



(TRANSLATION)

AF. 026 / 2018

November 12, 2018

Subject Explanation of the operating performance for 3-month period ended September 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 September 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 September 30, 2018 as in the consolidate financial statement has net loss 6.32 Million Baht, decrease of 1.47 Million Baht or 18.81% comparing to the same period last year. Loss to equity holders of the parent is 8.09 million baht decrease of 1.74 Million Baht or 17.71% comparing to the same period last year, this is caused by followings:

Consolidated financial statements

Revenues

1. Total revenues from Sales and Revenues from hire of work totaling 197.10 Million Baht was 5.37 Million Baht or 2.65% decrease from the same period last year. This was the result from Order OEM brand Keen and Order OEM Injection Plastic reduced.

2. Other Income totaling 7.25 Million Baht was 4.48 Million Baht or 162% increase from the same period last year due to adjusted for accrued expenses payable.

Separate financial statements

Revenues

1. Revenue from sales of agricultural products 3.87 Million Baht increase from the same period last year by 1.67 Million Baht or 76.19% the main cause is due to expand product sales in the Modern Trade.

2. Dividend income 5.43 Million Baht from Aphakorn Industries Co.,Ltd. (subsidiaries)

3. Other income 6.30 Million Baht increase 4.01 million baht from the same period last year or 174.96% due to adjusted for accrued expenses payable.



Expenses

1. Cost of sales and hire of work totaling 5.25 Million Baht increased from the same period last year by 2.09 Million Baht or 65.97%. 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 September 30, 2018 pose net loss of 6.32 million baht Equity holders of the parent is 8.09 million baht. The net loss per share is calculated at 0.015 baht per share. The financial statement of the separate financial statements shows the net profit of 1.11 million baht. The net profit per share is calculated at 0.002 baht per share.

Please be informed accordingly.

Yours faithfully,

(Mr. Sommat Khunset)

Managing Director