

[Translation]

Ref. PDI/BK-BS-006/2011

23rd February 2011

To : President
The Stock Exchange of Thailand

Re. : Resolutions of the board of directors' meeting, No. 01-2011

The Board of Directors of Padaeng Industry Public Company Limited at its meeting, No. 01-2011 on 22 February 2011 has adopted the following resolutions:

1. Approved the dividend payment for 2010 at 1.29 THB per share amounted to 291.54 MTHB, which will be allocated to the shareholders listed in the shareholders' Register of the Stock Exchange of Thailand as of Tuesday 10th May 2011. Also, Wednesday 11th 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 and dividend payment will be paid on Tuesday 24th May 2011. This will be submitted for final approval at the AGM.
2. Approved the 2010 director bonus to be maintained at the previous level which would not exceed 1 percent of the dividend distributed to the shareholders. This will be submitted for final approval at the AGM.
3. Noted 4 board members who will retire by rotation namely Mr. Karel Vinck, Mr. Madhu Koneru, Mr. Surapol Supradit and Mr. Ravi Gidwani and will propose these 4 board members for re-election as directors for another term at the AGM.
4. Approved to convene the 2011 Ordinary Shareholders' Meeting on Wednesday, 27th April 2011 at 14:00 hr, At Petch-Pailin Room, 11th Floor, Windsor Suites Hotel, 8 Sukhumvit 18-20, Sukhumvit Road, Klongtoey, Bangkok 10110, Thailand, with the following agenda:
 - I. Subject to be informed by the Chairman of the Board of Directors (if any);
 - II. Approve minutes of the 2010 Ordinary Shareholders' Meeting held on 26th April 2010;
 - III. Annual Report of the Board of Directors for the year 2010;
 - IV. Approve the audited balance sheet and profit and loss statement for 2010;
 - V. Approve the net profit appropriation and dividend payment for 2010;
 - VI. Elect new members of the 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.
 - VII. Approve the 2010 annual remuneration of the Board;
 - VIII. Appoint the Company's auditors for the year 2011 and approve the audit fees;
 - IX. Approve entering into a connected transaction; and
 - X. Other matters.

The Shareholders entitled to attend the meeting and cast votes at the meeting shall be those listed in the shareholders' Register of the Stock Exchange of Thailand as of Wednesday 30th March 2011. Also, Thursday 31st March 2011 shall be the book closing date on which the shareholders are listed as specified in Section 225 of the Securities and Exchange Act.

5. Approved South East Asia Metals Company Limited (“SEAMET”), which is the Company’s subsidiary (100% of SEAMET’s shares are held by Padaeng Properties Company Limited, of which 100% of its shares are held by the Company) to enter into a service agreement related to a mining operation in the Union of Myanmar with Mali Mining & Metallurgy Pte. Ltd., of which 100% of its shares are held by Mr. Waykin Uthartharm, who holds the position of a Chief Financial Officer (CFO) in the Company. The entering into such service agreement is regarded as a connected transaction, details of which are as follows:

1. Date of Transaction: 22nd February 2011 (the date the Board of Directors approved the transaction and proposed same to the AGM for approval)

2. Related Parties:

Service Receiver	South East Asia Metals Company Limited, which is a subsidiary of the Company
Service Provider	Mali Mining & Metallurgy Pte. Ltd. (“Mali”) Relationship to the listed Company Mr. Waykin Uthartharm, who holds 100% of the shares in Mali and is an authorized director of Mali, and holds the position of a Chief Financial Officer (CFO) in the Company.

3. General Description of the Transaction

The Company will receive services related to a mining operation in the Union of Myanmar, from Mali, which is a company registered in Singapore, whereby Mali is experienced in zinc mining operations, and owns mining plants and related equipment in Mawkeeh, Kayin State, Union of Myanmar. Since the year 2008, Mali has assisted SEAMET in obtaining the rights in a mining concession license from Mayflower Mining enterprises Co., Ltd., which is a company that has acquired the mining concession from the Myanmar Government on 4 September 2009. In addition, Mali has assisted SEAMET in other matters related to the mining operation, which Mali has absorbed its own costs.

4. Total Value of Transaction

With respect to the payment of these services, the total value of the service fees in this transaction in US Dollars is equivalent to Baht 120 million. The payment will be made in installments, within the period ending 10 August 2015, which is the expiration date of the mining license of SEAMET. SEAMET agrees to make the first payment of Baht 30 million as an advance payment of the Baht 120 million. The outstanding payment will be paid based on the quantity of zinc obtained from the Mawkeeh Mine and inspected and confirmed by the Company’s smelter.

The size of the transaction calculated as percentage of the book value of the net tangible assets according to the Company’s financial statement as of 31 December 2010 is more than 0.03% but less than 3.0% of the book value of the net tangible assets. Therefore, the Company is required to seek approval in entering into the transaction from the Board of Directors of the Company and to disclose the information to the SET.

5. Source of Funding: Working capital.
6. Board of Directors' Opinion

The Company's Board of Directors is of the view that the entering into such transaction will be beneficial to the Company. The Company will have an opportunity to develop additional zinc mineral resources for a short and medium term, in order to replace part of zinc mines of the Company in Mae Sod District, Tak Province. The location of the Mawkhee mine is also situated near the border of Thailand, in the area of Umphang District, Tak Province, and which is near the Company's existing mine and smelter in Tak. The Company will save transportation costs if compared to the investment in other countries such as Laos and Vietnam.

The Company's Board of Directors is further of the view that although the said transaction is not a transaction requiring a shareholders' approval, the transaction should be made on the most transparent basis and be subject to review, question and approval of all the Company's shareholders. It is therefore resolved to propose the transaction to the meeting of the shareholders of the Company for its consideration and approval as if the transaction were that requiring approval from the meeting of the shareholders. The rules of the stock Exchange of Thailand on entering into a connected transaction shall strictly be compiled with.

7. Opinion of the Audit Committee and/or the Company's directors that conflicts with the opinion of the Board of Directors

None.

Please be notified accordingly.

Yours truly,

- Signature -

(Mr. Surin Tanticharoenkiat)
Company Secretary

Board Secretary Division
Tel. 02 695 9499 Ext. 9335
Fax 02 695 9493