

**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND  
SEPARATE FINANCIAL STATEMENTS**

**MARCH 31, 2020**

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DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Board of Directors of

### Pan Asia Footwear Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of Pan Asia Footwear Public Company Limited and subsidiaries as at March 31, 2020, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2020, as well as the condensed notes to the financial statements and have also reviewed the separate financial statements 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 as mentioned in the paragraph "Basis for qualified conclusion" I conducted my review in accordance with 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 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

1. I was appointed as auditor for the Company and subsidiaries by the Board of Directors as of March 31, 2020, therefore, I have not participated in the observation of physical inventory as of January 1, 2020. I was unable to review the inventory which included in the interim financial statements, due to the balancing forward included in the performance. If I can inspect the regarding inventory, I may have found events indicating that there may be adjustment to the interim financial statements for the three-month period ended March 31, 2020.

2. As discussed in Note 9 to the financial statements, the Company did not obtain the consolidated and separate financial statements for the three-month period ended March 31, 2020 of PA Capital Company Limited, the associated company, and its subsidiary companies. The Company obtained only the separate financial statements of the associated company as at December 31, 2019, which were audited by another



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 statements of comprehensive income. This matter is considered to be a scope limitation imposed by circumstance.

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 March 31, 2020 including the related accounts in the statements of comprehensive income for the first quarter of 2020. 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.

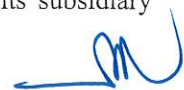
### **Qualified conclusion**

Based on my review, except for any adjustments that might be required to the interim financial information for the three-month period ended March 31, 2020 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.

### **Other matters**

1. The financial statements of Pan Asia Footwear Public Company Limited as at December 31, 2019 were audited by another auditor who expressed a qualified opinion on the consolidated and separate financial statements under their report dated February 26, 2020. Since, the Company did not obtain the financial statements of PA Capital Company Limited, the associated company, and its subsidiary companies. The latest financial statements of the associated company available to the Company were the financial statements for the year ended December 31, 2018, which were audited by another auditor, and only separate financial statements were presented, not consolidated financial statements. Thus, they were unable to audit the carrying amount of the investment in associate which is accounted for under the equity method in the consolidated statements of financial position and under cost method in the separate statements of financial position as at December 31, 2019 and unable to apply other auditing procedures to satisfy as to the value of such investment in associate, included the related accounts in the statements of comprehensive income. This matter is considered to be a scope limitation imposed by circumstance.

2. The financial statements of Pan Asia Footwear Public Company Limited consist of the statements of comprehensive income, changes in shareholders' equity and cash flow for the three-month period ended March 31, 2019, which presented as comparative information, were reviewed by another auditor who expressed a qualified conclusion on the consolidated and separate financial statements under their report dated May 14, 2019. Since the Company did not obtain the consolidated and separate financial statements for the three-month period ended March 31, 2019 of PA Capital Company Limited, the associated company, and its subsidiary



companies. The Company obtained only the separate financial statements of the associated company as at December 31, 2018, which were audited by another auditor. They were unable to apply other reviewing procedures to satisfy themselves as to the value of such investment in associate, including the related accounts in the statements of comprehensive income. This matter is considered to be a scope limitation imposed by circumstance.

3. Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Company for the accounting period of 2020 yet. However, the Board of Directors of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Company for the accounting period of 2020. I, therefore, have conducted my review on the interim financial information for the first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisor Board (CMSB) No. Tor Chor 28/2563 dated March 27, 2020.

**Emphasis of matter**

I draw attention to Note 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 statements of financial position as at March 31, 2020, the Company has current liabilities exceeded current assets by Baht 137.81 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.



(Mr. Apiruk Ati-anuwat)

Certified Public Accountant Registration No. 5202

Dr. Virach & Associates Office Co. Ltd.

Bangkok : May 13, 2020

PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2020

THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As At	As At	As At	As At
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
		Unaudited Reviewed	Audited	Unaudited Reviewed	Audited
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	5	54,400	44,592	5,884	6,289
Current investments		14	14	-	-
Trade and other current receivables	4.1 and 6	163,526	163,321	7,877	7,143
Short-term loans to related parties and others		278	278	2,000	4,000
Current portion of long-term loans to related parties	18	4,300	4,900	-	-
Inventories		82,530	81,481	1,785	1,352
Current biological assets		2,150	2,775	2,150	2,775
Other current assets		6,596	3,886	1,610	1,053
Total current assets		313,794	301,247	21,306	22,612
Non-current assets					
Restricted bank deposits	7	14,225	14,187	1,349	1,349
Other non-current financial assets					
Marketable securities/available-for-sale	4.1	40	35	40	35
Investments in subsidiaries	8	-	-	172,535	172,535
Investments in associates	9	-	-	-	-
Investments in related parties	10	4,325	4,325	2,745	2,745
Long-term loans to related parties	18	-	-	-	-
Investments property	11	317,148	317,694	316,761	317,648
Property, plant and equipment	12	70,477	86,555	4,950	5,288
Right-of-use assets	4.2 and 12	47,526	-	-	-
Non-current biological assets		3,886	3,886	-	-
Deferred income tax assets	16	3,082	2,876	-	-
Non-current non-cash financial assets pledged as collateral					
Receivables from guarantee - related parties	18	-	-	-	-
Other non-current assets					
Withholding tax deducted at source		6,080	5,865	2,335	2,197
Other non-current assets		2,206	2,255	225	226
Total other non-current assets		8,286	8,120	2,560	2,423
Total non-current assets		468,995	437,678	500,940	502,023
<b>TOTAL ASSETS</b>		<b>782,789</b>	<b>738,925</b>	<b>522,246</b>	<b>524,635</b>



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PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2020

THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As At	As At	As At	As At
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
		Unaudited Reviewed	Audited	Unaudited Reviewed	Audited
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities					
Bank overdrafts	13	9,381	3,946	3,061	-
Trade and other current payables	14	86,954	89,214	24,477	25,671
Current portion of lease liabilities	4.2 and 15	21,412	3,505	-	-
Short-term borrowing from related person and parties	18	60,000	60,000	131,400	133,400
Corporate income tax payable		2,472	1,598	-	-
Other current liabilities		2,064	2,819	177	624
Total current liabilities		182,283	161,082	159,115	159,695
Non-current liabilities					
Lease liabilities	4.2 and 15	21,033	3,318	-	-
Deferred tax liabilities		2,786	2,780	1,260	1,214
Non-current provision for long term employee benefit		25,133	25,520	2,941	2,892
Other non-current provisions		1,857	1,857	241	241
Other non-current liabilities		3,023	3,023	3,023	3,023
Total non-current liabilities		53,832	36,498	7,465	7,370
<b>TOTAL LIABILITIES</b>		<b>236,115</b>	<b>197,580</b>	<b>166,580</b>	<b>167,065</b>
Shareholders' equity					
Share capital					
Authorized share capital					
540,000,000 ordinary shares of Baht 0.51 each		275,400	275,400	275,400	275,400
Issued and paid share capital					
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					
Legal reserve		15,181	15,181	15,181	15,181
Unappropriated		209,554	204,268	65,169	67,078
Other components of shareholders' equity		4,858	4,853	(84)	(89)
Equity attributable to owners of the Company		487,440	482,149	355,666	357,570
Non-controlling interests		59,234	59,196	-	-
Total shareholders' equity		546,674	541,345	355,666	357,570
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>782,789</b>	<b>738,925</b>	<b>522,246</b>	<b>524,635</b>



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**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

	Note	THOUSAND BAHT			
		Except earnings (loss) per share presented in Baht			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Revenues					
Sales		185,116	201,867	7,229	5,070
Revenues from hire of work		3,684	2,246	-	-
Dividend income		-	-	2,904	4,000
Gain on disposal of assets		81	465	7	280
Gain from change in fair value of biological assets		75	762	75	762
Other income		7,912	22,854	3,562	8,020
Total revenues		196,868	228,194	13,777	18,132
Expenses					
Cost of sales and hire of work		161,544	185,355	7,472	5,954
Selling and distribution expenses		3,870	3,388	1,099	530
Administrative expenses		23,891	24,415	5,879	6,255
Total expenses		189,305	213,158	14,450	12,739
Profit (loss) from operating activities		7,563	15,036	(673)	5,393
Finance income		262	-	-	-
Finance cost		(1,512)	(1,556)	(1,190)	(1,777)
Reversal (doubtful debt)		278	54	-	(123)
Share of profit of associates accounted for using equity method		-	144	-	-
Profit (loss) before income tax expenses		6,591	13,678	(1,863)	3,493
Tax expenses	16	(689)	(356)	(46)	(46)
Profit (loss) for the period		5,902	13,322	(1,909)	3,447
Other comprehensive income (loss) :					
Components of other comprehensive income that will not be reclassified to profit or loss :					
Recognized gain (loss) on remeasuring Marketable securities					
Recognized gain (loss) in other comprehensive income		5	(2)	5	(2)
Income tax relating to components of other comprehensive income (loss) for the periods		-	-	-	-
Other comprehensive income (loss) for the period-net of tax		5	(2)	5	(2)
Total comprehensive income (loss) for the period		5,907	13,320	(1,904)	3,445

**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

	THOUSAND BAHT			
	Except earnings (loss) per share presented in Baht			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Profit (loss) attributable to:				
Owners of parent	5,286	10,753	(1,909)	3,447
Non-controlling Interests	616	2,569	-	-
	<u>5,902</u>	<u>13,322</u>	<u>(1,909)</u>	<u>3,447</u>
Total comprehensive income (expense) attributable to:				
Owners of parent	5,291	10,751	(1,904)	3,445
Non-controlling Interests	616	2,569	-	-
	<u>5,907</u>	<u>13,320</u>	<u>(1,904)</u>	<u>3,445</u>
Basic earnings (loss) per share				
Earnings (loss) per share to equity holders of the parent	<u>0.010</u>	<u>0.020</u>	<u>(0.004)</u>	<u>0.006</u>
The number of 540,000,000 ordinary stocks used in computation				





**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**  
**CONSOLIDATED**

	THOUSAND BAHT										
	Equity holders of the parent			Equity holders of the parent				Equity attributable to non-controlling interests			Total
Issued and paid-up share capital	The Company's shares held by its subsidiaries	Retained earnings	Legal reserve	Unappropriated	Other comprehensive income (loss)	Marketable securities	Difference resulting from change in shareholding in subsidiaries	Total other components of shareholders' equity	Equity attributable to non-controlling interests	Total	
<b>Beginning balances as at January 1, 2019</b>	275,400	(17,553)	13,028	169,878	(86)	4,942	4,856	445,609	43,627	489,236	
Profit for the period	-	-	-	10,753	-	-	-	10,753	2,569	13,322	
Other comprehensive income (loss) for the period	-	-	-	-	(2)	-	(2)	(2)	-	(2)	
Total comprehensive income (loss) for the period	-	-	-	10,753	(2)	-	(2)	10,751	2,569	13,320	
Increase in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	6,310	6,310	
<b>Ending balances as at March 31, 2019</b>	275,400	(17,553)	13,028	180,631	(88)	4,942	4,854	456,360	52,506	508,866	
<b>Beginning balances as at January 1, 2020</b>	275,400	(17,553)	15,181	204,268	(89)	4,942	4,853	482,149	59,196	541,345	
Profit for the period	-	-	-	5,286	-	-	-	5,286	616	5,902	
Other comprehensive income for the period	-	-	-	-	5	-	5	5	-	5	
Total comprehensive income for the period	-	-	-	5,286	5	-	5	5,291	616	5,907	
Decrease in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	(578)	(578)	
from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	59,234	59,234	
<b>Ending balances as at March 31, 2020</b>	275,400	(17,553)	15,181	209,554	(84)	4,942	4,858	487,440	59,234	546,674	



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**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

**SEPARATE FINANCIAL STATEMENTS**

THOUSAND BAHT

	Retained earnings		Other components of shareholders' equity		Total
	Legal reserve	Unappropriated	Other comprehensive income (loss)	Marketable securities	
Issued and paid-up share capital	Retained earnings		Other components of shareholders' equity		Total
<b>Beginning balances as at January 1, 2019</b>	275,400	13,028	26,066	(86)	314,408
Profit for the period	-	-	3,447	-	3,447
Other comprehensive income (loss) for the period	-	-	-	(2)	(2)
Total comprehensive income (loss) for the period	-	-	3,447	(2)	3,445
<b>Ending balances as at March 31, 2019</b>	275,400	13,028	29,513	(88)	317,853
<b>Beginning balances as at January 1, 2020</b>	275,400	15,181	67,078	(89)	357,570
Loss for the period	-	-	(1,909)	-	(1,909)
Other comprehensive income for the period	-	-	-	5	5
Total comprehensive income (loss) for the period	-	-	(1,909)	5	(1,904)
<b>Ending balances as at March 31, 2020</b>	275,400	15,181	65,169	(84)	355,666

Notes to the interim financial statements form an integral part of these statements.



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## PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (1/2)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES	6,591	13,678	(1,863)	3,493
ADJUSTMENT TO RECONCILE PROFIT (LOSS) BEFORE INCOME TAX EXPENSES TO CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation and amortization	8,192	5,936	1,317	1,517
Allowance for doubtful accounts (reversal)	(278)	(54)	-	123
Reversal of reduction of inventory to net realisable value	-	(2,076)	-	-
Allowance for impairment loss on assets	-	609	-	-
Gain on disposal equipment	(81)	(246)	(7)	(280)
Gain from change in fair value of biological assets	(75)	(762)	(75)	(762)
Share of profit from investments in associates	-	(144)	-	-
Gain from a bargain purchase of equity interest in a subsidiary	-	(10,391)	-	-
Non-current provision for long term employee benefit	588	578	49	51
Unrealised gain on exchange	(195)	(144)	(1)	(23)
Dividend income	-	-	(2,904)	(4,000)
Interest expenses	1,512	1,556	1,190	1,777
Profit (loss) from operation before changes in operating assets and liabilities items	16,254	8,540	(2,294)	1,896
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other current receivables	1,438	(16,247)	(733)	(1,371)
Inventories	1,049	11,959	(433)	(359)
Current biological assets	700	325	700	325
Other current assets	(2,710)	(570)	(557)	(419)
Other non-current assets	(878)	(3,905)	1	9
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other current payables	(2,885)	(10,283)	(1,259)	511
Other current liabilities	(755)	454	(447)	(256)
Employee benefit paid during the periods	(975)	-	-	-
CASH PROVIDED FROM (USED IN) OPERATION	11,238	(9,727)	(5,022)	336
Income tax expenses paid	(373)	(607)	(138)	(125)
Income tax refunded	-	689	-	-
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	10,865	(9,645)	(5,160)	211



## PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (2/2)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in cash from change in status of associate to be subsidiary	-	7,484	-	-
Decrease in current investments	-	10	-	-
Increase in restricted bank deposits	(38)	-	-	-
Cash paid for investment in a subsidiary	-	(5,600)	-	-
Proceeds from short-term loans to related parties and others	-	105	2,000	-
Proceeds from current portion of long-term loans to related parties	600	-	-	-
Dividend received	-	-	2,904	4,000
Increase in equipment	(1,557)	(1,363)	(92)	(168)
Proceeds from equipment disposal	82	465	7	280
<b>NET CASH PROVIDED (USED IN) INVESTING ACTIVITIES</b>	<b>(913)</b>	<b>1,101</b>	<b>4,819</b>	<b>4,112</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts	5,435	(2,134)	3,061	(2,655)
Repayment for short-term borrowing to related parties	-	-	(2,000)	-
Repayment for leases liabilities	(4,041)	(1,087)	-	-
Dividend paid for non-controlling interest of a subsidiary	(578)	-	-	-
Interest expenses paid	(960)	(1,470)	(1,125)	(1,681)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(144)</b>	<b>(4,691)</b>	<b>(64)</b>	<b>(4,336)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,808</b>	<b>(13,235)</b>	<b>(405)</b>	<b>(13)</b>
<b>CASH AND CASH EQUIVALENTS AS AT JANUARY 1,</b>	<b>44,592</b>	<b>60,087</b>	<b>6,289</b>	<b>1,071</b>
<b>CASH AND CASH EQUIVALENTS AS AT MARCH 31,</b>	<b>54,400</b>	<b>46,852</b>	<b>5,884</b>	<b>1,058</b>

## ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS

## NON-CASH FLOWS ITEMS COMPRISE:

Change in status of investment in associate to investment in subsidiary	-	12,243	-	-
Gains (loss) on investment in marketable securities	5	(2)	5	(2)
Effects from the adopted TFRS 16 Leases as at January 1, 2020				
Transferring equipment to rights-of-use assets	16,464	-	-	-
Increase in rights-of-use assets from lease liabilities	37,538	-	-	-



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PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 2020

1. GENERAL INFORMATION

CORPORATE INFORMATION

Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
Company and factory location	
Head office	620/5 Moo 11, Nongkharm, Siracha, Chonburi, 20230 Thailand
Branch 1	507/2 Moo 11, Nongkharm, Siracha, Chonburi, 20230 Thailand
Branch 2	99 Moo 16, Khlong Muang, Pak Chong, Nakhon Ratchasima, 30000 Thailand
Nature of business	1) Investment in the subsidiaries which carry on business according to Note 8 to the financial statements 2) Organic farming business

2. GOING CONCERN

As presented in the separate financial statements as at March 31, 2020, the Company's current liabilities exceeded its current assets by Baht 137.81 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.

3. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

3.1 These interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No.34 Interim Financial Reporting issued by the Federation of Accounting Professions and the Notification of the Office of Securities and Exchange



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Commission. These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2019.

3.2 These interim consolidated financial statements included the financial statements of Pan Asia Footwear Public Company Limited and its subsidiaries as follows:

SUBSIDIARIES COMPANIES	Nature of business	Established in	% HOLDING	
			Mar. 31, 2020	Dec. 31, 2019
<u>Subsidiaries directly held by the Company</u>				
Footwear Tech 1530 Co., Ltd.	Ceased operation	THAILAND	100.00	100.00
International Curity Footwear Co., Ltd.	Ceased operation	THAILAND	100.00	100.00
WBLP Co., Ltd.	Manufacture of footwear and bag	THAILAND	100.00	100.00
Excellent Rubber Co., Ltd.	Ceased operation	THAILAND	100.00	100.00
Modern Technology Component Co., Ltd.	Manufacture of soles and parts for footwear	THAILAND	100.00	100.00
Pontex (Thailand) Co., Ltd.	Manufacture of plastic parts and injection	THAILAND	97.02	97.02
Advantage Footwear Co., Ltd.	Manufacture of footwear and parts for footwear	THAILAND	79.12	79.12
Phimai Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 2, 2018)	Under liquidation process	THAILAND	100.00	100.00
Kabinburi Pan Asia Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on April 29, 2019)	Under liquidation process	THAILAND	100.00	100.00
Innovation Nakornluang Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 2, 2018)	Under liquidation process	THAILAND	96.07	96.07
Exact Q Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 15, 2019)	Under liquidation process	THAILAND	100.00	100.00
<u>Subsidiary held by Kabinburi Pan Asia Footwear Co., Ltd.</u>				
Buriram Pan Footwear Co., Ltd.	Under liquidation process	THAILAND	69.27	69.27
<u>Subsidiary held by Advantage Footwear Co., Ltd. and Excellent Rubber Co., Ltd.</u>				
Pek Industry Co., Ltd.	Manufacture of polypropylene cutting boards and eyelet	THAILAND	81.73	81.73



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### 3.3 Accounting standards that became effective in the current accounting period

The Company has disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2020, in the notes to financial statements for the year ended December 31, 2019.

Accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations do not have a significant impact on the financial statements. Except the new standard involves changes to key principles, which are summarized below:

#### 1) **Financial reporting standards related to financial 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 instruments, 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.

#### 2) **IFRS 16 Leases**

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.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption and the comparative information was not restated. The Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at January 1, 2020, and recognized assets equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statements of financial position immediately before the date of initial application and lease liabilities measured at the original book value before the date of initial applied since the commence date.



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3.4 Inter-company balances and transactions of the Company and subsidiaries have been eliminated from the interim consolidated financial statements.

3.5 These interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2019. Except for the change in the accounting policies related to financial instruments and leases.

##### 4.1 Financial instruments

###### Measurement

- Other current financial assets that are investments in Open-end Fund are measured at fair value through profit or loss.
- Non-current financial assets which is equity instruments-marketable securities are measured at fair value through other comprehensive income.

###### Impairment of financial assets

- The Group has applied a simplified approach to determine the lifetime expected credit losses for trade account receivable.

##### 4.2 TFRS 16 Leases

###### Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses. Depreciation is calculated by the straight-line basis over the shorter of the lease term and the estimated useful lives.

###### Liabilities under lease agreements

On the date the lease starts to take effect the Group recognizes liabilities under lease contracts at the present value of the amount of the lease payments. Discounted by the interest rate implied by the lease agreement or the incremental borrowing rate of the Group.



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### Short-term lease and lease which the underlying asset of low value

The amount has been paid on less than 12 months since the lease commencement or the underlying assets of low value, which recognized as expenses on the straight-line basis through the lease term.

### 5. CASH AND CASH EQUIVALENTS

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Cash	214	294	15	19
Deposit in banks	54,186	44,298	5,869	6,270
Total cash and cash equivalents	54,400	44,592	5,884	6,289



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## 6. TRADE AND OTHER CURRENT RECEIVABLES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
The aging of outstanding as follows:				
<b><u>Trade receivables - related parties</u></b>				
Current	12,792	20,185	--	207
Overdue within 3 months	15,097	15,111	220	--
Over 3 to 6 months	5,806	7,323	--	--
Over 6 to 12 months	5,717	412	--	25
Over 12 months	76,709	76,348	301	276
Total	116,121	119,379	521	508
Allowance for doubtful accounts	(76,294)	(76,294)	(231)	(231)
Trade receivables - related parties - net	39,827	43,085	290	277
<b><u>Trade receivables - unrelated parties</u></b>				
Current	53,401	38,042	953	825
Overdue within 3 months	52,521	63,912	1,308	1,355
Over 3 to 6 months	5,882	9,072	173	46
Over 6 to 12 months	2,072	990	45	188
Over 12 months	12,224	12,226	261	193
Total	126,100	124,242	2,740	2,607
Allowance for doubtful accounts	(12,125)	(12,189)	(168)	(168)
Trade receivables - unrelated parties - net	113,975	112,053	2,572	2,439
Total trade receivables - net	153,802	155,138	2,862	2,716
<b><u>Other current receivables</u></b>				
Other current receivables - related parties	80,149	80,340	99,334	99,295
Other current receivables - unrelated parties	21,396	19,878	12,054	11,499
Total	101,545	100,218	111,388	110,794
Allowance for doubtful accounts	(91,821)	(92,035)	(106,373)	(106,367)
Total other current receivables - net	9,724	8,183	5,015	4,427
Total trade and other current receivables - net	163,526	163,321	7,877	7,143

In 2020, the Group applies a simplified approach to determine the lifetime expected credit losses.

## 7. RESTRICTED BANK DEPOSITS

As at March 31, 2020, 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.



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## 8. INVESTMENTS IN SUBSIDIARIES

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

SUBSIDIARIES	% HOLDING		PAID - UP CAPITAL		COST		ALLOWANCE FOR IMPAIRMENT ON INVESTMENTS		NET VALUE		DIVIDEND RECEIVED DURING THE THREE-MONTH PERIOD ENDED MARCH, 31	
	Mar. 31,	Dec. 31,	Mar. 31,	Dec. 31,	Mar. 31,	Dec. 31,	Mar. 31,	Dec. 31,	Mar. 31,	Dec. 31,	2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Footwear Tech 1530 Co., Ltd.	100	100	400,000	400,000	467,968	467,968	(467,968)	(467,968)	--	--	--	--
International Curity Footwear Co., Ltd.	100	100	350,000	350,000	349,999	349,999	(349,999)	(349,999)	--	--	--	--
WBLP Co., Ltd.	100	100	30,000	30,000	43,371	43,371	(43,371)	(43,371)	--	--	--	--
Excellent Rubber Co., Ltd.	100	100	370,000	370,000	385,887	385,887	(385,887)	(385,887)	--	--	--	--
Modern Technology Component Co., Ltd.	100	100	50,000	50,000	36,600	36,600	--	--	36,600	36,600	--	4,000
Pontex (Thailand) Co., Ltd.	97	97	82,705	82,705	159,032	159,032	(86,427)	(86,427)	72,605	72,605	--	--
Advantage Footwear Co., Ltd.	79	79	91,750	91,750	63,330	63,330	--	--	63,330	63,330	2,904	--
Phimai Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 2, 2018)	100	100	100,000	100,000	115,969	115,969	(115,969)	(115,969)	--	--	--	--
Kabinburi Pan Asia Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on April 29, 2019)	100	100	350,000	350,000	443,523	443,523	(443,523)	(443,523)	--	--	--	--
Innovation Nakomluang Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 2, 2018)	96	96	350,150	350,150	264,290	264,290	(264,290)	(264,290)	--	--	--	--
Exact Q Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 15, 2019)	100	100	16,000	16,000	15,997	15,997	(15,997)	(15,997)	--	--	--	--
<b>Total</b>					2,345,966	2,345,966	(2,173,431)	(2,173,431)	172,535	172,535	2,904	4,000



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9. INVESTMENTS IN ASSOCIATES

(THOUSAND BAHT)

PARTICULARS	Mar. 31, 2020	Dec.31, 2019
<b><u>CONSOLIDATED</u></b>		
Investments in associates - at cost	404,856	404,856
Accumulated share of loss in associates	(404,856)	(404,856)
Investments in associates - equity method	--	--
<b><u>SEPARATE FINANCIAL STATEMENTS</u></b>		
Investments in associates - at cost	64,559	64,559
<u>Less</u> 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 Company Limited (“the associate”), the Company did not obtain the financial statements for the three-month period ended March 31, 2020 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 December 31, 2019, which were audited by its auditor, and only separate financial statements were presented, not consolidated financial statements, even though it has subsidiaries and associates. However, the Company recorded investments in the associate under the cost method and the equity method as equal to zero.



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## 10. INVESTMENTS IN RELATED PARTIES

Details of investments in related parties are as follows:

(THOUSAND BAHT)

COMPANIES	CONSOLIDATED					
	COST		ALLOWANCE FOR IMPAIRMENT ON INVESTMENTS		NET VALUE	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2019
Sahapat Properties Co., Ltd.	500	500	--	--	500	500
Nutrition House Co., Ltd.	13,598	13,598	(13,598)	(13,598)	--	--
Thai Takaya Co., Ltd.	2,000	2,000	(2,000)	(2,000)	--	--
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	(2,175)	(2,175)	2,825	2,825
<b>Total</b>	<b>166,514</b>	<b>166,514</b>	<b>(162,189)</b>	<b>(162,189)</b>	<b>4,325</b>	<b>4,325</b>

(THOUSAND BAHT)

COMPANIES	SEPARATE FINANCIAL STATEMENTS					
	COST		ALLOWANCE FOR IMPAIRMENT ON INVESTMENTS		NET VALUE	
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2020	Dec. 31, 2562	Mar. 31, 2020	Dec. 31, 2019
Sahapat Properties Co., Ltd.	1,050	1,050	--	--	1,050	1,050
Nutrition House Co., Ltd.	4,267	4,267	(4,267)	(4,267)	--	--
Thai Takaya Co., Ltd.	2,308	2,308	(2,308)	(2,308)	--	--
Sahachol Foods Supplies Co., Ltd.	3,000	3,000	(1,305)	(1,305)	1,695	1,695
<b>Total</b>	<b>10,625</b>	<b>10,625</b>	<b>(7,880)</b>	<b>(7,880)</b>	<b>2,745</b>	<b>2,745</b>



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## 11. INVESTMENTS PROPERTY

Movements in the investments property account during the three-month period ended March 31, 2020 are summarized below.

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2020	Dec.31, 2019	Mar. 31, 2020	Dec.31, 2019
Net book value	317,694	319,868	317,648	321,188
<u>Less</u> Depreciation during the period	(546)	(2,174)	(887)	(3,540)
Invesments property-net	317,148	317,694	316,761	317,648

As at March 31, 2020, the Company has mortgaged investments property with net book value amounting to Baht 217 million (December 31, 2019 : Baht 217 million) as collateral against loan from related person and credit facilities received from financial institutions.

## 12. RIGHT-OF-USE ASSETS

As at March 31, 2020, the right-of-use assets arose from the following:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED
Effects of the adoption of TFRS 16 as at January 1, 2020	
<u>Add</u> Increase during the period	37,538
Transfer from equipment	16,464
<u>Less</u> Accumulated depreciation	(6,476)
Net book value as at March 31, 2020	47,526

## 13. BANK OVERDRAFTS

Bank overdrafts of the Company are secured by the mortgage of land and construction thereon of the Company. Bank overdrafts of subsidiaries are secured by the guarantees of the Company, the pledge of machines, bank deposits and the mortgage of land and construction thereon of subsidiaries.



14. TRADE AND OTHER CURRENT PAYABLES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2020	Dec.31, 2019	Mar. 31, 2020	Dec.31, 2019
<u>Related parties</u>				
Trade payables	6,317	5,009	3,484	3,484
Other current payables	5,810	5,810	15,002	15,002
Accrued expenses	4,328	4,266	1,720	1,601
Total	16,455	15,085	20,206	20,087
<u>Unrelated parties</u>				
Trade payables	42,261	42,366	328	1,182
Other current payables	2,176	1,785	349	366
Accrued expenses	24,348	28,214	3,550	3,992
Unearned revenue	1,714	1,764	44	44
Total	70,499	74,129	4,271	5,584
Total trade and other current payables	86,954	89,214	24,477	25,671

15. LEASES LIABILITIES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED
Balance as at January 1, 2020	6,823
Effects of the adoption of TFRS 16 as at January 1, 2020	41,297
Increase during the period (Additional contract)	2,257
<u>Less</u> Payment during the period	(4,822)
Balance as at March 31, 2020	45,555
<u>Less</u> Deferred interest	(3,110)
Total	42,445
<u>Less</u> Current portion due within one year	(21,412)
Lease liabilities - net	21,033

Lease liabilities are fixed for monthly payment which will be completed within 2021.

The portion of lease liabilities due within one year was shown under current liabilities.



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**16. INCOME TAXES**

The Company and subsidiaries' income tax for the three-month periods ended March 31, 2020 and 2019 are calculated from the accounting profit (loss) after adjustment with some other revenues and expenses which are exempted from income tax or being disallowable expenses in corporate income tax computation.

The Company and subsidiaries' income taxes were calculated at the rate of 20 percent.

Income tax expenses recognized in statements of income consist:

(THOUSAND BAHT)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
The income tax for the periods	889	505	--	--
Amortization and reversal of temporary differences	(200)	(149)	46	46
Income tax expenses	689	356	46	46



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## 17. FOREIGN CURRENCY TRANSACTIONS

The Company and its subsidiaries have assets and liabilities denominated in foreign currency which are not covered by any hedging as follows:

(THOUSAND)

PARTICULARS	FOREIGN CURRENCY		TRANSLATED TO BAHT	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
<b><u>CONSOLIDATED</u></b>				
<b>ASSETS</b>				
USD	515.38	386.60	16,756.22	11,589.03
<b>LIABILITIES</b>				
Portion due within one year				
USD	40.28	64.42	1,308.23	1,930.97
EUR	0.95	11.38	34.03	379.79
TOTAL			1,342.26	2,310.76
<b><u>SEPARATE FINANCIAL STATEMENTS</u></b>				
<b>ASSETS</b>				
USD	0.21	0.21	6.93	6.39
<b>LIABILITIES</b>				
Portion due within one year				
USD	--	11.13	--	333.58
EUR	--	11.38	--	379.78
TOTAL			--	713.36



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## 18. TRANSACTIONS WITH RELATED PERSON AND PARTIES

The Company and its subsidiaries have accounting transactions with its related parties, which are related by shareholding or having some shareholders or co-directors. Such business transactions are in accordance with under the mutually agreed conditions.

The following transactions incurred between the Company and related person and parties :

COMPANIES	RELATIONSHIP
1. Subsidiaries	See Note 8
2. Associates	See Note 9
2.1 PA Capital Co., Ltd.	Associated company by being its shareholder.
2.2 NongChange Rubber Co., Ltd.	Associated company by being its shareholder.
2.3 Uthai Bangkok Rubber Co., Ltd.	Associated company by being its shareholder.
2.4 P.L. John Industry Co., Ltd.	Associated company by being its shareholder.
3. Related companies	See Note 10
3.1 Sahapat Properties Co., Ltd.	Related company by being its shareholder.
3.2 Nutrition House Co., Ltd.	Related company by being its shareholder.
3.3 Thai Takaya Co., Ltd.	Related company by being its shareholder.
3.4 Pan Biotech Co., Ltd.	Related company by being its shareholder.
3.5 Barnpan Engineering and Holding Co., Ltd.	Related company by being its shareholder.
3.6 Pancomp International Co., Ltd.	Related company by being its shareholder.
3.7 Pan Technical Parts Co., Ltd.	Related company by being its shareholder.
3.8 Thai Sung Shin New Material Co., Ltd.	Related company by being its shareholder.
3.9 Sahachol Foods Supplies Co., Ltd.	Related company by being its shareholder and co-directors.
3.10 Natural Art & Technology Co., Ltd.	Related person by being a director's cousin.
4. Related person	
Mr. Boonyasit Chokwatana	Related person by being a director's cousin.



*Boonyasit Chokwatana*

The significant related transactions are as follows:

(THOUSAND BAHT)

TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2020	Dec.31, 2019	Mar.31, 2020	Dec.31, 2019
<b>1. Trade and other current receivables</b>				
- Subsidiaries	--	--	90,078	90,026
- Associates	49,153	49,153	180	180
- Related parties	147,117	150,566	9,597	9,597
Total	196,270	199,719	99,855	99,803
<u>Less</u> Allowance for doubtful accounts	(153,932)	(153,151)	(98,331)	(98,325)
Total trade and other current receivables - net	42,338	46,568	1,524	1,478
<b>2. Non-current non-cash financial assets pledged as collateral</b>				
Pledged receivables				
- Subsidiaries	--	--	21,119	21,119
- Associates	36,286	36,286	36,286	36,286
- Related parties	14,734	14,734	14,734	14,734
Total	51,020	51,020	72,139	72,139
<u>Less</u> Allowance for doubtful accounts	(51,020)	(51,020)	(72,139)	(72,139)
Pledged receivables - net	--	--	--	--
<b>3. Short-term loans to related parties</b>				
- Subsidiaries	--	--	2,000	4,000
- Associates	850	850	--	--
- Related parties	4,600	4,600	--	--
Total	5,450	5,450	2,000	4,000
<u>Less</u> Allowance for doubtful accounts	(5,450)	(5,450)	--	--
Short-term loans to related parties - net	--	--	2,000	4,000
<b>4. Short-term loans to other companies</b>	278	278	--	--
<b>5. Long-term loans to related parties</b>				
- Subsidiaries	--	--	101,459	101,459
- Related parties	4,300	4,900	--	--
Total	4,300	4,900	101,459	101,459
<u>Less</u> Current portion due within one year	(4,300)	(4,900)	--	--
<u>Less</u> Allowance for doubtful accounts	--	--	(101,459)	(101,459)
Long-term loans to related parties - net	--	--	--	--



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(THOUSAND BAHT)

TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2020	Dec.31, 2019	Mar. 31, 2020	Dec.31, 2019
6. Trade and other current payables				
- Subsidiaries	--	--	17,589	17,508
- Associate	295	341	289	289
- Related parties	16,160	14,744	2,328	2,290
Total	16,455	15,085	20,206	20,087
7. Short-term borrowings from related parties				
- Subsidiaries	--	--	71,400	73,400
- Related person	60,000	60,000	60,000	60,000
Total	60,000	60,000	131,400	133,400

(THOUSAND BAHT)

TRANSACTIONS IN STATEMENTS OF INCOME FOR THE THREE-MONTH PERIODS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
1. Sales (Cost - plus margins)				
- Related parties	33,007	41,910	--	--
2. Dividend income				
- Subsidiaries	--	--	2,904	4,000
3. Purchase of goods (Cost - plus margins)				
- Related parties	2,856	3,485	--	--
4. Utilities expenses (As specified in agreement)				
- Related parties	1,123	981	--	--
5. Other expenses (As specified in agreement)				
- Related parties	3,680	3,413	--	--
6. Finance costs (4.90% per annum)				
- Subsidiaries	--	--	410	396
- Related person	733	1,208	733	1,208



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## 19. 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 organized 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, and cutting board and eyelet.
- 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.



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 March 31, 2020 and 2019, respectively

For the three-month period ended March 31,	(MILLION BAHT)											
	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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	18	16	123	144	41	39	7	5	--	--	189	204
Inter-segment revenue	--	--	14	19	1	1	--	--	(15)	(20)	--	--
Total revenue	18	16	137	163	42	40	7	5	(15)	(20)	189	204
Cost of sales and services	(16)	(14)	(122)	(153)	(32)	(30)	(7)	(6)	15	18	(162)	(185)
Segment operating profit (loss)	2	2	15	10	10	10	--	(1)	--	(2)	27	19
Gain arising from change in fair value of biological assets											--	1
Other income											8	23
Selling and distribution expenses											(3)	(3)
Administrative expenses											(24)	(25)
Finance cost											(2)	(2)
Profit for the period											6	13
Investments property - net											317	319
Property, plant and equipment-net											70	84
Right-of-use assets-net											47	--



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## 20. COMMITMENTS AND CONTINGENT LIABILITIES

### 20.1 Commitments under lease and service agreements are as follow:

The Company and its subsidiaries do not elect to recognize right-of-use assets for short-term leases, leases of low value underlying assets and operating leases with a lease term of 12 months.

As at December 31, 2020, the Company and its subsidiaries have commitments under lease and service agreements totaling Baht 3.98 million and separate financial statements Baht 0.03 million.

### 20.2 Guarantees

A) The Company and its subsidiaries have obligations under its guarantees of loans and credit facilities provided to their related parties by banks and financial institutions as follows:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
Guarantees of loans and credit facilities	96,500	96,500

B) The Company and its subsidiaries have commitments under letters of guarantee with financial institutions as follow:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
Guarantee electricity use	8,017	1,364

### 20.3 Litigations

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.



**21. COVID-19 PANDEMIC**

COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. The Group's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets and provisions for liabilities.

**22. FINANCIAL STATEMENT APPROVAL**

These interim financial statements were duly approved by the Company's directors on May 13, 2020.



*[Handwritten signature]* - *Mr. Subyornak*