

Ref. PDI/BK-BS-055/2016

8 September 2016

To: President
The Stock Exchange of Thailand

Re.: Press release: "PDI boosts its make-over strategy".

Attached please find the Company's press release dated 8 September 2016 on "PDI boosts its make-over strategy".

Please be notified accordingly.

Yours truly,

- Signature -

(Surin Tanticharoenkiat)
Board Secretary

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Press Release

Padaeng Industry Public Company Limited

September 8, 2016

For further information

Communication

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PDI boosts its make-over strategy

September 8th, 2016, Mr. Francis Vanbellen, Managing Director of Padaeng Industry PCL (PDI), presented the company's 2016 first half year performance.

In HY1 2016, PDI's consolidated net profit reached 131MB compared to 387MB in HY1 2015. This resulted from increased sales volumes at inferior zinc prices. The average LME zinc price during HY1 2016 decreased 16% to 1,796 USD/t from 2,138 during HY1 2015. Other favorable impacts came from the Thai Baht - US dollar depreciation and lower electricity costs.

For Q2 2016, the Company's net profit reached 101MB compared to a net profit of 274MB in Q2 2015. PDI recognized an income of 50MB from the sales of its investment in Padaeng Industry Laos. In Q2 2015, an income of 576MB from the loan forgiveness in Puthep, was recognized.

For HY2 2016, the LME Zinc price is expected to exceed 2,200 USD/ton, having a positive effect on the expected results. In 2016-2017, PDI will mainly generate income from its zinc business. As from 2017, the Company will increase its revenues from new sustainable businesses: PDI Energy, PDI Materials and PDI Eco.

PDI Metals sustains zinc trading & servicing

Mr. Francis Vanbellen added the last zinc silicate ore from the Mae Sod Mine to be refined in the Tak Smelter in 2016 and early 2017, producing 80,000 tons of metal. Upon request of many loyal customers, PDI decided to continue the supply of zinc to the Thai market. PDI Metals will yearly provide 50,000 tons, high quality zinc metal and alloys, whilst further innovating its extensive service portfolio.

PDI Materials invests in innovative technology

PDI-CRT - a joint venture between PDI Materials (51%) and CRT (49%) Norway - holds exclusive rights in Thailand for unique submerged plasma technology to extract zinc and other metals from industrial waste. This ultra-high temperature (UHT) process, provided by ScanArc Plasma Technologies AB of Sweden, has the highest performance commercially available and as such contributes to the most efficient and effective, environmentally friendly, hazardous waste recycling.

The project, with an investment value of approx 1,500MB, started basic engineering and conceptual design. Commercial operations are expected to start in 2018 at PDI's Rayong plant. The Department of Industrial Works fully supports this project as it will help Thailand efficiently manage its industrial waste and solve issues of illegal dumping or export of hazardous waste.

PDI Energy invests in Solar Farming in Japan

PDI Asia Solar Company Limited (a subsidiary of PDI Energy Co., Ltd.) is investing approximately 1,900MB in 3 Solar Farm Projects located in Japan with 13MW total installed capacity. The first project will COD in Q3 2016 (2MW). Two other projects will COD in Q1 2017 (2MW) and Q2 2017 (9MW). PDI expects revenues 200MB yearly.

Additional 20MW is under due diligence with expected COD Q4 2018.

PDI Eco launches Industrial Waste Management in Tak

PDI Tak Eco (a 100% subsidiary of PDI) has entered a joint venture with DOWA Eco-System Co., Ltd. (a subsidiary of DOWA Holdings Co., Ltd.). PDI holds a majority share of 51%. The JV aims to manage at least 50,000 tons yearly of (hazardous) industrial waste in the Northern and Central areas of Thailand.

The project's feasibility study received full support from the Department of Industrial Works, expressed in a MOU signed April 19th, 2016 as the target areas are in line with the Ministry of Industry's industrial waste management strategic plan. Operations are expected to go live 2019, at an investment cost of 300MB for the first phase.

General Information

Padaeng Industry Public Company Limited, or PDI, was founded April 10th, 1981 and introduced at the Stock Exchange of Thailand with a registered capital of Baht 2,260 million. The Company has produced high quality zinc for over 30 years. It has specialized in producing special high-grade zinc ingot and zinc alloys used in the galvanizing and die-casting industries.

In 2014, PDI reassessed its business structure in anticipation of a shift towards Green Business, with the objective to increase eco-efficiency and to foster sustainable growth. The company is structured in three business units: PDI Energy – providing energy mainly from renewable sources; PDI Materials – providing high added value materials mainly from recycling; and PDI Eco – providing eco management services for waste.