



(TRANSLATION)

AF. 044 / 2022

November 11, 2022

Subject Explanation of the operating performance for 3-month period ended September 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 September 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 September 30, 2022 as in the consolidate financial statement has net profit 35.67 Million Baht, increase of 27.61 Million Baht or 342.49% comparing to the same period last year. Profit to equity holders of the parent is 31.86 million baht increase of 23.43 Million Baht or 278.00% comparing to the same period last year, this is caused by followings:

#### **Consolidated financial statements**

##### **Revenues**

**Total revenues from sales** of 201.22 Million Baht was 48.30 Million Baht or 31.58% 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 of subsidiaries increased.

**Other Income** of 45.09 Million Baht increase 15.74 million baht from the same period last year, the result of debt collection income 37.83 million baht.

#### **Separate financial statements**

##### **Revenues**

**Total revenues from sales** of 3.44 Million Baht was 2.51 Million Baht or 42.18% decrease from the same period last year. This was the result from revenue from overseas sales decreased by 1.68 million baht or 82.92% and Revenue from domestic sales was 2.99 million baht, decreased from the same period last year by 0.93 million baht or 23.77% 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, storms and heavy rains flooded the fields, the output of agricultural products has decreased.

**Gain on disposal of Investments in subsidiaries** of 5.11 Million Baht, the Company has paid the long-term borrowings from related parties to Advantage Footwear Company Limited by transferring 649,599 ordinary shares of Modern Technology Component Company Limited at Baht 26.17 per share, totaling Baht 17.00 million (Book value as at June 30, 2022). As a result, the Company has gain on payment of debt amount.

**Other Income** of 41.59 Million Baht increase 19.58 million baht or 92.27% from the same period last year, the result of debt collection income 37.83 million baht increase from the same period last year 19.82 million baht.

The consolidated financial statements of the group of businesses for 3-month period ended September 30, 2022 net profit of 35.67 million baht Equity holders of the parent is 31.86 million baht. The net profit per share is calculated at 0.059 baht per share. The financial statement of the separate financial statements shows the net profit of 35.41 million baht. The net profit per share is calculated at 0.066 baht per share.

Please be informed accordingly.

Yours faithfully,

Sommat Khunset

(Mr. Sommat Khunset)

Managing Director