 million) as a result. The Company and its subsidiaries will reflect the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Boards of Directors on 14 May 2019.

