



**PAN ASIA FOOTWEAR PUBLIC COMPANY LIMITED**

**Notice of the General Meeting of Shareholders**

**No. 42**

**Tuesday, August 4, 2020 at 15 hrs.**

**At MOON Room 10<sup>th</sup> Floor, Avani+ Riverside Bangkok**

**No.257, Charoennakorn Road, Samre Sub-district, Thonburi District,**

**Bangkok 10600**

**Registration starts at 13 hrs.**

**Please bring the Registration Form with Barcode to the meeting  
for convenience in registration**

In order to prevent and reduce the outbreak of COVID-19

The company will not offer snacks, tea, coffee and not eat any food or  
snacks in the meeting venue or the meeting hall



AF 018/2020

20 July 2020

Attn: Shareholders

- Enclosures :
1. Copy of Minutes of the Annual General Meeting of Shareholders No. 41 on April 23, 2019
  2. Annual Report for the year 2019 (QR Code) and the Notification of Meeting Form
  3. Profiles of the nominated Candidates for the Election of new Directors in Replacement of those to be retired by Rotation
  4. The definition of “Independent Director”
  5. Profiles of the Independent Directors and Audit Committee proposed by the Company to act as Proxy for Shareholders
  6. Company's Articles of Association relating to the General Meeting of Shareholders
  7. Documents and evidence required prior to attending the Meeting and the 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. Annual Report Requisition Form
  12. QR Code Downloading Procedures for the 2019 Annual Report
  13. Guidelines for attending the Annual General Meeting of Shareholders for the year 2020 in view of the outbreak of the Coronavirus Disease 2019 (COVID-19)

The Board of Directors of the Company fixed to arrange the General Meeting of Shareholders No. 42 on Tuesday, August 4<sup>th</sup> 2020 at 15.00 hrs. At MOON Room 10th Floor, Avani+ Riverside Bangkok, No.257, Charoennakorn Road, Samre Sub-district, Thonburi District, Bangkok 10600. For this meeting, Company had given the opportunity to shareholders to propose agenda and/or nominate candidates to be elected as directors during December 1<sup>st</sup>, 2019 to December 30<sup>th</sup>, 2019 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. 41 on April 23, 2019**

**Fact and reason** : The minutes was arranged and submitted to The Stock Exchange of Thailand and publicized on company’s website [www.panasiafootwear.com](http://www.panasiafootwear.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 in **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.

**Voting resolution** : Based on majority votes of the shareholders present at the meeting and having voting rights.

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

**Fact and reason** : The Report of the Board of Directors and the operating results of the Company in 2019 provided in the Annual Report of 2019 (QR Code download), 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 in **Attachment No. 2.**

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

**Voting resolution** : No voting required since this agenda is intended for acknowledgement purpose.

**3. To approve of the Financial Statements for the year ended December 31, 2019**

**Fact and reason** : Such Financial Statements were prepared in accordance with Financial Reporting Standards. The Financial Statements were audited and certified by a certified public accountant which the Audit Committee and the Board of Director already agreed with as follows ::

**(Unit: million Baht)**

<b>Descriptions</b>	<b>Consolidated financial statements</b>	<b>The separate financial statements</b>
Total Assets	739	525
Total Liabilities	198	167
Shareholders' equity	541	358
Total revenue	863	111
Profit Attributable to equity holders of the parent	38	43
Earnings per Share (Baht/share)	0.07	0.08

The details above are in the financial statements of the 2019 Annual Report according to enclosure No.2.



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

**Voting resolution** : Based on majority votes of the shareholders present at the meeting and having voting rights.

**4. To approve the appropriation of profit and Acknowledgement of the interim 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 2019, The company had a net profit for the year of the separate financial is amounting to 43 Million Baht. The Board to propose to the General Meeting of Shareholders the appropriation of profit and acknowledgement of the interim dividend payment.

**Comment of the Board** : To propose to General Meeting of Shareholders the appropriation of profit and dividend payment as follow; legal reserve 5% from net profit total amount 2,153,000 Baht and acknowledgement of the interim dividend payment is Baht 0.0102 per share, of 540,000,000 shares to be Baht 5,508,000.- or 12.80% from separate financial statement on April 30,2020 The Board of Directors consider to approve the aforementioned rate, which is equivalent to the rate the Company intended to propose for approval at the Annual General Meeting of Shareholders, to reduce impact from the sudden and indefinite postponement of the meeting on April 23,2020. In this regard, the Board of Directors will not propose any other dividend payment for 2019.

Details of dividend payment are as follows:

**( the Separate Financial Statements )**

<b>Details of Dividend Payment</b>	<b>Unit</b>	<b>2019</b>	<b>2018 (No payment)</b>
1.Profit for the year	Baht	43,045,749	(42,019,651)
2.Retained earnings Unappropriated	Baht	67,077,977	26,065,714
3.Statutory reserve	Baht	2,153,000	-
4.Dividend per share	Baht/Share	0.0102 (the interim dividend)	-
5.Total dividend	Baht	5,508,000	-
6.The dividend ratio per net profit	%	12.80	-
7.Number of share	Shares	540,000,000	540,000,000

**Voting resolution** : Based on majority votes of the shareholders present at the meeting and having voting rights.

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

**Fact and reason** : According to the Company had given the opportunity to shareholders to propose nominate candidates to be elected as the Company's Directors in the General Meeting of Shareholders for the years 2020 since December 1,2019 to December 30 2019, there was not any shareholders propose nominate candidates to be elected as the Company's Directors. At present, the company has a total of 8 Company's Directors and reserved 1 Company's Director position whose term has not expired , 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. The General Meeting of Shareholders No. 42<sup>nd</sup> , there are the Company's Directors who are retired by rotation as follows;

- |                                |  |
|--------------------------------|--|
| 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                                 |

The Board of Directors to scrutinize selecting qualified candidates on an individual as the members of the committee with interests did not vote to select themselves and the Board has determined that the person to be nominated as an independent director to be able to comment freely and comply with related regulations. Upon careful consideration of the candidates' qualifications in terms of Board Diversity and qualifications that were in accordance with the strategy of the company's business operation by using the analysis of skills, experience, knowledge and expertise of the board. The Nominating Committee unanimously resolved to recommend to The Board of Directors to nominate above 3 outgoing directors to re-elect these persons to serve another term as company directors.

According to Mr. Veerawuthi Dechapiratkul, the Company's Director, resign on May 31<sup>st</sup>, 2018, therefore, 1 Company's Director position was vacant and reserved 1 Company's Director position whose term has not expired in this meeting, so the Company's Director has considered the election Mr.Tanakorn Treepolaksorn to be the Company's Directors whose reserved, so that the number of the Company's Directors are 9 persons.

**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. The Board of Directors, excluding the Directors who are nominated persons have to scrutinize selecting and agreed of individual person and consideration agreed to propose to the General Meeting of Shareholders to elect persons to be directors to replace the company directors who are retired by rotation and election any person to be the Company's Directors whose reserved 1 Company's Director position whose term has not expired in this meeting, so that the number of the Company's Directors are 9 with consideration of individual person who had knowledge, competence and experience from various professionals meet the Company's requirement including the qualifications and is not prohibited according to law, notifications and the articles of association. The existing Board of Directors performed well as Company's Director by using their experience to suggest the policies to the company. The Independent Directors have qualification to be Independent Director and are able to comment freely and comply with related regulations, the persons who are proposed to be the Independent Director in this meeting have not been in this position for more than 9 years continuously. They also were qualification under requirements of independent directors. They are capable knowledge, ability and experience as required by the company and she can also function as independent directors as well. The profile of the nominated persons to be directors in replace of the company directors who are retired by rotation and the company's directors reserved 1 position whose term has not expired are in the **Attachment No.3.**

**Voting resolution** : Based on majority votes of the shareholders present at the meeting and having voting rights.

**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 2019, 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 3,690,000 consisting of, Baht 160,000 of meeting attendance fee, Baht 3,400,000 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

- Meeting attendance fee (paid to attending directors only)

	<u>2020</u>	<u>2019</u>
Chairman	5,000 (Baht/Meeting)	5,000 (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

	<u>2020</u>	<u>2019</u>
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.

**Voting resolution** : A two-third majority votes by the shareholders present at the meeting required to pass the resolution.

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

**Fact and reason** : According to the regulations of the company No.50 and 51, the auditor shall not be a director, staff member employee or a person holding any office. An auditor shall be elected annually by the general shareholders meeting. A retiring auditor may be elected. In 2019, the meeting of shareholders appointed Mr.Termpong Opanaphun, Certified Public Accountant No. 4501 and/or Miss Wissuta JariyaTanakorn, Certified Public Accountant No. 3853 and/or Miss Manee Rattanabunkij ,Certified Public Accountant No. 5313 of EY Office Co.,Ltd.

In 2020, the Company has a policy to change the auditors and there were auditing companies proposed services and audit fees to the Company. The Audit Committee had considered and elected with consideration of qualification stipulated by the Company Articles of Association and the Securities and Exchange Commission independence, professional standard, operation result and ability to handle more workload. The audit fees has already compared with the other listed companies in same level. The Audit Committee had an opinion that DR. VIRACH AND ASSOCIATES COMPANY LIMITED is auditing company who has ability to handle the Company’s workload and audit fees is reasonable. It is agreed to propose to the General Meeting of Shareholders to appoint;

1	Mr. VIRACH	APHIMETEETAMRONG	Certified Public Accountant No.	1378	Or
2	Mr. CHAIYAKORN	AUNPITIPONGSA	Certified Public Accountant No.	3196	Or
3	Mr. APIRUK	ATI-ANUWAT	Certified Public Accountant No.	5202	Or
4	Mr. PREECHA	SUAN	Certified Public Accountant No.	6718	Or
5	Miss KORNKAEW	DABKAEW	Certified Public Accountant No.	8463	

of DR.VIRACH AND ASSOCIATES COMPANY LIMITED to be the Company’s Auditor for the year 2020 which all 5 persons never authorized signature in the Financial Statements and determined the remuneration of auditor fee as follows;

	<u>2020</u>	<u>2019</u>
Review of the financial statements for quarter 1,2,3	750,000 Baht	1,020,000 Baht
Audit fee for the year ended December 31	<u>650,000 Baht</u>	<u>1,131,000 Baht</u>
Total	<u>1,400,000 Baht</u>	<u>2,151,000 Baht</u>





**Comment of the Board** : It is agreed to the Audit Committee selection and proposal. It should propose to the General Meeting of Shareholders to appoint Mr. VIRACH APHIMETEETAMRONG, Certified Public Accountant No. 1378 or Mr. CHAIYAKORN AUNPITIPONGSA, Certified Public Accountant No. 3196 or Mr. APIRUK ATI-ANUWAT, Certified Public Accountant No. 5202 or Mr. PREECHA SUAN, Certified Public Accountant No. 6718 or Miss KORNKAEW DABKAEW, Certified Public Accountant No. 8463 of DR.VIRACH AND ASSOCIATES COMPANY LIMITED, to be the Company's Auditor for the year 2020 by the determination the audit fee as stated above is Baht 1,400,000.- as stated above.

In addition, the Board found it appropriate to report to the shareholders the audit fee of the Company's subsidiaries total 5 Companies, which have the same auditor of the audit office the Company appoints, as follows;

<b>Audit Fee for Subsidiaries</b>	<b>2020</b>	<b>2019</b>
Review of the financial statements for quarter 1,2,3	510,000 Baht	912,000 Baht
Audit fee for the year ended December 31	940,000 Baht	1,665,000 Baht
<b>Total</b>	<b>1,450,000 Baht</b>	<b>2,577,000 Baht</b>

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

**Voting resolution** : Based on majority votes of the shareholders present at the meeting and having voting rights.

#### **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 Hrs. 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@paf-group.com](mailto:parichart.p@paf-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 July 30, 2020, 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.panasiafootwear.com](http://www.panasiafootwear.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**

Yours 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, **the proxy bring the letter having the barcode or Proxy Form having the barcode**, as attached in **attachment No.2**, together with the identification documents for meeting attendance per **attachment No.7**, and present them to the registration staff on the date of the meeting.

Yours faithfully,

(Mr. Sommat Khunset)

Managing Director