



Invitation to the Annual General Shareholders

Meeting No. 38

Pan Asia Footwear Public Co.,Ltd.

Tuesday 26, April 2016 at 15.00 hrs.

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

AF 007/2016

21st March 2016

Attn: Shareholders

- Enclosures :
1. Copy of the Minutes of the Extraordinary Meeting of Shareholders No.1/2015 on October 19 2015.
 2. 2015 Annual report in CD-ROM format consisting of Report of the Board of Directors, Financial Statements for the year ended December 31, 2015.
 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. Requirement Form of the Annual Report (Printed Form)
 11. Proxy Form B
 12. Registration Form (Present on Meeting Day)

The Board of Directors of the Company fixed to arrange the General Meeting of Shareholders No. 38 on Tuesday, April 26th 2016 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 November 13rd, 2015 to December 30th, 2015 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. Consideration for the approval on the Minutes of the Extraordinary Meeting of Shareholders No.1/2015 on October 19th, 2015.

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. Acknowledgement of the Report of the Board of Directors for the past year.

Fact and reason : Report of the Board of Directors and the operating results of the company in 2015 provided in the annual report of 2015 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. Consideration for the approval on the Financial Statements for the year ended December 31th, 2015

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 Board of Directors, details are as follow;

(Unit : Million Baht)

Descriptions	Consolidated financial statements	Separate financial statements
Total assets	753	645
Total liabilities	479	287
Shareholders’ equity	274	358
Total income	686	57
Net profit	166	187
Earnings per share (Baht)	0.30	0.35

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 : In 2015, the net profit attributable to equity holders of the Company was Baht 187 Million shown on the separate financial statements, 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 Baht 9,371,840.00
2. Dividend payment is Baht 0.0204 per share, to be Baht 11,016,000 or 5.88% of the Company's net profit on separation financial statements 2015, to be drawn from the company's retained earnings subject to 20% corporate income tax deduction.

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 2015 to be Baht 9,371,840.-
2. Dividend payment is Baht 0.0204 per share, to be Baht 11,016,000 or 5.88% of the Company's net profit on separation financial statements 2015, to be drawn from the company's retained earnings subject to 20% of corporate income tax to the Shareholders entitling to receive the dividend according to the name listed in the record date on May 12nd, 2016 and to collect the name according to Sector 225 of Securities and Exchange Act by closing share register book on May 13rd, 2016 and determine dividend payment date on May 25th, 2016. Details of dividend payment are as follows;

(the Separate Financial Statements)

Details of Dividend Payment	Unit	2015	2014
1.Net profit attributable to equity holders of the Company	(Baht)	187,436,795	52,155,917
2.Retained earning (deficit)	(Baht)	82,256,645	(2,552,457,333)
3.Total Share	(Share)	540,000,000	540,000,000
4.Legal reserve	(Baht)	9,371,840	-
5.Dividend payment	(baht/share)	0.0204	-
6.Totoal dividend payment	(Baht)	11,016,000	-
7.Proportion of Dividend from Net Profit	(%)	5.88%	-

5. Consideration for the election of company 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 be divided into three parts, 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.Boonkiet Chockwatana President and Executive Director
2. Mr.Payont Pantsri Director
3. Mr.Siripong Sombutsiri Director and Chairman of the Audit Committee

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. Consideration for the determination the remuneration of company directors.

Fact and reason : According to the Articles of Association, Article 33, the company is not allowed to pay money or provide 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 2015, the General Meeting of Shareholders agreed to approve the remuneration to Directors not exceed 4 million Baht a year, the company had actually paid Baht 4,000,000 consisting of, Baht 425,000 of meeting attendance fee, Baht 3,445,000 of the annum remuneration, Baht 130,000 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

- The meeting payment : paid for directors who come in the meeting
- Remuneration in yearly : paid for all directors

(2) Audit Committee: paid for the meeting payment per quarter.

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.

7. Consideration for the appointment of the Auditors and determination the remuneration of auditors.

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 2015, 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 1,565,000 Baht.

In 2016, the Audit Committees has considered their well performance and ethics on independence of the auditors and agreed 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 2016

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)

As the Company's auditor in 2016 and the approved audit fees as shown in the table below;

(unit : Baht)

Description	2016	2015
1.Review of the financial statements for quarter 1,2,3	825,000	765,000
2.Audit fee for the year ended December 31	835,000	800,000
Total	1,660,000	1,565,000

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;

Description	2016 (13 companies)	2015 (12 companies)
1.Review of the financial statements for quarter 1,2,3	1,099,500	984,000
2.Audit fee for the year ended December 31	1,584,500	1,385,000
Total	2,684,000	2,369,000

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. Consideration for the approval on the amendment of Memorandum of Association No. 3, the Company's objective by the adding 1 item from 16 existing objectives, the totaling of the objectives are 17 items.

Fact and reason : To comply with the business operation at present and to be able to support the Company's business operation, it should amend the Memorandum of Association No.3, the Company's objective by adding 1 item from 16 existing objectives, the totaling of the objectives are 17 items, as follow;

Clause 17. To operate the business produce and sell agricultural product, herbal products include processed agricultural products , buy , sell , import , export also domestic and export.

And propose to the General Meeting of Shareholders for approval by a vote of no less than three-fourths of the total votes of shareholders who attend the meeting and are entitled to vote.

Comment of the Board : For benefit to the administration and support business expanding. It should propose to the General Meeting of Shareholders for approval.

9. 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, 2016, 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,



(Mr. Sommat Khunset)

Managing Director