

Minutes of the 2011 Annual General Meeting of Shareholders \*  
of  
Padaeng Industry Public Company Limited

---

\* 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 Wednesday, 27<sup>th</sup> April 2011 at 14:00 hours, Petch-Pailin Room, 11<sup>th</sup> Floor, Windsor Suites Hotel, 8 Sukhumvit 18-20, Sukhumvit Road, Klongtoey, Bangkok 10110, Thailand.

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

- |                                |   |
|--------------------------------|---|
| 1. Mr. Arsa Sarasin            | Chairman of the Board   |
| 2. Mr. Vinai Vamvanij          | Independent Director, Audit Committee Chairman and Strategic Committee Member                   |
| 3. Mr. Paron Israsena          | Independent Director, Nomination and Remuneration Committee Chairman and Audit Committee Member |
| 4. Mr. Aswin Kongsiri          | Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member   |
| 5. Mr. Pinit Vongmasa          | Director and Nomination and Remuneration Committee Member                                       |
| 6. Mr. Surapol Supradit        | Director  |
| 7. Mr. Ravi Gidwani            | Director  |
| 8. Mr. André R. van der Heyden | Managing Director and Strategic Committee Member  |
| 9. Mr. Vinij Ongnegnun         | Deputy Managing Director and Strategic Committee Member   |
| 10. Mr. Waykin Utharntharm     | Chief Financial Officer   |
| 11. Dr. Surin Tanticharoenkiat | Company Secretary   |

Dr. Surin Tanticharoenkiat, the Company Secretary, reported that at the start of the meeting 353 of the Company's 7,706 shareholders were present either in person or by proxy, representing 95,961,792 of the 226,000,000 issued and paid-up shares or 42.46 %. 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.

He then introduced Mr. Chanchai Chaiprasit, Auditor from PricewaterhouseCoopers ABAS Limited, Ms. Jirayong Anuman-Rajadhon, Independent Financial Advisor from JayDee Partners Limited. He also mentioned that Ms. Rinyaporn Satitdumrongsakul, from the Thai Investors Association, 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. Subjects being broached by the Chairman

The Chairman asked Company Secretary to report the shareholding position of the Company. Dr. Surin reported that as of 31<sup>st</sup> March 2011, date the share register book was closed for this Meeting, the Company had a total of 7,706 shareholders, consisting of 7,668 Thai nationals holding 169,315,640 shares or 74.92 %, and 38 foreign nationals holding 56,684,360 shares or 25.08 %.

The Audience took note of the information.

II. Approval of the minutes of the 2010 Ordinary shareholders' Meeting on 26<sup>th</sup> April 2010

The Chairman called upon the shareholders to consider and approve the minutes of the 2010 Annual General Meeting of Shareholders, which took place on 26<sup>th</sup> April 2010.

The shareholders adopted the minutes by unanimous votes as follows:

|                           |             |                      |          |
|---------------------------|-------------|----------------------|----------|
| Approved, representing    | 103,956,985 | votes, equivalent to | 100.00 % |
| Disapproved, representing | 0           | vote, equivalent to  | 0.00 %   |
| Abstained, representing   | 0           | vote, equivalent to  | 0.00 %   |

III. Annual report of the Board of Directors for the year 2010

Upon invitation by the Chairman, Mr. André R. van der Heyden, the Managing Director, presented the year 2010 performance which has been satisfactory for the Company with a stable LME zinc price throughout the year, a better zinc market situation in Thailand. He also presented the launching of the "Centre of Excellence" project to help increase the zinc alloy consumption in Thailand.

On the mining aspect of the Company, he described the new mining lease application at the existing mine to prepare an orderly closure of the Mae Sod mine and he explained the new project licensing process in Thailand. He gave an update on the Cadmium situation at Mae Sod and on its causes. The importance of the natural processes involved in the cadmium presence has recently been underlined by AECOM, an international independent expert. He finally mentioned that, in the view of the uncertainties on the future of the mining industry in Thailand, the Company has shifted its exploration effort into the neighbouring countries, i.e., Laos and Myanmar.

IV. Approval of the audited balance sheet and profit and loss statement for 2010

The Chairman asked the shareholders to consider and approve the Company's 2010 audited balance sheet and profit and loss statement.

The shareholders approved the Company's 2010 audited balance sheet and profit and loss statement by unanimous votes as follows:

|                           |             |                      |          |
|---------------------------|-------------|----------------------|----------|
| Approved, representing    | 110,998,652 | votes, equivalent to | 100.00 % |
| Disapproved, representing | 0           | vote, equivalent to  | 0.00 %   |
| Abstained, representing   | 0           | vote, equivalent to  | 0.00 %   |

V. Approve the net profit appropriation and dividend payment for 2010

The Company Secretary reported that from the Company net profit of 495.19 million Baht, 23.04 million Baht has been allocated to the legal reserve, increasing it from 202.96 million Baht to 226.00 million Baht. The Board then recommended the dividend payment for 2010 at 1.29 Baht per share, in excess of the by-laws guidelines, be declared to the Shareholders totaling 226 million shares amounting to 291.54 million Baht or 58.87% of net profit.

It was further reported that the dividend payment was derived from the net profit after corporate income tax of 30%. Therefore, the natural person shareholders shall be entitled to a tax credit according to Section 47 bis of the Revenue Code.

The Shareholders entitled to receive the dividend shall be those listed in the shareholders' Register of the Stock Exchange of Thailand as of Tuesday 10<sup>th</sup> May 2011. Also, Wednesday 11<sup>th</sup> May 2011 shall be the book closing date on which the shareholders are listed as specified in Section 225 of the Securities and Exchange Act. The receipt of such dividend shall be within 10 years. And the dividend payment will be made on Tuesday 24<sup>th</sup> May 2011.

The Shareholders approved the 2010 dividend payment as follows:

|                           |             |                      |         |
|---------------------------|-------------|----------------------|---------|
| Approved, representing    | 110,069,354 | votes, equivalent to | 99.15 % |
| Disapproved, representing | 0           | vote, equivalent to  | 0.00 %  |
| Abstained, representing   | 938,800     | votes, equivalent to | 0.85 %  |

VI. Elect new members of Board of Directors to replace those who retired by rotation, acknowledge the appointment of the new directors and acknowledge the appointment of the Audit Committee;

The Company secretary announced that in compliance with Article 22 of the Company's Articles of Association, among a total of 12 directors, 4 persons who are due to retire by rotation in this annual meeting: Mr. Karel Vinck, Mr. Madhu Koneru, Mr. Surapol Supradit and Mr. Ravi Gidwani.

He further mentioned that during October-December 2010, the Company gave the minority shareholders an opportunity to propose items on the agenda and to propose qualified nominees to be elected directors of the Company. There were also nominees proposed for consideration at the NRC meeting. The NRC considered the qualifications of all the nominees and recommended to the Board to submit the names of the 4 retiring directors to the AGM for reelection for another term.

The Board at its meeting No. 01-2011 on 22<sup>nd</sup> February 2011 considered the qualifications of each nominated director and agreed with the Nomination and Remuneration Committee's recommendation that the 4 persons are knowledgeable and have experience 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. Madhu Koneru, Mr. Surapol Supradit and Mr. Ravi Gidwani be reelected to hold the position for another term.

The Company Secretary then informed the Shareholders that Mr. Madhu Koneru, the representative of RAK Minerals & Metals Investments FZ-LLC did not wish to be reelected since RAK Minerals & Metals Investments FZ-LLC did not anymore hold shares in the Company.

The Chairman then asked the shareholders to reelect only the three Board members who retired by rotation, namely Mr. Karel Vinck, Mr. Surapol Supradit and Mr. Ravi Gidwani as the directors of the Company for another term. The Shareholders reelected the three Board members as follows:

1. Mr. Karel Vinck, Independent director
 

|                           |             |                      |         |
|---------------------------|-------------|----------------------|---------|
| Approved, representing    | 109,401,013 | votes, equivalent to | 98.54 % |
| Disapproved, representing | 661,600     | votes, equivalent to | 0.60 %  |
| Abstained, representing   | 955,800     | votes, equivalent to | 0.86 %  |
2. Mr. Surapol Supradit, director
 

|                           |             |                      |         |
|---------------------------|-------------|----------------------|---------|
| Approved, representing    | 110,064,613 | votes, equivalent to | 99.14 % |
| Disapproved, representing | 0           | vote, equivalent to  | 0.00 %  |
| Abstained, representing   | 953,800     | votes, equivalent to | 0.86 %  |
3. Mr. Ravi Gidwani, director
 

|                           |             |                      |         |
|---------------------------|-------------|----------------------|---------|
| Approved, representing    | 110,062,613 | votes, equivalent to | 99.14 % |
| Disapproved, representing | 0           | vote, equivalent to  | 0.00 %  |
| Abstained, representing   | 955,800     | votes, equivalent to | 0.86 %  |

VII. Approve the 2010 annual remuneration of the Board.

The Company secretary announced that the Nomination and Remuneration Committee, after taking into consideration the payment in similar businesses, proposed that the bonus payment for the year 2010 be maintained at the previous level and would not exceed 1 percent of the dividend distributed to the shareholders. The total amount is 2,915,400 Baht.

In addition, the Company secretary informed the shareholders of the Directors' remuneration and subcommittees' remuneration which had been previously approved in AGM 1998, 2000 and 2006 meeting.

The Shareholders approved the 2010 annual remuneration of the Board as follows:

|                           |             |                      |         |
|---------------------------|-------------|----------------------|---------|
| Approved, representing    | 110,065,873 | votes, equivalent to | 99.14 % |
| Disapproved, representing | 15,000      | vote, equivalent to  | 0.01 %  |
| Abstained, representing   | 938,800     | votes, equivalent to | 0.85 %  |

VIII. Appoint the Company's auditors for the year 2011 and approve the audit fees.

The Company secretary reported that for 2011 Audit Committee proposed that Mr.Chanchai Chaiprasit Certified Public Accountant (Thailand) No. 3760, or Mrs. Anutai Poomsurakul Certified Public Accountant (Thailand) No. 3873 or Mr. Pisit Thangtanagul Certified Public Accountant (Thailand) No. 4095 of PricewaterhouseCoopers ABAS Limited be appointed as the Group's auditors for the year 2011, 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 the audit fee for the year 2011 of 3,985,000 Baht.

The shareholders approved the appointment of the Company's auditors for the year 2011 and the audit fee for the year 2011 of 3,985,000 Baht as follows:

|                           |             |                      |         |
|---------------------------|-------------|----------------------|---------|
| Approved, representing    | 110,098,413 | votes, equivalent to | 99.15 % |
| Disapproved, representing | 0           | vote, equivalent to  | 0.00 %  |
| Abstained, representing   | 938,800     | votes, equivalent to | 0.85 %  |

IX. Approve entering into a connected transaction;

Upon invitation by the Chairman, Mr. André presented the SEAMET-MALI transaction as follows:

The parties involved in the transaction are South East Asia Metals Company Limited (“SEAMET”), a Company’s subsidiary (100% of SEAMET’s shares are held by Padaeng Properties Company Limited, a 100% subsidiary of the Company) and Mali Mining & Metallurgy Pte. Ltd. (MALI), of which 100% of the shares are held by Mr. Waykin Uthartharm, Chief Financial Officer (CFO) of the Company.

The transaction concerns services provided to SEAMET by MALI in the area of equipment, obtaining the operating rights, mineral resources information and trained Personnel at the Mawkhi mine.

The total value of the service fees is 120 million Baht. The first payment is a lump sum of 30 million Baht. The remaining 90 million Baht will be made in installments in line with the production through August 2015, the expiration date of the current 5-year period of the mining concession.

The purpose of entering into this transaction is the Company need to develop short to medium term Zinc mineral resources to replace its depleting mine and the fact that this existing facility is the closest to the smelter.

The future plans for the Mawkhi mine include verifying the known resources, operating the existing facility, and then doubling its capacity. The plan also involves launching an exploration programme through the concession and to later decide on expansion.

After the presentation, questions were answered to the shareholders satisfaction by Mr. André and Ms. Jirayong, the Independent Financial Advisor.

The Chairman then mentioned that the Board of Directors is of the view that the entering into such transaction would be beneficial to the Company. The Company will then have an opportunity to develop additional zinc mineral resources in order to replace part of zinc mines of the Company in Mae Sod, Tak Province. He then recommended to the shareholders to approve the transaction.

This type of transaction requires no less than three fourths of positive votes.

The shareholders approved the connected transaction between South East Asia Metals Company Limited, a subsidiary of the Company and Mali Mining & Metallurgy Pte. Ltd. (“Mali”) with its 100% shares held by Mr. Waykin Uthartharm, Chief Financial Officer (CFO) of the Company, as follows:

|                           |             |                      |         |
|---------------------------|-------------|----------------------|---------|
| Approved, representing    | 109,884,013 | votes, equivalent to | 98.96 % |
| Disapproved, representing | 105,000     | votes, equivalent to | 0.09 %  |
| Abstained, representing   | 1,048,800   | votes, equivalent to | 0.95 %  |

IX. Other matter

- None -

The Chairman invited the shareholders to comment and ask questions. Suggestions by shareholders were taken into consideration and all questions have been answered by the MD and the members of the Board.

As there were no further comments, the Chairman called the Meeting adjourned at 16.20 hours.

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

(Mr. Arsa Sarasin)  
Chairman of the Board

\_\_\_\_\_  
(Mr. Surin Tanticharoenkiat)  
Company Secretary