

(Translation)

Nor. 28/2007

July 31, 2007

Subject : Report on the Board of Directors' Meeting No. 7/2007
(Delisting of Shares)

To : Director and Manager
The Stock Exchange of Thailand

Enclosed : Form of Report on Delisting of Shares (F10-6)

The Board of Directors' Meeting of Union Footwear Public Company Limited (UF) No. 7/2007, hold on 31 July 2007, had the resolution to delist Company's shares from The Stock Exchange of Thailand (SET). The details are as follows :-

1. The Board of Directors' Meeting considered to cease the footwear business on the following reasons :-

1.1 By nature, footwear has encountered a severe competitions from oversea. It is a few buyer's market that cause to have less leverage to negotiate not only the condition but also in pricing. Although the Company has continuously streamlined its administrative and production procedures, it cannot overcome the diminishing profitability and has been suffering successive losses for the past 3 years.

1.2 Footwear is a labour intensive industry. The Company has a cronic labour shortages in spite of the ever increasing minimum wage adjustment. The Company tries to solve the problems by moving affiliated companies producing component parts upcountry, the high labour turnover rate has resulted in the increase in training course and unstable production outputs which subsequently affects the delivery schedule. As a result, the Company has to shoulder unnecessary air freight charges to meet the delivery deadline. This is in contrary to the condition in China and Vietnam with abundant manpower and relatively lower wages which give them an edge over manufacturer from Thailand.

1.3 Other cost of production, particularly those related to public utility, energy, transportation and raw material have been rising steadily.

1.4 The Company needs to increase investment on production development, innovation, production process and the environment protection to be able to comply with the ever increasing requirements of customers which unavoidably causes the additional cost which the Company has to shoulder.

1.5 The Company's selling transaction are conducted in US\$ dollars in advance. The rapid strengthening of the Baht since 2006 until this year second quarter and the trend of appreciate in Baht will be in this level for long term, therefore, adversely affect the Company's income and competitiveness.

For the consideration on Company's return on investment, commercial competitions, risks and additional investment to meet future market demands which

all indicated an unfavorable tendency of the business. The Company, including its affiliated companies, therefore, decided to phase-out their business. However, the Company will gradually slowdown the production until it fulfills the existing orders within this year (2007). At present, there is still no plan for the Company to engage in any other businesses. However the companies will be obliged to pay employees wages and the compensation according to the relevant law.

2. The Board of Directors' Meeting approved the Company to proceed with the voluntary delisting from SET and to be furthered proposed for General Shareholders' Meeting's approval.

The Company would comply with all applicable rules and regulations of SET and Securities and Exchange Commission of Thailand (SEC). The preliminary information are as follows:

Name of the tender offeror	: Saha-Union Public Company Limited is a major shareholder of the Company holding 10,103,880 shares, representing 50.52% of the total issued shares in the Company.
Type of securities on the closing date on April 3, 2007	: 9,896,120 ordinary shares at the par value of Baht 10 each, totaling Baht 98,961,200
Tender offer price	: Baht 3.29 per ordinary share
Financial advisor of the tender offeror	: Asset Pro Management Company Limited.

3. The Board of Directors' Meeting authorized the Chairman and/or Managing Director or any other authorized persons from the Board of Director or Chairman be authorized to sign any applications or documents relating to the delisting of the Company's securities from SET and to cause any acts as he may consider necessary and appropriate in respect of delisting on behalf of the Company and take any necessary or appropriate actions relating to the calling of the Extraordinary General Meeting of Shareholders including but not limited to the amendment of the agendas and for the changing and / or the meeting venue and / or the closing date of the Share Registration Book.

4. The Board of Directors' Meeting approved and appointed Fareast Securities Company Limited to be the independent financial advisor of the shareholders, in order to give advise or recommendation to Company's shareholders on the delisting.

5. The Board of Directors' Meeting would be make the presentation to the investors concerning the delisting together with the tender offer be made on August 28,2007 at 2.00 p.m. at the Meeting Room of Saha-Union building No. 1828 Sukhumvit Rd., Bangchak, Phrakanong, Bangkok.

6. The Board of Directors' Meeting approved the holding of the Extraordinary General Meeting of Shareholders No. 1/2007 on Tuesday September 4, 2007 at 2.00 p.m. at the Meeting Room of Saha-Union building No. 1828 Sukhumvit Rd., Bangchak, Phrakanong, Bangkok to approve the agenda as set out below :-

- Agenda 1 To certify the Minutes of the Annual General Meeting of Shareholders No. 14
- Agenda 2 To consider and approve the delisting of the Company from the Stock Exchange Thailand (SET).
- Agenda 3 Consideration on receiving the financial support from Saha-Union Public Company Limited (SUC)

7. The Board of Directors' Meeting approved the closing date of the Share Registration Book to be on 15 August 2007 at 12.00 a.m. until the meeting is duly finished, for the right of shareholders to attend the meeting.

8. The Board of Directors' Meeting approved to receive the financial support as follows :

Unit : Million Baht

Subsidiary Companies' name	Amount to lend in this time	Outstanding balance	Total amount of lending	Guarantee trading Obligation		Total Lending amount and Guarantee trading Obligation
				Existing	New	
Union Footwear Plc. (UF)	180	0	180	99	61	340

As borrow the amount of Baht 180 million from SUC who is its main shareholder in order to used as the Company's working capital before ceasing the footwear business, which forecast to return it within year and to be charged the interest rate according to ongoing MLR rate benchmark from one large commercial bank the company will draw this borrowing amount when getting the approval from the Shareholder meeting.

For your information. The Company has also attached the application of delisting share (F10-6) for your consideration.

Yours sincerely,
- Signature -
Mr. Songsak Thampimakwattana
Managing Director