



Invitation to the Annual General Shareholders

Meeting No. 39

Pan Asia Footwear Public Co.,Ltd.

Tuesday 25, April 2017 at **15.00** hrs.

At Chao Phraya Room 2, Montien Riverside Hotel
Rama 3 Road, Bangklo Subdistrict,
Bangkorleam District, Bangkok



AF 006/2017

22nd March 2017

Attn: Shareholders

- Enclosures :
1. Copy of Minutes of the Annual General Meeting of Shareholders No. 38 on April 26, 2016
 2. Annual Report of 2015 containing in CD, consisting of the Report of the Board of Directors, and Financial Statements for the year ended December 31, 2016
 3. Profile of the nominated persons to be directors in replacement of those who are retired by rotation.
 4. The definition of “Independent Director”
 5. The Profile data of Independent Directors and Audit Committee that Company nominated the name as the authorized person from shareholders.
 6. The Articles of Association which related to The General Meeting of Shareholders.
 7. Documents and evidence required prior to attend the meeting and regulation for the meeting.
 8. The process of attending the General Meeting of Shareholders.
 9. Map of the meeting place of the General Meeting of Shareholders.
 10. Proxy Form B
 11. Requirement Form of the Annual Report (Printed Form)
 12. Registration Form (Present on Meeting Day)

The Board of Directors of the Company fixed to arrange the General Meeting of Shareholders No. 39 on Tuesday, April 25th 2017 at 15.00 hrs. at Chao Praya Room 2, Montien Riverside Hotel, No. 372, Rama 3 Road, Khwaeng Bangklo, Khet Bangkkolerm, Bangkok 10120. For this meeting, Company had given the opportunity to shareholders to propose agenda and/or nominate candidates to be elected as directors during December 20th, 2016 to January 16th, 2017 and there was not any shareholders propose agenda and/or nominate candidates to be elected as directors. Therefore, Company determined agenda to consider as follow;

1. To certify the minutes of the Annual General Meeting of Shareholders No. 38 on April 26, 2016

Fact and reason : The minutes was arranged and submitted to The Stock Exchange of Thailand and publicized on company’s website www.paf-group.com within 14 days from the day of the Extraordinary Meeting of Shareholders and also Ministry of Commerce according to the requirement of the laws, herewith **the Attachment No.1**



Comment of the Board : Such minutes as stated above was recorded correctly and should be submitted to the General Meeting of Shareholders for approval.

2. To acknowledge the Report of the Board of Directors for the previous year

Fact and reason : Report of the Board of Directors and the operating results of the company in 2016 provided in the annual report of 2016 submitted together with the notice of the General Meeting of Shareholders in accordance with the requirements of the Securities and Exchange Commission and The Stock Exchange of Thailand herewith **the Attachment No.2**

Comment of the Board : Such report should be submitted to the General Meeting of Shareholders for acknowledgement.

3. To approve of the Financial Statements for the year ended December 31, 2016

Fact and reason : Such Financial Statements were prepared in accordance with the financial reporting standards, examined and certified by a Certified Public Accountant and reviewed by the Audit Committee and the Board of Directors. The summary of the financial status and performance of the Company during the year 2016 are as follows:

(Unit: million Baht)

Descriptions	Consolidated financial statements	Separate financial statements
Total assets	761	635
Total liabilities	276	215
Shareholders' equity	485	420
Total income	908	53
Net profit Equity holders of the Company	242	73
Earnings per share (Baht)	0.45	0.14

The details are shown in Financial Statements 2015 herewith the Attachment No.2

Comment of the Board : Such Financial Statements should be submitted to the General Meeting of Shareholders for approval.

4. Consideration for the approval on the appropriation of Profit and Dividend Payment.

Fact and reason : The Company has the policy to pay the dividend at least 50% by the consideration of business results and economic conditions. In 2016, profit for the year of the separate



financial statements is the total amount of 73 million Baht, unappropriated retained earnings are 131 million Baht, the Board considered it should be reserved some for the operation. The Board proposes shareholders to approve on dividend payment allocated as follow;

1. Legal reserve 5% of net profit shown on the separate financial statements to be Baht 3,656,630.00
2. Dividend payment is Baht 0.0222 per share, to be Baht 11,988,000.

Comment of the Board : It was agreed to propose to the General Meeting of Shareholders the appropriation of profit and dividend payment as follow;

1. Legal reserve 5% of net profit shown on the separate financial statements 2016 to be Baht 3,656,630.00 บาท
2. Dividend payment is Baht 0.0222 per share, to be Baht 11,988,000 Baht to the Shareholders entitling to receive the dividend according to the name listed in the record date on May 8th, 2017 and to collect the name according to Sector 225 of Securities and Exchange Act by closing share register book on May 9th, 2017 and determine dividend payment date on May 24th, 2017. Details of dividend payment are as follows;

(the Separate Financial Statements)

Details of Dividend Payment	Unit	2016 (Propose to Pay)	2015 (Paid)
Dividend per Share	(baht/share)	0.0222	0.0204
Total dividend payment	(Baht)	11,988,000	11,016,000
Proportion of Dividend from Net Profit	(%)	16.39%	5.88%

5. To consider the election of directors in replacement of those who are retired by rotation

Fact and reason : According to the Articles of Association, Article 22, in every general meeting of shareholders, one-third of the directors are retired on rotation. If the number of directors cannot divided into three part, the nearest to such one-third of the directors shall retire from office and the retiring directors may be re-elected. In this General Meeting of Shareholders, there are 3 Directors who are retired by rotation;

1. Mr. Sujarit Patchimnun Independent Director and Audit Committee
2. POL.MAJ.GEN Panurat Meepien Independent Director and Audit Committee
3. Mr.Surat Wongrattanapassorn Director



Comment of the Board : The selection process has not been a director of the Company, through the Audit Committee because the Company has not yet appointed a Nominating Committee. However, The Board of Directors, excluding the Directors who are nominated persons, the above three mentioned retiring directors should be proposed to be directors to replace Directors who are retired by rotation with the consideration of individual person who had knowledge, competence and experience from various professionals and including the qualifications according to law, notifications and the articles of association. The Board of Directors resolved to endorse the proposal to nominate the 3 retiring directors to the shareholders' general meeting, for re-election to serve another term as directors (The three nominated candidates' profiles are enclosed on the **attachment No. 3**)

6. To consider the Board of Director's remuneration

Fact and reason : According to the Articles of Association, Article 33, the company is not allowed to pay money or provided any property to the directors, except for the remuneration under their right and other kind of benefits normally provided to those appointed as the Directors of the Company. It also excludes the remuneration and a welfare which Directors received as company's employee or staff. In 2016, the General Meeting of Shareholders agreed to approve the remuneration to Directors not exceed 5 million Baht a year, the company had actually paid Baht 3,922,500 consisting of, Baht 305,000 of meeting attendance fee, Baht 3,500,000 of the annum remuneration, Baht 117,500 of meeting attendance fee for Audit Committee.

Comment of the Board : The Board of Directors to consider on evaluation of company's operation result, the amount approved by the General Meeting of Shareholders, the amount paid for the past year including power, duties and responsibilities. It is appropriate to propose to the Annual shareholders' General Meeting to fix the remuneration to the Board of Directors is not over 5 million baht. by the Executive Directors who allocated. The amounts of remuneration had considered from the suitability of the duties and responsibilities of the directors and the audit committee detail as follows

- (1) Board of Directors
- Meeting attendance fee (paid to attending directors only)

	2016	2015
Chairman	5,000 (Baht/Meeting)	5,000 บาท/ครั้ง (Baht/Meeting)
Director	5,000 (Baht/Meeting)	5,000 (Baht/Meeting)



- Annual Remuneration is paid to all directors and allocated by the Board of Directors.

(2) Audit Committee

- Meeting attendance fee is paid by quarter

	2016	2015
Chairman	12,500 (Baht/Meeting)	12,500 (Baht/Meeting)
Director	10,000 (Baht/Meeting)	10,000 (Baht/Meeting)

The amount excluded the remuneration and welfare which Directors received as Company's employee or staff with the consideration on evaluation of Board of Directors operation. The fixing of remuneration has not passed the consideration of the committee for scrutiny of remuneration. However, the fixing of remuneration for Board of Directors has been carefully considered by the meeting of the Board of Directors of the Company by comparing with and referring to the same type of industry.

- Remuneration of other subcommittees, which were organized by the Board, will be in the consideration of the Board of Directors and considered by appropriateness, duties and responsibilities. From the General Meeting of Shareholders approval until changes, the remuneration payment will not exceed the amount which approved by the General Meeting of Shareholders.

7. To appoint the Company's auditor and to consider the auditor fees

Fact and reason : Reference to the Company's regulation on the Article 50 and Article 51, the auditor must not be the director, employee, staff, or person holding any position of the Company. An auditor shall be elected at the Annual General Meeting of Shareholders on every year and retiring auditor shall be re-elected for another term. In 2016, at the Annual General Meeting of the Shareholders. 1.Mr.Termpong Opanaphun C.P.A.(Thailand) Registration no.4501 and/or 2.Miss Wissuta JariyaTanakorn C.P.A.(Thailand) Registration no.3853 and/or 3.Miss Manee Rattanabunkij C.P.A.(Thailand) Registration no.5313 of EY Office Limited were appointed as the Company's auditor and the audit fee was set to 1,660,000 Baht.

In 2017,the Audit Committees has considered their well performance and ethics on independence of the auditors and agrred to have the Board propose the shareholders to appoint 1. Mr.Termpong Opanaphun C.P.A.(Thailand) Registration no.4501 and/or 2.Miss Wissuta JariyaTanakorn



C.P.A.(Thailand) Registration no.3853 and/or 3.Miss Manee Rattanabunkij C.P.A.(Thailand) Registration no.5313 of EY Office Limited to be the Company's auditor for the year 2017

Comment of the Board : The Board, with the recommendation from the Audit Committees, considered their well performance and ethics on independence of the auditors, which the auditors and the partners of EY Office Limited have not been the Company's shareholders and its related companies. Moreover, EY Office Limited has provided only the audit services to the Company. The auditors have also qualifications in accordance with ;the regulations of the Company and the Securities and Exchange Commission. Therefore, it is appropriate to propose to the Annual General Meeting of Shareholders to appoint

1. Mr.Termpong Opanaphun C.P.A.(Thailand) Registration no.4501
(He had audited the company's financial 2013-2014) and/or
2. Miss Wissuta JariyaTanakorn C.P.A.(Thailand) Registration no.3853
(She has never audited the company's financial statements) and/or
3. Miss Manee Rattanabunkij C.P.A.(Thailand) Registration no.5313
(She has audited the company's financial statements in 2015-2016)

As the Company's auditor in 2017 and the approved audit fees as shown in the table below;

	<u>2017</u>	<u>2016</u>
Review of the financial statements for quarter 1,2,3	900,000 Baht	825,000 Baht
Audit fee for the year ended December 31	<u>980,000 Baht</u>	<u>835,000 Baht</u>
Total	<u>1,880,000 Baht</u>	<u>1,660,000 Baht</u>

For the shareholders' acknowledgement, the other services fee from the office of auditor, In 2016 are Fee Review of financial statements of subsidiaries 9 companies that are not audited by EY Office Limited failure to limit the preparation of the consolidated financial statements amounting to Baht 160,000.



In addition, the Board found it appropriate to report to the shareholders the audit fee of the Company's subsidiaries, which have the same auditor of the audit office the Company appoints, as follows;

Audit Fee for Subsidiaries	2017 (6 companies)	2016 (6 companies)
Review of the financial statements for quarter 1,2,3	897,000 Baht	859,000 Baht
Audit fee for the year ended December 31	1,490,000 Baht	1,324,500 Baht
Total	2,387,000 Baht	2,184,000 Baht

The nominated auditors do not have any relationship and/or conflict of interest with the Company, its subsidiaries, managements, major shareholders, or related persons.

8. Other matters (if any)

The shareholders are all invited to attend the meeting on the date, time and venue indicated above. The shareholders may register to attend the meeting at the venue of the meeting on such date at 13.00 p.m. onwards. It is Company policy for shareholders to participate in Company operation, shareholders can submit questions in advance. Shareholders, who have the questions related to any agenda of the General Meeting of Shareholders, are able to send the questions in advance at E-Mail : parichart.p@pan-group.com or registered mail to Mrs.Parichart Phobang (the Company's Secretary), Pan Asia Footwear Public Company Limited, 620/5 Mo11 Nongkham Sriracha Chonburi 20230 or Fax No. 038-480080 within April 18, 2017, and specify the name, address and telephone number which is able to contact. The Company's Secretary will collect all questions submitted to the President for consideration orderly and answer questions submitted in advance on the meeting day.

For your convenience, if you are unable to attend the meeting and desire to appoint a person to attend the meeting and vote on your behalf, please completely fill and sign Proxy Form attached or download only one of three Proxy Forms from the company's website www.paf-group.com. Foreign investors who authorize the custodian in Thailand to keep and oversee their shares can choose only one of the Proxy Form: Form A, Form B or Form C. Another shareholders can choose only one of the Proxy Form: Form A or Form B. Shareholders who desire to appoint the independent directors and being an Audit Committee that company nominated the name as the authorized person from shareholders, details are attached as **attachment No.5**



Your are kindly requested to submit the complete Proxy Form at least one day prior to the meeting in order to facilitate the verification of the evidence. The company will process registration with the barcode system, for registration convenience, shareholders and proxy, please bring the Registration Form with signature **(as the attachment No.12)** on the meeting day for the rights to meeting attendance.

Yours faithfully,

Sommat Khunset

(Mr. Sommat Khunset)

Managing Director