

**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND  
SEPARATE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

518/3 อาคารเมเนียเซ็นเตอร์ นอช ชั้น 7  
ถนนเพลินจิต แขวงลุมพินี  
เขตปทุมวัน กรุงเทพฯ 10330  
โทร./โทรสาร 0-2252-2860, 0-2255-2518  
0-2254-1210, 0-2250-0634  
0-2254-8386-7  
โทรสาร อัดโนมิตี 0-2253-8730  
อีเมล virach5183@yahoo.com  
เว็บไซต์ http://www.vaaudit.com

V & A

บริษัท สำนักงาน ดร.วิรัช แอนด์ แอสโซซิเอทส์ จำกัด  
DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS  
สำนักงานใหญ่ เลขประจำตัวผู้เสียภาษี 0105556000751

518/3 Maneeya Center North Building  
7th Floor, Ploenchit Road, Lumpinee District  
Khet Patumwan, Bangkok 10330  
Tel./Fax 66 (0) 2252-2860, 2255-2518  
2254-1210, 2250-0634  
2254-8386-7  
Auto Fax 66 (0) 2253-8730  
Email virach5183@yahoo.com  
Website http://www.vaaudit.com

## 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 its subsidiaries as at September 30, 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2020, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial statements of Pan Asia Footwear Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

Except for the matter as mentioned in the paragraph "Basis for qualified conclusion" 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

1. I was appointed as auditor for the Company and its 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 balance 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 period ended September 30, 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 and nine-month periods ended September 30, 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 September 30, 2020 including the related accounts in the statements of comprehensive income for the three-month and nine-month periods ended September 30, 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 and nine-month periods ended September 30, 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 nine-month period ended September 30, 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 November 14, 2019. Since the Company did not obtain the consolidated and separate financial statements for the nine-month period ended September 30, 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.



**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 September 30, 2020, the Company has current liabilities exceeded current assets by Baht 19.30 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 : November 13, 2020

PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

THOUSAND BAHT

	Notes	THOUSAND BAHT			
		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As At	As At	As At	As At
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
		Unaudited Reviewed	Audited	Unaudited Reviewed	Audited
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	68,299	44,592	1,618	6,289
Current investments		14	14	-	-
Trade and other current receivables	4.1 and 6	137,234	163,321	10,825	7,143
Short-term loans to related parties	21	-	-	2,000	4,000
Short-term loans to others		278	278	-	-
Current portion of long-term loans to related parties	21	3,100	4,900	-	-
Inventories		76,729	81,481	1,703	1,352
Current biological assets		1,096	2,775	1,096	2,775
Other current assets		4,491	3,886	1,310	1,053
<b>Total current assets</b>		<b>291,241</b>	<b>301,247</b>	<b>18,552</b>	<b>22,612</b>
<b>Non-current assets</b>					
Restricted bank deposits	7	14,285	14,187	1,349	1,349
Other non-current financial assets					
Marketable securities/available-for-sale	4.1	22	35	22	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	21	-	-	-	-
Investments property	11	313,376	317,694	314,993	317,648
Property, plant and equipment	12	78,810	86,555	4,887	5,288
Right-of-use assets	4.2 and 13	44,575	-	3,176	-
Non-current biological assets		3,886	3,886	-	-
Deferred tax assets		3,514	2,876	-	-
Receivables from guarantee - related parties	21	-	-	-	-
Other non-current assets					
Withholding tax deducted at source		2,899	5,865	901	2,197
Other non-current assets		8,124	2,255	222	226
Total other non-current assets		11,023	8,120	1,123	2,423
<b>Total non-current assets</b>		<b>473,816</b>	<b>437,678</b>	<b>500,830</b>	<b>502,023</b>
<b>TOTAL ASSETS</b>		<b>765,057</b>	<b>738,925</b>	<b>519,382</b>	<b>524,635</b>



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PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

THOUSAND BAHT

	Notes	THOUSAND BAHT			
		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As At	As At	As At	As At
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
		Unaudited	Audited	Unaudited	Audited
		Reviewed		Reviewed	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Bank overdrafts	14	16,853	3,946	9,961	-
Trade and other current payables	15	85,306	87,450	26,812	25,627
Current contract liabilities		1,426	1,764	-	44
Current portion of lease liabilities	4.2 and 16	18,676	3,505	942	-
Short-term borrowings from related person and parties	21	-	60,000	-	133,400
Corporate income tax payable		206	1,598	-	-
Other current liabilities		965	2,819	139	624
<b>Total current liabilities</b>		<b>123,432</b>	<b>161,082</b>	<b>37,854</b>	<b>159,695</b>
<b>Non-current liabilities</b>					
Lease liabilities	4.2 and 16	21,787	3,318	2,439	-
Long-term borrowings from related person and parties	21	60,000	-	128,500	-
Deferred tax liabilities		3,128	2,780	1,359	1,214
Non-current provisions for employee benefit	17	26,040	25,520	2,914	2,892
Other non-current provisions		241	1,857	241	241
Other non-current liabilities		3,505	3,023	3,505	3,023
<b>Total non-current liabilities</b>		<b>114,701</b>	<b>36,498</b>	<b>138,958</b>	<b>7,370</b>
<b>Total liabilities</b>		<b>238,133</b>	<b>197,580</b>	<b>176,812</b>	<b>167,065</b>
<b>Shareholders' equity</b>					
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 up 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		(20,873)	(17,553)	-	-
Retained earnings					
Legal reserve		15,181	15,181	15,181	15,181
Unappropriated		193,318	204,268	52,091	67,078
Other components of shareholders' equity		4,840	4,853	(102)	(89)
Equity attributable to owners of the Company		467,866	482,149	342,570	357,570
Non-controlling interests		59,058	59,196	-	-
<b>Total shareholders' equity</b>		<b>526,924</b>	<b>541,345</b>	<b>342,570</b>	<b>357,570</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>765,057</b>	<b>738,925</b>	<b>519,382</b>	<b>524,635</b>



**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

THOUSAND BAHT : Except earnings (loss) per share presented in Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
<b>Revenues</b>					
Sales		132,174	192,534	7,715	6,351
Revenues from hire of work		4,875	1,820	-	-
Interest income		40	80	-	-
Gain on disposal of assets		790	3	1	-
Gain from change in fair value of biological assets		-	194	-	194
Other income		9,899	68,528	6,904	64,435
<b>Total revenues</b>		<b>147,778</b>	<b>263,159</b>	<b>14,620</b>	<b>70,980</b>
<b>Expenses</b>					
Cost of sales and hire of work		117,854	175,428	5,567	8,559
Distribution expenses		4,920	4,357	2,926	975
Administrative expenses		25,123	26,415	7,262	6,872
Loss from change in fair value of biological assets		618	-	618	-
<b>Total expenses</b>		<b>148,515</b>	<b>206,200</b>	<b>16,373</b>	<b>16,406</b>
<b>Profit (loss) from operating activities</b>		<b>(737)</b>	<b>56,959</b>	<b>(1,753)</b>	<b>54,574</b>
Finance income		181	324	37	54
Finance costs		(1,379)	(1,729)	(1,244)	(1,894)
Reversal (doubtful debt)		211	88	-	(218)
Share of profit of associates accounted for using equity method		-	-	-	-
<b>Profit (loss) before income tax</b>		<b>(1,724)</b>	<b>55,642</b>	<b>(2,960)</b>	<b>52,516</b>
Income tax revenues (expenses)	18	497	(817)	(50)	(50)
<b>Profit (loss) for the period</b>		<b>(1,227)</b>	<b>54,825</b>	<b>(3,010)</b>	<b>52,466</b>
<b>Other comprehensive loss :</b>					
Components of other comprehensive income that will not be reclassified to profit or loss :					
Losses on remeasuring investment in marketable securities through other comprehensive income					
		(1)	-	(1)	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss					
		-	-	-	-
<b>Other comprehensive loss for the period-net of tax</b>		<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
<b>Total comprehensive profit (loss) for the period</b>		<b>(1,228)</b>	<b>54,825</b>	<b>(3,011)</b>	<b>52,466</b>



**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

THOUSAND BAHT : Except earnings (loss) per share presented in Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<b>Profit (loss) attributable to:</b>				
Owners of parent	(1,254)	52,459	(3,010)	52,466
Non-controlling interests	27	2,366	-	-
	<u>(1,227)</u>	<u>54,825</u>	<u>(3,010)</u>	<u>52,466</u>
<b>Total comprehensive income (loss) attributable to:</b>				
Owners of parent	(1,255)	52,459	(3,011)	52,466
Non-controlling interests	27	2,366	-	-
	<u>(1,228)</u>	<u>54,825</u>	<u>(3,011)</u>	<u>52,466</u>
<b>Basic earnings (loss) per share</b>				
Earnings (loss) per share to equity holders	<u>(0.002)</u>	<u>0.098</u>	<u>(0.006)</u>	<u>0.097</u>
The number of 540,000,000 ordinary shares used in computation				





**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

	Notes	THOUSAND BAHT : Except earnings (loss) per share presented in Baht			
		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
<b>Revenues</b>					
Sales		439,113	568,807	22,215	16,924
Revenues from hire of work		14,071	6,206	-	-
Interest income		139	110	8	-
Dividend income	8 and 10	50	51	2,954	6,955
Gain on disposal of assets		1,182	181	8	280
Gain from change in fair value of biological assets		32	32	32	32
Other income		22,068	95,251	13,558	75,150
<b>Total revenues</b>		<b>476,655</b>	<b>670,638</b>	<b>38,775</b>	<b>99,341</b>
<b>Expenses</b>					
Costs of sales and hire of work		395,013	527,110	18,893	21,530
Distribution expenses		13,459	13,361	6,466	2,680
Administrative expenses		69,259	77,460	19,175	20,358
<b>Total expenses</b>		<b>477,731</b>	<b>617,931</b>	<b>44,534</b>	<b>44,568</b>
Profit (loss) from operating activities		(1,076)	52,707	(5,759)	54,773
Finance income		577	653	122	143
Finance costs		(4,369)	(4,868)	(3,658)	(5,454)
Reversal (doubtful debt)		665	267	(41)	(556)
Share of profit of associates accounted for using equity method		-	144	-	-
<b>Profit (loss) before income tax</b>		<b>(4,203)</b>	<b>48,903</b>	<b>(9,336)</b>	<b>48,906</b>
Income tax expenses	18	(837)	(612)	(144)	(144)
<b>Profit (loss) for the period</b>		<b>(5,040)</b>	<b>48,291</b>	<b>(9,480)</b>	<b>48,762</b>
<b>Other comprehensive loss :</b>					
Components of other comprehensive income that will not be reclassified to profit or loss :					
Losses on remeasuring investment in marketable securities through other comprehensive income					
		(13)	(2)	(13)	(2)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss					
		-	-	-	-
<b>Other comprehensive loss for the period-net of tax</b>		<b>(13)</b>	<b>(2)</b>	<b>(13)</b>	<b>(2)</b>
<b>Total comprehensive profit (loss) for the period</b>		<b>(5,053)</b>	<b>48,289</b>	<b>(9,493)</b>	<b>48,760</b>



**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

THOUSAND BAHT : Except earnings (loss) per share presented in Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<b>Profit (loss) attributable to:</b>				
Owners of parent	(5,480)	41,215	(9,480)	48,762
Non-controlling interests	440	7,076	-	-
	<u>(5,040)</u>	<u>48,291</u>	<u>(9,480)</u>	<u>48,762</u>
<b>Total comprehensive income (loss)</b>				
<b>attributable to:</b>				
Owners of parent	(5,493)	41,213	(9,493)	48,760
Non-controlling interests	440	7,076	-	-
	<u>(5,053)</u>	<u>48,289</u>	<u>(9,493)</u>	<u>48,760</u>
<b>Basic earnings (loss) per share</b>				
Earnings (loss) per share to equity holders	<u>(0.010)</u>	<u>0.077</u>	<u>(0.018)</u>	<u>0.090</u>
The number of 540,000,000 ordinary shares used in computation				



**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**  
**CONSOLIDATED**

THOUSAND BAHT

	Equity holders of the parent										Equity attributable to non-controlling interests	Total shareholders' equity
	The Company's shares held by its subsidiaries		Retained earnings		Other components of shareholders' equity				Total equity attributable to owners of company			
	Issued and paid-up share capital	Legal reserve	Unappropriated	Other comprehensive loss	Marketable securities	Difference from change in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of company	Equity attributable to non-controlling interests	Total shareholders' equity		
<b>Beginning balances as at January 1, 2019</b>	275,400	13,028	169,878	(86)		4,942	4,856	445,609	43,827	489,236		
Profit for the period	-	-	41,215	-	-	-	-	41,215	7,076	48,291		
Other comprehensive loss for the period	-	-	-	(2)	-	-	(2)	(2)	-	(2)		
Total comprehensive income (loss) for the period	-	-	41,215	(2)	-	-	(2)	41,213	7,076	48,289		
Non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-		
- Increase in investments in a subsidiary	-	-	-	-	-	-	-	-	6,310	6,310		
- Decrease from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	(576)	(576)		
<b>Ending balances as at September 30, 2019</b>	275,400	13,028	211,093	(88)		4,942	4,854	486,822	56,437	543,259		
<b>Beginning balances as at January 1, 2020</b>	275,400	15,181	204,268	(89)		4,942	4,853	482,149	59,196	541,345		
Profit (loss) for the period	-	-	(5,480)	-	-	-	-	(5,480)	440	(5,040)		
Other comprehensive loss for the period	-	-	-	(13)	-	-	(13)	(13)	-	(13)		
Total comprehensive income (loss) for the period	-	-	(5,480)	(13)	-	-	(13)	(5,493)	440	(5,053)		
Dividend paid	-	-	(5,507)	-	-	-	-	(5,507)	-	(5,507)		
Less : Dividend payment held by the subsidiary	-	-	37	-	-	-	-	37	-	37		
Dividend paid-net	-	-	(5,470)	-	-	-	-	(5,470)	-	(5,470)		
Increase in treasury shares	-	-	-	-	-	-	-	-	-	-		
Decrease in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	(3,320)	-	(3,320)		
from dividend payment of the subsidiary	-	-	-	-	-	-	-	-	(578)	(578)		
<b>Ending balances as at September 30, 2020</b>	275,400	15,181	193,318	(102)		4,942	4,840	467,866	59,058	526,924		

Note

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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 CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**  
**SEPARATE FINANCIAL STATEMENTS**

THOUSAND BAHT

	Note	Retained earnings				Other components		Total
		Issued and paid-up share capital	Legal reserve	Unappropriated	of shareholders' equity	Other comprehensive loss	Marketable securities	
<b>Beginning balances as at January 1, 2019</b>		275,400	13,028	26,066	(86)		314,408	
Loss for the period		-	-	48,762	-		48,762	
Other comprehensive loss for the period		-	-	-	(2)		(2)	
Total comprehensive income (loss) for the period		-	-	48,762	(2)		48,760	
<b>Ending balances as at September 30, 2019</b>		275,400	13,028	74,828	(88)		363,168	
<b>Beginning balances as at January 1, 2020</b>		275,400	15,181	67,078	(89)		357,570	
Loss for the period		-	-	(9,480)	-		(9,480)	
Other comprehensive loss for the period		-	-	-	(13)		(13)	
Total comprehensive loss for the period		-	-	(9,480)	(13)		(9,493)	
Dividend paid	19	-	-	(5,507)	-		(5,507)	
<b>Ending balances as at September 30, 2020</b>		275,400	15,181	52,091	(102)		342,570	



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**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (1/3)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
PROFIT (LOSS) FOR THE PERIOD	(5,040)	48,291	(9,480)	48,762
ADJUSTMENT TO RECONCILE PROFIT (LOSS) FOR THE PERIOD TO CASH PROVIDED FROM (USED IN) OPERATION :				
Income tax expenses	837	612	144	144
Depreciation expense - Investments property	1,605	1,628	2,655	2,653
Depreciation expense - Plant and equipment	11,607	12,858	1,158	1,916
Depreciation expense - Right-of-use assets	11,347	-	357	-
Doubtful debt (reversal)	(665)	(267)	41	556
Reversal of reduction of inventory to net realisable value	-	(2,866)	-	-
Impairment loss on property, plant and equipment	-	609	-	-
Gain on disposal equipment	(803)	(181)	(8)	(280)
Gain on repayment of investments property	(379)	-	-	-
Gain from change in fair value of biological assets	(32)	(32)	(32)	(32)
Share of profit from investments in associates	-	(144)	-	-
Gain from a bargain purchase of equity interest in a subsidiary	-	(10,391)	-	-
Provisions for litigation	-	640	-	-
Long-term employee benefits expense	1,799	6,181	148	729
Unrealised (gain) loss on exchange	53	(73)	-	(63)
Dividend income	(50)	(51)	(2,954)	(6,955)
Interest income	(716)	-	(130)	-
Other income from litigation	-	(61,913)	-	(61,913)
Interest expenses	4,369	4,868	3,658	5,454
Profit (loss) from operation before changes in operating assets and liabilities items	23,932	(231)	(4,443)	(9,029)
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other current receivables	26,063	(22,579)	(3,614)	(1,689)
Inventories	4,752	24,532	(351)	71
Current biological assets	1,711	275	1,711	275
Other current assets	(634)	(1,219)	(257)	(321)
Other non-current assets	(5,869)	3,026	4	11



**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (2/3)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

	THOUSAND BAHT			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<b>INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS</b>				
Trade and other current payables	(673)	(10,298)	1,136	3,704
Current contract liabilities	(338)	-	(44)	-
Other current liabilities	(1,371)	701	(485)	(251)
Other non-current liabilities	-	-	482	-
Cash paid for long-term provisions	-	(192)	-	-
Cash paid for long-term employee benefits	(1,279)	-	(126)	-
<b>CASH PROVIDED FROM (USED IN) OPERATION</b>	<b>46,294</b>	<b>(5,985)</b>	<b>(5,987)</b>	<b>(7,229)</b>
Income tax expenses paid	(3,458)	(3,405)	(438)	(350)
Value added tax refunded	333	-	-	-
Income tax refunded	3,598	2,187	1,734	-
<b>NET CASH PROVIDED FROM (USED IN)</b>				
<b>OPERATING ACTIVITIES</b>	<b>46,767</b>	<b>(7,203)</b>	<b>(4,691)</b>	<b>(7,579)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in cash from change in status of associate to be subsidiary	-	7,484	-	-
Increase in restricted bank deposits	(98)	(100)	-	-
Cash paid for investments in subsidiaries	-	(5,600)	-	-
Increase in treasury shares	(3,320)	-	-	-
Decrease (increase) in short-term loans to related parties	-	-	2,000	(2,500)
Decrease in short-term loans to others	-	5	-	-
Proceeds from long-term loans to related parties	1,800	1,100	-	-
Dividend received	50	51	2,954	6,955
Proceeds from interest	1,359	-	22	-
Increase in equipment	(17,698)	(4,068)	(758)	(573)
Proceeds from equipment disposal	984	523	9	280
<b>NET CASH PROVIDED FROM (USED IN)</b>				
<b>INVESTING ACTIVITIES</b>	<b>(16,923)</b>	<b>(605)</b>	<b>4,227</b>	<b>4,162</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in bank overdrafts	12,907	11,517	9,961	11,636
Increase in leases liabilities	1,830	-	-	-
Repayment for short-term borrowings from related parties	-	-	(4,900)	(2,900)
Repayment for leases liabilities	(10,457)	(4,039)	(152)	-
Dividend paid	(5,470)	-	(5,507)	-
Dividend paid to non-controlling interest of a subsidiary	(578)	(576)	-	-
Interest paid	(4,369)	(4,868)	(3,609)	(5,195)
<b>NET CASH PROVIDED FROM (USED IN)</b>				
<b>FINANCING ACTIVITIES</b>	<b>(6,137)</b>	<b>2,034</b>	<b>(4,207)</b>	<b>3,541</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>23,707</b>	<b>(5,774)</b>	<b>(4,671)</b>	<b>124</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 SEPTEMBER 30,</b>	<b>68,299</b>	<b>54,313</b>	<b>1,618</b>	<b>1,195</b>



**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (3/3)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020**

THOUSAND BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<b>ADDITIONAL DISCLOSURE ITEMS TO</b>				
<b>CASH FLOWS STATEMENTS</b>				
NON-CASH FLOWS ITEMS COMPRISE:				
Decrease in receivables from reversals allowance for doubtful accounts	(4,630)	-	-	-
Loss on investment in marketable securities	(13)	(2)	(13)	(2)
Change in status of investment in associate to investment in subsidiary	-	12,243	-	-
Acquisition of assets under lease liabilities	-	3,875	-	-
Decrease in investments property from payment to other accounts payable	(1,476)	-	-	-
Decrease in investments property from payment to other non-current provisions	(1,616)	-	-	-
Increase in rights-of-use assets from lease liabilities	4,730	-	3,533	-
Increase in long-term borrowings from related person and parties from short-term borrowings from related person and parties transferring	60,000	-	128,500	-
Increase in other non-current liabilities from other current liabilities transferring	482	-	-	-
Effects from the adopted TFRS 16 Leases as at January 1, 2020				
Transferring equipment to rights-of-use assets	13,655	-	-	-
Increase in rights-of-use assets from lease liabilities	37,537	-	-	-



**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 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, Tambol Nongkharm, Aumphur Siracha, Chonburi Province, 20230 Thailand.
Branch 1	507/2 Moo 11, Tambol Nongkharm, Aumphur Siracha, Chonburi Province, 20230 Thailand.
Branch 2	99 Moo 16, Tambol Khlong Muang, Aumphur Pak Chong, Nakhon Ratchasima Province, 30000 Thailand.
Nature of business	1) Investments 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 statements of financial position as at September 30, 2020, the Company has current liabilities exceeded current assets by Baht 19.30 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 INTERIM 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 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 include the financial statements of Pan Asia Footwear Public Company Limited and its subsidiaries as follows:



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SUBSIDIARY COMPANIES	NATURE OF BUSINESS	% HOLDING	
		Sep. 30, 2020	Dec. 31, 2019
<b><u>Subsidiaries directly held by the Company</u></b>			
WBLP Co., Ltd.	Manufacture of footwear and bag	100.00	100.00
Modern Technology Component Co., Ltd.	Manufacture of soles and parts for footwear	100.00	100.00
Pontex (Thailand) Co., Ltd.	Manufacture of plastic parts and injection	97.02	97.02
Advantage Footwear Co., Ltd.	Manufacture of footwear and parts for footwear	79.12	79.12
International Curity Footwear Co., Ltd.	Ceased operation	100.00	100.00
Phimai Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 2, 2018)	Under liquidation process	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	100.00	100.00
Exact Q Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 15, 2019)	Under liquidation process	100.00	100.00
Footwear Tech 1530 Co., Ltd. (registered its dissolution with the Ministry of Commerce on June 16, 2020)	Under liquidation process	100.00	100.00
Excellent Rubber Co., Ltd. (registered its dissolution with the Ministry of Commerce on October 12, 2020)	Under liquidation process	100.00	100.00
Innovation Nakornluang Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on May 2, 2018)	Under liquidation process	96.07	96.07
<b><u>Subsidiary held by Kabinburi Pan Asia Footwear Co., Ltd.</u></b>			
Buriram Pan Footwear Co., Ltd. (registered its dissolution with the Ministry of Commerce on June 11, 2014)	Under liquidation process	69.27	69.27
<b><u>Subsidiary held by Advantage Footwear Co., Ltd. and Excellent Rubber Co., Ltd.</u></b>			
Pek Industry Co.,Ltd.	Manufacture of polypropylene cutting boards and eyelet	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 standards involve 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) TFRS 16 Leases

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize 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 recognized 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 recognized 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.

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.



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**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.

**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 FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019
Cash	248	294	15	19
Deposit in banks	68,051	44,298	1,603	6,270
Total cash and cash equivalents	68,299	44,592	1,618	6,289



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## 6. TRADE AND OTHER CURRENT RECEIVABLES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019
<u>Trade receivables - related parties</u>				
Current	21,479	20,185	--	207
Overdue within 3 months	7,875	15,111	--	--
Over 3 to 6 months	5,163	7,323	--	--
Over 6 to 12 months	4,202	412	220	25
Over 12 months	76,834	76,348	276	276
Total	115,553	119,379	496	508
Allowance for doubtful accounts	(73,780)	(76,294)	(231)	(231)
Total trade receivables - related parties - net	41,773	43,085	265	277
<u>Trade receivables - unrelated parties</u>				
Current	36,652	38,042	736	825
Overdue within 3 months	32,923	63,912	1,200	1,355
Over 3 to 6 months	10,086	9,072	28	46
Over 6 to 12 months	3,058	990	46	188
Over 12 months	10,600	12,226	131	193
Total	93,319	124,242	2,141	2,607
Allowance for doubtful accounts	(10,589)	(12,189)	(209)	(168)
Total trade receivables - unrelated parties - net	82,730	112,053	1,932	2,439
Total trade receivables - net	124,503	155,138	2,197	2,716
<u>Other current receivables</u>				
- Related parties	79,599	80,340	98,969	99,295
- Unrelated parties	23,986	19,878	16,026	11,499
Total	103,585	100,218	114,995	110,794
Allowance for doubtful accounts				
- Related parties	(76,087)	(76,857)	(98,094)	(98,094)
- Unrelated parties	(14,767)	(15,178)	(8,273)	(8,273)
Total other current receivables - net	12,731	8,183	8,628	4,427
Total trade and other current receivables - net	137,234	163,321	10,825	7,143

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

## 7. RESTRICTED BANK DEPOSITS

As at September 30, 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	(THOUSAND BAHT)											
	% HOLDING		PAID - UP CAPITAL		COST		ALLOWANCE FOR IMPAIRMENT ON INVESTMENTS		NET VALUE		DIVIDEND RECEIVED FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER, 30	
	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	2020	2019
1. WBLP Co., Ltd.	100	100	30,000	30,000	43,371	43,371	(43,371)	(43,371)	--	--	--	--
2. Modern Technology Component Co., Ltd.	100	100	50,000	50,000	36,600	36,600	--	--	36,600	36,600	--	4,000
3. Pontex (Thailand) Co., Ltd.	97	97	82,705	82,705	159,032	159,032	(86,427)	(86,427)	72,605	72,605	--	--
4. Advantage Footwear Co., Ltd.	79	79	91,750	91,750	63,330	63,330	--	--	63,330	63,330	2,904	2,904
5. International Curiry Footwear Co., Ltd.	100	100	350,000	350,000	349,999	349,999	(349,999)	(349,999)	--	--	--	--
6. 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)	--	--	--	--
7. 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)	--	--	--	--
8. 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)	--	--	--	--
9. Footwear Tech 1530 Co., Ltd. (registered its dissolution with the Ministry of Commerce on June 16, 2020)	100	100	400,000	400,000	467,968	467,968	(467,968)	(467,968)	--	--	--	--
10. Excellent Rubber Co., Ltd. (registered its dissolution with the Ministry of Commerce on October 12, 2020)	100	100	370,000	370,000	385,887	385,887	(385,887)	(385,887)	--	--	--	--
11. Innovation Nakornluang 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)	--	--	--	--
<b>Total</b>					<b>2,345,966</b>	<b>2,345,966</b>	<b>(2,173,431)</b>	<b>(2,173,431)</b>	<b>172,535</b>	<b>172,535</b>	<b>2,904</b>	<b>6,904</b>



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## 9. INVESTMENTS IN ASSOCIATES

(THOUSAND BAHT)

ASSOCIATES	CONSOLIDATED FINANCIAL STATEMENTS							
	NATURE OF BUSINESS	% HOLDING		COST		CARRYING AMOUNTS BASED ON EQUITY METHOD		
		Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	
1. PA Capital Co., Ltd.	Trading of fuel oil	45.88	45.88	376,157	376,157	--	--	
2. Nongchang Rubber Co., Ltd.	Ceased operation	28.82	28.82	12,000	12,000	--	--	
3. Uthai Bangkok Rubber Co., Ltd.	Ceased operation	28.82	28.82	8,999	8,999	--	--	
4. P.L. John Industries Co., Ltd.	Under liquidation process	19.25	19.25	7,700	7,700	--	--	
<b>Total</b>				<b>404,856</b>	<b>404,856</b>	<b>--</b>	<b>--</b>	

(THOUSAND BAHT)

ASSOCIATES	SEPARATE FINANCIAL STATEMENTS									
	NATURE OF BUSINESS	% HOLDING		COST		ALLOWANCE FOR IMPAIRMENT ON INVESTMENTS		CARRYING AMOUNTS BASED ON COST METHOD - NET		
		Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	
PA Capital Co., Ltd.	Trading of fuel oil	8.07	8.07	64,559	64,559	(64,559)	(64,559)	--	--	

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 and nine-month periods ended September 30, 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.



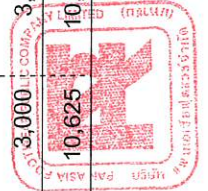
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10. INVESTMENTS IN RELATED PARTIES

Details of investments in related parties are as follows:

(THOUSAND BAHT)

COMPANIES	% HOLDING		COST		ALLOWANCE FOR IMPAIRMENT ON INVESTMENTS		NET VALUE		DIVIDEND RECEIVED FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER, 30	
	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	Sep. 30, 2020	Dec. 31, 2019	2020	2019
<b><u>CONSOLIDATED FINANCIAL STATEMENTS</u></b>										
1. Sahapat Properties Co., Ltd.	2.50	2.50	500	500	--	--	500	500	50	51
2. Nutrition House Co., Ltd.	9.95	9.95	13,598	13,598	(13,598)	(13,598)	--	--	--	--
3. Thai Takaya Co., Ltd.	6.67	6.67	2,000	2,000	(2,000)	(2,000)	--	--	--	--
4. Pan Biotech Co., Ltd.	10.00	10.00	1,000	1,000	--	--	1,000	1,000	--	--
5. Barnpan Engineering and Holding Co., Ltd.	19.17	19.17	130,000	130,000	(130,000)	(130,000)	--	--	--	--
6. Pancamp International Co., Ltd.	10.00	10.00	2,000	2,000	(2,000)	(2,000)	--	--	--	--
7. Pan Technical Parts Co., Ltd.	6.00	6.00	720	720	(720)	(720)	--	--	--	--
8. Thai Sung Shin New Material Co., Ltd.	4.57	4.57	11,696	11,696	(11,696)	(11,696)	--	--	--	--
9. Sahachol Foods Supplies Co., Ltd.	1.54	1.54	5,000	5,000	(2,175)	(2,175)	2,825	2,825	--	--
<b>Total</b>			166,514	166,514	(162,189)	(162,189)	4,325	4,325	50	51
<b><u>SEPARATE FINANCIAL STATEMENTS</u></b>										
1. Sahapat Properties Co., Ltd.	2.50	2.50	1,050	1,050	--	--	1,050	1,050	50	51
2. Nutrition House Co., Ltd.	5.17	5.17	4,267	4,267	(4,267)	(4,267)	--	--	--	--
3. Thai Takaya Co., Ltd.	6.67	6.67	2,308	2,308	(2,308)	(2,308)	--	--	--	--
4. Sahachol Foods Supplies Co., Ltd.	0.92	0.92	3,000	3,000	(1,305)	(1,305)	1,695	1,695	--	--
<b>Total</b>			10,625	10,625	(7,880)	(7,880)	2,745	2,745	50	51



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## 11. INVESTMENTS PROPERTY

Movements in the investments property account during the nine-month period ended September 30, 2020 are summarized below.

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Dec.31, 2019	Sep. 30, 2020	Dec.31, 2019
Net book value	317,694	319,868	317,648	321,188
<u>Less</u> Depreciation during the periods	(1,605)	(2,174)	(2,655)	(3,540)
<u>Less</u> Transfer to payment of accounts payable	(2,713)	--	--	--
Invesments property-net	313,376	317,694	314,993	317,648

As at September 30, 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.

Depreciation of investments property as presented in statements of comprehensive income for the nine-month period ended September 30, 2020 are as follows:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Administrative expenses	1,605	2,655
Total	1,605	2,655

## 12. PROPERTY, PLANT AND EQUIPMENT

As at September 30, 2020, the property, plant and equipment arose from the following:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
<b>COST</b>		
Beginning balances as at January 1, 2020	917,780	207,261
Effects from the adopted TFRS 16 Leases as at January 1, 2020	(16,464)	--
<u>Add</u> Additions	17,698	758
<u>Less</u> Disposals/written off	(27,847)	(4,354)
Ending balances as at September 30, 2020	891,167	203,665



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(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
<b>ACCUMULATED DEPRECIATION</b>		
Beginning balances as at January 1, 2020	773,692	170,601
Effects from the adopted TFRS 16 Leases as at January 1, 2020	(2,809)	--
Add Additions	11,607	1,158
Less Disposals/written off	(27,666)	(4,353)
Ending balances as at September 30, 2020	754,824	167,406
<b>ALLOWANCE FOR IMPAIRMENT</b>		
Beginning balances as at January 1, 2020	57,533	31,372
Ending balances as at September 30, 2020	57,533	31,372
Net book value as at September 30, 2020	78,810	4,887

Depreciation of plant and equipment as presented in statements of comprehensive income for the nine-month period ended September 30, 2020 are as follows:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Cost of sales	10,004	848
Administrative expenses	1,603	310
Total	11,607	1,158



### 13. RIGHT-OF-USE ASSETS

As at September 30, 2020, the right-of-use assets arose from the following:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Net book value as at January 1, 2020	--	--
Increase in rights-of-use assets from vehicle and machinery transferring		
- Cost	16,464	--
- Accumulated depreciation	(2,809)	--
Net	13,655	--
Increase in rights-of-use assets from lease liabilities	37,537	--
Total impact due to TFRS 16 : Leases adoption as at January 1, 2020	51,192	--
<u>Add</u> Increase during the periodds	4,730	3,533
<u>Less</u> Depreciation for the periods	(11,347)	(357)
Net book value as at September 30, 2020	44,575	3,176

Depreciation of right-of-use assets as presented in statements of comprehensive income for the nine-month period ended September 30, 2020 are as follows:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Cost of sales	9,884	--
Administrative expenses	1,463	357
Total	11,347	357

### 14. 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.



15. TRADE AND OTHER CURRENT PAYABLES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Dec.31, 2019	Sep. 30, 2020	Dec.31, 2019
<u>Related parties</u>				
Trade payables	3,589	5,009	3,483	3,484
Other current payables	5,711	5,810	14,516	15,002
Accrued expenses	1,761	4,266	485	501
Accrued interest	--	--	1,149	1,100
Total	11,061	15,085	19,633	20,087
<u>Unrelated parties</u>				
Trade payables	41,968	42,366	279	1,182
Other current payables	7,666	1,785	139	366
Accrued expenses	24,611	28,214	6,761	3,992
Total	74,245	72,365	7,179	5,540
Total trade and other current payables	85,306	87,450	26,812	25,627



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16. LEASES LIABILITIES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Lease liabilities as at January 1, 2020, in accordance with the former financial reporting standards	7,212	--
The impact due to TFRS 16 : Lease adoption as at January 1, 2020	41,297	--
<u>Add</u> Increase during the periods	6,886	3,685
<u>Less</u> Payment during the periods	(12,096)	(166)
Lease liabilities as at September 30, 2020	43,299	3,519
Deferred interest as at January 1, 2020, in accordance with the former financial reporting standards	389	--
The impact due to TFRS 16 : Lease adoption as at January 1, 2020	3,760	--
<u>Add</u> Increase during the periods	326	152
<u>Less</u> Interest expense during the periods	(1,639)	(14)
Deferred interest as at September 30, 2020	2,836	138
Lease liabilities	40,463	3,381
<u>Less</u> Portion due within one year	(18,676)	(942)
Lease liabilities - net of current portion	21,787	2,439

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



17. NON - CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Dec.31, 2019	Sep. 30, 2020	Dec.31, 2019
<b><u>Defined benefit obligation</u></b>				
Beginning balances as at January 1, 2020	25,520	16,909	2,892	2,231
Increase from change in status of associate to be subsidiary	--	737	--	--
<u>Add</u> Current service cost	1,463	1,588	119	157
Interest cost	336	433	29	47
Past service costs	--	4,340	--	577
Actuarial loss (Recognized in other comprehensive income)	--	1,666	--	(120)
<u>Less</u> Benefits paid during the periods	(1,279)	(153)	(126)	--
Ending balances as at September 30, 2020	26,040	25,520	2,914	2,892

Significant actuarial assumptions are summarised below:

PARTICULARS	RATES PER ANNUM			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Dec.31, 2019	Sep. 30, 2020	Dec.31, 2019
Discount rate	0.96 - 1.54	0.96 - 1.54	1.34	1.34
Salary increase rate	3.50	3.50	3.50	3.50
Turnover rate (depending on age)	10 - 47	10 - 47	10 - 47	10 - 47

Employee benefit expenses as presented in statements of comprehensive income for the nine-month period ended September 30, 2020 are as follows:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Cost of sales	1,105	39
Distribution expenses	1	1
Administrative expenses	693	108
Total	1,799	148



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## 18. INCOME TAXES

The Company and subsidiaries' income tax for the three-month and nine-month periods ended September 30, 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 (revenues) recognized in statements of comprehensive income consist:

(THOUSAND BAHT)

FOR THE PERIODS ENDED SEPTEMBER 30,	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
<u>For the three-month periods</u>				
The income tax for the periods	163	1,087	--	--
Deferred tax and reversal of temporary differences	(660)	(270)	50	50
<b>Income tax (revenues) expenses</b>	<b>(497)</b>	<b>817</b>	<b>50</b>	<b>50</b>
<u>For the nine-month periods</u>				
The income tax for the periods	1,012	2,137	--	--
Deferred tax and reversal of temporary differences	(175)	(1,525)	144	144
<b>Income tax expenses</b>	<b>837</b>	<b>612</b>	<b>144</b>	<b>144</b>

## 19. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On August 4, 2020, the Ordinary General Shareholders' Meeting has acknowledged the interim dividends payment which already paid to shareholders, in accordance with the resolution of the Board of Directors of the Company Meeting held on March 31, 2020 has approved the payment of interim dividends to shareholders at Baht 0.0102 per share, to the shareholders of 540 million shares, totalling Baht 5.50 million. The interim dividend payment was paid on April 30, 2020 and approved to pay directors' remuneration for the year 2020 amounting not more than Baht 5.00 million.

On April 23, 2019, the Ordinary General Shareholders' Meeting was held and has a resolution not paying dividend and approved to pay directors' remuneration for the year 2019 amounting not more than Baht 5.00 million.



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## 20. FOREIGN CURRENCY TRANSACTIONS

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

(THOUSAND)

PARTICULARS	FOREIGN CURRENCIES		TRANSLATED TO BAHT	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b><u>CONSOLIDATED FINANCIAL STATEMENTS</u></b>				
<b>ASSETS</b>				
USD	183.34	386.60	5,773.79	11,589.03
<b>LIABILITIES</b>				
Portion due within one year				
USD	18.48	64.42	588.26	1,953.81
EUR	--	11.38	--	387.83
TOTAL			588.26	2,341.64
<b><u>SEPARATE FINANCIAL STATEMENTS</u></b>				
<b>ASSETS</b>				
USD	0.21	0.21	6.71	6.39
<b>LIABILITIES</b>				
Portion due within one year				
USD	--	11.13	--	337.52
EUR	--	11.38	--	387.83
TOTAL			--	725.35



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**21. 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
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.





The significant related transactions are as follows:

(THOUSAND BAHT)

TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Dec.31, 2019	Sep. 30, 2020	Dec.31, 2019
1. Trade and other current receivables				
- Subsidiaries	--	--	89,688	90,026
- Associates	49,152	49,153	180	180
- Related parties	146,000	150,566	9,597	9,597
Total	195,152	199,719	99,465	99,803
<u>Less</u> Allowance for doubtful accounts	(149,867)	(153,151)	(98,325)	(98,325)
Total trade and other current receivables - net	<b>45,285</b>	<b>46,568</b>	<b>1,140</b>	<b>1,478</b>
2. Short-term loans to related parties				
- 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	<b>--</b>	<b>--</b>	<b>2,000</b>	<b>4,000</b>
3. Long-term loans to related parties				
- Subsidiaries	--	--	101,459	101,459
- Related parties	3,100	4,900	--	--
Total	3,100	4,900	101,459	101,459
<u>Less</u> Portion due within one year	(3,100)	(4,900)	--	--
<u>Less</u> Allowance for doubtful accounts	--	--	(101,459)	(101,459)
Long-term loans to related parties - net	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
4. Receivables from guarantee				
- 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)
Receivables from guarantee - net	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
5. Trade and other current payables				
- Subsidiaries	--	--	16,991	17,508
- Associate	295	341	289	289
- Related parties	10,766	14,744	2,353	2,290
Total	<b>11,061</b>	<b>15,085</b>	<b>19,633</b>	<b>20,087</b>



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(THOUSAND BAHT)

TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Dec.31, 2019	Sep. 30, 2020	Dec.31, 2019
	6. Short-term borrowings from related parties and person			
- Subsidiaries	--	--	--	73,400
- Related person	--	60,000	--	60,000
Total	--	<b>60,000</b>	--	<b>133,400</b>
7. Long-term borrowings from related parties and person				
- Subsidiaries	--	--	68,500	--
- Related person	60,000	--	60,000	--
Total	<b>60,000</b>	--	<b>128,500</b>	--

(THOUSAND BAHT)

TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIODS	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 2020	Sep. 30, 2019	Sep. 30, 2020	Sep. 30, 2019
	1. Sales (Cost - plus margins)			
- Related parties	82,017	118,012	--	--
2. Dividend income				
- Subsidiaries	--	--	2,904	6,904
- Related parties	50	51	50	51
Total	<b>50</b>	<b>51</b>	<b>2,954</b>	<b>6,955</b>
3. Purchase of goods (Cost - plus margins)				
- Related parties	3,975	7,171	--	--
4. Utilities expenses (As specified in agreement)				
- Related parties	2,808	3,274	--	--
5. Other expenses (As specified in agreement)				
- Related parties	9,757	10,801	--	--
6. Finance costs				
- Subsidiaries (1.50 - 2.50% per annum)	--	--	1,179	1,146
- Related person (4.9% per annum)	2,273	3,665	2,273	3,665
Total	<b>2,273</b>	<b>3,665</b>	<b>3,452</b>	<b>4,811</b>



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## 22. 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, 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.



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The following tables present revenue and profit or loss information regarding the Company's and its subsidiaries' operating segments for the nine-month periods ended September 30, 2020 and 2019, respectively.

For the nine-month period ended September 30,	(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 financial statement	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	47	37	278	397	106	124	22	17	--	--	453	575
Inter-segment revenue	--	--	38	49	2	1	--	--	(40)	(50)	--	--
Total revenue	47	37	316	446	108	125	22	17	(40)	(50)	453	575
Cost of sales and services	(44)	(35)	(291)	(422)	(83)	(99)	(19)	(22)	42	51	(395)	(527)
Segment operating profit (loss)	3	2	25	24	25	26	3	(5)	2	1	58	48
Other income												
Selling and distribution expenses											24	96
Administrative expenses											(13)	(13)
Finance cost											(69)	(77)
Tax expenses											(4)	(5)
Profit (loss) for the period											(1)	(1)
Investments property - net											(5)	48
Property, plant and equipment-net											313	319
Right-of-use assets-net											79	82
											45	--



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## 23. COMMITMENTS AND CONTINGENT LIABILITIES

### 23.1 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 September 30, 2020, the subsidiary has commitments under lease and service agreements totaling Baht 2.19 million.

### 23.2 Machinery buying agreements as at September 30, 2020, as follow:

AGREEMENT DATES	CURRENCY	CONSOLIDATED FINANCIAL STATEMENTS (MILLION)		
		MACHINERIES PRICE	ADVANCE PAYMENT	
			AMOUNT	PERCENTAGE (%)
September 2020	CNY	1.44	0.43	30
September 2020	CNY	0.49	0.15	30

### 23.3 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 FINANCIAL STATEMENTS	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 FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Guarantee electricity use	7,892	1,364

### 23.4 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.



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**24. 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.

**25. INTERIM FINANCIAL STATEMENT APPROVAL**

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



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