



(Translation)

AF.066/2016

19 December 2016

Subject Receive payment from PA Capital Co., Ltd.

To Managing Director

The Stock Exchange of Thailand

According to PA Capital Co., Ltd. be debt loan with the subsidiaries 100% of Pan Asia Footwear Public Company Limited 3 Companies consist of 1.Pan Component Co.,Ltd., total amount 20,000,000.00 Baht 2.Modern Technology Component Co.,Ltd. total amount 20,000,000.00 Baht and 3.Excellent Rubber Co.,Ltd. total amount 81,717,750.00 Baht. Total amounting to Baht 121,717,750.00 (One Hundred Twenty One Million Seven Hundred Seventeen Thousand Seven Hundred Fifty Baht Only). So, in order to the company and the subsidiaries can receive payment from the debtor and be in line for the debtor can debt payment. The meeting of the board of directors of Pan Asia Footwear Public Company Limited No. 6/2016 held on December 19, 2016 passed the following resolutions

1. Approval to receive payment was the land and the land include economic grown total amount Baht 72,418,000.00 (Seventy Two Million Four Hundred Eighteen Thousand Baht Only)
2. Approval to receive payment was Advantage Footwear Co.,Ltd.'s stock share total amount Baht 17,724,482.25 (Seventeen Million Seven Hundred Twenty Four Thousand Four Hundred Eighty Two Baht and Twenty Five Satang)
3. Approval to reduce debt to PA Capital Co., Ltd. interest of 25% of debt total amount Baht 25,429,437.50 (Twenty Five Million Four Hundred Twenty Nine Thousand Four Hundred Thirty Seven Baht and Fifty Satang) as following details :
  - 3.1 Pan Component Co.,Ltd., to reduce debt total amount Baht 5,000,000.00 (Five Million Baht Only)
  - 3.2 Excellent Rubber Co.,Ltd. to reduce debt total amount Baht 20,429,437.50. (Twenty Million Four Hundred Twenty Nine Thousand Four Hundred Thirty Seven Baht and Fifty Satang)
4. Remain receive payment of Modern Technology Component Co.,Ltd. total amount Baht 1,140,501.47 (One Million One Hundred Forty Thousand Five Hundred One Baht and Forty Seven Satang). The Company has no debt reduction to a rate of 25% of debt totaling five million baht to PA Capital Co., Ltd. If the debt is carried out according to relevant criteria.



All of this the transaction No. 1 - 3 total amounting to Baht 115,571,906.70 (One Hundred Fifteen Million Five Hundred Seventy One Thousand Nine Hundred Six Baht and Seventy Satang). The resolutions of the board of directors approving the category for an acquisition or Disposition of Assets as following details :

1. Transaction Date : Within 60 days after Board Director Meeting had approval the transaction

2. Parties Involved

Creditor : Pan Component Co.,Ltd. (PCC)

Modern Technology Component Co.,Ltd. (MTC)

Excellent Rubber Co.,Ltd. (ERC)

The subsidiaries 100% of Pan Asia Footwear Public Co.,Ltd.

Debtor : PA Capital Co., Ltd. (PA)

**Directors**

1.Mr.Boonkiet Chokwattana	2.Mr.Narong Chokwattana
3.Mr.Nattapat Petchrattanaporn	4.Ms.Nattanee Raticchon
5.Mrs.Aksara Sornwong	6.Mrs.Kobsuk Saengsawad

Shareholder of PA Capital Co., Ltd. ( Total 10,540,000 shares )

Company	Shares	%	Company	Shares	%
1.Footwear Tech 1530 Co.,Ltd.	1,942,383	18.43	2. Bangkok Rubber Public Co.,Ltd.	1,626,200	15.43
3.Thai Sung Shin New Material Co.,Ltd.	1,477,484	14.02	4.Modern Technology Component Co., Ltd.	1,062,792	10.08
5. Ban Pan Engineering and Holding Co.,Ltd.	952,793	9.04	6.Kabinburi Pan Asia Footwear Co.,Ltd.	700,000	6.64
7.Pan Asia Footwear Public Co.,Ltd.	850,606	8.07	8.Pan Asia Leather Co.,Ltd.	259,085	2.46
9. Sariraporn Co.,Ltd.	500,045	4.74	10. PF Inter Tech Co.,Ltd.	413,035	3.92
11.Innovation Footwear Co.,Ltd.	250,162	2.37	12.Eastern Rubber Co.,Ltd.	165,000	1.57
13.Excellent Rubber Co.,Ltd.	120,000	1.14	14. International Curity Footwear Co., Ltd.	106,920	1.01
15.United-bio-energy Co.,Ltd.	46,930	0.45	16.Pan component Co.,Ltd.	44,731	0.42
17.Pek Engineering Co.,Ltd.	11,827	0.11	18.Advantage Footwear Co.,Ltd.	10,000	0.09
19.Other	7	0.00			

3. Description of Transaction : Transaction to acquire assets.

4. Transaction details an acquisition of Assets

4.1 Land 19-2-7 rai Located at Wangsaphung, Loei province

Land 425-2-98 rai Located at Phu Luang, Loei province



Land include economic grown 226-1-95 rai Located at Phu Luang, Loei province

**Total area 671-3-0 rai**

Total assets value : 72,418,000.00.- Baht

Assets evaluation criteria : Evaluation by GROW Estimation Co.,Ltd.\*

Date 21 September 2016

as following details :

Settle to	Detail/area	Amount (Baht)
Excellent Rubber Co.,Ltd.	1. Land at Wangsaphung, Loei province area 19-2-7 rai	1,739,214.81
	2. Land include economic grown at Phu Luang, Loei province area 226-1-95 rai	32,740,421.66
	3.Land at Phu Luang, Loei province area 300-3-15 rai	26,803,334.20
Modern Technology Component Co.,Ltd.	1. Land at Phu Luang, Loei province area 124-3-83 rai	11,135,029.33

Remarks : \*GROW Estimation Co., Ltd. on the List Valuation Company and Principal Valuers Approved by the Office of the SEC

4.2 The Book Value of ordinary shares for ending 30 September 2016 as follows:

Ordinary Shares (Company)	Quantity (share)	Price per share	Amount (Baht)	Settle to (Company)
Advantage Footwear Co.,Ltd. (AVF)	502,513	29.85	15,000,000.00	PCC
Advantage Footwear Co.,Ltd. (AVF)	91,272	29.85	2,724,469.20	MTC
<b>รวม</b>	<b>593,785</b>		<b>17,724,469.20</b>	

Ordinary Shares (Type of Business)	Issued and Paid-up capital			% PAF Acquisition	% PAF Pre - Acquisition	% PAF Post - Acquisition
	Shares	Price per share	Amount (Million Baht)			
Advantage Footwear Co.,Ltd. (Manufacture of footwear and parts)	3,670,000	25	91.75	16.18%	68.07%	84.25%

5. Expected benefits

After from the procedure this transactions the Company has increase assets and it is the trust form outsider etc. Financial Institution , Customer and Vendors.

**Opinion of the Board of Directors and Audit Committee:**

The Board of Directors to considered an acquisition that is the land and the land include economic grown which the evaluation by Independent Appraisal and the share capital used the Book Value of ordinary shares for ending 30 September 2016 which has been reviewed by each the company's the auditor ,the opinion that its reasonability so had approval to the transaction.

Due to Pan Asia Footwear Public Co., Ltd. and PA Capital Co., Ltd. has Co-Director is Mr.Boonkiet Chokwatana and as represent of Pan Asia Footwear Public Co., Ltd. shareholding ratio 45.47% (total shareholder direct and indirect) and this transaction Mr.Boonkiet Chokwatana is a interested directors not attend the meeting and not vote.

**The Volume of Transaction** Detail of calculation of transaction size according to the Acquisition or Disposal Notification are as tabulated below :

Unit : Thousand Baht

<b>Financial</b>	<b>PAF</b>	<b>AVF</b>
<b>Total Asset</b>	<b>711,820</b>	<b>143,772</b>
Less Deferred tax assets	252	-
Less Total liabilities	403,351	34,241
Less Non-controlling interests of the subsidiaries	47,427	-
<b>Net tangible assets (NTA)</b>	<b>260,790</b>	<b>109,531</b>
<b>Profit attributable to equity holders of the company</b>	<b>168,781</b>	<b>20,326.12</b>
January - September 2016	50,937	15,011.84
October - December 2015	117,844	5,314.28

**Remarks :**

- The net asset value test calculated (NTA) used data from the financial statements on September 30, 2016 which has been unaudited but reviewed by the auditor.
- The calculate net profit from business operations test used data from the financial statements 12 months previous. (January-September 2016 and October-December 2015)
- The value of the consideration given or received.

- Total assets amount from the financial statements on September 30, 2016 which has been unaudited but reviewed by the auditor
- The premises was evaluation by GROW Estimation Co., Ltd. and
- The ordinary shares used book valued from the financial statements on September 30, 2016 which has been unaudited but reviewed by the auditor.

**Transaction size accordance with Notification of the stock exchange of Thailand :**

Calculation Criteria	Transaction size
1. Net Tangible Asset (NTA) Criteria	6.80%
2. Net Profit Criteria	1.95%
3. Total Consideration Criteria	16.24%
4. Share Swap Criteria	N.A.

A transaction of the maximum size pursuant to rules for total consideration concerning is Total Consideration Criteria 16.24%, the value equaling 15% or higher but lower than 50%. Hence, the Company has the duty to prepare a report and disclose information concerning the aforementioned transaction to the Stock Exchange of Thailand, and arrange for the information memorandum to be sent to the shareholders within 21 days from the date of the disclosure.

The Transaction with PA Capital Co.,Ltd. is not related transaction according to the Notification of the Capital Market Supervisory Board 21/2008 Re: Rules and regulations on connected transactions and Notification of the Stock Exchange of Thailand Re: Opinion of Financial Advisors Concerning Connected Transactions, 2003

Please be informed accordingly.

Respectfully yours,

( Mr.Sommat Khunset )

Managing Director