

PADAENG INDUSTRY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2016



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Padaeng Industry Public Company Limited

I have reviewed the accompanying consolidated and company statements of financial position as at 31 March 2016, the related consolidated and company statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to interim financial information of Padaeng Industry Public Company Limited and its subsidiaries, and of Padaeng Industry Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

A handwritten signature in blue ink, appearing to read 'Nattaporn Phan-Udom', is written over a light blue horizontal line.

Nattaporn Phan-Udom
Certified Public Accountant (Thailand) No.3430
PricewaterhouseCoopers ABAS Ltd.

Bangkok
9 May 2016

Padaeng Industry Public Company Limited
Statements of Financial Position
As at 31 March 2016

	Notes	Cousolidated		Company	
		Unaudited 31 March 2016 Baht	Audited 31 December 2015 Baht	Unaudited 31 March 2016 Baht	Audited 31 December 2015 Baht
Assets					
Current assets					
Cash and cash equivalents		928,580,489	815,944,768	811,940,137	605,188,825
Short-term investments		621,807,362	385,079,906	526,807,362	385,079,906
Trade accounts receivable - other parties	4	334,687,877	283,520,393	332,703,406	272,353,280
Trade accounts receivable - related party	15 (iv)	-	-	1,317,879	10,211,213
Inventories		2,456,862,219	2,399,991,357	2,456,862,219	2,399,991,357
Value added tax receivables		11,846,894	38,713,202	10,254,116	37,295,386
Other current assets		39,409,511	11,169,124	35,335,458	7,251,906
Total current assets		4,393,194,352	3,934,418,750	4,175,220,577	3,717,371,873
Non-current assets					
Advances to related parties	15 (v)	-	-	3,129,750	1,949,342
Advances to jointly controlled entity		252,520	252,520	-	-
Investments in subsidiaries	15 (i)	-	-	195,049,850	192,549,925
Investments in jointly controlled entities	15 (i)	61,729,363	66,660,312	236,249,800	236,249,800
Long-term loan to jointly controlled entity		105,000,000	105,000,000	105,000,000	105,000,000
Property, plant and equipment	5	796,762,373	951,760,428	799,922,002	954,891,216
Exploration and acquisition costs	6	6,125,597	7,954,833	6,125,597	7,954,833
Other non- current assets					
- deferred environmental rehabilitation expenses		14,810,800	20,635,953	14,810,800	20,635,953
- deferred environmental risk assurance expenses		3,283,267	4,186,444	3,283,267	4,186,444
- others		11,818,009	13,872,438	3,173,008	5,227,437
Total non-current assets		999,781,929	1,170,322,928	1,366,744,074	1,528,644,950
Total assets		5,392,976,281	5,104,741,678	5,541,964,651	5,246,016,823

Director.....

Director.....

Padaeng Industry Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 March 2016

	Notes	Consolidated		Company	
		Unaudited 31 March 2016 Baht	Audited 31 December 2015 Baht	Unaudited 31 March 2016 Baht	Audited 31 December 2015 Baht
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	8	235,473,773	233,194,978	235,473,773	233,194,978
Trade accounts payable		386,745,160	94,900,795	385,719,310	93,671,965
Accrued electricity expenses		92,289,786	87,359,508	92,289,786	87,359,508
Other payable- related party	15 (vi)	-	-	527,576	511,766
Income tax payable		68,744,210	68,596,690	68,176,594	68,176,594
Current portion of provision for restoration and rehabilitation expenses	10	251,844,429	-	251,844,429	-
Other current liabilities	11	304,840,885	166,759,542	300,818,259	162,592,368
Total current liabilities		1,339,938,243	650,811,513	1,334,849,727	645,507,179
Non-current liabilities					
Provision for cadmium legal case		28,890,000	27,000,000	28,890,000	27,000,000
Provision for restoration and rehabilitation expenses	10	136,670,518	428,057,372	136,670,518	428,057,372
Employee benefit obligations	12	223,237,969	220,405,430	223,237,969	220,405,430
Deferred tax liabilities	7	218,234	218,234	218,234	218,234
Other non-current liabilities	13	52,907,089	197,303,164	52,907,089	197,303,164
Total non-current liabilities		441,923,810	872,984,200	441,923,810	872,984,200
Total liabilities		1,781,862,053	1,523,795,713	1,776,773,537	1,518,491,379

The condensed notes to the interim financial information are an integral part of these interim financial information.

Padaeng Industry Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 March 2016

	Consolidated		Company	
	Unaudited	Audited	Unaudited	Audited
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)				
Shareholders' equity				
Share capital				
Authorised share capital				
Ordinary shares, 226,000,000 shares at par value of Baht 10 each	<u>2,260,000,000</u>	<u>2,260,000,000</u>	<u>2,260,000,000</u>	<u>2,260,000,000</u>
Issued and paid-up share capital				
Ordinary shares, 226,000,000 shares paid-up at Baht 10 each	2,260,000,000	2,260,000,000	2,260,000,000	2,260,000,000
Premium on share capital	602,413,600	602,413,600	602,413,600	602,413,600
Cumulative currency differences on translation	(5,174,722)	(5,174,722)	-	-
Retained earnings				
Appropriated legal reserve	226,000,000	226,000,000	226,000,000	226,000,000
Unappropriated	<u>527,875,350</u>	<u>497,707,087</u>	<u>676,777,514</u>	<u>639,111,844</u>
Total equity attributable to owner of the parent company	<u>3,611,114,228</u>	<u>3,580,945,965</u>	<u>3,765,191,114</u>	<u>3,727,525,444</u>
Total shareholders' equity	<u>3,611,114,228</u>	<u>3,580,945,965</u>	<u>3,765,191,114</u>	<u>3,727,525,444</u>
Total liabilities and shareholders' equity	<u>5,392,976,281</u>	<u>5,104,741,678</u>	<u>5,541,964,651</u>	<u>5,246,016,823</u>

The condensed notes to the interim financial information are an integral part of these interim financial information.

Padaeng Industry Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2016

	Notes	Consolidated		Company	
		31 March 2016 Baht	31 March 2015 Baht	31 March 2016 Baht	31 March 2015 Baht
Sales and services	3	1,216,510,223	1,238,757,712	1,206,732,162	1,236,366,732
Cost of sales and services		(1,090,892,679)	(1,012,820,292)	(1,082,646,589)	(1,011,820,183)
Gross profit		125,617,544	225,937,420	124,085,573	224,546,549
Other operating income		5,350,528	15,569,933	5,225,299	14,768,464
Gain on exchange rate		6,867,528	8,879,410	6,854,394	8,894,251
Profit before expenses		137,835,600	250,386,763	136,165,266	248,209,264
Selling expenses		(13,642,973)	(11,949,787)	(13,642,973)	(11,949,787)
Operating and administrative expenses		(88,160,081)	(116,260,678)	(84,110,968)	(114,190,761)
Total expenses		(101,803,054)	(128,210,465)	(97,753,941)	(126,140,548)
Operating profit		36,032,546	122,176,298	38,411,325	122,068,716
Share of (loss) gain of investment in jointly controlled entity on equity method	15 (i)	(4,930,949)	29,719,270	-	-
Profit before finance costs and corporate income tax		31,101,597	151,895,568	38,411,325	122,068,716
Finance costs		(745,655)	(1,826,601)	(745,655)	(1,826,601)
Profit before corporate income tax		30,355,942	150,068,967	37,665,670	120,242,115
Corporate income tax	7	(187,679)	(36,722,822)	-	(36,545,143)
Net profit for the period		30,168,263	113,346,145	37,665,670	83,696,972
Other comprehensive income					
Currency differences on translation		-	1,979,003	-	-
Total comprehensive income for the period		30,168,263	115,325,148	37,665,670	83,696,972
Net profit for the period attributable to:					
Owners of the parent		30,168,263	113,671,660	37,665,670	83,696,972
Non-controlling interests		-	(325,515)	-	-
		30,168,263	113,346,145	37,665,670	83,696,972
Total comprehensive income for the year attributable to:					
Owners of the parent		30,168,263	115,650,663	37,665,670	83,696,972
Non-controlling interests		-	(325,515)	-	-
		30,168,263	115,325,148	37,665,670	83,696,972
Earnings per share					
Basic earnings per share		0.13	0.50	0.17	0.37

The condensed notes to the interim financial information are an integral part of these interim financial information.

Padaeng Industry Public Company Limited
Statements of Changes in Shareholders' Equity
For the three-month period ended 31 March 2016

	Consolidated (Unaudited)							
	Attributable to owners of the parent							
	Issued and paid-up share capital Baht	Premium on share capital Baht	Cumulative currency differences on translation Baht	Retained earnings		Total owners of the parent Baht	Non- controlling interests Baht	Total shareholders' equity Baht
				Appropriated legal reserve Baht	Unappropriated Baht			
Opening balance as at 1 January 2015	2,260,000,000	602,413,600	(7,133,551)	226,000,000	442,295,060	3,523,575,109	(198,361,873)	3,325,213,236
Net profit for the period	-	-	-	-	113,671,660	113,671,660	(325,515)	113,346,145
Other comprehensive income								
Currency differences on translation	-	-	1,979,003	-	-	1,979,003	-	1,979,003
Total comprehensive income for the period	-	-	1,979,003	-	113,671,660	115,650,663	(325,515)	115,325,148
Closing balance as at 31 March 2015	<u>2,260,000,000</u>	<u>602,413,600</u>	<u>(5,154,548)</u>	<u>226,000,000</u>	<u>555,966,720</u>	<u>3,639,225,772</u>	<u>(198,687,388)</u>	<u>3,440,538,384</u>
Opening balance as at 1 January 2016	2,260,000,000	602,413,600	(5,174,722)	226,000,000	497,707,087	3,580,945,965	-	3,580,945,965
Net profit for the period	-	-	-	-	30,168,263	30,168,263	-	30,168,263
Closing balance as at 31 March 2016	<u>2,260,000,000</u>	<u>602,413,600</u>	<u>(5,174,722)</u>	<u>226,000,000</u>	<u>527,875,350</u>	<u>3,611,114,228</u>	<u>-</u>	<u>3,611,114,228</u>

The condensed notes to the interim financial information are an integral part of these interim financial information.

Padaeng Industry Public Company Limited
Statements of Changes in Shareholders' Equity
For the three-month period ended 31 March 2016

	Company (Unaudited)				Total shareholders' equity Baht
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		
			Appropriated legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2015	2,260,000,000	602,413,600	226,000,000	824,363,877	3,912,777,477
Net profit for the period	-	-	-	83,696,972	83,696,972
Closing balance as at 31 March 2015	<u>2,260,000,000</u>	<u>602,413,600</u>	<u>226,000,000</u>	<u>908,060,849</u>	<u>3,996,474,449</u>
Opening balance as at 1 January 2016	2,260,000,000	602,413,600	226,000,000	639,111,844	3,727,525,444
Net profit for the period	-	-	-	37,665,670	37,665,670
Closing balance as at 31 March 2016	<u>2,260,000,000</u>	<u>602,413,600</u>	<u>226,000,000</u>	<u>676,777,514</u>	<u>3,765,191,114</u>

The condensed notes to the interim financial information are an integral part of these interim financial information.

Padaeng Industry Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month period ended 31 March 2016

	Notes	Consolidated		Company	
		31 March 2016 Baht	31 March 2015 Baht	31 March 2016 Baht	31 March 2015 Baht
Cash flows from operating activities					
Profit before corporate income tax		30,355,942	150,068,967	37,665,670	120,242,115
Adjustments for:					
Unrealised loss (gain) on foreign currency		2,090,367	(1,929,654)	2,090,367	(1,929,654)
Depreciation and amortisation expenses		180,650,469	99,559,386	180,621,628	99,565,113
Interest expenses		745,655	1,826,601	745,655	1,826,601
Interest income		(1,640,738)	(11,214,785)	(1,256,131)	(10,159,936)
Share of loss (gain) from jointly controlled entities	15 (i)	4,930,949	(29,719,270)	-	-
Allowance for doubtful debts		-	-	250,000	-
Allowance of slow-moving and obsolete stocks (reversal)		(215,230)	1,976,725	(215,230)	1,976,725
Allowance for diminution of inventories		(5,691,447)	-	(5,691,447)	-
Provisions for employee benefits	12	4,783,479	2,850,540	4,783,479	2,850,540
Provision for asset impairment	5	610,673	(291,961)	610,673	(370,791)
Provisions for restoration expense	10	16,552,915	27,015,705	16,552,915	27,015,705
Changes in operating assets and liabilities					
Trade accounts receivable - other parties		(55,635,749)	61,055,354	(64,818,391)	60,904,097
Trade accounts receivable - related party		-	-	8,893,334	-
Inventories		(50,960,887)	(544,581,420)	(50,960,887)	(544,581,420)
Value added tax receivables		26,866,308	(3,647,761)	27,041,270	(3,616,381)
Other receivable - related party		-	-	(1,430,408)	(10,000)
Other current assets		(27,733,950)	(9,095,518)	(27,577,115)	(8,153,650)
Other non-current assets					
- deferred environmental expenses		(4,636,258)	(11,681,466)	(4,636,258)	(11,681,466)
- others		378,906	(9,638,030)	378,906	(9,640,780)
Trade accounts payable		293,162,144	216,106,264	293,365,124	216,526,200
Accrued electricity expenses		4,930,278	(50,589,857)	4,930,278	(50,589,857)
Royalty payable		1,420,000	-	1,420,000	-
Other payable - related party		-	-	15,810	(219,182)
Other current liabilities		136,652,319	(10,848,815)	136,796,867	(10,771,251)
Provision for cadmium legal case		1,890,000	-	1,890,000	-
Provisions for restoration expenses utilised	10	(56,095,340)	(20,001,412)	(56,095,340)	(20,001,412)
Provisions for employee benefits expenses utilised	12	(1,950,940)	-	(1,950,940)	-
Other non-current liabilities		(144,396,075)	40,415,364	(144,396,075)	40,415,364
Cash generated from operation		357,063,790	(102,365,043)	359,023,754	(100,403,320)
Interest paid		(734,956)	(1,675,320)	(734,956)	(1,675,320)
Income tax paid		(52,136)	(41,940)	(11,977)	(41,939)
Net cash provided by (used in) operating activities		356,276,698	(104,082,303)	358,276,821	(102,120,579)

The condensed notes to the interim financial information are an integral part of these interim financial information.

Padaeng Industry Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the three-month period ended 31 March 2016

	Consolidated		Company	
	31 March 2016 Baht	31 March 2015 Baht	31 March 2016 Baht	31 March 2015 Baht
<u>Cash flows from investing activities</u>				
Cash paid for short-term investments	(236,795,955)	(339,805,055)	(141,795,955)	(201,805,055)
Cash paid for investments in subsidiary	15 (i) -	-	(2,499,925)	-
Interest received	2,304,585	5,630,279	1,919,978	5,630,279
Cash paid for purchase of property, plant and equipment	5 (11,397,037)	(22,935,953)	(11,397,037)	(22,935,953)
Net cash used in investing activities	(245,888,407)	(357,110,729)	(153,772,939)	(219,110,729)
<u>Cash flows from financing activities</u>				
Payments on short-term loans from financial institutions	2,528,857	485,904,011	2,528,857	485,904,011
Proceeds from long-term loan from other party	-	569,455	-	-
Dividends payment	(1,676)	(7,229)	(1,676)	(7,229)
Net cash provided by financing activities	2,527,181	486,466,237	2,527,181	485,896,782
Effects from changes in exchange rate for cash and cash equivalents	(279,751)	1,367,580	(279,751)	1,367,580
Net increase in cash and cash equivalents	112,635,721	26,640,785	206,751,312	166,033,054
Cash and cash equivalents at beginning of the period	815,944,768	914,927,885	605,188,825	741,125,578
Cash and cash equivalents at end of the period	928,580,489	941,568,670	811,940,137	907,158,632

The condensed notes to the interim financial information are an integral part of these interim financial information.

1 General information

Padaeng Industry Public Company Limited (the “Company”) was established on 10 April 1981 and has been listed on the Stock Exchange of Thailand since 21 July 1987.

The Company’s registered office is at CTI Tower, 26th-27th floor, 191/18-25 Rachadaphisek Road, Khlong Toei District, Bangkok. The Company operates a zinc mine and a zinc smelter located in the Tak Province and a roaster plant located in the Rayong Province.

For reporting purposes, the Company, its subsidiaries and jointly controlled entity are referred to as the Group.

These interim consolidated and company financial information were authorised for issue by the Board of Directors on 9 May 2016.

These interim consolidated and company financial information have been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

These interim consolidated and company financial information are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e., statement of financial position, statement of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34 (revised 2014), “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015.

An English version of the interim consolidated and company financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2015.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2 Accounting policies

2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group.

a) Financial reporting standards, which have a significant impact to the group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.

2 Significant accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards (Cont'd)

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the group. (Cont'd)

a) Financial reporting standards, which have a significant impact to the group: (Cont'd)

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

b) Financial reporting standards with minor changes and do not have impact to the group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

3 Segment information

The Group produces zinc products in Thailand for both domestic and export markets, utilising the same assets. The Group has one reportable segment which is the zinc smelter and the roaster plant. The chief operating decision maker reviews the internal management report which reported the performance of the Group as a whole in order to assess performance and allocate resources. The chief operating decision maker assesses the performance of the reportable segment based on a measure of revenue, cost of goods sold, gross margin and earnings before interest income and expense, tax, depreciation and amortisation. The following is information relating to this operating segment:

For the three-month period ended 31 March	Unaudited	
	2016 in million Baht	2015 in million Baht
Revenue domestic		
- zinc ingot	620	539
- zinc alloy	443	568
- others	38	27
Revenue export		
- zinc ingot	60	-
- zinc alloy	56	98
- others	-	7
Total sales and services	<u>1,217</u>	<u>1,239</u>
Operating profit	<u>36</u>	<u>122</u>
Net profit for the period	<u>30</u>	<u>113</u>

All assets relating to the production of zinc products are at the Company's facilities in Tak Province and Rayong Province. Total assets are as disclosed in Note 5.

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4 Trade accounts receivable - other parties

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Trade accounts receivable	334,687,877	283,520,393	332,703,406	272,353,280
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable, net	<u>334,687,877</u>	<u>283,520,393</u>	<u>332,703,406</u>	<u>272,353,280</u>

Outstanding trade accounts receivable as at 31 March 2016 and 31 December 2015 can be analysed as follows:

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Up to 3 months	334,687,877	283,520,393	332,703,406	272,353,280
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable, net	<u>334,687,877</u>	<u>283,520,393</u>	<u>332,703,406</u>	<u>272,353,280</u>

5 Property, plant and equipment

	Consolidated Baht	Company Baht
For the three-month period ended 31 March 2016		
Opening net book value	951,760,428	954,891,216
Acquisition of assets and capital in progress	11,397,037	11,397,037
Provision for asset impairment	(610,673)	(610,673)
Disposal of assets	(3,297)	(3,297)
Depreciation expense	<u>(165,781,122)</u>	<u>(165,752,281)</u>
Closing net book value	<u>796,762,373</u>	<u>799,922,002</u>

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6 Exploration and acquisition costs

Exploration and acquisition costs as at 31 March 2016 and 31 December 2015 comprise:

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
<u>Exploration costs</u>				
Exploration costs - Beginning balance for the period/year	175,683,167	1,106,221,441	76,039,308	80,294,112
Written-off exploration costs	-	(4,254,804)	-	(4,254,804)
Transfer out provision for impairment of exploration costs	-	(926,283,470)	-	-
<u>Less</u> Provisions for impairment of exploration costs	<u>(175,683,167)</u>	<u>(175,683,167)</u>	<u>(76,039,308)</u>	<u>(76,039,308)</u>
Ending balance for the period/year	-	-	-	-
<u>Acquisition costs</u>				
Land use compensation-net	3,016,623	4,022,177	3,016,623	4,022,177
Other capitalised expenditure-net	3,108,974	3,932,656	3,108,974	3,932,656
Ending balance for the period/year	6,125,597	7,954,833	6,125,597	7,954,833
Total	6,125,597	7,954,833	6,125,597	7,954,833

Exploration costs

Exploration costs consist previously those incurred by the Company and its subsidiaries, Padaeng Industry (Laos) Co., Ltd. ("Padaeng Industry (Laos)"). In accordance with the Group's accounting policy for exploration, these costs will remain capitalised until final determination of whether economically recoverable resource exists. The remaining balance of acquisition costs are related to mining license no.5 which will be expired within 2016.

Padaeng Industry (Laos) Co., Ltd.

In October 2006, the Company through its subsidiary Padaeng Industry (Laos) signed a 5-year exploration agreement with the Department of Mines and Geology of Lao PDR which expired on 27 October 2011 and has been extended to 4 January 2015, for the purposes of exploring and producing resources containing Zinc. As at 31 December 2015, the total amount of exploration costs capitalized amounted to Baht 106.8 million. The Company's management concluded that significant expenditures and alternative expensive drilling methods currently not used by the company would be required to strengthen the assessment of the project's commercial viability. Consequently the company has ceased all exploration activities and has recognised a provision for impairment with respect to the exploration costs capitalised. The Company have concluded its negotiation with potential buyers and sales process expects to be completed within 2016.

7 Deferred income taxes and income taxes

Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and using a principal tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarised below:

	Consolidated			
	31 December 2015 Baht	Credit to statements of comprehensive income Baht	Utilised tax Benefit Baht	31 March 2016 Baht
Deferred income tax assets	-	-	-	-
Deferred income tax liabilities	(218,234)	-	-	(218,234)
Deferred income taxes, net	(218,234)	-	-	(218,234)

	Company			
	31 December 2015 Baht	Credit to statements of comprehensive income Baht	Utilised tax Benefit Baht	31 March 2016 Baht
Deferred income tax assets	-	-	-	-
Deferred income tax liabilities	(218,234)	-	-	(218,234)
Deferred income taxes, net	(218,234)	-	-	(218,234)

Income taxes

	For the three-month periods ended 31 March			
	Consolidated		Company	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current taxes	187,679	36,722,822	-	36,545,143
Deferred income taxes	-	-	-	-
Income taxes	187,679	36,722,822	-	36,545,143

8 Short-term loans from financial institutions

Short-term loans from financial institutions as at 31 March 2016 and 31 December 2015 comprise:

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Trust Receipts	235,473,773	233,194,978	235,473,773	233,194,978

The Company has entered into short-term financing arrangements to fund its operations with various financial institutions. The interest rates, the Company is paying on the trust receipts, is in the range of 1.10% - 1.42% per annum.

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9 Bank guarantees

As at 31 March 2016, the Company and subsidiaries have given letters of guarantee in the ordinary course of business issued by banks of approximately Baht 398.43 million (2015: Baht 398.43 million).

10 Provisions for restoration and rehabilitation expenses

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
At 1 January	428,057,372	390,327,856	428,057,372	390,327,856
Accretion expense	16,552,915	85,014,025	16,552,915	85,014,025
Amounts utilised	(56,095,340)	(47,284,509)	(56,095,340)	(47,284,509)
Ending balance for the period/year	<u>388,514,947</u>	<u>428,057,372</u>	<u>388,514,947</u>	<u>428,057,372</u>

The provision for restoration and rehabilitation costs represents amounts provided for 1) the estimated costs of restoration of cadmium and residue ponds at Tak and 2) rehabilitation and environmental risk assurance of the mined area in the Mae Sod in accordance with the government regulations and the Company's commitments. The estimated costs of decommissioning mine properties and residual ponds including removing any related assets and site restoration are included in the cost of restoration and rehabilitation assets as at the date the obligation first arises in conjunction with a related liability recognised in the same amount. This restoration asset is subsequently amortised on a unit-of-production basis. For environmental rehabilitation and environmental risk assurance assets, they are subsequently amortised on a straight-line basis. Accretion expense is recognised to reflect the change in present value of the liability initially recognised using the Company's end of period Weighted Average Cost of Capital ("WACC").

11 Other current liabilities

Other current liabilities as of 31 March 2016 and 31 December 2015 comprise:

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Accrued expenses	38,170,017	71,856,347	37,048,597	71,674,042
Social security and other taxes	11,390,841	7,942,837	11,277,445	7,851,950
Current portion of liabilities under early retirement program	150,288,087	-	150,288,087	-
Others	104,991,940	86,960,358	102,204,130	83,066,376
Total	<u>304,840,885</u>	<u>166,759,542</u>	<u>300,818,259</u>	<u>162,592,368</u>

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12 Employee benefit obligations

The amounts recognised in the statements of financial position are determined as follows:

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
At 1 January	220,405,430	119,912,183	220,405,430	119,888,183
Current service cost	3,191,716	42,875,296	3,191,716	42,875,296
Interest cost	1,591,763	34,228,917	1,591,763	34,228,917
Benefits paid	(1,950,940)	(7,287,140)	(1,950,940)	(7,263,140)
Actuarial loss	-	30,676,174	-	30,676,174
Ending balance for the period/year	<u>223,237,969</u>	<u>220,405,430</u>	<u>223,237,969</u>	<u>220,405,430</u>

The Company recognises the costs of employee retirement benefits payable in accordance with Thai Labour Law. The amount of retirement benefits are recorded based on the projected unit credit method by an actuarial valuation completed using end of period employee wages, turnover rates, retirement ages, mortality, length of service and other factors. All actuarial gains and losses following changes in actuarial assumptions of post employment defined benefit plans are recognised through equity in the year of occurrence.

13 Other non-current liabilities

Other non-current liabilities as of 31 March 2016 and 31 December 2015 comprise:

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Liabilities under early retirement program	52,907,089	197,303,164	52,907,089	197,303,164
Total	<u>52,907,089</u>	<u>197,303,164</u>	<u>52,907,089</u>	<u>197,303,164</u>

14 Commitments

- 14.1) As at 31 March 2016 and 31 December 2015, the Company has the following commitments for the acquisition of plant and equipment that have been contracted but not recorded as liabilities:

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Not later than 1 year	15,026,338	14,792,238	15,026,338	14,792,238

As at 31 March 2016 and 31 December 2015, the Company has the following commitments for the purchase of raw materials that have been contracted but not recorded as liabilities:

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Not later than 1 year	184,823,729	218,679,434	184,823,729	218,679,434

In addition, as at 31 March 2016, the Company has contracted for the purchase of raw materials that contained zinc units of approximately 382 tones (31 December 2015: 532 tones).

- 14.2) As at 31 March 2016, the balance of forward foreign exchange contracts outstanding were total sales contracts of USD 2,610,000 and total purchase contracts of USD 1,755,001. The changes in fair value of outstanding are Baht 1,915,114 unfavorable and unrealised.

As at 31 March 2016, total sales contracts of 2,650 metric tons of zinc and total purchase contracts of 5,025 metric tons of zinc on the London Metal Exchange are outstanding for transactional hedges only. The change in fair value of these open positions amount to USD 373,059 or Baht 13,142,877 and favorable. These fair values reflect the mark to market values of the contracts at the prevailing period end rates for similar contracts. These positions will be offset by committed and priced physical purchases and sales contracts. The operations carried out on the future markets for hedging transactional risks as described are not of a speculative nature.

Fair values of financial derivative instruments as at the date of financial position are as follows

	Consolidated and Company	
	31 March 2016 Baht	31 December 2015 Baht
Financial instruments of foreign currency exchange rate		
Unfavourable total sales contracts	(514,960)	(16,828,919)
(Unfavourable)/Favourable total buy contracts	(1,400,154)	1,938,251
Financial instruments of commodity products		
Favourable total zinc contracts	13,142,877	71,943,107

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15 Related parties transactions

i) Investments in related parties

Details of investments in subsidiaries and jointly controlled entity are as follows:

	31 March 2016				31 December 2015			
	Consolidated		Company		Consolidated		Company	
	Equity Baht	Paid-up capital Baht	% ownership investment	Cost Baht	Equity Baht	Paid-up capital Baht	% ownership investment	Cost Baht
Subsidiaries								
Padaeng Properties Co., Ltd.	-	80,000,000	100	80,000,000	-	80,000,000	100	80,000,000
Padaeng Industry (Laos) Co., Ltd.	-	151,302,520	100	151,302,520	-	151,302,520	100	151,302,520
PDI Eco Co., Ltd.	-	12,499,925	100	12,499,925	-	12,499,925	100	12,499,925
PDI Energy Co., Ltd.	-	100,050,000	100	100,050,000	-	100,050,000	100	100,050,000
PDI Tak Eco Co., Ltd.	-	10,000,000	100	2,499,925	-	-	-	-
Ton Sangkasi Pte Ltd.	-	246,700	100	246,700	-	246,700	100	246,700
Total	-			346,599,070	-			344,099,145
Less Diminution								
Padaeng Industry (Laos) Co., Ltd.	-			(151,302,520)	-			(151,302,520)
Ton Sangkasi Pte Ltd.	-			(246,700)	-			(246,700)
Investments in subsidiaries-net	-			195,049,850	-			192,549,925
Jointly controlled entities								
Maesod Clean Energy Co., Ltd.	44,100,245	675,000,000	35	236,249,800	48,965,194	675,000,000	35	236,249,800
PDI-CRT Co., Ltd.	17,629,118	43,480,000	51	-	17,695,118	43,480,000	51	-
Investments in jointly controlled entities-net	61,729,363			236,249,800	66,660,312			236,249,800

15 Related parties transactions (Cont'd)

i) Investments in related parties-net (Cont'd)

<u>Subsidiary undertakings</u>	<u>% Ownership</u>	<u>Principal activities</u>	<u>Country of incorporation</u>
PDI Properties Co., Ltd.	100	Providing property services	Thailand
Padaeng Industry (Laos) Co., Ltd.	100	Dormant	Laos
PDI Energy Co., Ltd.	100	Expand and diversify into renewable energy business	Thailand
PDI Material Co., Ltd.*	100	Trading of various base metals and their by-products	Thailand
Ton Sangkasi Pte Ltd.	100	Dormant	Singapore
PDI Eco Co., Ltd.	100	Renewable energy from waste	Thailand
J-Solar Co., Ltd.* (Formerly name "PDI Tak Solar One Co., Ltd.")	100	Solar energy business	Thailand
PDI Asia Solar Co., Ltd.* (Formerly name "PDI Tak Solar Two Co.,Ltd.")	100	Solar energy business	Thailand
PDI Tak Eco Co., Ltd.	100	Solar energy business	Thailand
PDI Surat Biomass Co., Ltd.*	100	Biomass energy business	Thailand
<u>Jointly controlled undertakings</u>	<u>% Ownership</u>	<u>Principal activities</u>	<u>Country of incorporation</u>
Maesod Clean Energy Co., Ltd.	35	Production and sales of ethanol and electricity	Thailand
PDI-CRT Co., Ltd.*	51	Explore opportunity in waste management	Thailand

* Indirectly owned by the Company

	<u>Consolidated</u>		<u>Company</u>	
	<u>31 March 2016</u>	<u>31 December 2015</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
At 1 January	66,660,312	56,887,175	428,799,725	353,799,725
Investment in subsidiaries	-	-	2,499,925	75,000,000
Investment in jointly controlled entity	-	18,000,000	-	-
Share of loss from jointly controlled entities	(4,930,949)	(8,226,863)	-	-
Ending balance for the period/year	<u>61,729,363</u>	<u>66,660,312</u>	<u>431,299,650</u>	<u>428,799,725</u>

Subsidiaries

PDI Eco Co., Ltd. ("PDI Eco"), registered on 16 June 2014, has a total authorised share capital of 500,000 shares, amount of Baht 50,000,000 of which Baht 12,499,925 has been issued and paid up. The company purpose is to expand and diversify into eco-management business.

PDI Energy Co., Ltd. ("PDI Energy"), a subsidiary of the company has increased its capital on 23 April 2015 from Baht 50 million to Baht 350 million of which Baht 75 million has been issued and paid up during the period. The company purpose is to expand and diversify into renewable energy business.

On 24 April 2015, PDI Energy has entered into the Share Purchase Agreement and Shareholders Agreement to invest in PDI Surat Biomass Co., Ltd. ("PDI Surat Biomass") to develop a 9.5 MW biomass power plant located in the South of Thailand. The project investment cost is estimated at Baht 1,200 million.

15 Related parties transactions (Cont'd)

i) Investments in related parties-net (Cont'd)

Subsidiaries (Cont'd)

As at 31 March 2016, the scheduled commercial operation date (COD) as stated in The Power Purchase Agreement ("PPA") was not extended by the authorities, which results in uncertainty to proceed with the project. Hence, all costs related to the project that have been made so far, have been impaired.

On 23 February 2016, PDI Tak Eco has been directly owned by PDI after all shares are transferred from PDI Energy according to Shares Transfer Agreement between the companies.

As at 31 March 2016, Padaeng Industry (Laos) has total authorised share capital of USD 4,673,000 which has been fully issued and paid up. Currently, the investment value of Padaeng Industry (Laos) in the Company's books, total amount of Baht 151 million, net of diminution in value of investment, is zero.

Jointly controlled entities

On 9 October 2006, Maesod Clean Energy Co., Ltd. ("MCE") was created together with MP Energy Co., Ltd. and Thai Oil Public Company Limited. The jointly controlled entity produces ethanol as an alternative energy source. As at 31 December 2015, Maesod Clean Energy has 67,500,000 shares issued and paid-up. The Company has subscribed to a total of 23,625,000 shares in Maesod Clean Energy.

Under the terms of a loan agreement dated 9 September 2011, signed by the Company and its partners with Maesod Clean Energy, the Company provided to Maesod Clean Energy a Baht 105 million loan on 5 October 2011. The Company is eligible to convert this loan into equity of MCE. The loan carries interest rate of 4.2% per annum.

On 26 August 2015, PDI Material, a subsidiary of Padaeng Properties Co., Ltd., has entered into the Shareholders Agreement to set up a joint venture with CRT Norway to explore business opportunity to engage in the operation for recycling of metal containing waste by using innovative technology.

On 10 September 2015, the joint venture was established and registered under the name PDI-CRT Co., Ltd. with a registered capital of Baht 100,000 consisting of 10,000 shares at par value of Baht 10 per share and fully paid.

On 12 November 2015, PDI-CRT Company Limited has increased its registered capital to Baht 52,000,000 with 5,200,000 shares which the 2,553,100 shares have been issued and fully paid. The rest of 2,646,900 shares have been issued and 67.8% paid.

ii) Sales of goods and services

For the three-month periods ended 31 March	Consolidated		Company	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Sales of goods and services:				
Padaeng Properties Co., Ltd.	-	-	259,380	259,380
PDI Materials. Co., Ltd.	-	-	7,915,162	-

Sales to related parties are based on current industry market practices and prices.

15 Related parties transactions (Cont'd)

iii) Purchases of goods and services

For the three-month periods ended 31 March	Consolidated		Company	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Purchases of goods and services: Padaeng Properties Co., Ltd.	-	-	1,082,794	1,010,211

Purchases from related party are based on current industry market practices and prices.

iv) Trade accounts receivable - related party

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Sales of goods: PDI Materials Co., Ltd.	-	-	1,317,879	10,211,213
<u>Less</u> Allowance for doubtful account	-	-	-	-
	-	-	1,317,879	10,211,213

v) Advances to related parties

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Ton Sangkasi Co., Ltd.	-	-	13,404,358	13,154,358
PDI Eco Co., Ltd.	-	-	307,795	307,795
J-Solar Co., Ltd. (Formerly name "PDI Tak Solar One Co., Ltd.")	-	-	56,705	56,705
PDI Asia Solar Co., Ltd. (Formerly name "PDI Tak Solar Two Co., Ltd.")	-	-	56,710	56,710
PDI Tak Eco Co., Ltd.	-	-	56,420	56,420
PDI Surat Biomass Co., Ltd.	-	-	2,652,120	1,471,712
Total	-	-	16,534,108	15,103,700
<u>Less</u> Allowance for doubtful accounts	-	-	(13,404,358)	(13,154,358)
Advance to related parties - net	-	-	3,129,750	1,949,342

Advance from the Company in the amount of Baht 169,835 represents an advance for J-Solar, PDI Asia Solar, and PDI Tak Eco's registration fee. These companies purpose are to expand and diversify into solar energy business.

15 Related parties transactions (Cont'd)

vi) Other payables - related party

	Consolidated		Company	
	31 March 2016 Baht	31 December 2015 Baht	31 March 2016 Baht	31 December 2015 Baht
Padaeng Properties Co., Ltd.	-	-	527,576	511,766
Total	-	-	527,576	511,766

vii) Key management compensation

The compensation paid or payable to key management for employee services for the periods ended 31 March 2016 and 2015 is shown below:

	Consolidated		Company	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term employee benefits	12,811,400	15,427,600	12,811,400	15,427,600
Post-employee benefits and termination benefits	1,216,279	1,031,884	1,216,279	1,031,884
Total	14,027,679	16,459,484	14,027,679	16,459,484

16 Litigation

As of 31 March 2016, the Company has been served notice of five complaints by 1,141 plaintiffs filed in the Bangkok Southern Civil Court. The plaintiffs are seeking compensation of Baht 3,969 million from the Company alleging that it caused cadmium contamination in the Mae Sod district of the Tak province. The Company has filed answers to all the claims as ordered by the Court.

On 20 September 2013, the Bangkok South Civil Court read a judgment on the first case against the Company and Tak Mining Company Limited of the Black Case No. 66/2552, filed by a group of villagers (a total of 207 villagers) in the Mae Tao basin, Mae Sot District, Tak Province. The accusation being that the mining operations of both companies caused cadmium contamination in the area. The villagers have claimed over Baht 726 million as damages to compensate 1) Plaintiffs who obtained a Cadmium patients' card from the Mae Sod Hospital, 2) Plaintiffs who claimed that they were unable to use the land for agriculture, 3) Plaintiffs who claimed of losing their jobs, and 4) Plaintiffs who were scared of cadmium contamination, 5) compensation for loss of culture and traditional living. The Company and Tak Mining have been also requested by the plaintiffs to pay Baht 50 million and 3 percent of the Company's profit to the Risk Insured Fund and to improve quality of lives and environment as well as restore the environment under at the cost of the Company and Tak Mining.

The court judgment on the above case ordered the Company and Tak Mining to pay a compensation of Baht 9.20 million only to villagers who hold the cadmium patient's card from the Mae Sod Hospital. The Company and Tak Mining are equally responsible for this compensation. For other Plaintiffs who claimed to have been damaged from the contamination, the Court gives a judgment to dismiss all claims because they were not able to prove that there were such damages claimed. The Company has studied the stated court judgment in detail and is in process to appeal the court order accordingly.

On 9 March 2016, the Bangkok South Civil Court read the appeal judgment on this case that the Court of Appeal viewed that cadmium contamination in Mae Tao basin was caused by the Company and Tak Mining, therefore the Court of Appeal rendered the total amount of compensation of Baht 11.09 million each (Padaeng and Tak Mining) for plaintiffs in the case. The company has studied in the court judgment and is in process of appeal to the Supreme Court.

16 Litigation (Cont'd)

On 28 February 2014, the Bangkok South Civil Court ruled judgment in the Black Case No. 9/2553, in the same manner above, which claimed over 230 million Baht as damage compensation. The court judgment orders the Company and Tak Mining to pay a compensation to 20 plaintiffs (villagers) who hold the Cadmium patient's card issued by the Mae Sod Hospital, from the total 84 plaintiffs, at the total amount of Baht 2.48 million. The Company is considering the court resolution and in process to appeal to the court order.

On 29 September 2014, the Bangkok South Civil Court ruled judgment in the Black Case No. 64/2552, in the same manner above, which claimed over 836 million Baht as damage compensation. The court judgment orders the Company and Tak Mining to pay a compensation to 82 plaintiffs (villagers) who hold the Cadmium patient's card issued by the Mae Sod Hospital, from the total 218 plaintiffs, at the total amount of Baht 8.20 million. The Company is considering the court resolution and in process to appeal to the court order.

On 27 May 2015, the Bangkok South Civil Court ruled judgment in the Black Case No. 63/2552, in the same manner above, which claimed over Baht 1,095 million as damage compensation. The court judgment orders the Company and Tak Mining to pay a compensation to 40 plaintiffs (villagers) who hold the Cadmium patient's card issued by the Mae Sod Hospital, from the total 319 plaintiffs, at the total amount of Baht 4 million. The Company is considering the court resolution and in process to appeal to the court order.

The other 1 complaint is pending for the court proceedings.

The Company is confident that its strict environmental measures are in line with the regulations and requirements of the authorities. Management intends to defend the case vigorously. At that stage, the outcome of the proceedings is unknown. However, for prudence purpose, contingent liability amount of Baht 28.89 million has been recorded for these 5 complaints.

17 Subsequent events

J-Solar Co., Ltd. ("J-Solar") (formerly name is PDI Tak Solar One Co., Ltd.) has entered into the Equity Interest Transfer Agreement dated, 22 April 2016 to invest in Century Asset Management Kabushiki Kaisha ("CKK") in Japan. CKK will invest 3% of total investment in project's approximately value of Baht 1,927.48 million and hold shares of Green Brilliant Godo Kaisha who will operate 11.77MW solar farm projects in Japan. Whereas PDI Asia Solar Co., Ltd. ("PDI Asia Solar") (formerly name is PDI Tak Solar Two Co., Ltd.) has entered into the Tokumei Kumiai Agreement ("TK Agreement") dated 28 April 2016 to provide contribution funding equal to 97% of total investment to Green Brilliant Godo Kaisha and will earned allocated profit distribution as return.

At the Ordinary Shareholders' Meeting held on 25 April 2016, shareholders approved the annual dividend payment from retained earnings of the Company of Baht 0.20 per share totaling Baht 45.20 million (2015: totaling Baht 90.40 million, 0.40 per share). The dividend will be paid on 19 May 2016.

On 26 April 2016, PDI has entered into the Shareholders Agreement and Shares Purchase Agreement with Dowa Eco-System Co., Ltd. to jointly invest in PDI Tak Eco to develop integrated industrial waste management in Tak Province. The initial project investment cost is approximately Baht 10 million.