

MINUTES OF THE 2007 ANNUAL GENERAL MEETING OF SHAREHOLDERS
OF
PADAENG INDUSTRY PUBLIC COMPANY LIMITED

The Meeting was held on Monday, 23 April 2007 at 14.00 hours in Meeting Room 1-2 or the Queen Sirikit National Convention Center, No. 60 Ratchadapisek Road, Klongtoey Sub-District, Klongtoey District, Bangkok.

Directors present at the meeting:

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| 1. Mr. Arsa Sarasin | Chairman of the Board |
| 2. Mr. Vinai Vamvanij | Independent Director and Chairman of the Audit Committee |
| 3. Mr. Paron Israsena | Independent Director and Member of the Audit Committee |
| 4. Mrs. Sirinuj Bisonyabut | Director |
| 5. Mr. Pinit Vongmasa | Director |
| 6. Mr. Thanin Serngadichaivit | Director |
| 7. Mr. Bernard Tonnon | Director and Managing Director |
| 8. Mr. Vinij Ongnegnun | Director and Deputy Managing Director |

Two representatives from the Auditors, PricewaterhouseCoopers ABAS Limited:

1. Mr. Mihir S. Trivedi
2. Ms. Prim Manusook

Preliminary Proceeding

The Chairman, Mr. Arsa Sarasin, noted that 198 of the Company's 4,956 shareholders were present at the Meeting either in person or by proxy, representing 151,182,120 of the 226,000,000 issued and paid-up shares or 66.89 percent. As over one third of the issued and paid-up shares were represented, quorum is met as stipulated by Article 32 of the Company's Articles of Association. The Chairman thus opened the 2007 Annual General Meeting of Shareholders.

At the Chairman's request, the Board Secretary explained the voting procedures, which are summarized below:

- In accordance with Article 34, a shareholder or his/her proxy has one vote for each share he/she owns.
- The shareholders will vote for each motion by raising their hands. If a shareholder wishes to vote against a motion or abstain, he/she should record his/her vote in a vote confirmation form and sign it. Officials will collect the vote confirmation forms only for Nay votes and abstentions, and not for Yea votes.
- The Company will count the votes by subtracting Nay votes and abstentions from all the votes present at the Meeting, and consider the remainder Yea votes. Votes in advance

via proxy statements will also be counted. A motion needs a majority of the votes present to pass.

- The voting results will be announced before the end of the Meeting.

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 informed the Meeting of the Company's shareholding status as of 3 April 2007, on which date the share register book was closed for this Meeting. According to the Chairman, the company has a total of 4,956 shareholders, consisting of 4,936 Thai nationals holding 115,260,000 shares or 51.00 percent, and 20 foreign nationals holding 110,740,000 shares or 49.00 percent.

The Meeting took note of the information.

II. Approval of minutes of the 2006 Ordinary shareholders' Meeting on 26 April 2006

The Chairman called upon the shareholders to consider and approve the minutes of the 2006 Annual General Meeting of Shareholders, which took place on 26 April 2006. The shareholders approved this agenda by a simple majority vote. Of the 198 shareholders and 151,181,120 votes present at the Meeting:

- 197 shareholders approved, representing 151,180,320 votes (99.999%)
- 1 shareholder disapproved, representing 1,800 votes (0.001%)
- 0 shareholder abstained, representing 0 vote (0%)

III. Annual report of the Board of Directors for the year 2006

The Managing Director presented a summary of major factors that affected the Company's operations in 2006:

1. The shortage of zinc concentrates in the world market that had begun in 2005 continued to worsen in 2006, restricting supplies to most smelters including the Company.
2. Zinc prices reached new historical highs in 2006, reflecting market imbalance, which was exacerbated by speculation from investment funds.
3. On the local front, the consumption of zinc was unfortunately affected by the political turmoil and the high zinc price.

The Managing Director then presented the Company's operating results in 2006 to shareholders:

- Sales volume dropped but profit rose on high zinc prices. Although partially inhibited by disadvantageous forward sales, the Company's profit reached a new high in 2006, allowing the Company to offer a dividend almost five times as high as that of the previous year.
- Turnover rose again to Bt10,300m, yielding a gross profit of Bt2,676m, or twice as high as in 2005. Earnings before interests and taxes (EBIT) almost tripled at Bt1,777m and net consolidated profit more than tripled at Bt1,765m, or 7.81 Baht per share.

- The Company's capital stock increased only moderately even as zinc prices rose sharply, resulting in a return on capital of 42 percent, a level never before seen in the industry (compare the 2005 ROC of 0.7 percent, which was approximately at break-even).
- Shareholders' equity increased more than 40 percent to Bt5,021m, with a net cash position at Bt102m. This solid financial footing is another reason the Board can recommend a much higher dividend.
- Study of the Company's share price against the global zinc price and the SET index reveals that the Company's share price correlates with the global zinc price.
- Local demand for zinc increased only 1.6% in 2006 to 115,000 metric tons. The company actually started the year with a surprisingly good demand but a limited capacity which led to focus exclusively on the local market. Local demand fell sharply in the third quarter, however, and the Company was exporting again by the fourth quarter.
- The Company's zinc products in 2006 consisted of 66,200 metric tons of pure ingots (up from 2005) and 28,500 metric tons of alloys (down from 2005).
- The Company's mining activity in 2006 was moderately high due to increased removal of overburden and waste rock. Net production after flotation was in line with the 2005 level, that is 75,000 tons of high-grade zinc and 100,000 tons of zinc concentrates.
- It is to be noted that the lower zinc content in the ore has led to lower overall contribution from the Mae Sod mine in the smelter feed
- The Mae Sod mine's reserve was estimated according to international standards at 4.3 million tons, with an average zinc content of 9.2 percent. Of that, 3.7 million tons were recoverable, with an average zinc content of 9.1 percent. This translates into a mine life of about eight years, conditional on the smelter's rate of consumption.
- The Company's mining lease will expire in October 2007 and the renewal process is well under way. The Company's environmental impact assessment (EIA) has already been approved by Office of Natural Environmental Policy and Plan (ONEP) and the file is now proceeding to the next steps.
- On the exploration front, the Company is drilling at many locations this year and will further explore the several concessions granted to us, including one in Laos.
- As always, the Company keenly supported local communities, especially the Mae Tao Basin ones, with the creation of health funds for local villagers.
- The Company has agreed to form a joint venture to grow sugarcane for ethanol production with Petrogreen Co. Ltd. and Thai Oil Public Co. Ltd. The final feasibility study is currently being conducted on the project.
- On the operations side, all of the Company's three plants continued to improve their E-H-S management programs, winning many best practice awards and honors.
- In conclusion, the Company delivered a strong performance overall in 2006, a historic year in which the Company achieved a record-breaking profit. As a result, the Company now has the financial strength and readiness to confidently face future challenges.

Shareholders acknowledged the presentation.

IV. Approval of the audited balance sheet and profit and loss statement for 2006

The Chairman asked the shareholders to consider and approve the Company's 2006 audited balance sheet and profit and loss statement as appeared on pages 32-64 in the 2006 annual report.

The shareholders approved this agenda by a simple majority vote. Of the 198 shareholders and 151,181,120 votes present at the Meeting:

- 193 Shareholders approved, representing 151,110,320 votes (99.953%)
- 1 Shareholder disapproved, representing 1,800 votes (0.001%)
- 4 Shareholders abstained, representing 70,000 votes (0.046%)

V. Approve the net profit appropriation and dividend payment for 2006

Chairman announced that the company had a net profit of Bt1,759.50m. According to the Company's dividend policy, at least 5 percent of after-tax profit must be put in reserve, until the total reserve equals at least 10 percent of the company's authorized share capital. Under normal circumstances, the company may distribute up to 50 percent of after-tax profit as dividends. The Board recommended that Bt87.97m be set aside as a legally required reserve and that Bt1,175m, or 5.20 Baht per share, be paid out as dividends to the holders of the Company's 226 million shares. At 66.79% of net profit, the dividend payment was higher than stated in the dividend policy.

Individual shareholders shall not be entitled to tax credits as the dividends are paid out of a net profit after deducting five-year accumulated losses.

The Company's share transfer book will be closed for dividend rights on Tuesday, 8 May 2007 at 12.00 hr and dividend payments will be made on Tuesday 22 May 2007. The receipt of such dividend shall be within 10 years.

The shareholders approved the 2006 profit appropriation and dividend payment by a simple majority vote. Of the 198 shareholders and 151,181,120 votes present at the Meeting:

- 194 shareholders approved, representing 151,113,320 votes (99.954%)
- 1 shareholder disapproved, representing 1,800 votes (0.001%)
- 3 shareholders abstained, representing 67,000 votes (0.044%)

VI. Elect new members of the board of directors to replace those who retire by rotation and acknowledge the appointment of the new director.

The Chairman announced that in accordance with Article 22 of the Company's Articles of Association, three of the Company's ten directors were due to retire by rotation at this annual meeting.

As the Chairman, Mr. Arsa Sarasin, was one of those three directors, the Chairman of the Nomination and Remuneration Committee (Mr. Paron Israsena) was asked to conduct the Meeting in his place. The Chairman of the Nomination and Remuneration Committee announced the names of the three directors due to retire by rotation, to wit Mr. Arsa Sarasin, Mr. Aswin Kongsiri, and Mr. Pinit Vongmasa.

Previously, at Board Meeting No. 01-2007 on 16 February 2007, the Board had agreed with the Nomination and Remuneration Committee's judgment that the three directors' expertise, competence, and experience were still beneficial to the company and had recommended that all three be reelected.

At the same meeting, the Board had also appointed Mr. Thanin Serngadichaivit to the seat left vacant by a former director, Mr. Kosit Panpiemras, for the remainder of his term in accordance with Article 25 of the Company's Articles of Association.

Prior to the vote, the following opinions were expressed by shareholders:

1. A director should not hold directorships at more than five public companies.
2. A director should have an attendance rate of at least 75 percent at the board meetings to be eligible for reelection.

The shareholders reelected all of the three board members who had retired by rotation, and acknowledged the appointment of Mr. Thanin Serngadichavit to replace Mr. Kosit Panpiemras.

The voting results for each director, from the 198 shareholders and 151,181,120 votes present at the Meeting:

1. Mr. Arsa Sarasin
 - 197 shareholders approved, representing 151,180,320 votes (99.999%)
 - 1 shareholder disapproved, representing 1,800 votes (0.001%)
 - 0 shareholder abstained, representing 0 vote (0%)
2. Mr. Aswin Kongsiri
 - 192 Shareholders approved, representing 150,832,220 votes (99.769%)
 - 5 Shareholders disapproved, representing 349,800 votes (0.231%)
 - 1 Shareholder abstained, representing 100 votes (0.000%)
3. Mr. Pinit Vongmasa
 - 197 Shareholders approved, representing 151,180,220 votes (99.999%)
 - 1 Shareholder disapproved, representing 1,800 votes (0.001%)
 - 0 Shareholder abstained, representing 0 vote (0%)

VII. Approve the 2006 bonus payment to the board

The Chairman announced that since the Company's performance in 2006 had been outstanding, the management had seen fit to award bonuses to non-executive directors. After considering figures from other companies in the industry, the Nomination and Remuneration Committee decided to maintain the cap on directors' bonus payment at 1 percent of the total dividend payment to the shareholders and recommended a total bonus payment of 11,751,800 Baht or 1,525,400 Baht on average for each director (the actual payout will be proportional to each director's length of tenure in 2006).

The Meeting approved bonus payment to the directors for 2006 by a simple majority vote. Of the 198 shareholders and 151,181,120 votes present at the Meeting:

- 193 Shareholders approved, representing 151,113,140 votes (99.954%)
- 4 Shareholders disapproved, representing 68,880 votes (0.046%)
- 1 Shareholder abstained, representing 100 votes (0.000%)

VIII. Confirm the appointment of the company's auditors for the year 2007 and approve the audit fees.

The Chairman announced the Audit Committee's selection of PricewaterhouseCoopers ABAS Limited as the Company's Auditors. During its six years in this capacity from 2001 to 2006, PricewaterhouseCoopers had undertaken the responsibilities with competence and high standards and for reasonable fees.

The Audit Committee recommended that Mrs. Anothai Leekitwattana, Ms. Nangnoi Charoenthavesub, Mrs. Nattaporn Phan-Udom, and Mr. Pisit Thangtanagul (Certified Public Accountants (Thailand) No. 3442, 3044, 3430 and 4095 respectively) of PricewaterhouseCoopers be appointed as the Company's auditors for the year 2007. Any one of these auditors is authorized to audit and comment on the Company's financial statements. If the aforementioned auditors are unavailable, PricewaterhouseCoopers is authorized to assign

another one of its Certified Public Accountants to carry out the work. The Company's audit fee for 2007 will be Bt3.95m.

Prior to the vote, a shareholder expressed the following opinion:

- The Company should change its auditor every five fiscal years.

The shareholders approved the appointment of the Company's auditors for the year 2007 by a simple majority vote. Of the 198 shareholders and 151,181,120 votes present at the Meeting:

- 193 Shareholders approved, representing 150,839,320 votes (99.773%)
- 5 Shareholders disapproved, representing 342,800 votes (0.227%)
- 0 Shareholder abstained, representing 0 vote (0%)

XI. Other matters

The Chairman announced that Umicore Group, a major shareholder with a 47-percent stake in the Company, had declared a plan to merge its zinc operations with those of Zinifex Limited of Australia. The merged entity, to be called Nyrstar, will be the world's largest zinc refiner, with an annual capacity of 1.2 million tons and a workforce of 4500. The new company will begin operations in September and will be incorporated in Belgium and listed in a European stock exchange. Umicore share from the IPO will be about 40 percent and Zinifex, 60 percent, reflecting the relative value of the contributed assets. Umicore will transfer a 24.9-percent stake in the Company to Nyrstar. What Umicore will do with its remaining 22-percent stake will be discussed in the next Board meeting, after which another shareholders' meeting may be called.

The shareholders acknowledged the information and asked additional questions on various issues, which the management responded as follows:

1. The Company's forward sales of zinc in 2006 did lower profits, but what appears in the note to the financial statement in the 2006 annual report is only an estimated fair value of the forward position based on the 2006 year-end closing price.
2. Selling and administrative expenses increased considerably as employees' bonuses were raised in keeping with the Company's improved performances.
3. Inventories grew mainly due to higher zinc prices, even though the volume remained at the same level as before.
4. Mae Sod mine's severity rate rose in 2006 from the previous year because there had been so few accidents that even an accident or two would cause the severity rate to shoot up.
5. The Company has no immediate plan to adopt the Global Reporting Initiative (GRI) guidelines but intends to do so in the future. As a mining company, the Company believes that achieving ISO 14000 certification is currently a more urgent goal.
6. The Company is happy to receive shareholders on a plant visit. Interested shareholders should sign up with the Company.
7. The Joint copper exploration (Puthep Copper Project) with Pan Australian Resources Ltd is the result of a deal made in 2000 and is still in the feasibility studies phase. The Company will negotiate further with Pan Australian after the result of the feasibility study becomes available.
8. The Company currently has no plan to conduct a gold exploration.

The Meeting acknowledged the answers.

As there were no further comments, the Chairman called the Meeting adjourned at 16.30 hours.

Chairman of the Meeting

(Mr. Arsa Sarasin)
Chairman of the Board

(Mr. Bernard Tonnon)
Managing Director

(Mr. Surin Tanticharoenkiat)
Board Secretary