

Minutes of the 2014 Annual General Meeting of Shareholders \*  
of  
Padaeng Industry Public Company Limited

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\* This draft has been prepared by the Management for information only, as it has not been reviewed by the Board or approved by the Shareholders.

The Meeting was held on Monday, 28 April 2014 at 14.00 hr, Ballroom, Queen Sirikit National Convention Center, No.60 Ratchadapisek Road, Khlong Toei District, Bangkok 10110, Thailand.

Chairman, Mr. Arsa Sarasin, convened the Meeting, by welcoming the shareholders and introducing the Directors and Management to the Shareholders as follows:

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|----|----------------------------|--|
| 1. | Mr. Arsa Sarasin           | Chairman of the Board  |
| 2. | Mr. Francis Vanbellen      | Managing Director and Strategic Committee Member   |
| 3. | Mrs. Pantip Sripimol       | Director and Strategic Committee Member  |
| 4. | Mr. Paron Israsena         | Independent Director, Audit Committee Member and<br>Nomination and Remuneration Committee Chairman   |
| 5. | Mr. Vinai Vamvanij         | Independent Director and Audit Committee Chairman  |
| 6. | Mr. Aswin Kongsiri         | Independent Director, Audit Committee Member and<br>Nomination and Remuneration Committee Member     |
| 7. | Mr. Pinit Vongmasa         | Independent Director, Strategic Committee Member and<br>Nomination and Remuneration Committee Member |
| 8. | Mrs. Woratip Rerkpiboon    | Vice President - Finance, Accounting & IT  |
| 9. | Dr. Surin Tanticharoenkiat | Company Secretary  |

Dr. Surin Tanticharoenkiat, the Company Secretary, reported that 597 of the Company's 6,438 shareholders were present either in person or by proxy, representing 102,349,251 of the 226,000,000 issued and paid-up shares or 45.29%. As over one third of the issued and paid-up shares were represented, the quorum was met as stipulated by the Article 32 of the Company's Articles of Association.

After introducing the group of Auditors of the Company from PricewaterhouseCoopers ABAS Limited to the Shareholders and also Ms. Kanisra Kanchanavong, representative from Bangkok Bank Public Company Limited, who would witness the vote counting, he then explained the voting procedures to the shareholders.

With the shareholders' acknowledgement and approval of the voting procedures, the Chairman proceeded to the Meeting's agenda.

I. Chairman's announcement (if any).

Chairman asked Company Secretary to report the shareholding position of the Company. Dr. Surin reported that as of 26 March 2014, date the share register book was closed for this meeting, the Company had a total of 6,438 shareholders, consisting of 6,411 Thai nationals holding 174,359,590 shares or 77.15%, and 27 foreign nationals holding 51,640,410 shares or 22.85 %.

The Audience took note of the information.

Ms. Jenjira Sombatcharoenwong, the shareholder, requested that shareholders give information on their status prior to asking questions and those questions should be recorded with the respective answers in the minutes. Chairman acknowledged and agreed with the request.

Mr. Phongjaroon Srisovanna, proxy from Thai Investment Association, complimented the Company on its anticorruption policy which appeared in page 27 of the 2013 annual report. Chairman acknowledged and further mentioned that the Company is in the process of implementing the policy into action for the Company.

II. To consider and approve the minutes of the 2013 Annual General Meeting held on 29 April 2013.

The Chairman called upon the shareholders to consider and approve the minutes of the 2013 Annual General Meeting of Shareholders, which took place on 29 April 2013.

The shareholders adopted the minutes by the votes as follows:

Approved, representing	100,694,934	votes, equivalent to	99.9974 %
Disapproved, representing	0	vote, equivalent to	0.0000 %
Abstained, representing	2,600	votes, equivalent to	0.0025 %
Voided Ballot	0	vote, equivalent to	-

III. To consider and acknowledge the Annual Report of the Board of Directors for the year 2013.

The Chairman reported that Article 35(1) of the Company's Articles of Association stated that the Annual General Meeting "consider and acknowledge the report showing the Company's performance in the previous year."

Upon invitation by the Chairman, Mr. Francis Vanbellen, the Managing Director, started the presentation by as follows:

Highlights.

- The operational results from PDI normal activities improved significantly. Gross Profit for 2013 reaches 290 MB. However, negative net profit of -530 MB was due to write-off of Investment in the Puthep Copper mining project in the Loei province.
- Future results are expected to turn sustainably positive, due to the expected positive trend for Zinc LME price, even reaching 2,200 USD/ton in 2017.
- PDI decided to pay a dividend of 0.30 THB/share for 2013 from the retained earnings.
- PDI has received CSRI rising Star 2013 award from the Corporate Social Responsibility Institute of The Stock Exchange of Thailand (SET).

PDI's Vision and our Business:

- PDI's vision: "Padaeng aims to be the leading provider of high quality zinc materials in South East Asia. Driven by innovation and sustainable growth, we maximize added value for our clients, with respect to our people and the environment. We support the communities in which we operate and give the best possible return to our shareholders."

- PDI's integrated zinc production process, products and markets were presented to the shareholders.

#### Year 2013 Results and Outlook:

- To optimize production, PDI has decreased the production to 76,000 tons of zinc. The benefits of reduction of production are to use less of electricity during peak hours, use less expensive raw materials, and a better match with domestic demand for high value zinc products.
- PDI's new facility 2014, Coal fire boiler has been installed to replace bunker oil usage which results in fuel cost reduction.
- PDI has improved its performance by lower its operational production costs and obtaining higher premiums.
- PDI's 2013 Consolidated Revenues decreased by 29% from decrease in production volume due to the optimization program mention above.
- With cost improvements, the gross profit of PDI has increased with 305 MB.
- The overall negative result was mainly caused by the write-down exploration costs of Puthep, Padaeng's subsidiary company for copper exploration project in Loei.
- Although remaining strong, the D/E Ratio increased from write-down of equity in Puthep, and value per share declined to 13 Baht per share.
- Current Ratio of 2013 remains strong at 2.39 times.
- PDI's efforts to improve operating results in 2014 and onwards focus on using less expensive materials, modify the production process, production improvement program and continue to increase alloy sales mix
- Additional growth in sustainable green industry business will be explored

Chairman invited the shareholders for any comment or question.

Ms. Jenjira Sombatcharoenwong, the shareholder, asked whether the writing off of Puthep which highly affected the Company profit for 2013 is a one-time event. MD responded that yes it is a one-time event for writing down the exploration cost in the Loei project.

Mr. Wiwat Lertwinyu, proxy from Mr. Supachai Suthipongchai, inquired about the Mae Sod mine life time and the progress of exploration in Laos. Chairman & MD responded that the Mae Sod mine will end in 2016 and that the company has stopped all zinc exploration programs both domestically and abroad, mainly due to the fact that for Thailand the public opinion is not in favor of mining in general.

Mr. Songvud Wangdhamkum, proxy from Ms. Pritsana Wangdhamkum, asked about the Mae Sod ore reserve. Chairman replied that the total Mae Sod ore reserve is 1,609,000 tons at 10.3 % Zn. More details are in pages 42-43 of the annual report.

The Shareholders acknowledged the Company's performance results and the Board of Directors report for the year 2013.

#### IV. To consider and approve the Balance Sheet and Profit and Loss Statements for the fiscal year ended at 31 December 2013.

Dr. Surin Tanticharoenkiat, the Company Secretary, reported that Article 35(2) of the Company's Articles of Association states that the Annual General Meeting "consider and approve the Balance Sheet

and Profit and Loss Statements at the end of the Company's fiscal year" and Section 112 of the Public Limited Companies Act B.E. 2535 (1992) provides that "the board of directors shall prepare the Balance Sheet and Profit and Loss Statements at the end of the company's fiscal year to be proposed to the Annual General Meeting for approval". Details of the Balance Sheet for the fiscal year ended at 31 December 2013 appeared in Attachment No. 2 in the Financial Statements and Profit and Loss section for the fiscal year ended 31 December 2013 which have been audited by the Company's Certified Public Auditor.

The Chairman invited the shareholders to ask the questions. There was no question, the Chairman then asked the shareholders to consider and approve the Balance Sheet and Profit and Loss Statements for the fiscal year ended at 31 December 2013.

The shareholders approved and approve the Balance Sheet and Profit and Loss Statements for the fiscal year ended at 31 December 2013 by the votes as follows:

Approved, representing	102,316,545	votes, equivalent to	99.9971 %
Disapproved, representing	0	vote, equivalent to	0.0000 %
Abstained, representing	2,900	votes, equivalent to	0.0028 %
Voided Ballot	0	vote, equivalent to	-

V. To consider and approve the distribution of dividends for 2013.

The Company Secretary reported that Article 35(3) of the Company's Articles of Association state that the distribution of dividends must be approved by the shareholders. Section 116 of the Public Limited Companies Act B.E. 2535 (1992) provides that the company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward (if any) to a reserve fund until the fund attains an amount not less than 10% of the registered capital or as higher as stipulated in the Articles of Association or other laws. Article 41 of the Company's Articles of Association stipulates that no dividends may be declared from any money except from the profits. In the case where the Company has an accumulated loss, the declaration of dividends shall be prohibited. However, the Company's legal reserve has reached the amount required by law.

The Company will normally pay dividends up to 50% of the net profits after deduction of the corporate income taxes, unless it is necessary for the Company to use the money for future expansion.

From the Company's Financial Statements, the Company has a net loss for the year 2013 in the amount of 242.65 million Baht which has reduced from the year 2012, the net loss of which was 507.75 million Baht despite an increase in the operational and raw material costs. As such the Board of Directors is of the opinion that the dividend payment for 2013 at 0.30 Baht per share be paid from the retained earnings. The dividends will be declared to the Shareholders totaling 226 million shares amounting to 67.80 million Baht.

Such dividend payment at 0.30 Baht per share was derived from the retained earnings which were subject to the corporate income tax of 30% of the net profit. Therefore, the natural person shareholders shall be entitled to a tax credit according to Section 47 bis of the Revenue Code.

The record date will be set on Thursday 8 May 2014 to determine the list of shareholders entitled to receive dividends and the shareholder register book-closing date and suspending share transfer on Friday 9 May 2014 to compile the list of the shareholders pursuant to Section 225 of the Securities and Exchange

Act. The shareholders shall be entitled to receive such dividends within 10 years. And the dividend payment date shall be on Thursday 22 May 2014.

The Chairman invited the shareholders to ask the questions. There was no question, the Chairman then asked the shareholders to consider and approve the distribution of dividends for 2013.

The shareholders approved the distribution of dividends for 2013 as proposed by the votes as follows:

Approved, representing	102,319,041	votes, equivalent to	99.9971 %
Disapproved, representing	0	vote, equivalent to	0.0000 %
Abstained, representing	2,900	votes, equivalent to	0.0028 %
Voided Ballot	0	vote, equivalent to	-

VI. To consider and approve the appointment of new directors to replace those retired by rotation and acknowledge the re-appointment of the Audit Committee.

The Company Secretary announced that in compliance with Article 22 and Article 35(4) of the Company's Articles of Association, among a total of 10 directors, 4 persons who are due to retire by rotation in this Annual General Meeting are Mr. Karel Vinck, Mr. Ahmad Bin Fahad, Mr. Ravi Gidwani and Mr. Francis Vanbellen. He also mentioned that due to some business activities abroad Mr. Karel Vinck, Mr. Ahmad Bin Fahad, Mr. Ravi Gidwani could not join this meeting.

During October-December 2013, the Company gave the minority shareholders an opportunity to propose the agenda and to propose the qualified nominee to be appointed as the director of the Company. There were also nominated persons mentioned in the Nomination and Remuneration Committee (NRC) meeting for consideration. The NRC had considered the qualification of all the nominees and recommended to the Board of Directors to submit the names of the 4 retiring directors to the Annual General Meeting for reelection for another term.

The Board of Directors at its meeting No. 01-2014 on 18 February 2014 has considered qualifications of each nominated director and agreed with the NRC's recommendation that the 4 persons are knowledgeable and have experiences in the Company's line of business which would be beneficial to the Company. The Board proposed that the four retiring directors, namely, Mr. Karel Vinck, Mr. Ahmad Bin Fahad, Mr. Ravi Gidwani and Mr. Francis Vanbellen be reelected to hold the position for another term.

The curriculum vitae of the nominated persons, number of ordinary shares held in the Company, position as Director of managerial level in the listed company and other businesses including relationship of the nominated persons appeared in Attachment No. 3.

In addition, The Board of Directors would like to inform the meeting that the Board at its meeting No. 03-2013 on 6 August 2013 has appointed Mrs. Pantip Sripimol to replace the vacancy due to the resignation of a director, Mr. Surapol Supradit for the remaining of his term in accordance with Article 25 of the Company's Articles of Association.

And the Board of Directors at its meeting No. 01-2014 on 18 February 2014 has considered the NRC's proposal and has resolved to re-appoint the current members Mr. Vinai Vamvanij, Chairman of Audit Committee, Mr. Aswin Kongsiri, and Mr. Paron Israsena, Audit Committee member, who were due to retire by rotation on 31 December 2013, to be the Audit Committee of the Company for another term (3 years) with the same duties and responsibilities.

The Chairman invited the shareholders to ask the questions. There was no question, the Chairman then asked the shareholders consider and approve to re-elect the 4 directors who are to be retired as directors for another term and acknowledge the appointment of the Audit Committee.

The Shareholders approve to re-elect the 4 directors, namely, Mr. Karel Vinck, Mr. Ahmad Bin Fahad, Mr. Ravi Gidwani and Mr. Francis Vanbellen who are to be retired as directors for another term and acknowledge the appointment of the Audit Committee with the votes as follows:

1. Mr. Karel Vinck, Independent Director
 

Approved, representing	102,317,292	votes, equivalent to	99.9922 %
Disapproved, representing	0	vote, equivalent to	0.0000 %
Abstained, representing	7,900	votes, equivalent to	0.0077 %
Voided Ballot	0	vote, equivalent to	-
  
2. Mr. Ahmad Bin Fahad, Director
 

Approved, representing	99,609,792	votes, equivalent to	97.3463 %
Disapproved, representing	2,707,500	votes, equivalent to	2.6459 %
Abstained, representing	7,900	votes, equivalent to	0.0077 %
Voided Ballot	0	vote, equivalent to	-
  
3. Mr. Ravi Gidwani, Director
 

Approved, representing	99,609,792	votes, equivalent to	97.3463 %
Disapproved, representing	2,707,500	votes, equivalent to	2.6459 %
Abstained, representing	7,900	votes, equivalent to	0.0077 %
Voided Ballot	0	vote, equivalent to	-
  
4. Mr. Francis Vanbellen, Managing Director
 

Approved, representing	102,317,292	votes, equivalent to	99.9922 %
Disapproved, representing	0	vote, equivalent to	0.0000 %
Abstained, representing	7,900	votes, equivalent to	0.0077 %
Voided Ballot	0	vote, equivalent to	-

VII. To consider and approve the directors' remuneration and no bonus payment to the directors for the year 2013:

The Company Secretary announced that the Company normally pay bonus to the board which would not exceed 1 percent of the dividend distributed to the shareholders, to be divided among the Non Executive Directors.

From Company Financial Statement, the Company has a net loss of 509.80 million Baht, The Nomination and Remuneration Committee then recommended no bonus payment to the board members for 2013.

In addition, the Company Secretary asked the shareholders to approve the Directors' remuneration and subcommittees' remuneration for the year 2014 at the same rate which had been previously approved in AGM 1998, 2000 and 2006 meeting.

The Chairman invited the shareholders to ask the questions.

Mr. Kongphat Thanaudomsuk inquired when there will again be bonus payment for directors and when will the company make profit again. Chairman responded that the company is performing better and hopefully will turn into a profit making mode very soon now.

The Chairman then asked the shareholders to consider and approve the directors' remuneration and no bonus payment to the directors for the year 2013.

The Shareholders approved the directors' remuneration and no bonus payment to the directors for the year 2013 with the votes as follows:

Approved, representing	102,324,751	votes, equivalent to	99.9971 %
Disapproved, representing	0	vote, equivalent to	0.0000 %
Abstained, representing	2,900	votes, equivalent to	0.0028 %
Voided Ballot	0	vote, equivalent to	-

VIII. To consider and approve the appointment of the Company's auditors for the year 2014 and approve the auditing fees;

The Company Secretary reported that for 2013 Audit Committee proposed that Mr.Chanchai Chaiprasit Certified Public Accountant (Thailand) No. 3760, who has audited, gave suggestion and signed the Financial Statement of the Company, as the auditor, for 3 years during the years 2010-2012, Mrs. Anutai Poomsurakul Certified Public Accountant (Thailand) No. 3873 and Mr. Pisit Thangtanagul Certified Public Accountant (Thailand) No. 4095 of PricewaterhouseCoopers ABAS Limited be appointed as the Group's auditors for the year 2013-2015 subjected to annually confirmation in the AGM Meeting, any one of them being authorized to conduct the audit and express an opinion on the financial statements of the Group. In the absence of the above-named auditors, PricewaterhouseCoopers ABAS Limited is authorized to identify one other Certified Public Accountant within PricewaterhouseCoopers ABAS Limited to carry out the work. The proposed audit fee for the year 2013 is 3,166,000 Baht.

The proposed auditing firm has no relationship or conflict of interest with the Company, the Managerial Persons of the Company, Majority Shareholders or Related Persons of the said persons.

The Chairman invited the shareholders to ask the questions. There was no question. The Chairman then asked the shareholders to consider and approve the appointment of the Company's auditors for the year 2014 and approve the auditing fees;

The Shareholders approved the appointment of the Company's auditors for the year 2014 and approved the auditing fees for the year 2014 of 3,166,000 Baht with the votes as follows:

Approved, representing	102,324,751	votes, equivalent to	99.9971 %
Disapproved, representing	0	vote, equivalent to	0.0000 %
Abstained, representing	2,900	votes, equivalent to	0.0028 %
Voided Ballot	0	vote, equivalent to	-

IX. To consider and approve the amendment to Article 17 of the Company's Articles of Association.

The Company Secretary announced that for the more flexible Strategic Committee structure and meetings, the management proposed to the Board of Directors to amend Article 17 of the Company's Articles of Association to read as follow:

Article 17. There shall be a Strategic Committee established by the resolution of the Board of Directors meeting. The members of the Strategic Committee shall comprise at least three (3) directors as follow: the Managing Director who shall be a member of the Strategic Committee by his post, and the other members who shall be appointed by the Board of Directors' meeting. The Strategic Committee shall prepare and provide strategic reports and assessments of the Company and make recommendations to the Board of Directors of such matter. Any and all matters relating to the strategy of the Company must be referred to the Strategic Committee who shall submit and/or recommend the matters for consideration to the Board of Directors. The Strategic Committee shall act as advisors to the Board of Directors but shall not have any decision-making authority.

Section 31 of the Public Limited Companies Act B.E. 2535 (1992) stipulated that the company may amend its memorandum of association or articles of association only when a resolution therefore has been passed at the shareholders meeting by not less than three fourth of the total number of votes of shareholders present at the meeting and entitled to vote.

The Chairman invited the shareholders to ask the questions. There was no question. The Chairman asked the shareholders to consider and approve the amendment to Article 17 of the Company's Articles of Association with a number of votes of not less than three fourth of the total number of votes of the shareholders present at the meeting and are entitled to vote.

The Shareholders approved the amendment to Article 17 of the Company's Articles of Association with the votes as follows:

Approved, representing	102,327,351	votes, equivalent to	99.9952%
Disapproved, representing	0	vote, equivalent to	0.0000 %
Abstained, representing	4,900	votes, equivalent to	0.0047 %
Voided Ballot	0	vote, equivalent to	-

#### X. Other matter

The Chairman informed the meeting that this agenda provided an opportunity for the shareholders holding aggregate number of no less than one-third of the total number of the issued shares to propose other businesses for consideration at the meeting in addition to those proposed by the Board.

There was no other matter presented to the meeting.

The Chairman then closed the meeting and invited the shareholders to comment and ask questions are as follows:

Ms. Jenjira Sombatcharoenwong, the shareholder asked about the progress of Cadmium case in Maesod. Chairman responded that out of 5 cases, 2 cases have been ruled with approximately 11 MB to be paid to the plaintiffs from the original claims of 956 MB. This 11 MB will be shared equally by Padaeng and Tak Mining. Padaeng always emphasizes that the cause of the Cadmium contamination originates from historical events and the nature of the area and not from Padaeng's activities

She asked about this year zinc metal production in which MD answered that it will be the same as last year, which is approximately 75,000 tons.

Mr. Manop Vivatsethachai, a shareholder, inquired about the slightly increased cadmium content in waste water from the Tak plant in 2013 compared to 2012. Mr. Manoch Jaroonvuthitham, the Tak plant manager responded that even though the figure in 2013 is slightly higher than 2012 it remains below the industrial standard. However the company is actively looking into the issue to further reduce the cadmium content in the waste water.

He also asked whether the Company will have policy to execute split par from 10 THB / share to 5 or 1 THB/ share to increase share liquidity. Chairman replied that there is at present no policy for par split.

Mr. Luk Chareetsatien, a shareholder, mentioned that in the past few years the share price of Padaeng continued to decrease to reach 13 Baht this year and asked if there is any chance to see the share price increasing. Chairman and MD responded that the share price reflects the performance of the company. This year the main decrease in value is from the written off of the exploration project. The company will do its best to generate profit in 2014 which should have a positive impact on its share price.

He also asked why the company is not invested in coal mining. MD responded by mentioning that the company no longer looks into conservative investments and is now looking into the future potential business in Thailand. At present the most promising business is in green industry, such as waste management, renewable energy and recycling.

Ms. Malival Chittreeyatham, a shareholder, inquired about the Mae Sod Clean energy performance. Chairman responded that the company has problems with raw materials supply (sugarcane) to feed the plant to produce ethanol. At present it tries to solve problem by getting raw materials from Myanmar.

As there were no further comments, the Chairman called the Meeting adjourned at 15.55 hours.

\_\_\_\_\_ Chairman of the Meeting

(Arsa Sarasin)  
Chairman of the Board

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(Surin Tanticharoenkiat)  
Company Secretary