



(TRANSLATION)

AF. 004 / 2022

February 25, 2022

Subject Explanation of the operating performance for the year 2021

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 year ended 31 December 2021 which has been audited by the auditor this is caused by followings:

The Operating results of the company and its subsidiaries Explanation of the operating performance for the year 2021 as in the consolidate financial statement has net loss 1.92 Million Baht, increase of 92.11 Million Baht or 102.13% comparing to the last year. Loss to equity holders of the parent is 1.94 Million Baht increase of 91.50 Million Baht or 102.16% comparing to the same period last year, this is caused by followings:

Consolidated Financial Statement

Total revenues from the Company and its subsidiaries amounted to 721.69 million baht a increase of 84.18 million baht or 13.21% from the previous year due to the revenue from sales of 655.17 million baht in 2021 a increase of 64.99 million baht from the previous year or 11.01%. In 2020 ,The impact of covid- 19 situation on the Company and its subsidiaries there was a decrease in orders. Other income in 2021 amounted to 45.31 million baht a increase from the last year by 17.28 million baht or 61.64% the main reason for the increase is because the company has income from debt collection of Ban Pan Engineering and Holding Company Limited in the amount of 18.01 million baht, the year 2020 is 4.04 million baht a increase of 13.97 million baht. In 2021, The Group has income from the right to subsidize the employment of SME businesses from the Social Security Office in the amount of 2.16 million baht.

Total expenses of the company and its subsidiaries amounted to 729.50 million baht a increase of 93.86 million baht from the last year or 14.77% increased in proportion to revenue from sales.

Profit (loss) from subsidiaries dissolve Sahachol Foods Supplies Co.,Ltd. (0.59) Million Baht



Reversal of allowance for impairment of investments in Related parties Thai Takaya Co. Ltd amount of 2 Million Baht from Refunding investment. The values of asset acquired cash received the amount of 1.23 million baht and record **Gain (loss) from dissolution of Related parties** amount of (0.77) Million Baht.

Recognized gain on inter – sale of assets from dissolution of subsidiary of 7.24 million baht was caused by Excellent Rubber Co.,Ltd. (Subsidiary) registered to dissolve the business, Therefore, the Company recorded gain on disposal of assets recognized by the subsidiary in the financial statements of the subsidiary in the consolidated financial statements.

Gain(loss) on disposal of investments in associates amount of 4.84 Million Baht due to the Company and its subsidiaries have disposed ordinary shares of PA Capital Company Limited totaling Baht 4.84 million.

Separate financial statements

Total revenues of 62.44 Million Baht was 15.16 Million Baht or 32.06% increase from the last year. Due to **Total revenues from sales** of 21.20 Million Baht was 5.72 Million Baht or 21.81% decrease from the last year. This was the result from revenue from overseas sales decreased.

Dividend Income of 10.05 Million Baht increase 7.10 million baht from the last year, received dividends from Pek Industry Co.,Ltd. 6.18 million Baht.

Other Income of 30.88 Million Baht increase 13.74 million baht from the last year, the result of debt collection income 18.01 million baht

Total Expenses of 53.27 Million Baht was 6.01 Million Baht or 10.14% decrease from the last year decrease in proportion to declining sales

The consolidated financial statements of the group of businesses pose net loss of 1.92 million baht Loss owners of parent is 1.94 million baht. The net loss per share is calculated at 0.0036 baht per share. The separate financial statements shows the net profit of 125.98 million baht. The net profit per share is calculated at 0.23 baht per share.

Please be informed accordingly.

Yours faithfully,

(Mr. Sommat Khunset)

Managing Director