



(TRANSLATION)

AF. 022 / 2018

August 9, 2018

Subject Explanation of the operating performance for 3-month period ended June 30, 2018

To Managing Director

The Stock Exchange of Thailand

Pan Asia Footwear Public Company Limited would like to submit the report of Management Discussion and Analysis for the 3-month period ended June 30, 2018 which has been unaudited but reviewed by the auditor this is caused by followings:

The Operating results of the company and its subsidiaries Explanation of the operating performance for the 3-month period ended June 30, 2018 as in the consolidate financial statement has net loss 0.61 Million Baht, decrease of 2.80 Million Baht or 82.21% comparing to the same period last year. Loss to equity holders of the parent is 2.32 million baht decrease of 3.29 Million Baht or 58.58% comparing to the same period last year, this is caused by followings:

#### **Consolidated financial statements**

##### **Revenues**

1. Total revenues from hire of work totaling 10.25 Million Baht was 1.30 Million Baht or 14.48% increase from the same period last year. This was the result from new customers.

2. Dividend income of 0.04 Million Baht was 0.02 Million Baht or 86.36% increase from the same period last year because Sahapat Properties Co., Ltd. dividend increase.

3. Other Income totaling 15.48 Million Baht was 11.99 Million Baht or 343.40% increase from the same period last year. The main cause is the get paid to sell shares at auction, which Barnpan Engineering and Holding Co., Ltd. holds from the Legal Execution Department of 12.51 million.

##### **Expenses**

1. Selling expenses totaling 4.74 Million Baht increased from the same period last year by 1.51 Million Baht or 46.61%. The primary cause is the cost of merchandise display and costs in the booth, according to various event to make the Day Break Brand's shoes & bags product and Organic vegetable products Brand WB Organic is known more.



2. Loss arising from change in fair value of biological assets 0.69 Million Baht increase from the same period last year by 0.52 Million Baht or 325.47% caused by cost of biological assets exceeds the fair value.

### **Separate financial statements**

#### **Revenues**

1. Revenue from sales of agricultural products 3.36 Million Baht increase from the same period last year by 0.72 Million Baht or 27.08% the main cause is due to expand product sales in the Modern Trade.

2. Dividend income 6.04 Million Baht decrease from the same period last year by 4.84 Million Baht. This was the result of Aphakorn Industries Co.,Ltd. does not pay dividends this year.

3. Other income 14.81 Million Baht increase 11.70 million baht from the same period last year or 376.36% due to get paid to sell shares at auction, which Barnpan Engineering and Holding Co., Ltd. holds from the Legal Execution Department of 12.51 million.

#### **Expenses**

1. Cost of sales and hire of work totaling 4.50 Million Baht increased from the same period last year by 1.82 Million Baht or 68.11%. The primary cause is the cost in the production of agricultural business increased.

The consolidated financial statements of the group of businesses for 3-month period ended June 30, 2018 pose net loss of 0.61 million baht Equity holders of the parent is 2.32 million baht. The net loss per share is calculated at 0.004 baht per share. The financial statement of the separate financial statements shows the net profit of 8.89 million baht. The net profit per share is calculated at 0.016 baht per share.

Please be informed accordingly.

Yours faithfully,

(Mr. Sommat Khunset)

Managing Director