



(TRANSLATION)

AF. 004 / 2023

February 28, 2023

Subject Explanation of the operating performance for the year 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 year ended 31 December 2022 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 2022 as in the consolidate financial statement has net profit 24.13 Million Baht, increase of 26.05 Million Baht or 1,357.40% comparing to the last year. Profit to owners of the parent is 21.19 Million Baht increase of 23.13 Million Baht or 1,194.65% 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 1,522.84 million baht a increase of 801.15 million baht or 111.01% from the previous year due to the revenue from sales of 1,408.17 million baht in 2022 a increase of 753 million baht from the previous year due to the company has income from the sale of shoes in the amount of 633.66 million baht, starting to receive orders from customers of the Lacoste brand since October 2022 and increase from customer orders of a subsidiary in the amount of 120 million baht

**Other income** in 2022 amounted to 96.54 million baht a increase from the last year by 51.23 million baht or 113.07% 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 56.71 million baht, the year 2021 is 18.01 million baht a increase of 38.69 million baht and The Company has received business management fee from Bangkok Rubber Development Center Company Limited amount Baht 10 million.

**Total expenses of the company and its subsidiaries** amounted to 1,500.16 million baht a increase of 770.66 million baht from the last year or 105.64% the main reason is the cost of sales and manufacturing in 2022 in the amount of 1,352.46 million baht, compared to the year 2021 in the amount of 616.15 million



baht, an increase of 736.31 million baht or 119.50% increasing in proportion to the increasing sales revenue.

**Profit (loss) from subsidiaries dissolve** Sahachol Foods Supplies Co.,Ltd. 0.88 Million Baht

#### **Separate financial statements**

**Total revenues** of 740.12 Million Baht was 677.68 Million Baht or 1,085.38% The main reason is due to Sales revenue in 2022 amounted to 645.41 million baht, an increase from the previous year in the amount of 624.21 million baht because the company had revenue from sales of shoes in the amount of 633.66 million baht, starting to receive orders from Lacoste brand customers since October.

**Other Income** in 2022 amounted to 82.53 million baht, an increase from 2021 in the amount of 51.65 million baht or 167.25%. Income from debt collection Ban Pan Engineering and Holding Co., Ltd. in the amount of 56.71 million baht in 2021 amounted to 18.01 million baht, an increase of 38.69 million baht and the company has income from business management in the amount of 10 million baht from Bangkok Rubber Development Center Co., Ltd.

**Total Expenses** amounted to 693.72 million baht, an increase of 640.45 million baht from the previous year, or 1,202.17%, an increase from the cost of sales and hire of work 625.54 million baht in proportion to the increased sales. and an increase from the loss on foreign exchange in the amount of 10.31 million baht

The consolidated financial statements of the group of businesses pose net profit of 24.13 million baht Profit owners of parent is 21.19 million baht. The net profit per share is calculated at 0.0392 baht per share. The separate financial statements shows the net profit of 41.56 million baht. The net profit per share is calculated at 0.08 baht per share.

Please be informed accordingly.

Yours faithfully,

(Mr. Sommat Khunset)

Managing Director