



(TRANSLATION)

AF. 028 / 2022

August 11, 2022

Subject Explanation of the operating performance for 3-month period ended June 30, 2022

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, 2022 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, 2022 as in the consolidate financial statement has net profit 0.59 Million Baht, increase of 2.15 Million Baht or 138.01% comparing to the same period last year. Loss to equity holders of the parent is 0.20 million baht decrease of 1.46 Million Baht or 88.19% comparing to the same period last year, this is caused by followings:

Consolidated financial statements

Revenues

Total revenues from sales of 211.38 Million Baht was 34.46 Million Baht or 19.48% increase from the same period last year. This was the result from the proportion of sales in the manufacture and distribution of footwear and bag and the manufacture of soles and parts for footwear.

Expenses

Total expenses 224.83 Million Baht increase 29.74 million baht from the same period last year or 15.24% this was the result of increase in the cost of sales and hire of work 192.94 million baht, an increase of 26.11 million baht or 15.65%, an increase in proportion to the increase in sales revenue.

Gain and reversal of impairment loss (impairment loss) in accordance with TFRS 9

- **Reversal (loss) on expected credit loss** of 5.20 Million Baht due to received payment from accounts receivable



Seperate financial statements

Revenues

Total revenues of 13.65 million baht, decreased from the same period last year by 5.41 million baht or 28.37%. Dividend income was 6.13 million baht, a decrease of 3.92 million baht or 39.00 % from the same period of the previous year, and 2.90 million baht from organic agricultural products, a 3.10 million baht decrease from the same period of the previous year, or 51.64% due to the production process of organic products emphasize the use of organic materials such as organic fertilizer, plant fertilizer and biological fertilizer can improve nutrition. Plants can resist disease and self pollution and avoid the use of synthetic chemical fertilizers and pesticides. Due to climate change, the output of agricultural products has decreased.

The consolidated financial statements of the group of businesses for 3-month period ended June 30, 2022 net profit of 0.59 million baht. Loss attributable to owners of parent is 0.20 million baht. The net loss per share is calculated at 0.001 baht per share. The financial statement of the separate financial statements shows the net loss of 0.83 million baht. The net loss per share is calculated at 0.002 baht per share.

Please be informed accordingly.

Yours faithfully,

Sommat Khunset

(Mr. Sommat Khunset)

Managing Director