

**(TRANSLATION)**

Pan Asia Footwear (Public) Co.,Ltd

The Report of Annual General Meeting of Shareholders No.36

on 22<sup>nd</sup> April 2014 at Chaopraya 1 Conference Room, 2<sup>nd</sup> floor, Montien Riverside Hotel. No. 372 Rama III Road, Bangkok, BangkokKhoLaem, Bangkok, 69 Person 82 Shareholders and proxies have attended the meeting, with the counted number of 359,785,684 shares from 540,000,000 shares which is equivalent to 66.63 % which completed a quorum.

-----  
The meeting opened at 04.00 PM

Mr.Boonkiet Chokwattana as Chairman and Chief Executive Officer, opened the 36th General Meeting of the shareholders of Pan Asia Footwear Co., Ltd. (Thailand).

In this meeting, the Directors who joint as follows;

- |                                  |  |
|----------------------------------|--|
| 1. Mister Boonkiet Chokwattana   | Chairman and Chief Executive Officer     |
| 2. Mister Payont Pantsri         | Director and Senior Vice President       |
| 3. Mister Sujarit Patchimnun     | Audit Committee and Independent Director |
| 4. Pol.MaJ.Gen.Panurat Meepien   | Audit Committee and Independent Director |
| 5. Mister Sommat Khunset         | Managing Director and executive director |
| 6. Mister Wichit Prayoonwiwat    | Director and executive director          |
| 7. Mister Veerawuthi Dechapatkul | Director and executive director          |

And to count the votes in the General Meeting of shareholders in this with transparency as Assessment of the Annual General Meeting of shareholders of the Office of the Securities and Exchange Commission, recommend a representative of the auditor of the company that attended the Annual General Meeting of Shareholders is Miss Supattra Ekakharapong of E.Y Co.,Ltd, the Company's auditors, the witness for voting in this meeting.

For various voting methods in this conference, including meeting agenda 1,4,5,6 and 7 were assigned to Mr. Sommat Khunset, Managing Director and executive director explain and lead to meeting.

For including meeting agenda 2and3 were assigned to Mister Wichit Prayoonwiwat Director and executive director explain and lead to meeting.

Mr.Sommat Khunset, Managing Director and executive director clarified various methods of voting in the meeting according to clause 44 of the Article of the Association of the Company whereas 1 share is equivalent to 1 vote. The voting shall be done openly.

1. If you do not agree with the opinion of the Board of Directors or abstain, please raise the banners.
2. If you agree, please do not raise the banners.

The votes are counted only dissenting votes and abstained votes which were subtracted from the total votes of shareholders attending the meeting. The remainder will be treated as votes to approve the agenda.

To make the vote smooth, convenient and transparent, shareholders, who oppose or abstain, will raise the banner. Staffs will read the bar code label points to summarize the results and gave shareholders the ballots. Shareholders will enter the card number according to scoreboard received, then, specify the agenda and sign on the ballots. Staff will collect the ballots immediately as evidence for a vote.

In case of shareholders registered to join the meeting after the meeting has already started, shareholders were entitled to vote at the agenda which has not yet been considered. The Company will count the total votes of shareholders attending the meeting since a quorum to vote on the agenda to record in the minutes accordingly.

The Directors of the Company as a shareholder would exercise all voting in favor of the agenda. In the case of being a proxy of shareholder, it must be complied with the proxy.

**Agenda 1. Consider to confirm the minutes Annual General Meeting of Shareholders No.35 on 23<sup>th</sup> April 2013**

Mr.Sommat Khunset, Managing Director and executive director requested the meeting to confirm the minutes of Annual General Meeting of Shareholders No.35 on 23<sup>th</sup> April 2013. The report were prepared within 14 days from the day of shareholders' general meeting and sent to the Stock Exchange of Thailand, Securities and Exchange Commission and Ministry of Commerce within the period of time prescribed by law as well as already publicized the minutes through the website of the Company (www.paf-group.com) and according to the copies the minutes of Annual General Meeting of Shareholders No.35 on 23<sup>th</sup> April 2013 which were distributed together with the notice for this meeting to shareholders.

The meeting considered and has approved the minutes of Annual General Meeting of Shareholders No.35 on 23<sup>th</sup> April 2013 with voting.

Approve -354,565,184- Votes

Disapprove -None- Votes

Abstain -none-

**Agenda 2. To acknowledge the report on the operating result of the Board of Directors for the previous year.**

Mr.Wichit Prayoonwivat, Director and executive director reported to the meeting that the operating result of the Board of Directors were printed in details in the annual report of 2013 which was prepared in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Requested the meeting to acknowledge the performance of the Company for the past year.

The meeting acknowledged the performance of the Company for the past year.

**Agenda 3.To consider and approve the balance sheet and the statement of income for the year ended 31<sup>th</sup>December 2013.**

Mr. Wichit Prayoonwivat, Managing Director, proposed to the meeting to consider and approve the balance sheet and the statement of income ended on 31<sup>st</sup> December 2013 were prepared under the generally accepted accounting principle which have been audited and attested by the certified auditor. For the year 2013, the financial statements have results of operations of the company in 2013 that were summarized as follows.

List	The consolidated financial statements.	The individual financial statement
Total asset	769	656
Total Liabilities.	734	539
The shareholders.	35	117
Total income.	1,938	1,195
Net profit	237	(92)
Gain (loss) per share (Baht).	0.44	(0.17)

The details are as shown in the financial statements as part of the Annual Report. 2012, the Company has delivered to shareholders in advance and the notice of meeting to consider a proposal to the shareholders for approval.

The meeting considered and had the unanimous resolution to approve the balance and the statement of income ended 31<sup>st</sup> December 2013 which was audited by the auditors with voting

Approve -354,565,184- Votes      Disapprove -16,000-      Abstain -None-

**Agenda 4. To approve the suspension of payment of dividend during the year 2013.**

Mr. Sommat Khunset, Managing Director and executive director, made an announcement to the meeting that Under the Articles of Association of the Company No.56, Do not divide the dividend income from other than profit In the event that the Company has accumulated losses are forbidden to share dividends. So The company had the statement of income, accumulated loss for the year 2012 amount (2,560,143,867) bath and end of year 2013 had accumulated loss total (91,911,699) baht So, the financial statements of company had accumulated loss on 31<sup>st</sup> December 2013 total (2,605,325,015) baht that it is impossible to pay dividend. Proposed to the shareholders' meeting that it was appropriate to cancellation of dividend payment for the year 2013

The meeting considered and had the unanimous resolution to cancellation of dividend payment for the year 2013 with voting

Approve -359,431,684- Votes      Disapprove -16,000-      Abstain -none-

**Agenda 5. To consider the election of new directors to replace directors who shall retire by rotation**

Mr. Sommat Khunset, Managing Director and executive director, Under the Articles of Association of the Company No.22 At every annual general meeting, one of third (1/3) of the directors shall retire from office. If the number of directors cannot be divided into three (3) parts, the nearest to such one of third (1/3) of the directors shall retire from office. The retirement of directors in the first and second years after registration of the Company shall be effected by drawing lots. In the subsequent years, the director who has held office the longest shall retire. A director who retires from office may be re-elected, in every shareholders' general meeting, one of third of all directors shall retire. And directors who retire may be re-elected

In 2014, the draw had been made by the Company; the results showed that the three directors to retire consisted of 1. Mr. Sujarit Patchimnun 2. Pol.MaJ.Gen.Panurat Meepien 3. Mr.Boonchai Chokwattana Unfortunately,

Boonchai Chokwattana who was an director requested not to continue as the Company's committee. Therefore the position of Director became vacant.

The Board of Directors proposed to the Annual General Meeting of shareholders for the election of the other two directors who have the knowledge and experience and have made benefits to the Company all along. The two directors who would be out of office were 1. Mr. Sujarit Patchimnun 2. Pol.MaJ.Gen.Panurat Meepien to serve as directors for another term. The Board of Directors also agreed to propose to the General Meeting of Shareholders to consider the appointment of a Director to replace vacant position and appointed as an Independent Director and Audit Committee of the Company

For the position of Director of Mr. Boonchai Chokwattana that was vacant according to the invitation will present in the Annual General Meeting of shareholders meeting The Board agreed to propose to the Annual General Meeting of shareholders to elect Mr. Surat Wongrattanapatsorn Appointed as Director selection process of the Company has not passed recruitment committee because the Company has not yet appointed a recruitment committee. However, the Board of Directors has considered qualifications in various fields which must have appropriate qualifications, knowledge, experience and expertise of a professional. Including management performance and must not be disqualified under Section 68 of the Companies Act 1992 and the requirements of the Securities and Exchange Commission and the Stock Exchange.

In addition, a public limited company under the law, notification that directors are forbidden to be directors of other companies which perform businesses of the same nature and are competitive with the business of the Company except that the meeting of shareholders is notified. So the meeting of shareholders was informed, before it considered and made a resolution to appoint directors, which some directors nominated for re-appointment were directors in other companies which perform businesses with the same nature and were competitive with the business of the Company were:

1. International Curity Footwear Co.,Ltd
2. Footwear Tech 1530 Co.,Ltd
3. Kabinburi Pan Asia Footwear Co.,Ltd
4. Advantage Footwear Co.,Ltd

Proposed to the meeting to consider and approve the appointment to replace the retired directors, complied with the following to take position as Director of the Company

- |   |                     |                        |  |
|---|---------------------|------------------------|--|
| 1.Mr. Sujarit Patchimnun Director and appointed as Audit Committee and Independent Director with voting       |                     |                        |  |
| Approve -359,634,084- votes   | Disapprove -0-votes | Abstain -54,500- votes |  |
| 2. Pol.MaJ.Gen.Panurat Meepien Director and appointed as Audit Committee and Independent Director with voting |                     |                        |  |
| Approve -359,634,084- votes   | Disapprove -0-votes | Abstain -54,500- votes |  |
| 3. Mr. Surat Wongrattanapatsorn to be Director with voting  |                     |                        |  |
| Approve -359,634,084- votes   | Disapprove -0-votes | Abstain -54,500- votes |  |

Therefore, the Company's Board of Director 2013, consists of 9 persons as follows.

1. Mr.Boonkiet Chokwattana
2. Mr.Payont Pantsri
3. Mr.Sommat Khunset
4. Mr.Wichit Prayoonwiwat
5. Mr.Veerawuthi Dechpiratkul
6. Mr.Siripong Sombatsiri
7. Mr.Sujarit Patchimnun
8. Pol.MaJ.Gen.Panurat Meepien
9. Mr. Surat Wongrattanapatsorn

While having 3 Independent Directors and Audit Committees (one third from the Company's Board of Director), who are;

- |                                |                             |
|--------------------------------|-----------------------------|
| 1.Mr.Siripong Sombatsiri       | Chairman of Audit Committee |
| 2. Mr.Sujarit Patchimnun       | Audit Committee             |
| 3. Pol.MaJ.Gen.Panurat Meepien | Audit Committee             |

**Agenda 6. To consider an appointment and remuneration of the Company's auditors**

Mr. Sommat Khunset, Managing Director and executive director, announced to the meeting that under the Articles of Association of the Company, auditors shall not be directors, employees or people who hold any positions in the company

In 2014, The Audit Committee was considered to appoint same auditors to the Company's auditors for the second term who are

- 1.Mr.Kritsada Lertwana C.P.A.(Thailand) Registration no.4958
2. Mr. Termpong Oponpun C.P.A.(Thailand) Registration no.4501
3. Miss Witsuta Jariyathanakorn C.P.A.(Thailand) Registration no 3853

Of E.Y Co.,Ltd (E.Y Co.,Ltd formerly Ernst and Young Co.,Ltd) The auditor who are qualified according to the company and the requirements of the Securities and Exchange Commission. Appropriate to propose to the Annual General Meeting of shareholders to appoint such person as the auditor of the company for the second term. Although E.Y.Co.,Ltd. is the auditor of our affiliated companies and subsidiaries and has no relationship with or interest in the Company, subsidiaries, executives, major shareholders or persons related to the mentioned persons. So it is proper to propose to the shareholders' general meeting to consider the appointment of such persons to be auditors of the Company by fixing the audit fees as follows

<b><u>Particulars</u></b>	<b><u>Year 2014</u></b>	<b><u>Year 2013</u></b>
1. Audit fee for quarter 1,2,3	720,000.- baht	750,000.- baht
2. Audit fee for the period 31 <sup>st</sup> December	780,000.- baht	1,00,000.- baht
<b>Total</b>	<b><u>1,500,000. -Baht</u></b>	<b><u>1,750,000. -Baht</u></b>

The meeting considered and unanimously approved the appointment

- 1.Mr.Kritsada Lertwana C.P.A.(Thailand) Registration no.4958 or
- 2.Mr.Termpong Oponpun C.P.A.(Thailand) Registration no.4501 or
- 3.Miss Witsuta Jariyathanakorn C.P.A.(Thailand) Registration no 3853 of E.Y Co.,Ltd.

as auditors for the year 2014 for the second term by prescribing the audit fees totaled to 1,500,000 baht with voting

Approve -359,688,584- Votes	Disapprove -none-	Abstain -none-
-----------------------------	-------------------	----------------

**Agenda 7. To consider the remuneration of directors to the Board of Directors for the year 2014**

Mr. Sommat Khunset, Managing Director and executive director, announced to the meeting that under the Articles of Association of the company no.33, the Company was forbidden to pay money or other property to directors unless such payment is the remuneration according the right and benefit of other nature in general as directors of the Company. For the year 2013 the Company paid the remuneration for the total financial amount 1,472,500.baht that paid to Board of Director of the Company for meeting amount 475,000baht, Annual remuneration amount 900,000baht and paid to Audit Committee for meeting amount 97,500 baht

The director had considered from operating of the company should propose remuneration to the board of Director as 4 million baht which is equal to the previous year 2013 by the Executive Directors who allocated. It is appropriate to propose to the Annual shareholders' General Meeting to fix the remuneration to the Board of Directors is not over 4 million baht. 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.

However specifying of director's remuneration pass consideration carefully from board of directors and audit committee through compare with the same industrial and proposed to the meeting to give the approval.

In this agenda, there was a question from the shareholder as follows.

Mr. Sathaporn Pungniran; shareholder had his suggestion: In these situations should not pay remuneration to directors. Exception of the Audit Committee

Mr. Sommat Khunset, Managing Director and executive director, clarified: In 2014 the remuneration over 4 million baht Not over when compared with the same business.

The meeting unanimously gave approval to the Company to pay the remuneration for the Board of Directors for the year 2013 total financial amount of not over 4 million baht that is equal to the previous year annually excluding the remuneration or welfare which the Board of Directors received in the capacity as employees or personnel of the Company and allowed the Board of Directors to consider the appropriation of this sum among themselves until there was any change with voting

Approve -359,766,184- votes

Disapprove -None- votes

Abstain -None- votes

**Agenda 8. To consider other businesses (if any).**

This agenda shareholders have suggestion to the Board as follows;

Mr. Sathaporn Pungniran shareholder had his suggested:

1. In this situation, the Board should be clarify to shareholders how to make some confidence in company for the future and what guidance for the first quarter of 2014 and
2. what guidance for company that had accumulated loss and had a tendency to eliminate a problem about reduce or increase its capital and after asset sold already to settle or not

Mr. Sommat Khunset, Managing Director and executive director, clarified:

1. The profit (loss) for the first quarter of 2014 seems to be moving in that direction as well which the number has not been complete and has not been reviewed by auditors in first quarter of 2014
2. For the business of company, the company was restructuring of its businesses change from manufacturing to shareholders (Holding company) in subsidiaries and current management team have presented for the now business that on going, the new projects is growing organic vegetables (Organic) or Organic Agriculture It began operation in Pak Chong, Thailand which ownership of the company in the same group.

Mr.Boonkiet Chokwattana; Chairman and CEO, Additional statement: The company was stopped for shoes manufacture because the company can not fight for the price with competition in the international market if the company also engages in the production of footwear. It's must face problems no profit from operations over this.

Firstly, currently a subsidiary of the company is engaged in the manufacture of bags and shoes for domestic sales that its know-how on its own Secondly, Companies in the PAF-GROUP will adapt to varying Profit Company more profitable company thirdly, Organic Agriculture is the great opportunity

Firstly, In the Company's operating results for the consecutive losses. The company requires a new approach to the business then will continue to perform other actions. After the company sold assets to repay the debt. The Company's current liabilities have remained only partially.

And I, on behalf of the Board of Directors, I would like to thank the shareholders, to understand the situation of the moment, and to support the company throughout.

The mission of this assignment. Board of Directors willingness to work with perseverance, managed with integrity, transparency and good governance under. In order to make a mission that has earned the trust of our shareholders.

When nobody proposed other businesses, the chairman thanked every shareholder and declared closing of the meeting

The meeting closed at 4:50 pm.

Mr. Boonkiet Chokwattana  
( Mr.Boonkiet Chokwattana )  
Chairman of the meeting

Certified True Copy

Mr.Wichit Prayoonwiwat, Mr.Sommat Khunset  
(Mr.Wichit Prayoonwiwat, Mr.Sommat Khunset)

Director