



(Translation)

AF.006/2019

27 February 2019

Subject : Approval of transaction contract of rent with connected persons

Investing in ordinary shares of Pek Industries Co., Ltd.

To : Managing Director

The Stock Exchange of Thailand

The meeting of the Board of Directors of Pan Asia Footwear Public Company Limited (the “Company”) No. 1/2019 held on 27 February 2019 had approved to invest 6,993 ordinary shares of Pek Industries Co., Ltd. at Baht 800.80 per share, totally Baht 5,600,000 or 49.95% of registered capital.

Transactions details are described as follow :

- 1) Date of transaction occurs: 28 February 2019
- 2) The parties involved :
 - Buyer Excellent Rubber Co., Ltd. [ERC]
 - Buyer Advantage Footwear Co.,Ltd. [AVF]
 - Seller Mr.Boonkiet Chokwattana – connected person
- 3) Nature of relationship Mutual directors

Mutual directors	Position	
	Mr.Boonkiet Chokwattana	Mr.Sommat Khunset
Pek Industries Co.,Ltd.	Chairman	Director
Excellent Rubber Co., Ltd.		
Advantage Footwear Co.,Ltd.		

4) Transaction detail :

4.1 Details of asset acquired

Company’s Name : Pek Industries Co.,Ltd.
Location : 626/1 Moo 11 Nongkham Sriracha Chonburi
Registered Capital : Baht 5,000,000 divided into ordinary share 14,000
ordinary share at par value 1,000 Baht
Type of Business : Cutting Board , Eyelet

4.2 Investment Proportion (Shareholding Proportion)

- Before Investment : 4,961 ordinary share or 35.44 of registered capital
- After Investment : 11,954 ordinary share or 85.39% of registered capital

The Shareholding Structure of Pek Industries Co., Ltd. consisted of :

Name	Shares	Shareholding Proportion (%)
Modern Technology Component Co.,Ltd.	439	3.14%
Footwear Tech 1530 Co.,Ltd.	4,522	32.30%
Excellent Rubber Co., Ltd.	3,747	26.76%
Advantage Footwear Co.,Ltd.	3,246	23.19%
PA Capital Co.,Ltd.	2,039	14.56%
Other person	7	0.05%
Total	14,000	100%

- 5) Totaling Return : 6,993 ordinary shares of Pek I industries Co., Ltd. At par value Baht 800.80, amounting to Baht 5,600,000
- 6) Expected return : Gain an opportunity to invest
- 7) Source of Fund : Company's working capital
- 8) Interested directors not attend the meeting and not vote :
Mr.Boonkiet Chokwattana and Mr.Sommat Khunset
- 9) Opinions by the company's Board of Directors : :
Approved to invest 6,993 ordinary shares of Pek Industries Co., Ltd. at Baht 800.80 per share, totally Baht 5,600,000 for managing excess liquidity and gaining opportunity to invest in new business expecting good business growth.
- 10) Opinions by Audit Committee - None –

11) Transaction Type :

The Transaction as stated above would be within scope of the 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 in categories of related transactions on type of rental transaction on non movable property not more than 3 years which has the transaction value more than 1 Million Baht but less than 20 Million Baht or to by more than 0.03% but less than 3% of NTA (3% of NTA = 13.28 Mb.)* whichever is higher. This transaction must be approved by the Board of Directors and disclosed to the Stock Exchange of Thailand but need not approval by the General Shareholders Meeting.

* Data from the financial statements on 31 December 2018, which has been audited by the auditor.

Please be informed accordingly.

Yours faithfully,

(Mr. Sommat Khunset)

Managing Director