



ANNUAL REPORT AND SUSTAINABILITY REPORT 2017

CONSOLIDATE THE PAST | CREATE THE FUTURE

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OUR VISION

**"TO BE A LEADER IN
DEVELOPING, DRIVING
AND GROWING
SUSTAINABLE BUSINESSES
IN SOUTHEAST ASIA "**

Driven by innovation and balanced concerns,
we maximize added value for our clients,
with respect to our people, our ecosystems and the environment.
We support the communities in which we operate
and give the best possible return to our shareholders.



ABOUT PDI

PADAENG INDUSTRY PUBLIC COMPANY LIMITED, or PDI, was founded on April 10, 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 around three businesses: **PDI Energy** - providing energy from renewable sources; **PDI Materials** - providing added value materials from recycled metals; and **PDI Eco** - providing waste management solutions for complex industrial waste.

IN 2016, PDI closed Mae Sod Mine due to depletion and ceased conventional zinc business by the end of 2017. PDI has marked substantial success with the investment in the first Solar Farm in Japan and Thailand in late of 2016, and also has had progress of the various investment projects in three new businesses: Energy, Materials and Eco.

OVERALL BUSINESS OPERATION OF THE COMPANY



Padaeng Industry Public Company Limited

Registered Capital Baht : 2,260,000,000

Paid-up Capital Baht : 2,260,000,000

Type of Business : Energy, Materials and Eco

100%

Padaeng Properties Co., Ltd.

Registered Capital Baht : 80,000,000

Paid-up Capital Baht : 80,000,000

Type of Business : Land development and real estate with IEAT

100%

PDI Materials Co., Ltd.

Registered Capital Baht : 200,000,000

Paid-up Capital Baht : 200,000,000

Type of Business : Distribution base metals and other by-products

60%

PDI-CRT Co., Ltd.

Registered Capital Baht : 89,000,000

Paid-up Capital Baht : 89,000,000

Type of Business : Recycle materials

100%

PDI Energy Co., Ltd.

Registered Capital Baht : 350,000,000

Paid-up Capital Baht : 100,050,000

Type of Business : Renewable energy operations

100%

PDI Eco Co., Ltd.

Registered Capital Baht : 50,000,000

Paid-up Capital Baht : 12,500,000

Type of Business : Waste management operations

51%

PDI Tak Eco Co., Ltd.

Registered Capital Baht : 30,000,000

Paid-up Capital Baht : 100,050,000

Type of Business : Waste management operations

100%

J-Solar Co., Ltd.

Registered Capital Baht : 25,000,000

Paid-up Capital Baht : 18,750,000

Type of Business : Renewable energy operations (Solar)

100%

PDI Asia Solar Co., Ltd.

Registered Capital Baht : 10,000,000

Paid-up Capital Baht : 2,500,000

Type of Business : Renewable energy operations (Solar)

99.99%

PDI Mae Ramat Co., Ltd.

Registered Capital Baht : 105,000,000

Paid-up Capital Baht : 105,000,000

Type of Business : Renewable energy operations (Solar)

100%

Ton Sangkasi Pte., Ltd.

(Incorporated in Singapore)

Registered Capital : SIN\$ 10,000

Paid-up Capital : SIN\$ 10,000

Type of Business : Holding company for renewable assets and activities in Asia

100%

Symbior Elements Pte., Ltd.

(Incorporated in Singapore)

Registered Capital : USD 7,896,800

Paid-up Capital : USD 7,896,800

Type of Business : Renewable energy operation (Solar)

MESSAGE FROM THE BOARD OF DIRECTORS

Arsa Sarasin
Chairman of the Board

Francis Vanbellen
Managing Director



THE HIGHEST PROFIT IN THE PAST 10 YEARS

In 2017 Padaeng Industry Public Company Limited achieved remarkable results, earning its highest profit in 10 years and the third-highest in the 33-year history of PDI. Net profit was 905 million Baht supported by an increase of 40% in the global zinc price during the past year. This allowed PDI to reap large profits from the low-cost zinc produced from own mine.

SUCCESSFUL INVESTMENT IN RENEWABLE ENERGY

This year's excellent performance, along with PDI's accumulated profits, made PDI financially strong with ample cash flow for investment in new projects. In the previous year, PDI was highly successful with its investments in renewable energy. It acquired six operational solar farms in Thailand with a total capacity of 30 megawatts and constructed its second 11-MW solar farm in Japan, which will be in commercial operation within the first quarter of 2018.

CEASING ZINC MINING AND SMELTING

The cessation of conventional zinc operations completed in 2017, and it went smoothly according to

the set target. This permanently concluded PDI's role as an upstream zinc mining and smelting operator before changing its role to zinc trader in 2018.

MOVING AHEAD INTO ZINC TRADING

PDI launched its zinc trading business under the name of PDI Metals with a warehouse located in the industrial center for efficient product distribution. In addition, PDI uses adjusted types of transport systems to meet the specific needs of both small and large customers. Our imported zinc originates from internationally-accepted suppliers



With over 33 years of expertise and experience in the zinc industry, PDI will continue to offer technical services and knowledge to support the zinc galvanizing and die casting industries in Thailand. This is a major reason why customers are still confident in the quality of products and services from PDI, and why they still trust PDI as their partner to deliver what they need.

MANPOWER REDUCTION AND REORGANIZATION TO DRIVE NEW BUSINESSES

Changing from the zinc business to new sustainable businesses required PDI to reduce its manpower in all offices, including the corporate support functions at the main Bangkok Office. The remaining employees support the ongoing business activities and new investment projects. PDI gradually reduced its staff from 546 at the beginning of the 2017 to 86 at the beginning of 2018. It also reorganized its structure to be in line with the business changes for efficiency, flexibility and sustainability.



EXPANSION INTO RENEWABLE ENERGY

PDI invests in renewable energy, recycling materials and waste management. PDI has made outstanding developments by changing from zinc to green businesses, which will create sustainable growth. Currently, PDI has eight operational solar farms in Thailand and Japan with a total capacity of 39 MW within only 2 years. Besides this, the second 11-MW solar farm in Japan will be finished and will COD in Q1, increasing the total capacity to 50 MW. PDI has its main emphasis on solar energy with a plan to invest in solar farms both in Thailand and overseas aiming for a total capacity of 200 MW in the next 3 years.



COOPERATION WITH STRATEGIC PARTNERS TO EXPAND SOLAR FARM BUSINESS

In the previous year, PDI allied with a strategic partner Canadian Solar to seek investment opportunities in solar farms in the Asia-Pacific Region. It signed a Memorandum of Understanding (MOU) with Canadian Solar, one of the world's leading solar cell producers and a leader in solar farm development projects, which has a new solar production plant in Chonburi province. This cooperation is in line with PDI's energy business strategy which focuses on solar energy, with plans to invest in solar farms both in Thailand and overseas.

RECYCLING METALS FROM INDUSTRIAL WASTE WITH INNOVATIVE TECHNOLOGY

PDI-CRT is a project to extract metals from industrial waste through the highly innovative Ultra-High-Temperature (UHT) process. Initially, the industrial waste will be mostly steel dust from steel plants, from which zinc oxide will be extracted. In the future, the project will recycle more complex industrial waste such as industrial electronics waste, solar cell panels and even rechargeable batteries. The basic engineering design process of the main equipment is complete with positive results. The project is under final decision to start investing mid of 2018.

INTEGRATED INDUSTRIAL WASTE MANAGEMENT

The project to create an industrial waste management center for environmental conservation by PDI Tak Eco in Tak Province is in the process of Environmental Health Impact Assessment (EHIA). It has built mutual understanding and lessened the concerns of the community and stakeholders in all sectors. At the same time, the project feasibility studies have been completed with positive results. The plant design aims not only to meet

international standards, but also to prevent any negative impact on the community's quality of life and environment.

SEARCHING FOR NEW INVESTMENT OPPORTUNITIES

PDI continues to expand its business by looking for opportunities to invest in new projects which are cost effective and profitable. The Company targets a 10-15% return on investment in renewable energy, materials and eco, and purchases of promising businesses. This year, PDI will manage the existing and unused assets of the plants in Rayong and Tak Province, which ceased operations last year, for maximum returns to the Company.



MINING REHABILITATION TO BE COMPLETED IN 2018

The rehabilitation of the Mae Sot Mine's environment to its natural state after the mine closure is almost done, and the mining area will be returned to the Department of Royal Forest in September 2018. PDI remains determined to restore the environment so that it will be a role model for other mines which need to restore their local environments. The Mae Sot Mine area will be developed into a learning center for conservation and restoration of the environment according to His Majesty King Bhumibol Adulyadej's initiative.

DELIVERING VALUABLE RESOURCES TO THE COMMUNITY

During the past year, PDI constructed Phra That Doi Padaeng Pagoda as a spiritual center for the community. It is expected to be completed by March 2018 and will be presented to the Royal Forest Department, the Local Administration Organization and the community for

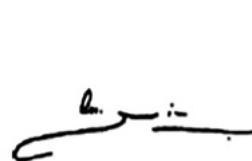
joint maintenance. Doi Padaeng Zinc Mine Museum will be completed by the end of this year. It will become a historical center, and also a center for learning about zinc mining and smelting in Thailand and about environmental restoration according to His Majesty King Bhumibol Adulyadej's initiative.

ADHERING TO GOOD GOVERNANCE AND SUSTAINABLE DEVELOPMENT

PDI is committed to its stakeholders and has operated businesses that balance social, economic and environmental needs. It maintains a strong commitment to business ethics and good governance in order to create value for the Company and society. In 2017, PDI became a member of the Private Sector Collective Action Coalition against Corruption, or CAC. It is proud to adhere to the announced anti-corruption policy, and has succeeded in putting good governance and sustainable development into practice.

OUTLOOK FOR 2018

2018 will be another very challenging year for PDI as it has to drive new changes and lead the organization to a sustainable future in Energy, Materials and Eco businesses amidst a risky economic and regulatory environment. However, with a stable and strong foundation as a result of the accumulated profit from the zinc business, coupled with support from shareholders, stakeholders in all sectors, and competent employees, PDI strongly believes that it will operate its businesses successfully and achieve outstanding targets in all areas.



ARSA SARASIN
Chairman of the Board



FRANCIS VANBELLEN
Managing Director

KEY FIGURES

KEY FIGURES AND RATIOS

CONSOLIDATED

End of year		2015	2016	2017
Total revenues	(million Baht)	5,477	5,306	6,332
Gross profit	(million Baht)	785	945	1,362
Net profit (loss)	(million Baht)	151	478	905
Net profit (loss) per share	(Baht)	0.67	2.11	4.01
Net profit (loss) per total revenue	%	2.75	9.00	14.30
Total asset	(million Baht)	5,105	5,593	7,409
Total liabilities	(million Baht)	1,524	1,576	2,324
Total shareholders' equity	(million Baht)	3,581	4,017	5,085
Return on assets	%	2.83	8.93	13.93
Return on equity	%	4.53	12.58	19.89
Return on capital employed	%	7.34	18.91	24.83
Debt to equity ratio	(Times)	0.43	0.39	0.46
Book value per share	(Baht)	15.84	17.77	22.50
Dividend per share	(Baht)	0.20	1.00	1.50



REVENUE STRUCTURE

The Company's total revenue for the consolidated financial statement can be classified by types of product (2015 - 2017)

Product	2015		2016		2017	
	million Baht	% of Total revenue	million Baht	% of Total revenue	million Baht	% of Total revenue
Zinc metal (SHG)	2,166	40	2,860	54	3,709	56
Zinc alloy	2,360	43	2,213	42	2,314	35
Sulfuric acid	90	1	45	1	2	0
Other revenue	861	16	188	3	307	9
Total revenue	5,477	100	5,306	100	6,332	100



DIRECT ECONOMIC VALUE GENERATED

	million Baht	2015	2016	2017
Direct economic value generated		5,477	5,306	6,332
- Revenues		5,477	5,306	6,332
Direct economic value distributed		4,968	4,551	1,403
- Operating costs		4,004	3,871	587
- Employee wages and benefits		723	529	370
- Payment to providers of capitals		98	50	248
- Payment to government		113	75	150
- Community Investment		29	27	47
Economic value retained		120	1,158	1,181

HIGHLIGHTS OF THE YEAR 2017

EXCELLENT PERFORMANCE IN 2017 WITH THE HIGHEST NET PROFIT IN A DECADE

- Posted a consolidated net profit of 905 MB, a significant increase of 89% from 478 MB in 2016
- Proposed gross annual dividend of 1.50 Baht/per share
- Favorable LME zinc prices, which surged 40% , contributing to a sharp rise in revenue and net profit
- Achieved strategic make-over plans to end its conventional zinc operations
- Moved full-scale ahead into zinc trading under "PDI Metals"
- Acquired 6 operating solar farms in Thailand with a total capacity of 30 MW from Symbior Solar, increasing the total capacity to 39 MW
- Finalized construction of 11 MW Nogata solar farm in Japan
- Obtained certificate as a member of the Private Sector Collective Action Coalition Against Corruption (CAC)
- Achieved increased CG scores to achieve "Very Good" classification level



CORPORATE STRATEGIES

In 2018, PDI continues its diversification strategy into sustainable businesses. PDI aims to undertake additional successful projects, balancing mergers, acquisitions and green field projects while carefully considering operational and investment expenses. As the cessation of zinc operations has been successful, PDI will ensure the utilization of its existing sites and assets to be integrated into new projects.

PDI will assure successful execution of the critical success factors for all the previously identified projects:

- **Integrate all acquired Solar Farms smoothly in PDI Energy,**
- **Commission the Nogata Solar farm in Japan,**
- **Assure PDI Metals trading business,**
- **Decide on the continuation of the PDI-CRT investment in Rayong,**
- **Obtain permits for PDI Tak Eco**

Beyond 2018, PDI aims to hold a growing portfolio of sustainable business, including but not limited to energy, materials and eco businesses.



THE INTEGRATED SUSTAINABILITY REPORT



ABOUT THE REPORT

PDI is determined to improve the disclosure and reporting of the sustainability report in accordance with the international standards. This allows all stakeholders to be continually informed of its performance. Thus, the Sustainability Report is integrated with the Annual Report featuring analysis of economic, social and environmental operational performance between January 1 and December 31, 2017. It also reports the latest sustainability status update for 2018 and information about the Company's on-going activities. The information is presented in both Thai and English and in the form of printed materials or CDs, and can also be downloaded from the website at www.padaeng.com. Any interested person can request a printed report and a CD at the Investor Relations Office, Padaeng Industry Public Company Limited, 191/18-25 CTI Tower, 26th floor, Rajadapisek Road, Klong Toei, Bangkok 10110, Tel. 0 2695 9499, Fax. 0 2695 9495, or by e-mail at supichnans@padaeng.co.th

The approach used to gather information and create this Integrated Sustainability Report is in accordance with the international standards of the Global Reporting Initiatives (GRI-G4) and the Core Key Performance Indicators (Core).

THE REPORT'S SCOPE

The Report presents the operational performance of PDI, but excludes the performance of its subsidiaries and related companies. The Company will align the scope of the Report after it has completed integrating its news businesses in line with its new corporate structure in 2018.



THE REPORT'S RELIABILITY

The Report has been verified by a third party, particularly the information on the financial statements and environmental data. These sections have been reported to the related public agencies and have abided by the criteria required by the Stock Exchange of Thailand.

SUSTAINABLE DEVELOPMENT

The guidelines for sustainable development have been firmly embraced by PDI. No matter what business status PDI is in, the Company will honor the commitment it has given to the organization's stakeholders. As is appropriate, the Company's business will continue to operate without creating adverse social, economic and environmental issues. It will also uphold good ethics and good governance, to ensure that its values are in line with society's objectives. This is "The PDI Way". The Company is determined to become a leader in sustainable energy, materials and environmental management industries in and beyond the Southeast Asian Region in compliance with PDI's dynamic vision.

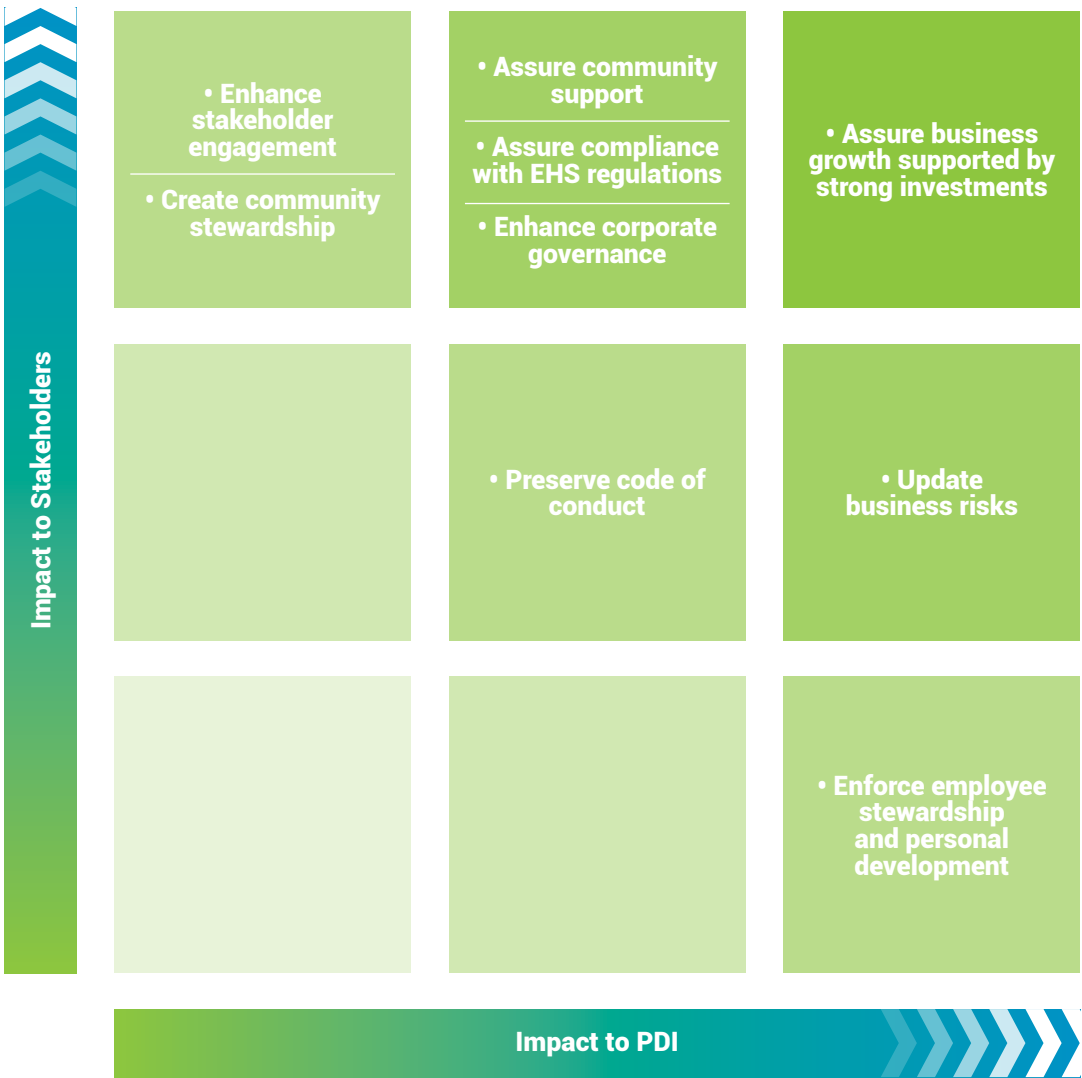
To achieve sustainability, PDI drives its businesses by driving innovation in each business group. It aims at doing businesses to achieve good returns on investments and to support economic and social growth. At the same time, it focuses on reducing its impact on our environment and solving our country's environmental issues through the

use of its expertise in the original zinc business. All this will be implemented following standards of good corporate governance and appropriate risk management.

SUSTAINABLE DEVELOPMENT TOPICS

After the complete interruption of PDI's conventional zinc business operations in 2017, PDI's management team has reviewed the organization in terms of social, environmental and economic dimensions that may impact the stakeholders. This to ensure consistency with its changing business environment. In doing so, the Company has identified the major topics that are likely to be important for PDI and its stakeholders.

MATERIALITY MATRIX



STAKEHOLDERS' EXPECTATIONS AND OPERATIONS

Groups of Stakeholders	Expectations	Operations
1. Employees	<ul style="list-style-type: none"> • Fair wages and benefits • Job security and career opportunity • Personal training & development • Safe workplace 	<ul style="list-style-type: none"> • People Information Session meetings twice a year for the Managing Director (MD) to communicate directly with all employees • Information distribution through various communication channels including Intranet • Department meetings • Meetings of Welfare, Environment, Health and Safety Committees • Employee training & development plan • Field trips to increase employees' knowledge • Employee engagement surveys
2. Customers	<ul style="list-style-type: none"> • Deliver products and provide high quality service • Provide additional services to support and develop customers' potential • Support customers' activities 	<ul style="list-style-type: none"> • Provide quality products that meet customers' requirements from quality suppliers • Have warehouses located in industrial centers for efficient product distribution • Visit customers as appropriate and provide technical advice and support • Organizing training and seminars • Organize 'Customer Day' events • Communicate with customers via various media including the COEZinc website and social media such as Facebook and PDI Metals Line • Conduct annual customer satisfaction surveys
3. Trading Partners, Local Communities, Public Agencies, Local Public Sector, NGOs, Press	<ul style="list-style-type: none"> • Perform business with trading partners fairly and equally • Provide accurate and timely information, particularly in emergency cases • Participate in developing the quality of life, especially in education within communities where PDI operates • Operate business safely and protect the local environment 	<ul style="list-style-type: none"> • Implement activities to help develop the quality of life of the communities in the vicinity of operations • Hold press conferences at least twice a year • Disseminate press releases and brochures about the Company's activities • Invite stakeholders and interested persons to visit its businesses • Organize field trips for community members to increase their knowledge and understanding about PDI's investment projects
4. Shareholders, Investors, Financial institutions and Analysts	<ul style="list-style-type: none"> • Provide fair returns on short-term and long-term investments and create business growth • Manage with transparency by disclosure of information about the businesses and organizational movements 	<ul style="list-style-type: none"> • Organize annual general meeting (AGM) • Organize quarterly analyst meetings • Disseminate information on PDI's performance to investors • Periodically organize company visits • Publish the Integrated Sustainability Report

Groups of Stakeholders	Expectations	Operations
	<ul style="list-style-type: none"> Stimulate involvement from minor shareholders 	<ul style="list-style-type: none"> Communicate via the company website Submit business result reports to SET Participate in investor relation activities organized by SET such as SET in The City and Opportunity Day

SUSTAINABILITY PROGRESS UPDATE

Project	Targets	2017 Results	2018 Plan
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ECONOMIC PROJECTS

1. New Investments	<ul style="list-style-type: none"> To focus on added value materials, renewable energy, waste management and recycling businesses in order to create positive investment returns To obtain 10%-15% return on investments and fast revenue realization 	<ul style="list-style-type: none"> Improved the operational efficiency of Nanao Solar Farm in Japan and PDI Mae Ramat Built a second Solar Farm in Nogata, Japan Purchased 6 Solar Farms already in operation with a total capacity of 30 megawatts Completed the basic engineering design of the PDI-CRT Project Created better understanding among the communities of PDI Tak Eco's industrial waste management center project for environmental conservation in preparation for EHIA 	<ul style="list-style-type: none"> Search for new businesses and carry out feasibility studies in line with PDI's sustainable growth strategy with returns on investment aligned with the risks Ensure Nogata Solar Farm to be in commercial operation by Q1/ 2018 Improve the efficiency of the 6 solar farms purchased in September 2017 Continue to create better understanding among the communities and implement the EHIA to obtain a permit Study more on PDI-CRT Project for final investment decision
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Project	Targets	2017 Results	2018 Plan
2. Zinc Production	<ul style="list-style-type: none"> To sustain profitable zinc operations until ceasing conventional zinc business 	<ul style="list-style-type: none"> Produced zinc alloy by using all remaining ores and smoothly closed the plant Began zinc metal trading by importing 50% of the total demand for sale 	<ul style="list-style-type: none"> Operate zinc metal trading in full scale Manage the remaining assets with minimal costs for maximal returns
3. Mine Closure and Environmental Rehabilitation Plan	<ul style="list-style-type: none"> To complete the mine closure and environmental rehabilitation plan 	<ul style="list-style-type: none"> Completed 95% of the environmental rehabilitation work and gradually returned the area to the Department of Royal Forest 	<ul style="list-style-type: none"> Return 100% of the mine area to the Department of Royal Forest for development into a Royally Initiated Project

ENVIRONMENTAL PROJECTS

1. Environment, Health, and Safety Management under the BAT-NEEC Principle	<ul style="list-style-type: none"> To implement the best available environmental supportive technologies 	<ul style="list-style-type: none"> Implemented environmental management measures at Rayong and Tak Plants in accordance with the government's standards and regulations 	<ul style="list-style-type: none"> Continue to implement environmental management measures in accordance with the government's standards and regulations
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SOCIAL PROJECTS

1. Human Resources Management	<ul style="list-style-type: none"> To increase knowledge of new businesses To adhere to human rights policies 	<ul style="list-style-type: none"> Complied with the employment termination and compensation laws and provided additional assistance to employees while avoiding conflicts Reorganized the Company's corporate structure in line with planned business changes Considered adjusting various employees' welfare and benefits policies 	<ul style="list-style-type: none"> Continue to implement human resources development projects to support new businesses Implement on-going communication and increase employee engagement
2. Community Engagement	<ul style="list-style-type: none"> To implement community engagement programs for a better environment and to 	<ul style="list-style-type: none"> Disseminated information on PDI's investment projects to communities on a regular basis Implemented activities that 	<ul style="list-style-type: none"> Implement activities to gain acceptance and support for PDI's investment projects from the local communities

Project	Targets	2017 Results	2018 Plan
	enhance quality of life	promoted communities' participation	
3. Anti-Corruption	<ul style="list-style-type: none"> To obtain recognition by Thailand's Private Sector Collective Action Coalition against Corruption (CAC) by April, 2017 	<ul style="list-style-type: none"> Obtained certification to become a member of the CAC 	<ul style="list-style-type: none"> Monitor PDI's operations to remain in line with the anti-corruption measures
4. Risk Management in New Business	<ul style="list-style-type: none"> To assure proper risk assessment 	<ul style="list-style-type: none"> Drafted Risk Committee Charter for Board approval 	<ul style="list-style-type: none"> Integrate Risk Management in the Executive Committee to ensure proper oversight of Risk Management of existing and new businesses
5. Supply-Chain Management	<ul style="list-style-type: none"> To develop PDI's guidelines for dealing with business partners 	<ul style="list-style-type: none"> Announced and disseminated the Code of Conduct for Suppliers 	<ul style="list-style-type: none"> Continuously assess sustainability of partners

PDI'S MANAGEMENT OBJECTIVES FOR SUSTAINABILITY

Economy	Environment	Society
<ul style="list-style-type: none"> To realize new business investments that generate sustainable revenues and profits 	<ul style="list-style-type: none"> To manage EHS based on the BATNEEC principles 	<ul style="list-style-type: none"> To maintain exemplary human resource management
<ul style="list-style-type: none"> To increase operational efficiency of power plants for better power production 	<ul style="list-style-type: none"> To implement EHS in accordance with PDI's policy, the laws and regulations 	<ul style="list-style-type: none"> To develop sustainable practices with PDI's partners
<ul style="list-style-type: none"> To maximize value of the existing assets and/or integrate to the new projects 	<ul style="list-style-type: none"> To maintain a proper attitude towards business operations and to put emphasis on environmental protection and conservation 	<ul style="list-style-type: none"> To comply with the Anti-Corruption policy
		<ul style="list-style-type: none"> To comply with good corporate governance principles
		<ul style="list-style-type: none"> To maintain strong engagement of all stakeholders

SOCIETY



HUMAN RESOURCES MANAGEMENT

SUCCESS FROM PDI STAFF'S COOPERATION

2017 was a year of major changes for PDI. After the Company implemented the plan to cease its conventional zinc mining and refining operations between 2016 and 2017, the make-over was completed at the end of 2017, along with manpower reduction plan and investment in its new businesses.

By the end of 2017, the total number of PDI staff reduced to 86 (including the staff of its new businesses) from 826 at the beginning of 2016. The number of staff will further reduce to 75 (including the staff of new businesses) at the end of 2018. Mainly staff in corporate functions including business development, finance and corporate services will remain.

The business changes during the past two years were made possible with the dedication from all staff who understood the needs of the Company to cease the conventional zinc business. They maintained the Company's operational standards to deliver high quality products and service to customers during the whole make-over process. In addition, they built and maintained good relationships with the surrounding communities. PDI's staff clarified and communicated with all parties to make them understand the changes. This led to a smooth ceasing of operations in every office as planned without any conflicts or legal cases. PDI also exceeded labor law's employment termination criteria and allocated 417 million Baht for severance and special compensation to support all terminated staff.



As for new businesses, the remaining staff fully dedicates themselves to their new jobs to keep the Company lean and efficient and to drive PDI to success during and after the change.

CORPORATE REORGANIZATION TO SUPPORT NEW BUSINESSES

In the process of major changes, PDI has invested in new businesses and reorganized its structure. The objectives of this reorganization are to reduce operational costs, to grow sustainable and to operate efficient, effective and flexible.

The Company has restructured its organization to be in line with the business changes, effective on January 1, 2018. The number of executives has been further reduced from 8 to 5, and the Company has been organized around 5 functions to support its new businesses.

For the new businesses, the Human Resources team facilitated the integration including a concrete manpower plan. Capable and knowledgeable personnel was selected to join the new businesses. Recruitment and development remains a major human resources mission in 2018.

SAFETY AND OCCUPATIONAL HEALTH

PDI strictly adheres to international safety and occupational health standards and operating guidelines in order to prevent, correct and manage risky situations. It considers work safety the duty and responsibility of each employee. Supervisors at all levels are role models and must support and encourage all staff to be aware of safety at work. They are also responsible for ensuring that all staff, partners, contractors and visitors strictly comply with the specified safety and occupational health rules and regulations.

PDI maintains its professional operating standards while strictly complying with safety and occupational health principles.

SAFETY INDICATORS

Indicator	Unit	PDI-Bangkok			PDI-Tak			PDI-Rayong			PDI-Mae Sod		
		2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
Frequency of injuries	Lost time work injuries per 1 million hours worked	0.00	0.00	0.00	0.90	0.00	2.87	0.00	0.00	0.00	0.00	0.00	0.00
Severity of injuries	Days lost per work injury	0.00	0.00	0.00	36.90	0.00	70.27	0.00	0.00	0.00	0.00	0.00	0.00
Total staff	People	74	71	63	516	464	96	87	84	14	196	59	15

*No. of staff means PDI's staff and workers.

**Based on the criteria of the American National Standard Institute

Apart from various preventive measures and controls, PDI also implemented other safety activities:

Project / Training	Results
1. Prevention of automobile accidents	<ul style="list-style-type: none"> - Staff using their vehicles according to the safety guidelines. - There were no accidents caused by vehicles leading to absence from work.
2. Campaign to promote a safe and healthy work environment	<ul style="list-style-type: none"> - Staff and contractors were made aware of safety and took part in the management of safety, occupational health and work environment quality.
3. Training in Basic Fire Fighting and Fire Fighting Teamwork	<ul style="list-style-type: none"> - Staff members are able to use basic fire-fighting equipment in case of a fire. - They are able to work as a team to handle a fire.
4. Training on Life Saving and First Aid	<ul style="list-style-type: none"> - Staff members are able to provide first aid in case of an incident in their work unit or in their private lives.
5. Training on Work Safety Related to Testing National Skill Standards of Building for Electricians	<ul style="list-style-type: none"> - Staff members know how to prevent risks for electricity works.
6. Fire drills for high rise buildings	<ul style="list-style-type: none"> - Staff members know what to do in case of a fire in a high rise building. - Staff members can use fire extinguishing equipment correctly in case of emergency.



PARTICIPATION IN COMMUNITY AND SOCIAL DEVELOPMENT

For over three decades of business operations, PDI has continued to implement various projects and activities to help develop the surrounding communities. These projects and activities do not only respond to the community's needs in education, public health, religion and culture, but also focus on strengthening the communities so that they can rely on themselves and develop their community in a sustainable way. All these objectives are in line with PDI's vision and social responsibility policy.

Even while PDI has been going through numerous business changes, it never stopped helping and taking care of the communities in Tak Province with which a long-standing relationship exists. The Company remains determined to be a good corporate citizen.



Apart from providing assistance in education, public health, religion and culture in 2017, PDI's Community Relations Team visited the communities facing difficulties in their everyday life and work. PDI brought in heavy machinery along with its personnel to help dig public waterways in the agricultural area to provide a water source during the dry season. Also it cleaned up the wastewater pond of Tak's Central Prison to solve the water pollution problem. The Company plans to dig additional water sources and improves the area into a learning center following His Majesty King Bhumibol's Sufficiency Economy. This center will also provide training on agriculture for the prisoners.



Furthermore, the Community Relations Team brought in machinery to level the land and trim the branches to protect the communities from fire hazards which can spread to nearby communities. The Team also leveled the sports area and the area for holding Loy Krathong Sai Festival, adjusted a sandy soil path for the villagers' convenience, and repaired the crematories at various temples around the plant which had been in use for more than 10 years. These temples included Wat Tha Ta

Kraw, Wat Wang Hin Charoen Tham, Wat Wang Silaram and Wat Tha Chang. Padaeng water trucks and fire engines assisted nearby communities during the dry season.

PDI is determined to integrate its new investments, such as PDI Mae Ramat, Tak province, as per its corporate social development guidelines and policy. It provided assistance particularly in education and has participated in the communities' activities whenever opportunities arise. Additionally, the Company's representatives have visited the villagers to obtain their opinions and recommendations. This information will be used for analysis and project design so that PDI can organize appropriate activities to support future development of the communities.

PDI's Community Relations Team continues to raise understanding about the Company's new projects, particularly the implementation of PDI Tak Eco Co., Ltd.'s Industrial Waste Management Center for Environmental Conservation in Tak Province. This project requires an Environment and Health Impact Analysis (EHIA) report, while some communities still have concerns about the project or industrial waste. PDI remains determined to operate its business based on community, social and environmental responsibilities. Therefore, it considers acceptance from all communities and stakeholders extremely important, and has fostered better understanding and confidence in the project implementation among those concerned.



One of the most important activities held last year was the Joint Learning Activity. Representatives of each community and stakeholders studied the standard industrial waste management model project of Eastern Seaboard Environmental Complex Co., Ltd. As a result, villagers have gained a better understanding of the industrial waste management business, and are less worried than they before. PDI will continue to promote such learning activities as it aims at creating acceptance from all communities and stakeholders concerned. This will help enable successful project implementation, which will help solve the country's problem of industrial waste management efficiently and safely.

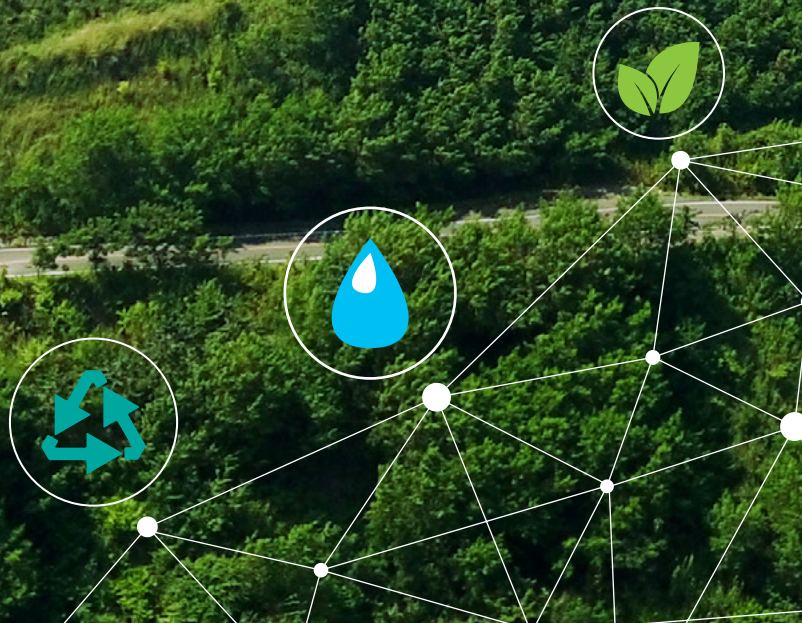
SUPPLY CHAIN MANAGEMENT

PDI launched its Code of Conduct for Suppliers on 24 January, 2017. It covers a range of topics, including business ethics, environmental and social responsibility, occupational health and safety, as well as principles of human rights and anti-corruption.

During the previous year, the number of suppliers and purchases related to zinc production decreased significantly, following the plan to terminate the conventional zinc production and processing business in the third quarter of 2017. At the same time, there was an increase in the hiring of local people to be involved in environmental management after the termination of the zinc business. Suppliers or contractors were evaluated before and after their operation to ensure safe and timely work performance. At the same time, the Purchasing Department was responsible for transparently and fair selling of the various obsolete assets at the plant as per PDI's business ethics practices.

As for the new businesses, both operated exclusively by PDI and as joint-ventures, the Company retains the same focus on supply chain management. Operations follow the announced Code of Conduct for Suppliers. In addition, risks from suppliers, business alliances and contractors which might affect PDI's business operations financially, socially and environmentally are carefully managed.

ENVIRONMENT



SUSTAINABLE APPROACH TO ENVIRONMENTAL MANAGEMENT

PDI is determined to be a leader in renewable energy, materials and environmental management businesses. It has, therefore, continued to put emphasis on all areas of sustainable management. It has selected the best technology for use in its various new business projects to protect and reduce the impact on and risks to the local communities and environment.

In 2017, PDI ceased its conventional zinc production operations, which it had carried out for more than 33 years. It evaluated the possible risks and impact on the environment arising from the termination of its zinc business, and managed them appropriately according to the government's rules and regulations. PDI is confident that the termination of its conventional zinc production will not have any adverse impact on the environment and the communities surrounding PDI's operations. This is a result of continued strict compliance with environmental standards, including monitoring and evaluation in all of its operating areas.

Last year, PDI continued to monitor and evaluate the quality of soil, water and air, as well as the release of greenhouse gases and the emission of waste. This was to ensure that all processes comply with technical criteria and evaluation standards in line with the relevant environmental laws and regulations.



AIR QUALITY MEASURED AT THE STACKS

Stack	Office	Parameter	Unit	Standard	2017 Monitoring Results
Sulfuric acid production process	PDI-Tak	Sulfur Dioxide gas (SO ₂)	ppm	< 500	25
Casting process	PDI-Tak	Total suspended particulate (TSP)	mg/m ³	< 400	10

Remarks: Monitored by SPS Consulting Service Co., Ltd.

AMBIENT AIR QUALITY

Parameter	Office	Unit	Standard	2017
Sulfur Dioxide Gas (SO ₂)	PDI-Tak	mg/m ³	< 0.30	<0.01 ¹⁾
Total suspended particulate (TSP)	PDI-Tak	mg/m ³	< 0.33	0.0441
Total suspended particulate (TSP)	PDI-Mae Sod	mg/m ³	< 0.33	0.036-0.155
Total suspended particulate (TSP) smaller than 10 micron (PM-10)	PDI-Mae Sod	mg/m ³	< 0.12	0.016-0.072

Remarks: 1) 24 - hour average atmospheric SO₂ standard

CLIMATE CHANGE

The majority of PDI's greenhouse gas emissions arose from the use of electrical and thermal energy from various fuels in the zinc ore smelting process. In 2017, the Company released a total of 63,374 tons of carbon dioxide equivalent, a decrease of 71% from 2016 when 156,155 tons of carbon dioxide equivalents were released. Last year, PDI used a total of only 393,687 gigajoules, divided into 372,859 gigajoules of electricity and 20,828 gigajoules of thermal energy from fuels. This was a reduction of 75%, or 1,163,260 gigajoules, from 2016. This was because the Tak Plant ceased its zinc production from October 2017 onwards.

WATER USE

PDI efficiently managed the use of water in its operations by reducing waste and recycling used water. In 2017, the Company used a total of 0.81 million cubic meters of water, approximately 50% of which was recycled into its production process and other areas.

At Mae Sot Mine, the main focus was on managing rain water flowing through the terminated mining area and restoring the environment.



EFFLUENT QUALITY OF WATER AT THE PLANT

The treated waste water passed the standard quality test as shown in the table below:

Parameter	Unit	Standard	Tak Plant
pH value	-	5.5-9.0	7.56
Zinc (Zn)	mg/l	< 5	0.12
Cadmium (Cd)	mg/l	< 0.03	0.004
Manganese (Mn)	mg/l	< 5	0.33
Lead (Pb)	mg/l	< 0.2	0.0006
Arsenic (As)	mg/l	< 0.25	0.0003
Mercury (Hg)	mg/l	< 0.005	0.0005

QUALITY OF MAE SOT MINE'S WATER

Even though Mae Sot Mine ceased its operations since the middle of 2016, PDI still puts emphasis on managing natural rain water flowing through the mining area. Water is forced to flow into the sediment tanks as per specified mining and environmental standards. In 2017, the Company managed rain water so that it flowed naturally and became a water resource for the Learning Promotion Project for Environmental Conversation and Restoration according to His Majesty King Bhumibol Adulyadej's Initiative.

There are altogether 11 sediment basins in the mining area, which can support any amount of rain water in each area. In 2017, PDI closed the recycled water ponds of the ore floatation process. It also restored the environment by planting perennial trees throughout the area, which will be developed further into an eco-tourism site. In addition, it assured that water would flow into the sediment basins. The results of tests of Mae Sot Mine's waste water showed it was consistent with the standard criteria as shown in the table:



Parameter	Unit	Standard ¹	Disposal Point			
			Zone A4 ²	Zone B3	Zone C1 ²	Zone D3
pH	-	5.5-9	-	7.83-8.48	-	7.64-8.45
Suspended Solids: SS	mg/l	<50	-	0.22-39.20	-	2.56-12.33
Total Dissolved Solid: TDS	mg/l	< 3000	-	178 - 754	-	128-180
Zinc	mg/l	< 5	-	<0.01-0.33	-	0.05-0.41
Cadmium	mg/l	< 0.03	-	<0.01	-	<0.01
Lead	mg/l	< 0.2	-	<0.05	-	<0.05

Remarks: 1) References the Ministry of Industry's waste water standard.

2) No water was released into nature.

INDUSTRIAL WASTE MANAGEMENT

PDI managed its industrial waste efficiently and appropriately according to the theories and practices of the government units concerned. To achieve this, the 3 R's principle was used. Waste was separated for convenient and safe management, and was recycled to reduce the quantity of waste and the use of natural resources. In 2017, the quantity of waste totaled 350,437 tons. 95% of this, or 330,342 tons, was mineral waste and was passed through an appropriate and standardized treatment process. The stabilized treated residue was stockpiled in the Tak plant's mineral waste pond which was designed and constructed as per the requirements of the Department of Industrial Works and the Office of Natural Resources and Environmental Policy and Planning (ONEP).

A total of 2,078 tons, or 0.6% of total waste, was hazardous waste. This waste was landfilled by an external organization which received a permit from the Department of Industrial Works. As for the waste that could be recycled, a total quantity of 1,163 tons was sold to buyers who obtained permits from the Department of Industrial Works. In addition, 161 tons of general garbage was landfilled directly according to sanitary guidelines.

MAE SOT MINE REHABILITATION

PDI's Mae Sot Mine covers an area of 2,078 rai. 435 rai of this area was not used for mining activity, whilst the original environment still needs to be maintained. This is 21% of the total project area. The remaining 79%, or 1,643 rai, was used for mining purposes and required environmental restoration after the termination of the mining business. The Company started to restore the environment in 1993 and has continued to do so since then. Even though Mae Sot Mine ceased its production in 2016, PDI continues to restore the environment in the remaining area until everything is complete. After this, the Company will return the area to the Royal Forest Department.

By the end of 2017, PDI had restored a total area of 1,530 rai, or 93% of the target restoration area. It has already spent 110 million Baht from the 114-million-Baht Fund for Padaeng Mine Restoration. PDI expects to finalize the environmental restoration plan by September 2018.

Vetivers were planted to cover the soil in order to reduce soil erosion and to improve the soil quality before perennial trees were planted according to His Majesty King Bhumibol Adulyadej's initiative. Since the start of the environmental restoration till the end of 2017, PDI planted about 200,000 perennial trees and about 25 million vetivers. This resulted in the Mae Sot Mine being one of the biggest areas of vetiver growth in Thailand. The mine is a model for the use of vetivers to restore the environment. The work led the Company to receive the Green Mine Award for many consecutive years and the King of Thailand's Certificate of Excellence for promoting the use of vetivers from the Chaipattana Foundation. The award was presented to PDI by Her Royal Highness Princess Maha Chakri Sirindhorn in 2015.

Mae Sot Mine is a learning center for environmental restoration and has been visited by personnel of the public and private sectors as well as educational institutions and various local and international organizations.



PDI will gradually transfer the restored area to the Learning Promotion Project for Environmental Conversation and Restoration according to His Majesty King Bhumibol Adulyadej's Initiative. The area will be developed further into an eco-tourism site as per His Majesty King Bhumibol Adulyadej's speech given to Mr. Asa Sarasin, Chairman of Padaeng Industry Public Company Limited, in 2003.

MANAGING THE AREA INTO A ROYALLY INITIATED PROJECT FOR SUSTAINABILITY

His Majesty King Bhumibol Adulyadej kindly adopted the Learning Promotion Project for Environmental Conservation and Restoration as one of the royally initiated projects on March 24, 2015. The Department of Royal Forest was the main operator while the Office of the Royal Development Projects Boards acted as the coordinator among all concerned parties to achieve the set objectives.

In 2016, Her Royal Highness Princess Maha Chakri Sirindhorn adopted the development approach of the environmentally restored mining area into a nature learning and development center following the report by Mr. Arsa Sarasin, PDI's Chairman, on the closure of Padaeng's mining operations in 2016. At the same time, the Chairman requested Her Royal Highness' permission to present the guest house, the nearby buildings and the development approach of the environmentally restored mining area as a nature learning and development center. The presentation included:

-
- 1) Natural Resources Conservation Training Center
 - 2) Doi Padaeng Zinc Mine Museum
 - 3) Senior Citizen Rehabilitation Center
 - 4) Local Wild Orchid and Plant Conservation Center
 - 5) Vetiver Development and Promotion Center for Soil and Water Conservation
 - 6) Eco-Tourism Site and Entertainment Center
-

Her Royal Highness Princess Maha Chakri Sirindhorn visited the area of Tak Province from December 19-22, 2016. During the trip, Her Royal Highness rendered her advice on the project. She said, "Please gather various trees and plants, and create a botanical garden in order to conserve them and use it as a learning center for communities and the interested public."

As for Doi Padaeng Zinc Mine Museum, which is operated by PDI and is in the process of implementation, the Company has hired a consulting firm for the interior and external architectural design covering the area of about 29 rai. The museum will present exhibits about the history of the area, the local way of life, information on geology, mineral source surveys, the benefits of zinc ore mining and smelting to the country's development, the full cycle of the zinc mining and smelting process, and the restoration of the mining area into forests according to His Majesty King Bhumibol Adulyadej's initiative. The exhibits will be in the form of diagrams, maps, photos, models, exhibits and combined media technologies so that it will be more interesting. Doi Padaeng Zinc Mine Museum will be the center for transferring various kinds of knowledge to children, students and the wider public in general. The museum is expected to be completed in 2018 and will be presented to the Department of Primary Industries and Mines for its future management.

PDI also constructed Phra That Doi Padaeng Pagoda in 2017. More than 80% of the work has been completed. This pagoda is located on the hill where the treated soil from the mining area is kept. It was designed by the 6th Regional Office of Fine Arts, Sukhothai Province. The Buddha statue which will be placed inside and become the spiritual center will be built with the cooperation of the temple and the local community. The pagoda is expected to be completed by March 2018 and will be presented to the Department of Royal forest and the Provincial Administration Organization so that both can jointly maintain the area for the public to organize their religious activities and pay respect at Phra That Doi Padaeng Pagoda in the future.

OVERVIEW OF THE ENVIRONMENTAL PERFORMANCE INDICATORS (EPI)

Indicator	Measurement Unit	Tak Plant		
		2015	2016	2017
Input Indicators				
Total Materials Used	ton	227,414	230,610	85,298
Total Energy Consumption				
- Electricity	gigajoule	1,107,787	1,112,904	370,318
- Electricity/ ton production	gigajoule/tonne production ¹⁾	14.94	15.29	20.66
- Fuel	gigajoule	308,279	302,773	12,465
- Fuel/ton production	gigajoule/ton production ¹⁾	4.16	4.16	0.70
Total Water Consumption				
- Total water consumption	1,000 m³	1,403	1,474	806
- Water consumption/ ton production	m3/ton production ¹⁾	18.93	20.25	44.97
Output Indicators				
Produced Waste				
- Total waste produced	ton (wet weight)	572,315	611,992	332,141
- Disposal ²	%	99.97	99.97	99.66
Effluent				
Total emitted process water	1,000 m³	1,136	1,128	1,135
Total emitted metals	kg	455	700	534
Effluent Quality				
- Zinc (<5 mg/l)	mg/l	0.15	0.21	0.12
- Cadmium (<0.03 mg/l)	mg/l	0.005	0.005	0.004
- Manganese (<5 mg/l)	mg/l	0.24	0.39	0.33
- Lead (<0.2 mg/l)	mg/l	0.001	0.001	0.001
Emission				
Total emitted metals	kg	806	558	92
Total emitted SOx	ton	194	232	104
Air Quality				
1. Air emission				
- SO ₂ at Acid Plant (< 500 ppm)	ppm	206	236	232
- SO ₂ at Coal fired Boiler (< 700 ppm)	ppm	61	127	-
- Total suspended particulate at Coal fired Boiler (< 320 mg/m³)	mg/m³	245	211	-
- Total suspended particulate at Bag Filter (< 400 mg/m³)	mg/m³	11.57	11.50	10.18
2. Ambient air				
- Total suspended particels (< 0.33 mg/m³)	mg/m³	0.042	0.059	0.044
- Sulfur dioxide (SO ₂) (average 24 hr <0.30 mg/m³)	mg/m³	0.01	0.01	0.01
Greenhouse Gas				
Total greenhouse gas	ton	214,746	214,498	62,872
Total greenhouse gas/ton production	kg/ton production ¹⁾	2,897	2,948	3,508
Recycle				
- Reduce waste				
- Total recyeled waste	ton	68	9	1,139
- Recycled waste	%	0.01	0.002	0.343
- Reduce water				
- Recycle and reuse water	%	46	47	37

Remark: 1) ton production means ton of is zinc cathode for Tak Plant

2) % Disposal: % of total waste were treated by landfill (internal and external) and other % of waste were recycled and reused

Indicator	Measurement Unit	Tak Plant		
		2015	2016	2017
Financial Indicators				
Environmental Investment and Operating Costs				
Total environmental investment costs	million Baht	0	0	0
Total environmental operating costs	million Baht	81.45	87.00	65.10

ECONOMY



ZINC OPERATIONS

COMPLETE CEASING ZINC OPERATIONS

2017 was PDI's last year of zinc smelting. PDI's zinc smelting plant in Tak Province used the last remaining zinc ore from Mae Sot Mine to produce 30,018 tons of zinc metals. The leaching and the cell house plants, which constituted the core of the production process of the refining plant, ceased their operations in the second quarter. The zinc smelter continued to operate until the end of October 2017. By then, all zinc production processes were completely ceased and PDI started to clean the plants and manage the local environment in line with the government's standards. A plan will be implemented to remove the machinery and manage the various existing assets with the highest return to the Company.

PDI's zinc smelting plant was in operation from 1985 to 2017. During those 33 years, more than 3 million tons of high quality zinc metals were produced for delivery to the zinc galvanizing and zinc die casting industries in Thailand. PDI played an important role in the development of Thailand's industries. The extracted zinc ores provided significant economic benefits to the country. Furthermore, PDI's Smelting Plant developed an innovative and flexible production process. It is one of the very few plants in the world which could process both silicate and sulfide zinc ores in the same production process, resulting in reduced production cost.



Moreover, PDI improved its production process in order to extract other metals from the imported zinc ores, such as copper, lead and silver. Not only did this improvement increase PDI's revenue, it also enabled the most efficient use of Thailand's natural resources.

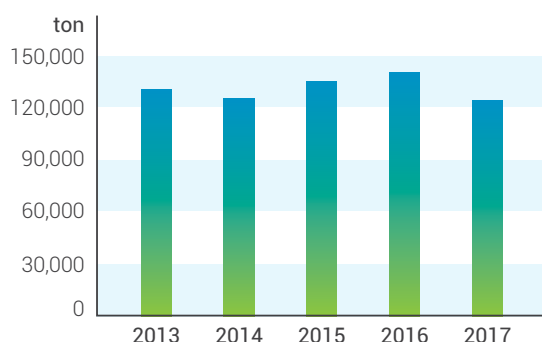
SALE AND MARKET REVIEW

SALE OF ZINC IN 2017 MET THE SET TARGET

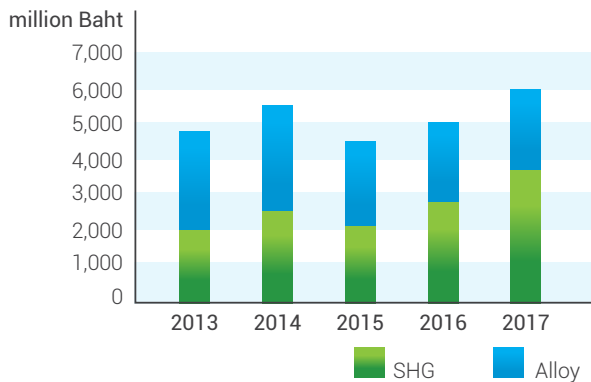
In 2017, PDI's main revenue came from its zinc business. It was the first year that PDI imported almost 30,000 tons for sale, along with over 30,000 tons of zinc alloy produced at the Mae Sot Mine. The zinc metals was distributed to domestic customers. In 2017, the Company sold in total 57,502 tons of zinc alloy in to its customers in the zinc galvanizing and die-casting industries, showing that PDI's customers remain confident in the quality of imported zinc alloy and PDI's service.

In 2018, PDI plans to import 50,000 tons of zinc metals for sale and will add other products, such as various types of mixed zinc alloys and other metals, to meet the needs of its customers. PDI will no longer produce its own alloy in 2018, following the cessation of zinc operations in 2017.

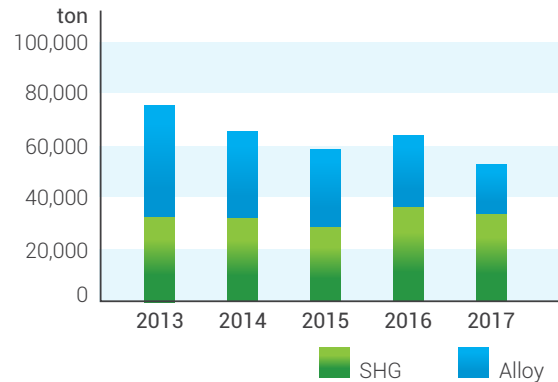
Zinc consumption in Thailand from 2013-2017



Sales value of zinc metals and alloys from 2013-2017



Sales volume of zinc metals from 2013-2017



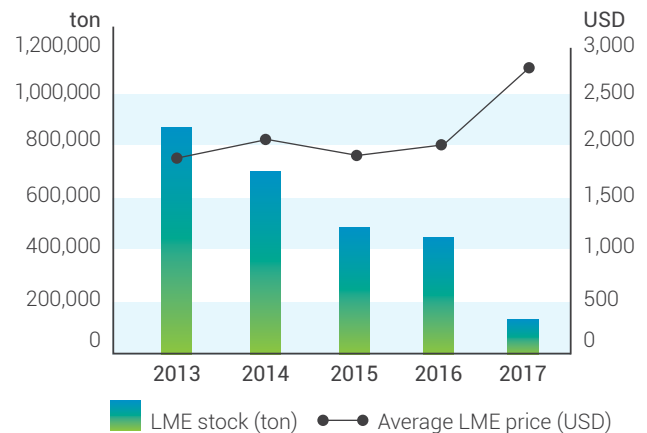
AVERAGE GLOBAL ZINC PRICE INCREASED 40%

The global zinc alloy price in 2017 continued to increase to more than 3,200 USD per ton. The annual average was 2,894 USD per ton, an increase of 40% compared with the average price of 2016 at 2,091 USD per ton. This was a result of the world's decreasing zinc alloy stock. At the end of 2017 the stock stood at only 182,050 tons, compared with 427,850 tons at the end of 2016.

The higher global zinc alloy price allowed PDI to significantly increase its revenue and profit from its stock of over 30,000 tons of zinc alloy produced at Mae Sot Mine, which was produced at a much lower cost. This zinc alloy was sold and distributed to customers in Thailand.



LME zinc prices and stock levels during the past 5 years



MARKETING STRATEGY FOCUSES ON QUALITY AND SERVICE

PDI operates a complete zinc alloy business with a warehouse located near the industrial customers for convenient distribution. This warehouse operates under the name of PDI Metals. In addition, PDI applies with various types of transport systems to respond to the specific needs of both small and large customers. The imported zinc alloy from its partners or suppliers is recognized internationally. PDI considers a wide range

of parameters about with of its partners and suppliers before importing zinc from them, including their production quality, reliability, social responsibility and operational transparency.

In terms of product responsibility, even though imported zinc alloy is not produced by PDI, the quality of the imported product will be completely tested before each delivery. This is to build confidence among PDI's customers. PDI will provide zinc alloy to customers according to their needs, whilst reducing its expenses as the Company no longer has to carry any stock.

VALUE FOR CUSTOMERS

PDI Metals added more modern communication channels with its customers by launching a new website and Facebook page called PDI Metals in addition to its existing LINE account. It also organized regular Customer Day events to communicate with customers and encourage their participation.

With over 33 years of experience in the zinc business, PDI will continue to offer technical services and enhance knowledge to maximize the potential of the zinc coating and molding industries in Thailand. It will also expand its cooperation with other organizations and institutes to promote and disseminate knowledge about various uses of zinc alloy.

In November 2017, PDI, as a member of the Thai Galvanizing Association (TGA), joined the Thai Corrosion of Metals and Materials Association to organize a seminar called Corrosion and Prevention Conference 2017 (TCPC 2017). The purpose was to impart knowledge on corrosion prevention and galvanization work to engineers and other interested participants. In addition, PDI supported TGA in hosting the Country Meeting 2017 – APGGC (Asia Pacific General Galvanizing Conference) to demonstrate Thailand's zinc galvanizing potential, and to prepare for hosting the 11st APGGC in 2019.



CUSTOMER SATISFACTION SURVEY

PDI conducted a customer satisfaction survey to gather useful information for the improvement of its services and to better meet customers' requirements. This was done through an opinion survey form and visits by the marketing and sales teams to talk to customers. The results of the survey showed that customers remain satisfied with PDI's products and services, with scores showing "very good" to "excellent". Likewise, PDI achieved "very good" to "excellent" ratings in solving customers' technical problems.

COMPLAINT RECEPTION PROCESS AND COMPLAINT RESPONSE SYSTEM

PDI provides opportunities for customers to file complaints related to products and services through various channels. Customers can complain directly to the marketing and sales teams by phone, e-mail, or via PDI's website. In 2017 there were only six complaints, all of which were corrected and clarified to the concerned customers.

CUSTOMERS' PRIVATE INFORMATION

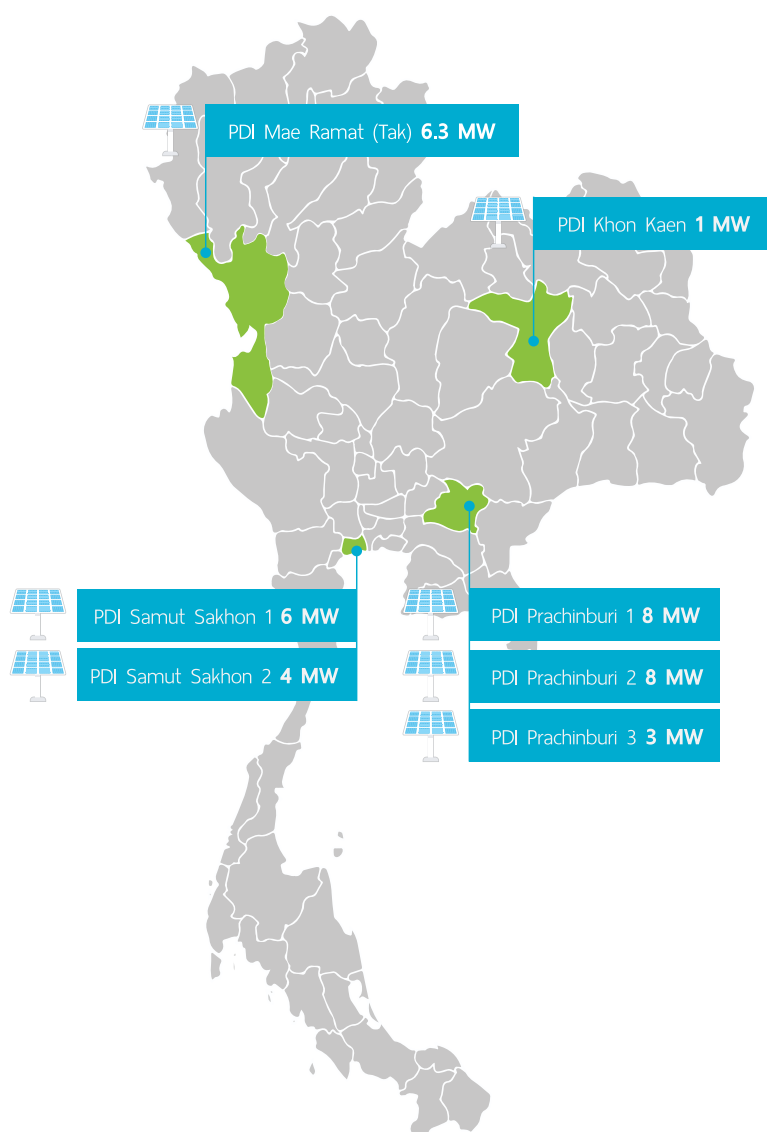
PDI emphasizes and respects the safety of customers' private information. Keeping information confidential is considered one of PDI's most important business ethics. Information on marketing and purchasing, as well as details of service to customers, is kept confidential, and only authorized persons may access it. This is to prevent loss, theft and unauthorized use of customers' information.

PDI'S 3 MAIN BUSINESSES

Since 2014, PDI's three main business segments, PDI Energy, PDI Materials, and PDI Eco, have made significant progress.

THE PDI ENERGY BUSINESS GROUP FOCUSES ON PRODUCING ENERGY FROM RENEWABLE ENERGY SOURCES INCLUDING SOLAR, WIND POWER, HYDROPOWER, BIOMASS AND BIOGAS.

Currently, PDI places its main emphasis on solar energy with a plan to invest in solar farms both in Thailand and overseas. Over the next 3 years, the Company aims for a total solar power production capacity of 200 megawatts, with a total investment budget of 10 billion Baht. So far over 5 billion Baht has been invested in solar farms, of which 1.8 billion Baht PDI's equity:



PDI THAI SOLAR:

- **30 MW PDI Solar Farms:** PDI successfully acquired 100% shares in Symbior Elements Pte., Ltd. with an investment of 1.3 billion Baht on September 15, 2017. This includes a total of 6 operating solar farms located in Prachinburi, Samut Sakhon and Khon Kaen. The solar farms have been producing and selling electricity to the Provincial Electricity Authority (PEA), under a 25-year power purchase agreement under either an adder of 8 Baht for 10 years or a 5.66 Baht feed-in-tariff scheme.

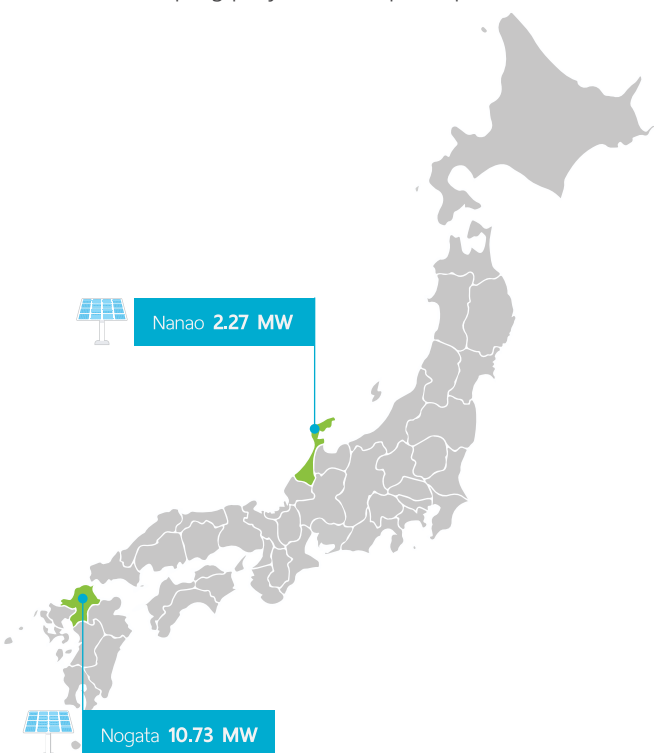
- **6.3 MW Mae Ramat Solar Farm in Tak:** This operating solar farm is located in Kha-Ne-Jue District, Mae Ramat Sub-District. PDI Energy holds a 99.99% stake in PDI Mae Ramat Co., Ltd. The acquisition was successfully completed on December 26, 2016. The farm has been producing and selling electricity to the Provincial Electricity Authority (PEA) since December 26, 2013, under a 25-year power purchase agreement under an adder of 6.50 Baht for 10 years scheme.

PDI THAI SOLAR

Location	Capacity	Land (rail)	COD	Years Left	Tariff Scheme
PDI Prachinburi 1	8+8 MW	183	DEC 2015	23.5	Fit Scheme 5.66 THB
PDI Prachinburi 2	3 MW	50	Apr 2016	24	
PDI Prachinburi 3					
PDI Samut Sakhon 1	6+4 MW	88	Dec 2015	23.5	
PDI Samut Sakhon 2					
PDI Khon Kaen	1 MW	20	Jul 2013	21	Adder Scheme 8 THB
PDI Mae Ramat (Tak)	6.3 MW	102	Dec 2013	21	Adder Scheme 6.5 THB
ToTal	36.3 MW	341			

PDI ASIA SOLAR

- 2.3 MW Nanao Solar Farm: This project started commercial operations in October 2016, and is currently producing 10% above the initial target.
- 10.8 MW Nogata Solar Farm: This project finalized construction late 2017, with a commercial operation date on March 1, 2018.
- Developing projects in Japan up to 30 MW



PDI ASIA SOLAR

	Nanao	Nogata
Capacity (MW) Installed	2.27	10.37
PPA	FIT Scheme at 32JPY/kWh, 20 years	FIT Scheme at 36JPY/kWh, 20 years
COD	October 2016 Operational 10% above target	March 2018
Project Value	800 M¥	4,500 M¥

In addition, a wide variety of potential opportunities ascend for PDI to achieve its target of producing 200 megawatts solar power within 3 years, including solar farm projects in Southeast Asia and Japan. In addition, PDI explores wind farm, hydro power, biomass and biogas projects in Southeast Asia.



THE PDI MATERIALS BUSINESS GROUP AIMS TO PRODUCE HIGH-VALUE-ADDED MATERIALS FROM RECYCLING ACTIVITIES.

The most important project in this business group remains PDI-CRT. The project aims to create a sustainable business from the recovery of metals from industrial waste using innovative ultra-high-temperature (UHT) processes. Initially, the project will process Electric Arc Furnace Dust (EAFD) from steel mills, whilst zinc oxide will be recovered from the process. In the future, the project will to recycle more complex industrial waste, such as electronic waste, solar panels and batteries.

PDI-CRT has gained exclusive rights in Thailand to deploy such technology, which will be provided by ScanArc Plasma Technologies AB of Sweden. This technology has the highest sustainable performance commercially available, and as such contributes to the most efficient, environmentally friendly and commercially effective hazardous metals waste recycling.

The project is tentatively located at PDI's Rayong plant, which is a strategic location as it is close to most of the steel mills producing EAFD. The total investment is about 1,700 million Baht, of which 850 million Baht equity. The basic design process of the main equipment has been completed with positive results. The project is expected to reach investment decision maturity by June 2018 and become operational in 2020.

The project has received full support from the Department of Industrial Works, as it will help Thailand efficiently manage its industrial waste and solve the issues of illegal dumping or export of hazardous waste. PDI signed a memorandum of understanding with the Department of Industrial Works on April 19, 2016.

Under PDI Materials, the PDI Metals business unit trades zinc and potentially other metals to maintain its market and respond to the needs of its existing and new customers.

THE PDI ECO BUSINESS GROUP FOCUSES ON ENVIRONMENTAL MANAGEMENT.

The most important project under this group is PDI Tak Eco, a joint venture between PDI Tak Eco Co., Ltd. (a 100% subsidiary of PDI) and Dowa Eco System Co., Ltd. (a 100% subsidiary of Dowa Holdings Co., Ltd.). The venture was formed in 2016 with PDI holding a majority share of 51%. The Company aims to manage 50,000 tons per year of industrial waste from the Northern and Central regions of Thailand.

The feasibility study of this project has been completed with positive results. The design of the plant not only meets internationally-recognized standards, but also maximizes protection of the local communities' quality of life and environment. The project has continuously gained the acceptance from the surrounding community and Environmental and Health Impact Assessment (EHIA) is progressive.

The project is located close to PDI's Tak Plant and is expected to start commercial operations in 2019. The total investment is 600 million Baht, of which 240 million Baht equity.

As this project is located in the target area identified in the Department of Industrial Works' strategic plan on industrial waste management, it has received full support from the Department in a memorandum of understanding signed on April 19, 2016. Under this memorandum, the Department of Industrial Works will support PDI with information related to industrial waste and advice on policy. This is to ensure that the waste management will be in line with the various laws and regulations and will not create a negative impact on the local environment and communities.

PDI firmly believes that all projects under these three business groups will meet their objectives and open a new chapter in PDI's history as a strong foundation for future sustainable growth.



FINANCIAL REVIEW

OVERVIEW OF COMPANY PERFORMANCE IN 2017

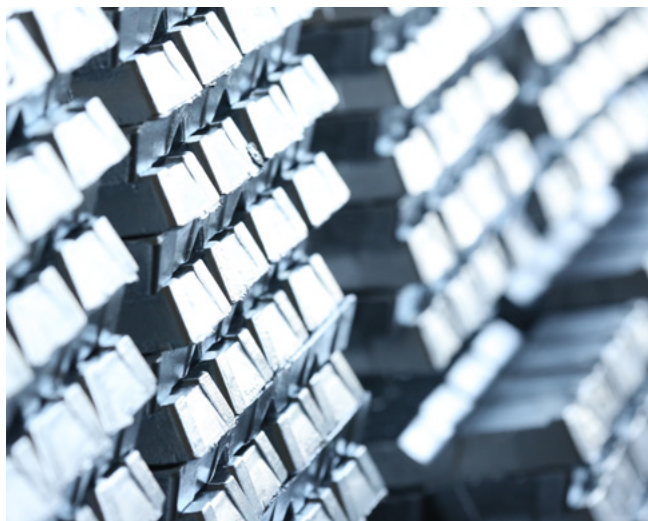
Note: The following management review is based on a formulation of accounts which may not have been audited. The purpose of presenting the accounts in such a format is to disclose the results in a way more useful to the reader than that of the comprehensively regulated financial statements.

The Company, as a zinc smelter, generates earnings by converting raw materials such as imported concentrates, other feed stock and ore from its own Mae Sot mine into marketable zinc metal. The revenues of the Company are mainly affected by the commodity zinc prices, the exchange rate of the Thai Baht to the US Dollar and the treatment charges (TC) received from the mines to process their zinc concentrates into zinc metal. The Company has entered into a period of business transition with reduced zinc-related operating activities and has started diversifying into new business areas.

The Company's mining activity ceased in 2016 while the zinc refinery and production remained active for the 1st half of 2017, making use of the remaining zinc ore stock from the Mae Sod mine. This supported the very good performance of the Company in 2017.

The London Metal Exchange (LME) average zinc cash settlement price in 2017 was 2,894 USD per ton, a 38% increase compared to the price of 2,091 USD per ton in 2016. The sharp increase in zinc price was a result of the increase in global economic activity while the supply of zinc concentrates and zinc metal remained limited.

The average exchange rate of the Thai Baht against the US Dollar in 2017 was 34.41 Baht to the dollar, which represents a 4% appreciation from 35.47 Baht in 2016. The Thai Baht strengthened against the US Dollar due to the recovery of Thailand's economy.



In 2017, the Company generated net revenue from zinc sales of 5,736 million Baht, a 16% increase compared to 4,945 million Baht in the previous year. The increase in zinc sales resulted mainly from higher zinc prices despite the appreciated Thai Baht against the US Dollar, which is unfavourable to the Company's results. The 2017 average sales premiums on zinc metal remained at the same good level as the previous year due to a shortage of zinc metal in the global market.

Due to the sharp increase in the zinc price and entering into the zinc trading business, raw material costs sharply increased from 2016 to 2017. Zinc sales from imported metal reached 40% of the total 2017 sales volume.

Due to continued losses from the operations of Maesod Clean Energy (MCE), on August 4, 2016 the Board of Directors of PDI approved to divest from the company. The share sales agreement with MP Energy Co., Ltd. was signed for a total value of 59 million Baht. Payment was completed on February 16, 2017.

A shareholder loan of 105 million Baht from PDI to MCE on October 5, 2011 has been agreed to be repaid within 2 years from the share sales agreement date. On February 16, 2018, the loan principal of 52.5 million Baht was received. The remaining 52.5 million Baht will be repaid within February 16, 2019.

In September 2017, Ton Sangkasi Pte Ltd., a wholly-owned subsidiary of PDI, successfully acquired solar power plants with a combined capacity of 30MW, which are operating in Prachinburi, Samut Sakhon and Khon Kaen provinces. This acquisition added generated revenues of 63 million Baht for the Group in 2017.

In addition, the construction of the second 10.8MW solar farm in Japan is progressing as planned and its COD is expected within the 1st quarter of 2018. The first 2.3MW solar farm started operations in October 2016, and has since then operated as planned.

The group announced exceptionally good performance in 2017 with a consolidated net profit of 905 million Baht, the highest in the last 10 years, increased from a net profit of 478 million Baht in 2016. The consolidated earnings per share in 2017 reached 4.01 Baht, compared with 2.11 Baht in 2016.

The Group's earnings before interest, taxes, depreciation and amortization (EBITDA) in 2017 reached 1,170 million Baht, at approximately the same level as the EBITDA of 1,198 million Baht in 2016.

STATEMENT OF FINANCIAL POSITION

Assets and Liabilities

At the end of 2017, the total assets of the PDI Group reached 7,409 million Baht, an increase of 1,816 million Baht compared to the previous year, an increase with more than 30%. The cash and cash equivalent, including short-term deposits, increased to 1,579 million Baht in 2017 from 1,412 million Baht in 2016, mainly from a planned decrease in zinc metal inventories.

The non-current assets of the PDI Group increased with 2,594 million Baht mainly due to the acquisition of solar farms in Prachinburi, Samut Sakhon and Khon Kaen provinces in September 2017, which increased property, plant and equipment account by 1,724 Baht million and intangible assets by 691 million Baht. In addition, the fair value of fixed assets has have increased by 485 million Baht after asset revaluation.

By the end of 2017, total liabilities increased by 749 million Baht to 2,324 million Baht, from 1,575 million Baht in 2016. This was due to long-term and short-term loans from financial institutions for the acquisition of 6 operating solar farms.

Shareholder's Equity

As of December 31, 2017, the total shareholder's equity of PDI amounted to 5,084 million Baht, a net increase of 1,067 million Baht compared to the previous year, an increase with 21%, due to the favorable performance of the PDI group and net gains from asset revaluation of 383 million Baht.

CASH FLOW AND CAPITAL EXPENDITURES

The net cash generated from the operating activities of the group in 2017 was 1,719 million Baht, compared to net cash generated of 1,250 million Baht in 2016. This resulted mostly from exceptional profitability due to the improved zinc market and the decrease of working capital, especially inventories.

In 2017, the cash flow used for investing activities, mainly for business expansion of solar farm power plants, was 1,113 million Baht.

A net cash flow of 631 million Baht was used in financing activities of 2017, for short-term loan repayments of 211 million Baht and dividend payments related to the 2016 net profit of 226 million Baht.

The PDI Group maintained a healthy financial position with consolidated net cash of 1,579 million Baht by the end of 2017, including short term deposits of 544 million Baht.



FINANCIAL STATUS

	Year 2016		Year 2017	
Average				
LME Zn (USD/ton)		2,091		2,894
USD/Baht		35.47		34.11
Zn (Baht/ton)		74,168		98,714
	tons	2016 million Baht	tons	2017 million Baht
Net Zinc sales	64,676	4,945	57,481	5,736
Net Acid sales	29,461	45	1,161	1
Net PLP sales	6,391	85	8,536	97
Company revenue		5,075		5,834
Other income		63		135
Expenses				
Zinc purchased		1,597		2,949
PLP purchased		43		117
Alloying metals		53		31
Sulphur		267		119
Total raw materials		1,960		3,216
Personnel expenses		499		650
Energy expenses		830		534
Materials & supplies and Consumables		207		158
Services (freight, contracts)		291		210
Other expenses		178		62
Depreciation amortization		657		199
Subtotal		4,622		5,029
Gain (loss) on foreign exchange		12		(9)
Financial income (expenses)- net		51		42
Gain from fixed asset sales		17		24
Gain (loss) from provision		14		(38)
Gain from bargain purchase		45		0
Net consolidation effect- profit/(loss)		(57)		42
Share of loss from joint venture		-49		5
Operating result		549		1,006
Corporate income tax		-71		(101)
Net operating result		478		905

Note: PLP stands for Padaeng Leached Product (lead-silver residue)

BUSINESS RISK ASSESSMENT

IDENTIFYING AND MITIGATING THE INHERENT RISKS OF NEW BUSINESSES

Driven by the depletion of the Mae Sod zinc mine in the course of 2016, the PDI Board of Directors approved to cease its conventional zinc business operations by the end of 2017. PDI aims to mitigate risks of its new business, by balancing between new projects and mergers & acquisitions. This ensures PDI can maintain acceptable revenues and profit generation to ensure a sound financial foundation for future investment growth in its main business segments: Materials, Eco and Energy. PDI will align its risk assessment for each specific business, with the investment opportunity potential and the risk appetite level for the expected return. Moreover, PDI will always mitigate risks to ensure the lowest impact to the surrounding environment and communities.


MAJOR RISKS FOR THE ZN-METALS TRADING BUSINESS

Credit Risk

PDI's main credit risks are in the accounts receivable. PDI actively monitors payment performance of all its customers and evaluates their solvency prior to granting any credit. In addition, we use a credit insurance system for less-credit worthy customers in order to cover receivables that are not supported by cash advance, a bank guarantee or a letter of credit. Yearly audits ensure the proper treatment of all our accounts receivable.

Commodity Price Exposure

Through the nature of the business, PDI Metals is exposed to fluctuations in the market prices of commodities. For day-to-day operations, we apply transactional hedging, meaning that we generally limit hedging transactions to cover the time risks between import of metals and the sale of metals, in order to cover any exposure on fixed-price forward sales of metals to our customers.



In 2017 PDI, applying its strategic hedging plan, has sold forward a total of 16,000 tons of zinc, being 57% of the Mae Sod mine production. This forward selling protected the Company's income against fluctuations in the LME zinc price and the US dollar to Thai Baht exchange rate. Although these strategic hedging transactions have at times prevented PDI from taking maximal advantage of potential upsides on the zinc metal tonnage hedged, the Company was able to lock-in a proper return for its shareholders.

Currency Exposure (US dollar)

PDI incurs foreign currency risk on sales, purchases and borrowings that are made in currencies other than Thai Baht. The primary currency giving rise to this risk is the US dollar. We address this exposure by using foreign-exchange forward contracts and US dollar deposits.

MAJOR RISKS FOR THE SOLAR POWER PLANTS

Production Disruption

Solar Power Plants produce and sell electricity power to one sole key customer being the Provincial Electricity Authority (PEA). The key risk remains production disruption due to the internal and external factors and may result in loss of Company's income. External factors are PEA's (unexpected) take-off shut down for maintenance reasons or electrical equipment breakdown due to unexpected natural disasters or accidents. Internal factors are production disruption due to solar power plant's equipment breakdown or natural disasters such as lightning or flooding.

PDI aims to mitigate such risks by regular preventive maintenance, and efficient drainage and lightning protection systems. PDI has studied the likelihood of flood in each area of its solar power plants and concluded low risks of flood occurrence. Additionally PDI has an all risk insurance covering natural disasters.

Risks from the underperformance of the solar farms

Solar Power Plants' performance depends critically on solar irradiation. In recent years, Thailand and Japan face climate variability. With declining solar irradiation, the energy production of power plants could be curtailed. This would affect the company's revenues. However, PDI has studied irradiation performance in each area prior to investment to ensure high performance for all its farms. Also all PDI's farms have outperformed their targets.

Currency Exposure (Japanese Yen)

In 2016, PDI started investing in Japan which required Japanese Yen for purchasing business and subsequent project development. Consequently, PDI has risks in Japanese Yen exposure. This could affect gain and loss on exchange rate. However, PDI has acquired Yen loans to meet the requirement of investment in Japan to reduce these exchange rate risks. PDI also monitors preventive exchange rate movements to resort to appropriate financial tools.





BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE



- ① Arsa Sarasin
- ② Francis Vanbellen
- ③ Sadawut Taechaubol

- ④ Tommy Tachaubol
- ⑤ Prapa Puranachote



- ⑥ Wimol Chatameena
- ⑦ Karel Vinck
- ⑧ Vinai Vamvanij

- ⑨ Aswin Kongsiri
- ⑩ Kurujit Nakornthap
- ⑪ Chokchai Aksaranan



1

ARSA SARASIN

81 Years Old

- Chairman
(Authorized Director)

Education

- Honorary Doctoral Degree in Political Science (International Affair), Thammasat University, Thailand
- B.A. (Business Administration), Boston University, USA

Training at Thai Institute of Directors Association

- Director Accreditation Program (DAP), 2003
- Audit Committee Program (ACP), 2007
- Finance for Non-Finance Directors (FND), 2008
- Role of Chairman Program (RCP), 2013

Current Position in Listed Company

- 2015 - Present Chairman, Dusit Thani Public Company Limited
- 2001 - Present Director, Chairman of Corporate Social Responsibility Committee for Sustainable Development and Member of the Governance and Nomination Committee, The Siam Cement Public Company Limited
- 1999 - Present Chairman, Siam Makro Public Company Limited
- 1998 - Present Chairman, Padaeng Industry Public Company Limited

Other Current Position

- 2016 - present Advisor to the Board of Director, Charoen Pokphand Foods Public Company Limited
- 2013 - Present Chairman, Mitsubishi Elevator Asia Co., Ltd.
- 2005 - Present Vice Chairman, Thai Tapioca Development Institute
- 2004 - Present Chairman of Advisor, Thai-Laos Association
- 2004 - Present Chairman of the Board of Governors, Amata Spring Country Club
- 2003 - Present Director, Thai Pure Drinks Company Limited
- 1995 - Present Chairman, Amata City Company Limited
- 1993 - Present Chairman, Thai Asia Pacific Brewery Company Limited

Working Experience

- 2006 - 2016 Chairman, Masod Clean Energy Company Limited
- 1999 - 2016 Chairman of Audit Committee, Vice Chairman and Independent Director of Charoen Pokphand Foods Public Company Limited
- 2000 - 2012 His Majesty's Principal Private Secretary
- 1995 - 2008 Vice Chairman of the Board of Directors and Advisor, Bangkok Bank Public Company Limited
- 1995 - 2004 Director, Vinythai Public Company Limited
- 1994 - 2004 Chairman of the Thai-Laos Association
- 1992 - 1998 Chief Executive Officer, Padaeng Industry Public Company Limited
- 1991 - 1992 The Minister of Foreign Affairs
- 1986 - 1988 Thai Ambassador to the USA
- 1982 - 1986 The Permanent Secretary of The Ministry of Foreign Affairs
- 1977 - 1980 Thai Ambassador to Belgium & Chief of Mission to the European Community

% Share Possession : None**Family Relation among the Managers :** None**Date of the First Appointment :** November 23, 1987

Education

- Master's Degree in Chemical Engineering, Catholic University Leuven (KUL), Belgium
- Master of Business Administration, Vlerick Management School, Ghent, Belgium

Training at Thai Institute of Directors Association

- Director Certification Program (DCP), 2013, IOD, Bangkok, Thailand

Other Training

- Process Management, Harvard, Cambridge, USA
- Strategic Innovation Management, Insead, Fontainebleau, France
- Business Excellence Assessment, EFQM, Brussels, Belgium
- Multicultural Leadership, Ashridge, London, UK

Current Position in Listed Company

- 2012 - Present Managing Director, Padaeng Industry Public Company Limited

Other Current Position

- 2018 - Present Director of the Board, Ton Sangkasi Pte. Ltd., Singapore
- 2017 - Present Director of the Board, Symbior Elements Pte. Ltd., Singapore
- 2016 - Present Chairman of the Board, PDI Tak Eco Co., Ltd., Bangkok, Thailand
- 2015 - Present Chairman of the Board, PDI Energy Co. Ltd., Bangkok, Thailand
- 2015 - Present Chairman of the Board, PDI Eco Co. Ltd., Bangkok, Thailand
- 2015 - Present Chairman of the Board, PDI-CRT Co. Ltd., Bangkok, Thailand
- 2014 - Present Chairman of the Board, PDI Materials Co. Ltd., Bangkok, Thailand
- 2014 - Present Vice-President, Belgian- Luxembourg/Thai Chamber of Commerce, Bangkok, Thailand

Working Experience

- 2012 - 2016 Director, Maesod Clean Energy Co. Ltd., Bangkok, Thailand
- 2012 - 2016 Director, GMM Quartz NV, Antwerp, Belgium
- 2012 - 2015 Director, Puthep Co. Ltd., Bangkok, Thailand
- 2011 - 2015 Chairman of the Supervisory Board, GMM Quartz, Berlin, Germany
- 2011 - 2015 Director, OMM, Aydin, Turkey
- 2011 - 2012 Managing Director, GMM Quartz NV, Antwerp, Belgium
- 2001 - 2011 Plant Manager, Umicore Precious Metals Refining Operations, Hoboken, Belgium
- 2000 - 2001 Head of Department Precious Metals Operations, Umicore, Hoboken, Belgium
- 1998 - 2000 Head of Department Knowledge & Supply Chain management, Umicore, Hoboken, Belgium
- 1996 - 1998 Head of Department Human Resources & Business Excellence, Umicore, Brussels, Belgium
- 1994 - 1996 Manager Total Quality Management, Umicore, Hoboken, Belgium
- 1990 - 1994 Manager Precious Metals Refinery, Umicore, Hoboken, Belgium
- 1988 - 1990 Manager Raw Materials Sampling, Umicore, Hoboken, Belgium
- 1981 - 1988 Manager Special Metals Refinery, Umicore, Hoboken, Belgium

% Share Possession : None

Family Relation among the Managers : None

Date of the First Appointment : April 26, 2012

- Director
 - Managing Director
 - Executive Committee Member
- (Authorized Director)

3

**SADAWUT
TAECHAUBOL**

65 Years Old

- Director
- Executive Committee Chairman
(Authorized Director)

Education

- Commerce Diploma, Davis School, Brighton, UK
- B.A. (Political Science), Ramkhamhaeng University, 2002
- Honorable Degree (Business Administration), Kensington University, California, USA

Training at Thai Institute of Directors Association

- Director Accreditation Program (DAP), Class 66/2007
- Corporate Governance for Capital Market Intermediaries (CGI), Class 14/2016

Other Training

- Capital Market Academy, Class 12, 2011, The Stock Exchange of Thailand
- Energy Literacy for the World Program, Class 7 (TEA 7), 2016, Thailand Energy Academy
- Global Business Leader Program (GBL), Class 2/2017, Lead Business Institute

Current Position in Listed Company

- 2015 - Present Director and Executive Committee Chairman, Padaeng Industry Public Company Limited
- 2014 - Present Chairperson & Chairman of the Executive Board of Directors, Country Group Holdings Public Company Limited
- 2012 - Present Director & Chairman of the Executive Board of Directors, MFC Asset Management Public Company Limited

Other Current Position

- 2015 - Present Director, EDP Enterprise Company Limited
- 2015 - Present Director, Asia Zone Ventures Company Limited
- 2015 - Present Director, BBT Enterprise Company Limited
- 2013 - Present Executive Directors, China Overseas Exchange Association
- 2010 - Present Chairman of Thai Chamber of Commerce & Industry
- 2010 - Present Chairman of Sing Sian Yee Pao Company Limited
- 2006 - Present Director of Baan Rai Taechaubol Company Limited
- 1994 - Present Chairman of Country Group Company Limited

Working Experience

- 2009 - Sep 2017 Director and Chairman of the Executive Board of Directors, Country Group Securities Public Company Limited
- 2010 - Jan 2017 Vice Chairman of Country Group Development Public Company Limited
- 2004 - 2013 Director of Landmark Development Group Company Limited
- 2009 - 2012 Director and Executive Director, MFC Asset Management Public Company Limited
- 2007 - 2009 Chief Executive Officer and President, Country Group Securities Public Company Limited

% Share Possession : None

Family Relation among the Managers : Mr. Tommy Taechaubol's father

Date of the First Appointment : November 10, 2015

4

**TOMMY
TACHAUBOL**

34 Years Old

- Director
- Executive Committee Member
- Nomination and Remuneration Committee Member

Education

- Master of Business Administration (MBA) (with distinction), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Commerce, Finance Major (with distinction), The University of New South Wales, Australia
- Bachelor of Laws, The University of New South Wales, Australia

Training at Thai Institute of Directors Association

- Director Accreditation Program (DAP), Class 88/2011
- Corporate Governance for Capital Market Intermediaries (CGI), Class 13/2016

Other Training

- Real Estate Development RE-CU, Class 40, The Real Estate Executive Association of Chulalongkorn University

Current Position in Listed Company

- 2015 - Present Director, Executive Director and Nomination & Remuneration Committee Member, Padaeng Industry Public Company Limited
- 2014 - Present Director, Investment Committee Member and Chief Executive Officer, Country Group Holdings Public Company Limited
- 2014 - Present Advisor to the Executive Committee, MFC Asset Management Public Company Limited

Other Current Position

- 2006 - Present Director, Bann Rai Taechaubol Company Limited
- 2005 - Present Director, Country Group Company Limited

Working Experience

- 2010 - Dec 2017 Chairman of Executive Committee, Sing Sian Yee Pao Company Limited
- 2012 - Jan 2017 Director, Country Group Securities Public Company Limited
- 2011 - 2014 First Executive Vice President (Business Development Division), MFC Asset Management Public Company Limited
- 2006 - 2011 Director, Country State Company Limited

% Share Possession : None

Family Relation among the Managers : Mr. Sadawut Taechaubol's son

Date of the First Appointment : May 7, 2015

Education

- Master of Business Administration (MBA), The National Institute of Development Administration (NIDA)
- Bachelor of Arts, Journalism and Mass Communication Program, Thammasat University

Training at Thai Institute of Directors Association

- Director Certification Program (DCP), Class 148/2011

Other Training

- Advanced Certificate Course in Public Economics Management for Executives, Class 7, King Prajadhipok's Institute
- Chief Executive Program, Class 14 (CMA 14), Capital Market Academy
- Thammasat Leadership Program (TLP 2), Thammasat University Alumni Relations Office
- Energy Literacy for the World Program, Class 6 (TEA 6), Thailand Energy Academy
- Global Business Leader Program (GBL), 2017, Lead Business Institute

Current Position in Listed Company

- 2015 - Present Director and Executive Director, Padaeng Industry Public Company Limited
- 2015 - Present Independent Director and Audit Committee, Ratchaburi Electricity Generating Holding Public Company Limited
- 2011 - Present Director, Executive Director, Member of the Risk Management Committee, Member of the Good Corporate Governance Committee and President, MFC Asset Management Public Company Limited

Working Experience

- 2004 - 2011 Senior Executive Vice President and Chief of Provident Fund Division, Krung Thai Asset Management Public Company Limited
- 2002 - 2004 Senior Executive Vice President and Chief of Business Development & Marketing Division, Krung Thai Asset Management Public Company Limited

% Share Possession : None

Family Relation among the Managers : None

Date of the First Appointment : June 29, 2015

5

**PRAPA
PURANACHOTE**

63 Years Old

- Director
- Executive Committee Member

6

**WIMOL
CHATAMEENA**

58 Years Old

- Director

Education

- Master's Degree: Development Economics, National Institute of Development Administration (NIDA), Bangkok, Thailand
- Bachelor's Degree: Economics, Thammasat University, Thailand

Training at Thai Institute of Directors Association

- Director Certification Program (DCP), Class 288/2016

Current position in Listed Company

- 2016 - Present Director, Padaeng Industry Public Company Limited

Other Current Position

- 2016 - Present Deputy Director-General of Fiscal Policy Office, Ministry of Finance

Working Experience

- 2013 - 2016 Executive Director of Fiscal Policy Bureau, Fiscal Policy Office
- 2012 - 2013 Executive Director of Financial Benefit Protection System Bureau, Fiscal Policy Office
- 2011 - 2012 Executive Director of Legal Affairs Bureau, Fiscal Policy Office
- 2009 - 2011 Senior Expert on Fiscal Policy Instrument, Fiscal Policy Office

% Share Possession : None

Family Relation among the Managers : None

Date of the First Appointment : February 18, 2016

7

**KAREL
VINCK**

79 Years Old

- Independent Director
- Audit Committee Member

Education

- Master's Degree in Electrical and Mechanical Engineering, Katholieke Universiteit Leuven (KUL), Belgium
- Master of Business Administration, Cornell University, USA

Training at Thai Institute of Directors Association

- None

Current Position in Listed Company

- 2000 - Present Independent Director and Audit Committee Member, Padaeng Industry Public Company Limited

Current Position

- 2008 - Present Director, La Monnaie Opera House
- 2008 - Present Senior Advisor, Roland Berger Consultants, Germany
- 2006 - Present Coordinator European Commission ERTMS, for Railway Transport
- 2005 - Present Director, Tessenderlo Chemicals, Belgium

Working Experience

- 2007 - 2016 Director, Nyrstar N.V., Belgium
- 2010 - 2013 Chairman of BAM (Antwerp Mobility Program), Belgium
- 2002 - 2005 Chief Executive Officer, NMBS/SNCB (Belgian Railways), Belgium
- 2000 - 2002 Chairman, Sibelco, Belgium
- 1995 - 2008 CEO&Chairman, Umicore, Belgium
- 1988 - 1994 CEO, Bekaert, Belgium

% Share Possession : None

Family Relation among the Managers : None

Date of the First Appointment : July 13, 2000

8

**VINAI
VAMVANIJ**

77 Years Old

Education

- Professional Accountancy, CPA, Australia

Training at Thai Institute of Directors Association

- Chairman 2000
- Director Certification Program (DCP), 2001

- Chartered Director Class 2007
- Audit Committee Program 2007
- DCP Refresher Course
- Creating a Strategic Direction
- Advance Audit Committee Program 2013
- Board that Make a Difference (BMD), Class 1/2016
- The Power of Culture: From Performance Culture to Winning Culture, 2016
- Board Nomination & Compensation Program (BNCP), Class 1/2017
- Boardroom Success through Financing and Investment, Class 2/2017

- Independent Director
- Audit Committee Chairman
- Nomination and Remuneration Committee Member (Authorized Director)

Current Position in Listed Company

- 1998 - Present Independent Director, Audit Committee Chairman and Nomination & Remuneration Member, Padaeng Industry Public Company Limited

Current Position

- 2015 - Present IOD Chartered Directors, Thai Institute of Directors Association
- 2006 - Present Director, Palang Sophon Company Limited
- 2000 - Present Director, Continental Petrochemical (Thailand) Company Limited

Working Experience

- 2001 - 2011 Independent Director and Audit Committee, Christiani & Nielsen (Thai) Public Company Limited
- 2000 - 2001 Executive Director, Thonburi Automotive Assembly Plant Company Limited
- 1992 - 2000 President, Eternal Petrochemical Company Limited
- 1989 - 1997 Chief Executive Officer, Aquastar Group

% Share Possession : 0.0035

Family Relation among the Managers : None

Date of the First Appointment : November 6, 1998

Education

- B.A. (Hons.) in Philosophy, Politics and Economics, Oxford University, England

Training in Thai Institute of Directors Association

- Chairman 2000, Class 5/2001
- Director Certification Program (DCP), Class 11/2001
- Chairman Forum 2016 : Corporate Governance VS Corporate Performance : Duty or Choice?
- IOD Director Briefing 2/2017: Directing in the Year of the Rooster: Hot Issues and Outlook for 2017
- Nomination Director Event: Nomination Committee Best Practice Guideline
- Chartered Director & Fellow Member Event 1/2017: Story Telling
- Audit Committee Forum 2017: The Audit Committee's Role in Compliance and Ethical Culture Oversight

Other Training

- Banff School of Advanced Management, Alberta, Canada
- The National Defence Course for the Joint State-Private Sectors, Class 6, National Defence College
- CG Forum 1/2016 Ethics: Corporate Governance, The Stock Exchange of Thailand
- Ernste Young Center for Brand Matters: Critical Insights for Brand and Audit Committee

Current position in listed company

- 2007 - Present Independent Director and Chairman, Ch. Karnchang Public Company Limited
- 2005 - Present Independent Director, Chairman of Nominating and Corporate Governance Committee and Chairman of Risk Management Committee, Bangkok Aviation Fuel Services Public Company Limited
- 1999 - Present Independent Director and Chairman of Audit Committee, OHTL Public Company Limited (Mandarin Oriental Hotel)
- 1991 - Present Independent Director and Audit Committee Member, Nomination and Remuneration Committee Chairman, Padaeng Industry Public Company Limited

9

**ASWIN
KONGSIRI**

72 Years Old

- Independent Director
- Nomination and Remuneration Committee Chairman
- Audit Committee Member

- 1994 - Present Chairman (since 2007) and Independent Director, Ch.Karnchang Public Company Limited
- 1993 - Present Independent Director and Chairman of Audit Committee, Thai Reinsurance Public Company Limited

Other current position

- 2010 - Present Chairman, Thai Orix Leasing Company Limited
- 2008 - Present Chairman, Ton Poh Thailand Fund

Working experience

- 2011 - 2014 Member, Monetary Policy Committee, Bank of Thailand
- 2010 - 2012 Governor, The Stock Exchange of Thailand
- 2010 - 2012 Chairman, Thoresen Thai Agencies Public Company Limited
- 2010 - 2011 Chairman, Krungthai-AXA Life Insurance Company Limited
- 2009 - 2010 Director and Executive Director, Krung Thai Bank Public Company Limited
- 2006 - 2009 Assembly Member, The National Legislative Assembly
- 2003 - 2007 Independent Director, Thai Rating and Information Service Company Limited
- 2001 - 2012 Vice Chairman, Electricity Generating Public Company Limited
- 1999 - 2003 Director and Executive Director, Siam Commercial Bank Public Company Limited
- 1990 - 1998 President, the Industrial Finance Corporation of Thailand
- 1981 - 1998 Director, Padaeng Industry Public Company Limited

% Share Possession : None

Family relation among the managers : None

Date of the First Appointment : April 10, 1981

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**KURUJIT
NAKORNTHAP**

62 Years Old

- Independent Director
- Executive Committee Member

Education

- Ph.D. in Petroleum Engineering, University of Oklahoma, USA
- M.S. in Petroleum Engineering, University of Oklahoma, USA
- B.S. (with Special Distinction) in Petroleum Engineering, University of Oklahoma, USA

Training at Thai Institute of Directors Association

- Director Accreditation Program (DAP), Class 64/2007
- Audit Committee Program (ACP), Class 32/2010
- Role of Compensation Committee (RCC), Class 12/2011
- R-CF-Chairman Forum (R-CF), Class 2/2013
- Collective Action Against Corruption Conference (C-Conference), Class 1/2014

Other Training

- Senior Executive Programme (SEP 60), 2006, The London Business School, United Kingdom
- Civil Service Executive Program: Visionary and Moral Leadership, Class 46, 2005, Office of the Civil Service Commission
- National Defence Course Class 51, 2008-2009, National Defence College
- Top Executive Program in Commerce and Trade (TEPCoT), Class 3, 2010, Commerce Academy, University of the Thai Chamber of Commerce
- Training Course on Leadership for Change, Class 2, 2011, Right Livelihood Foundation, Matichon Publishing Group
- The 2nd Training Course on Administrative Justice for Executives, 2011, Office of the Administrative Courts of Thailand
- Training Course for Executive Class 13, 2011-2012, Capital Market Academy
- Energy Literacy for the World Class 1, 2012, Thailand Energy Academy
- Systematic Problem Solving and Decision Making (SPSDM), 2012, Office of the Civil Service Commission in cooperation with ACI Consultants Co., Ltd.
- Bhumipalung Phandin Course for Executives Class 2, 2013, Chulalongkorn University

Current Position in Listed Company

- 2017 - Present Independent Director, Global Power Synergy Public Company Limited
- 2016 - Present Independent Director and Executive Committee Member, Padaeng Industry Public Company Limited

Other Current Position

- 2017 - Present Chairman, Thailand Greenhouse Gas Management Organization (Public Organization: TGO)
- 2015 - Present Member of The Council of State (Juridical Council)
- 2015 - Present Co-Chairman (Thailand), Malaysia-Thailand Joint Authority (MTJA)
- 2016 - Present Member of University Council, Khon Kaen University

Working Experience

- 2015 - 2017 Member of The National Reform Steering Assembly, Thailand
- 2014 - 2017 Chairman of the Board of Director, Thai Oil Public Company Limited
- Feb.- Oct. 2016 Member, National Research Council of Thailand
- Oct. 2014 - Sep. 2015 Member of The National Research Council of Thailand (NRCT)
- Jun. - Sep. 2015 Permanent Secretary, Ministry of Energy
- Oct. 2014 - Jun. 2015 Deputy Secretary, Ministry of Energy
- 2011 - 2015 Chairman of the Board of Directors, Ratchaburi Electricity Generating Holding Public Company Limited
- 2011 - 2014/2015 Director and Chairman of the Board of Directors, Electricity Generating Authority of Thailand
- Jul. - Sep. 2014 Director-General, Department of Mineral Fuels, Ministry of Energy
- 2010 - 2014 Deputy Secretary, Ministry of Energy
- 2007 - 2014 Director, Esso (Thailand) Public Company Limited
- 2008 - 2010 Director-General, Department of Mineral Fuels, Ministry of Energy

% Share Possession : None

Family Relation among the Managers : None

Date of the First Appointment : April 25, 2016

Education

- Ph.D. (Chemical Engineering), University of New Brunswick, Canada
- MSc. E (Chemical Engineering), University of New Brunswick, Canada
- B.Sc. (Hons) Chemical Engineering, Chulalongkorn University

Training at Thai Institute of Directors Association

- Director Accreditation Program (DAP), 2006
- Director Certification Program (Refresh), 2008
- Audit Committee Program (ACP), 2008

Other Training

- National Defence College, Public-Private Sector Program, Class 311, The National Defence College, The National Defence Studies Institute, Ministry of Defence
- Chief Executive Program, Class 10 by Capital Market Academy (CMA), The Stock Exchange of Thailand

Current Position in Listed Company

- 2017 - Present Independent Director and Executive Committee Member, Padaeng Industry Public Company Limited
- 2010 - Present Vice Chairman, Chairman of the Audit Committee and Independent Director, MFC Asset Management Public Company Limited

Other Current Position

- 2011 - Present Chairman, Thai Samsung Life Insurance Public Company Limited
- 2009 - Present Chairman, Bangkok Industrial Gas Company Limited
- 2006 - Present Chairman, Thai Ethoxylate Company Limited

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**CHOKCHAI
AKSARANAN**
75 Years Old

- Independent Director
- Executive Committee Member

Working Experience in the Listed Company

- Sep. 2014 - Oct. 2015 Acting Chairman, MFC Asset Management Public Company Limited
- 2007 - 2010 Independent Director and Chairman of Audit Committee, PTT Exploration and Production Public Company Limited
- 2007 - 2010 Chairman of the Executive Board, Siam City Bank Public Company Limited
- 2005 - 2011 Independent Director and Chairman of Audit Committee, PTT Aromatics and Refining Public Company Limited
- 2005 - 2011 Chairman, Saha Patana Inter-Holding Public Company Limited
- 2002 - 2010 Chairman of the Executive Board, Vinythai Public Company Limited
- 1994 - 1998 Director, Krungthai Bank Public Company Limited

Working Experience in the Non-Listed Company

- 2002 - 2007 Chairman, Bangkok Commercial Asset Management Company Limited
- 1999 - 2002 Director, Asset Management Corporations
- 1996 - 1999 Board of Director, Export-Import Bank of Thailand (EXIM Bank)
- 2008 - 2015 Assistance Professor, Faculty of Science, Chulalongkorn University

Other Past Experience

- Chairman of the Federation of Thai Industries
- Chairman of the ASEAN Chamber of Commerce and Industry (ASEAN CCI)
- Member of the National Legislative Assembly
- Member of the Senate
- Member of the Constitution Drafting Assembly 2007

% Share Possession : None**Family Relation among the Managers :** None**Date of the First Appointment :** April 25, 2017

PINIT
VONGMASA
73 Years Old

THE DIRECTOR WHO RETIRED BY ROTATION IN 2017**Education**

- M.S. (Ind. Mgt.), Oklahoma State University, USA
- B.Eng. (Electrical Engineering), Chulalongkorn University

Training at Thai Institute of Directors Association

- Director Certification Program (DCP), 2001

Other Training

- Advanced Management Program, Harvard University, USA

Current position in Listed Company

- 2017 - Present Advisor, Padaeng Industry Public Company Limited

Working experience

- 2006 - 2017 Independent Director and Nomination and Remuneration Committee Member, Padaeng Industry Public Company Limited
- 2000 - 2006 Chief Executive Officer, Padaeng Industry Public Company Limited
- 1999 - 2000 President and Chief Executive Officer, Padaeng Industry Public Company Limited
- 1995 - 1999 President, the Siam Kubota Industry Company Limited
- 1990 - 1994 Managing Director, the CPAC Concrete Products Company Limited

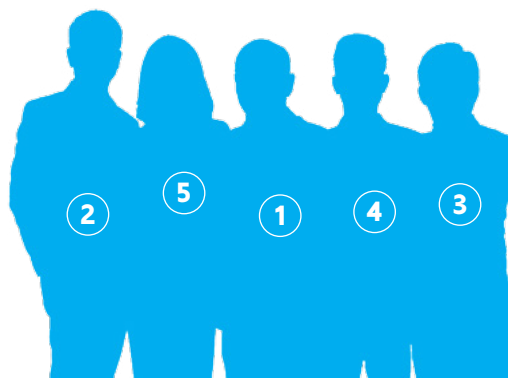
% Share Possession : None**Family Relation among the Managers :** None**Date of the First Appointment :** June 1, 1999



COMPANY EXECUTIVES

- ① Francis Vanbellen
- ② Sakorn Suriyabhivadh
- ③ Chitchai Thaveepanich

- ④ Manoch Jaroonvuthitham
- ⑤ Woratip Rerkpiboon



- Director
- Managing Director
- Executive Committee Member
(Authorized Director)

Education

- Master's Degree in Chemical Engineering, Catholic University Leuven (KUL), Belgium
- Master of Business Administration, Vlerick Management School, Ghent, Belgium

Training at Thai Institute of Directors Association

- Director Certification Program (DCP), 2013, IOD, Bangkok, Thailand

Other Training

- Process Management, Harvard, Cambridge, USA
- Strategic Innovation Management, Insead, Fontainebleau, France
- Business Excellence Assessment, EFQM, Brussels, Belgium
- Multicultural Leadership, Ashridge, London, UK

Current Position in Listed Company

- 2012 - Present Managing Director, Padaeng Industry Public Company Limited

Other Current Position

- 2018 - Present Director of the Board, Ton Sangkasi Pte. Ltd., Singapore
- 2017 - Present Director of the Board, Symbior Elements Pte. Ltd., Singapore
- 2016 - Present Chairman of the Board, PDI Tak Eco Co., Ltd., Bangkok, Thailand
- 2015 - Present Chairman of the Board, PDI Energy Co. Ltd., Bangkok, Thailand
- 2015 - Present Chairman of the Board, PDI Eco Co. Ltd., Bangkok, Thailand
- 2015 - Present Chairman of the Board, PDI-CRT Co. Ltd., Bangkok, Thailand
- 2014 - Present Chairman of the Board, PDI Materials Co. Ltd., Bangkok, Thailand
- 2014 - Present Vice-President, Belgian- Luxembourg/Thai Chamber of Commerce, Bangkok, Thailand

Working Experience

- 2012 - 2016 Director, Maesod Clean Energy Co. Ltd., Bangkok, Thailand
- 2012 - 2016 Director, GMM Quartz NV, Antwerp, Belgium
- 2012 - 2015 Director, Puthep Co. Ltd., Bangkok, Thailand
- 2011 - 2015 Chairman of the Supervisory Board, GMM Quartz, Berlin, Germany
- 2011 - 2015 Director, OMM, Aydin, Turkey
- 2011 - 2012 Managing Director, GMM Quartz NV, Antwerp, Belgium
- 2001 - 2011 Plant Manager, Umicore Precious Metals Refining Operations, Hoboken, Belgium
- 2000 - 2001 Head of Department Precious Metals Operations, Umicore, Hoboken, Belgium
- 1998 - 2000 Head of Department Knowledge & Supply Chain management, Umicore, Hoboken, Belgium
- 1996 - 1998 Head of Department Human Resources & Business Excellence, Umicore, Brussels, Belgium
- 1994 - 1996 Manager Total Quality Management, Umicore, Hoboken, Belgium
- 1990 - 1994 Manager Precious Metals Refinery, Umicore, Hoboken, Belgium
- 1988 - 1990 Manager Raw Materials Sampling, Umicore, Hoboken, Belgium
- 1981 - 1988 Manager Special Metals Refinery, Umicore, Hoboken, Belgium

Education

- MBA., the University of Texas at Austin, USA
- Bachelor, Accounting, Chulalongkorn Business School

Certification

- CPA (Thailand)
- Financial Adviser

Training at Thai Institute of Directors Association

- Director Certification Program (DCP), 247/2017

Current Position

- 2018 - Present Deputy Managing Director, Padaeng Industry Public Company Limited

Working Experience

- 2016 - 2017 Corporate Vice President-Business Development, Padaeng Industry Public Company Limited
- 2015 - 2016 Senior Vice President, JVS Financial Advisory,
- 2007 - 2014 Deputy Head-Investment Banking, Kasikorn Bank Public Company Limited
- 2001 - 2004 Senior Assistant Audit, PricewaterhouseCooper ABAS

Education

- Master Degree in Business Administration, Western Michigan University, USA

Training at Thai Institute of Directors Association

- Director Certification Program (DCP), Class 208/2015
- Successful Formulation & Execution the Strategy (SFE), Class 25/2015
- Board Nomination and Compensation Program (BNCP) No.3/2018

Other Training

- CSR for Corporate Sustainability, 2012
- Business Communication Skill, 2013
- Business Excellence Model, Belgium, 2013
- CSR: Global Reporting Initiative (GRI: G4), 2014
- Advanced Communication Skills: Communicating Difficult Messages, 2016
- Thailand HR Forum 2017, Personnel Management Association of Thailand
- HCM 2017 Conference "How to prepare leader for a VUCA World, Thai Listed Companies Association

Current Position

- 2017 - Present Executive Vice President- Corporate Services Padaeng Industry Public Company Limited

Working Experience

- 2014 - 2017 Corporate Vice President-Human Resources, Padaeng Industry Public Company Limited
- 2013 - 2014 Vice President-Human Resources & Corporate Communication, Padaeng Industry Public Company Limited
- 2002 - 2013 Vice President - Human Resources & CorporateAdministration, Padaeng Industry Public Company Limited
- 1997 - 2002 Assistant Vice President - Human Resources & CorporateAdministration, Padaeng Industry Public Company Limited

2

**SAKORN
SURIYABHIVADH**

38 Years Old

- Deputy Managing Director

3

**CHITCHAI
THAVEEPANICH**

56 Years Old

- Executive Vice President - Corporate Services

4

**MANOCH
JAROONVUTHITHAM**

52 Years Old

- Executive Vice President - Operations

Education

- Bachelor Degree of Engineering in Metallurgy, Chulalongkorn University

Training

- Training for Zinc Conversion Project, Germany, 1994
- International Symposium on Lead and Zinc Processing, South Africa, 2008
- Zinc College 2010, Canada
- Senior Executive Program 2013, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Business Excellence Model, 2013
- CSR: Global Reporting Initiative (GRI: G4), 2014
- Advanced Communication Skills: Communicating Difficult Messages, 2016

Current Position

- 2017 - Present Executive Vice President - Operations, Padaeng Industry Public Company Limited

Working Experience

- 2014 - 2017 Executive Vice President - Tak Operations, Padaeng Industry Public Company Limited
- 2008 - 2013 Vice President - Production, Padaeng Industry Public Company Limited
- 1996 - 2008 Senior Manager - Leaching & Purification, Padaeng Industry Public Company Limited

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**WORATIP
RERKPIBOON**

52 Years Old

- Executive Vice President - Finance

Education

- Master Degree in Business Administration (Financial Management), National Institute of Development Administration (NIDA)

Training at Thai Institute of Directors Association

- Director Certification Program (DCP), 2014

Other Training

- Business Excellence Model, 2013
- CSR: Global Reporting Initiative (GRI: G4), 2014
- Financial Reporting Update, 2015
- Tax and Accounting Update, Tax Auditor Association of Thailand, 2016
- Strategic CFO, Class 2, The Stock Exchange of Thailand, 2016
- Money Laundering, Faculty of Commerce and Accountancy Alumni Association of Chulalongkorn University, 2016
- New Financial Reporting Standard, Federation of Accounting Professions, 2016
- TFRS for SMEs and 2017 Tax Law, Tax Auditor Association of Thailand, 2017
- Deloitte Forum 2017: Practical Issues in Financial Reporting Standards and Taxation
- Tax Planning for Corporate Executives, The Federation of Thai Industries
- Mergers & Acquisitions Workshop, 2017

Current Position

- 2017 - Present Executive Vice President - Finance, Padaeng Industry Public Company Limited

Working Experience

- 2014 - 2017 Corporate Vice President - Finance, Padaeng Industry Public Company Limited
- 2013 - 2014 Vice President - Finance, Accounting & IT, Padaeng Industry Public Company Limited
- 2012 - 2013 Vice President - Finance and Accounting, Padaeng Industry Public Company Limited
- 2006 - 2012 Senior Manager - Treasury, Padaeng Industry Public Company Limited

AUDIT COMMITTEE'S STATEMENT

DEAR SHAREHOLDERS,

At present, the Audit Committee comprises three independent directors, Mr. Vinai Vamvanij as Chairman, Mr. Aswin Kongsiri, and Mr. Karel Vinck. The Audit Committee performed its duties as assigned by the Board of Directors in accordance with the Audit Committee Charter and also proposed the appointment of external auditors for the year 2018.

In 2017, the Audit Committee met 4 times with the external auditor, the internal auditor and the management to review the consolidated and company financial statements which were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and in compliance with the International Financial Reporting Standards (IFRS) to ensure conformity with laws, the regulations of SEC, SET and with the generally accepted accounting principles of Thailand before submission to the Board. Additional meetings were held with the external auditor without management presence so as to independently discuss the information in the financial statement and any potential fraudulent action as needed.

The Audit Committee discussed with the internal auditor and the management to assess the Company's internal control. Using the results from its internal audit department's recommendation, PDI continues to improve the efficiency and effectiveness of the control systems which aim to lead to continuous improvement and sustainable development. In 2017, areas that benefitted from the audit work and made improvements in internal control include inventory management (RY & Tak), payment processing, sales and marketing (metal trading), logistics management and general procurement. These operations have been arbitrated appropriate and no major weaknesses in its conduct of business have been found.

In addition to internal audits and control, the Audit Committee also reviews the company's risk management. In this dynamic environment and in the upcoming year with PDI diverting into new businesses after ceasing its conventional zinc business by 2017, PDI has emphasized risk prevention measurements and risk management, with the anticipation of upcoming changes in internal factors, economic changes, general external influences and especially the risks that arise from venturing into new green business. For 2018, PDI intends to appoint the Executive Committee to supervise the management to analyze, manage and assess the risk according to risk assessment criteria also oversee the risk management result.

To ensure that PDI exercises effective internal control and anti-corruption systems, the Audit Committee Charter was revised in 2016 regarding duties and responsibilities in order to monitor compliance with the Anti-Corruption Policy and to review reported concerns about fraud or corruption.

Also, in 2015, PDI announced its desire to become an ally of the Private Sector Collective Action Coalition against Corruption (CAC) and strictly adheres to CAC's anti-corruption guidelines. The company was certified by CAC on March 9th, 2017 and received the certificate on June 28th, 2017.

In addition the Audit Committee also controls the issue of connected party transactions to prevent any conflicts of interest that might arise from such transactions.

In 2017, the Audit Committee has fully discharged its responsibilities as set out in the Audit Committee Charter, harnessed knowledge and skills to deliver positive results and operated with an adequate degree of independence in the oversight of the performance of the Company and its subsidiaries. The Audit Committee was of the opinion that the Company and its subsidiaries have provided accurate and reliable financial statements in accordance with generally accepted accounting principles and ensured the adequate disclosure of information. In conducting connected transactions or transactions that may lead to conflicts of interest, the Company has enforced full compliance with the SET regulations and laws and adherence to rules and procedures relating to the conduct of business. Moreover, the Company has implemented adequate and effective risk management measures and good corporate governance practices as well as engaged qualified external and internal auditors with the highest level of independence to enhance the effectiveness of auditing and internal control systems.

The Audit Committee has recommended to the Board of Directors to propose to the shareholders to appoint Mr. Wonlop Vilaivaravit Certified Public Accountant (Thailand) No. 6797 and/or Mr. Chavala Tienpasertkij Certified Public Accountant (Thailand) No. 4301 and/or Mr. Permsak Wongpatcharapakorn Certified Public Accountant (Thailand) No. 3427 and/or Mr. Suwatchai Meakhaamnouychai Certified Public Accountant (Thailand) No. 6638 of Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd. to conduct the audit of financial statements for the Company and its subsidiaries for the year 2018.



VINAI VAMVANIJ

Chairman of the Audit Committee

February 21, 2018

FINANCIAL



REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS



TO THE SHAREHOLDERS AND BOARD OF DIRECTORS PADAENG INDUSTRY PUBLIC COMPANY LIMITED

OPINION

We have audited the consolidated financial statements of Padaeng Industry Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Padaeng Industry Public Company Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Padaeng Industry Public Company Limited and its subsidiaries and of Padaeng Industry Public Company Limited as at December 31, 2017, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

BASIS FOR OPINION

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

Without modifying our conclusion, we draw attention to condensed Notes 4.1.1 and 14 to the financial statements, the Company has changed the accounting policy of valuation method for land, land improvement, condominium and buildings from cost method to revaluation method.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	AUDIT RESPONSES
<p>Business acquisition relating to sales of electricity generated from solar power</p> <p>During the year ended December 31, 2017, the Group purchased the shares of Symbior Elements Pte. Ltd. ("Symbior") which is relating to sales of electricity generated from solar power in Thailand. This is required the valuation methodology and assumption involved significant judgement made by management about the fair values of property, plant and equipment and the intangible assets arising from the business combination.</p> <p>Accounting policies of the consolidated financial statements preparation basis and details of business acquisition were disclosed in Note 2.2 and Note 5 to financial statements, respectively</p>	<p>Key audit procedures included :</p> <ul style="list-style-type: none">• Understanding the business acquisition process and related internal control procedures.• Reviewing the design and implementation of the internal control procedures.• Performing substantive testing is as follows:<ul style="list-style-type: none">- Examining the business acquisition agreements which the Group had with the sellers, the payment documents, share transferred documents and related supporting documents.- Examining details of assets and liabilities at the acquisition date which consists of the examination of existence, rights and obligations, completeness, accuracy and valuation and allocation of assets and liabilities.- Examining the valuation and allocation of fair value of assets and liabilities at the acquisition date and examining the valuation method and key assumptions used by the Group's management in determining the fair value of the identifiable assets and liabilities, including the purchase price allocation of assets and liabilities at acquisition date.

KEY AUDIT MATTERS	AUDIT RESPONSES
<p>Litigation claim - Cadmium Court Cases</p> <p>The Company has 5 outstanding litigation cases which have been under the court consideration. The Company were filed by the villagers ("plaintiffs") who claimed that they got the impact from cadmium contamination in the area. This is a judgement required in estimating the level of provisioning required including the possibilities of these commitments and contingencies and determination the appropriate provision for the cases that have not been judged by the Appeal Court.</p> <p>Litigations were disclosed in Note 35 to financial statements.</p>	<p>Key audit procedures included :</p> <ul style="list-style-type: none"> • Designed and performed audit procedures in order to identify litigations and claims involving the Company which may give rise to a risk of material misstatement, including: <ul style="list-style-type: none"> - Inquired of management and in-house legal counsel about significant events, commercial disputes and litigation. - Reviewed minutes of meetings of those charged with governance and correspondence between the Group and its external legal counsel. - Inquired of management about the assumptions and calculation of the potential compensation including recalculation. • Considered compliance with laws and regulations of the Company including: <ul style="list-style-type: none"> - As part of obtaining an understanding of the Company and its environment, we obtained a general understanding of: <ul style="list-style-type: none"> - The legal and regulatory framework applicable to the Company and the industry or sector in which the Company operates; and - How the Company is complying with that framework. - Inquired of management and those charged with governance, as to whether the Company is in compliance with such laws and regulations and inspecting correspondence, if any, with the relevant regulatory authorities. • Requested management to provide written representations that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to us and accounted for and disclosed in accordance with Thai financial reporting standards

OTHER MATTER

The consolidated financial statements of Padaeng Industry Public Company Limited and its subsidiaries and the separate financial statements of Padaeng Industry Public Company Limited for the year ended December 31, 2016, presented herein as comparative information, were audited by another auditor, whose report thereon dated February 22, 2017 expressed an unmodified opinion on those statements.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



WONLOP VILAIVARAVIT

Certified Public Accountant (Thailand)

Registration No. 6797

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 21, 2018

STATEMENTS OF FINANCIAL POSITION

UNIT : BAHT
AS AT DECEMBER 31, 2017

ASSETS	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016	AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016
CURRENT ASSETS					
Cash and cash equivalents	6.1	1,035,010,463	868,028,722	786,088,399	689,515,194
Short-term investments	7	543,677,635	543,703,146	543,677,635	527,983,663
Trade and other current receivables	8	483,585,139	336,529,458	406,488,688	314,438,482
Current portion of long-term loan to other party	9	52,500,000	-	52,500,000	-
Short-term loan to joint venture	9	-	52,500,000	-	52,500,000
Inventories	10	567,469,757	1,854,287,710	565,817,609	1,854,287,710
Value added tax receivables		79,941,940	12,243,794	595,550	10,452,356
Non-current assets held for sale	11	185,559,837	-	185,559,837	-
Other current assets	12	325,390,700	380,319,445	324,909,702	380,007,932
Investment held for sale	34.1	-	3,660,030	-	59,062,500
Total current assets		3,273,135,471	4,051,272,305	2,865,637,420	3,888,247,837
NON-CURRENT ASSETS					
Deposits at financial institutions with restriction use	19	89,956,345	-	-	-
Advances to related parties	34.4	-	-	364,500	364,500
Advances to joint ventures		252,520	313,940	-	61,420
Investments in subsidiaries	34.1	-	-	192,796,625	192,549,925
Investments in joint ventures	34.1	55,893,462	43,466,715	15,300,000	15,300,000
Long-term investments	13	480,389,912	511,607,142	-	-
Long-term loan to other party	9	52,500,000	-	52,500,000	-
Long-term loan to joint venture	9	-	52,500,000	-	52,500,000
Loans to related parties	34.5	-	-	2,272,663,020	1,031,056,710
Property, plant and equipment	14	2,540,692,864	644,864,267	557,334,472	358,843,379
Investment property		958,833	-	958,833	-
Intangible asset	15	887,313,110	226,716,811	-	-
Deferred tax assets	16	-	31,640,000	-	31,640,000
Goodwill		26,482,501	-	-	-
Other non-current assets		1,074,639	30,126,596	20,191,975	33,259,395
Total non-current assets		4,135,514,186	1,541,235,471	3,112,109,425	1,715,575,329
TOTAL ASSETS		7,408,649,657	5,592,507,776	5,977,746,845	5,603,823,166

Notes to the financial statement form an integral part of these statements

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

UNIT : BAHT
AS AT DECEMBER 31, 2017

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016	AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	17	140,702,205	205,006,310	-	205,006,310
Trade and other current payables	18	480,236,591	379,938,008	461,197,229	365,572,650
Accrued electricity expenses		1,432,295	143,851,469	1,432,295	143,851,469
Income tax payable		29,365,043	103,575,241	29,182,042	103,248,826
Current portion of long-term loans from financial institutions	19	103,696,560	-	-	-
Current portion of provisions for restoration and rehabilitation expenses	20	118,649,727	272,681,493	118,649,727	272,681,493
Other current liabilities	21	21,550,262	164,365,755	21,135,973	162,054,215
Total current liabilities		895,632,683	1,269,418,276	631,597,266	1,252,414,963
NON-CURRENT LIABILITIES					
Long-term loans from financial institutions	19	1,048,860,060	-	-	-
Provision for cadmium legal case	35	95,729,375	74,225,000	95,729,375	74,225,000
Provisions for restoration and rehabilitation expenses	20	35,452,481	65,217,007	35,452,481	65,217,007
Provisions for employee benefit	22	43,295,009	166,420,879	43,218,939	166,344,809
Deferred tax liabilities	16	205,253,476	218,234	96,291,476	218,234
Total non-current liabilities		1,428,590,401	306,081,120	270,692,271	306,005,050
TOTAL LIABILITIES		2,324,223,084	1,575,499,396	902,289,537	1,558,420,013

Notes to the financial statement form an integral part of these statements

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

UNIT : BAHT
AS AT DECEMBER 31, 2017

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016	AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
(Continued)					
Shareholders' equity					
Share capital					
Authorized share capital					
Ordinary shares 226,000,000 shares at par value of Baht 10 each		2,260,000,000	2,260,000,000	2,260,000,000	2,260,000,000
Issued and paid-up share capital					
Ordinary shares 226,000,000 shares of Baht 10 each, fully paid - up		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		(5,155,936)	(5,183,937)	-	-
Revaluation surplus on assets		382,918,853	-	382,918,853	-
Retained earnings	4.1.1				
Appropriated legal reserve		226,000,000	226,000,000	226,000,000	226,000,000
Unappropriated		1,618,250,056	933,778,717	1,604,124,855	956,989,553
Total equity attributable to owners of the parent company		5,084,426,573	4,017,008,380	5,075,457,308	4,045,403,153
Total shareholders' equity		5,084,426,573	4,017,008,380	5,075,457,308	4,045,403,153
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,408,649,657	5,592,507,776	5,977,746,845	5,603,823,166

Notes to the financial statement form an integral part of these statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

UNIT : BAHT
AS AT DECEMBER 31, 2017

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016	AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016
Revenue from sales and services		6,169,064,642	5,148,521,990	6,010,768,746	5,134,918,930
Cost of sales and services		(4,806,811,728)	(4,203,814,342)	(4,715,590,899)	(4,196,246,505)
Gross profit		1,362,252,914	944,707,648	1,295,177,847	938,672,425
Other operating income		123,512,850	130,263,593	136,621,759	122,854,688
Gain on a bargain purchase		-	44,823,754	-	-
Gain from sales of investment in joint venture		40,815,199	-	-	-

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

UNIT : BAHT
AS AT DECEMBER 31, 2017

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016	AS AT DECEMBER 31, 2017	AS AT DECEMBER 31, 2016
Gain from sales of fixed assets		23,794,030	17,331,535	23,794,030	17,331,535
Gain (loss) on exchange rate		(24,696,825)	(34,960,932)	(10,029,768)	12,228,967
Profit before expenses		1,525,678,168	1,102,165,598	1,445,563,868	1,091,087,615
Selling expenses		(60,194,173)	(57,342,879)	(59,585,779)	(57,336,505)
Operating and administrative expenses		(442,660,677)	(442,410,906)	(417,591,477)	(597,536,609)
Total expenses		(502,854,850)	(499,753,785)	(477,177,256)	(654,873,114)
Operating profit		1,022,823,318	602,411,813	968,386,612	436,214,501
Share of profit (loss) of investment in joint ventures on equity method	34.1	5,354,018	(48,573,567)	-	-
Profit before finance costs and income tax expense		1,028,177,336	553,838,246	968,386,612	436,214,501
Finance costs		(22,297,586)	(4,798,214)	(272,887)	(4,798,214)
Profit before income tax expense		1,005,879,750	549,040,032	968,113,725	431,416,287
Income tax expense		(100,601,456)	(71,274,402)	(100,175,242)	(70,771,936)
Net profit for the period		905,278,294	477,765,630	867,938,483	360,644,351
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Actuarial gain (loss) on defined benefit plan		-	2,418,012	-	2,418,012
Currency differences on translation		28,001	(9,215)	-	-
		28,001	2,408,797	-	2,418,012
Items that will not be reclassified subsequently to profit or loss					
Difference from revaluation surplus on assets - net	4.1.1	388,109,342	-	388,109,342	-
		388,109,342	-	388,109,342	-
Total comprehensive income for the period		1,293,415,637	480,174,427	1,256,047,825	363,062,363
Net profit for the period attributable to :					
Owners of the Parent		905,278,294	477,765,630	867,938,483	360,644,351
Non-controlling interests		-	-	-	-
		905,278,294	477,765,630	867,938,483	360,644,351
Total comprehensive income for the period attributable to :		1,293,415,637	480,174,427	1,256,047,825	363,062,363
Owners of the Parent		-	-	-	-
Non-controlling interests		1,293,415,637	480,174,427	1,256,047,825	363,062,363
Earnings per share					
Basic earnings per share	29	4.01	2.11	3.84	1.60

Notes to the financial statement form an integral part of these statements

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

UNIT : BAHT

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE	CONSOLIDATED FINANCIAL STATEMENTS						
	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Cumulative currency Differences on translation	Revaluation surplus on assets	RETAINED EARNINGS	Total owners of the Parent	
					Appropriated Legal Reserve	Unappropriated	
Balance as at January 1, 2016	2,260,000,000	602,413,600	(5,174,722)	-	226,000,000	497,707,087	3,580,945,965
Effect from change of subsidiaries	-	-	-	-	-	1,072,642	1,072,642
Net profit for the period	-	-	-	-	-	477,765,630	477,765,630
Dividend paid	-	-	-	-	-	(45,184,654)	(45,184,654)
Other comprehensive income							
Actuarial gain on defined benefit plan							
Currency differences on translation	-	-	(9,215)	-	-	-	(9,215)
Total comprehensive income for the period						2,418,012	2,418,012
Balance as at December 31, 2016	2,260,000,000	602,413,600	(5,183,937)	-	226,000,000	933,778,717	4,017,008,380
Balance as at January 1, 2017	2,260,000,000	602,413,600	(5,183,937)	-	226,000,000	933,778,717	4,017,008,380
Net profit for the period	-	-	-	-	-	905,278,294	905,278,294
Transfer to retained earning from surplus on assets	-	-	-	(5,190,489)	-	5,190,489	-
Dividend paid	-	-	-	-	-	(225,997,444)	(225,997,444)
Other comprehensive income							
Currency differences on translation	-	-	28,001	-	-	-	28,001
Difference from revaluation surplus on assets-net	-	-	-	388,109,342	-	-	388,109,342
Total comprehensive income for the period	-	-	28,001	382,918,853	-	684,471,339	1,067,418,193
Balance as at December 31, 2017	2,260,000,000	602,413,600	(5,155,936)	382,918,853	226,000,000	1,618,250,056	5,084,426,573

Notes to the financial statement form an integral part of these statements

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

UNIT : BAHT
FOR THE YEAR ENDED DECEMBER 31, 2017

	SEPARATE FINANCIAL STATEMENTS						Total shareholders' equity
	NOTE	Issued and paid-up share capital	Premium on share capital	Revaluation surplus on assets	RETAINED EARNINGS		
					Appropriated Legal Reserve	Unappropriated	
Balance as at January 1, 2016		2,260,000,000	602,413,600	-	226,000,000	639,111,844	3,727,525,444
Net profit for the period		-	-	-	-	360,644,351	360,644,351
Dividend paid		-	-	-	-	(45,184,654)	(45,184,654)
Other comprehensive income							
Actuarial gain on defined benefit plan		-	-	-	-	2,418,012	2,418,012
Total comprehensive income for the period		-	-	-	-	317,877,709	317,877,709
Balance as at December 31, 2016		2,260,000,000	602,413,600	-	226,000,000	956,989,553	4,045,403,153
Balance as at January 1, 2017		2,260,000,000	602,413,600	-	226,000,000	956,989,553	4,045,403,153
Net profit for the period		-	-	-	-	867,938,483	867,938,483
Transfer to retained earning from surplus on assets		-	-	(5,190,489)	-	5,190,489	-
Dividend paid	25	-	-	-	-	(225,993,670)	(225,993,670)
Other comprehensive income							
Difference from revaluation surplus on assets-net		-	-	388,109,342	-	-	388,109,342
Total comprehensive income for the period		-	-	382,918,853	-	647,135,302	1,030,054,155
Balance as at December 31, 2017		2,260,000,000	602,413,600	382,918,853	226,000,000	1,604,124,855	5,075,457,308

Notes to the financial statement form an integral part of these statements

STATEMENTS OF CASH FLOWS

UNIT : BAHT
FOR THE YEAR ENDED DECEMBER 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before corporate income tax	1,005,879,750	549,040,032	968,113,725	431,416,287
Adjustments for :				
Unrealized loss (gain) on foreign currency	32,959,427	(5,143,969)	(103,706)	(5,136,805)
Depreciation and amortization expenses	156,619,325	685,536,543	89,671,861	685,231,823
Finance costs	22,297,586	4,798,214	272,887	4,798,214
Interest income	(15,417,228)	(41,096,114)	(40,296,262)	(38,443,269)
Unrealized loss (gain) on short-term investment	16,817,433	(4,765,862)	16,817,432	(4,765,862)
Gain from sales of investment in joint venture	(40,815,198)	-	-	-
Share of loss (profit) from investment in joint ventures	(5,354,019)	48,573,568	-	-
Provisions for investment in joint ventures	-	-	-	177,187,300
Allowance for doubtful debts	-	-	-	350,000
Allowance of slow-moving and obsolete stocks	27,716,497	2,458,935	27,716,497	2,458,935
Allowance for diminution of inventories	(20,571,056)	(15,745,337)	(20,571,056)	(15,745,337)
Provisions for employee benefit	9,743,680	18,231,011	9,743,680	18,154,941
Loss (Gain) from sales and disposal of property, plant and equipment	(23,793,971)	42,640,348	(23,794,030)	42,640,348
Allowance for fixed assets impairment (reversal)	24,387,272	(60,412,918)	24,387,272	(60,412,918)
Allowance for other assets impairment	-	11,719,982	-	-
Effect from change of subsidiaries	-	1,072,642	-	-
Provisions for restoration and rehabilitation expenses (reversal)	(54,837,547)	118,016,509	(54,837,547)	118,016,509
Provisions for cadmium legal case expenses	23,395,973	47,225,000	23,395,973	47,225,000
Fixed assets and decommissioning costs written off	-	147,239	-	-
Gain on a bargain purchase	-	(44,823,754)	-	-
Deposits at financial institutions with restriction	(89,956,345)	-	-	-
Gain on reversal of allowance diminution in value of investment in subsidiary	-	-	(246,700)	-

Notes to the financial statement form an integral part of these statements

STATEMENTS OF CASH FLOWS (CONTINUED)

UNIT : BAHT
FOR THE YEAR ENDED DECEMBER 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Changes in operating assets and liabilities				
Trade and other current receivables	(131,407,548)	(53,139,520)	(91,764,767)	(32,004,444)
Inventories	1,281,324,660	558,990,049	1,281,324,660	558,990,049
Value added tax receivables	21,428,351	26,469,408	9,856,806	26,843,030
Advance to related party	-	-	-	1,234,842
Advance to joint ventures	61,420	(61,420)	61,420	(61,420)
Loans to related parties	-	-	-	(1,031,056,710)
Other current assets	80,668,315	(371,259,711)	71,917,806	(372,274,228)
Other non-current assets				
- deferred restoration and rehabilitation expenses	-	(4,663,296)	-	(4,663,296)
- others	29,311,957	(66,491,976)	13,067,420	(63,768,070)
Trade and other current payables	98,818,571	9,943,111	95,409,396	23,832,663
Accrued electricity expenses	(142,419,174)	56,491,961	(142,419,174)	56,491,961
Royalty payable	-	400,000	-	400,000
Other payables - related party	-	-	-	(484,998)
Other current liabilities	(157,733,464)	283,578,048	(140,918,242)	247,039,156
Cash flows from operating activities (continued)				
Provision for cadmium legal case paid during the year	(1,891,598)	-	(1,891,598)	-
Provisions for restoration and rehabilitation expenses paid during the year	(128,958,745)	(208,175,381)	(128,958,745)	(208,175,381)
Provisions for employee benefit paid during the year	(132,869,550)	(69,797,550)	(132,869,550)	(69,797,550)
Other non-current liabilities	-	(197,303,164)	-	(197,303,164)
Cash generated from operation	1,885,404,774	1,322,452,628	1,853,085,458	338,217,606
Interest paid	(22,279,781)	(4,792,754)	(272,887)	(4,792,754)
Income tax paid	(144,125,746)	(68,073,987)	(143,556,119)	(67,439,783)
Net cash provided by operating activities	1,718,999,247	1,249,585,887	1,709,256,452	265,985,069

Notes to the financial statement form an integral part of these statements

STATEMENTS OF CASH FLOWS (CONTINUED)

UNIT : BAHT
FOR THE YEAR ENDED DECEMBER 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Cash flows from investing activities				
Cash paid for short-term investments	(16,791,922)	(124,709,415)	(32,511,404)	(108,989,932)
Cash paid for loans to related parties	-	-	(1,241,606,310)	-
Cash received from acquisition	156,064,744	-	-	-
Cash paid for acquisition	(1,112,506,340)	-	-	-
Cash paid for investments in a subsidiary	-	(477,000,000)	-	-
Cash paid for investments in a jointly controlled entities	(21,660,000)	(29,040,000)	-	(15,300,000)
Cash paid for long-term investment	-	(511,607,142)	-	-
Cash received from sales investments in joint venture	59,062,500	-	59,062,500	-
Interest received	15,379,097	11,115,694	23,476,686	8,774,302
Cash paid for purchase of property, plant and equipment	(30,364,274)	(15,412,682)	(19,908,627)	(15,294,682)
Cash received from sale of property, plant and equipment	30,190,461	17,498,189	29,770,439	17,498,189
Net cash used in investing activities	(920,625,734)	(1,129,155,356)	(1,181,716,716)	(113,312,123)
Cash flows from financing activities				
Cash paid for short-term loans from financial institutions	(211,324,105)	(23,771,658)	(205,006,310)	(23,771,658)
Cash paid for long-term loans from financial institutions	(51,848,280)	-	-	-
Cash paid for long-term loan from other party	(142,255,392)	-	-	-
Dividends payment	(225,997,444)	(45,127,336)	(225,993,670)	(45,127,336)
Net cash used in financing activities	(631,425,221)	(68,898,994)	(430,999,980)	(68,898,994)
Effects from changes in exchange rate for cash and cash equivalents	33,449	552,417	33,449	552,417
Net increase in cash and cash equivalents	166,981,741	52,083,954	96,573,205	84,326,369
Cash and cash equivalents at beginning of the period	868,028,722	815,944,768	689,515,194	605,188,825
Cash and cash equivalents at end of the period	1,035,010,463	868,028,722	786,088,399	689,515,194

See condensed notes to the financial statement

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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1 GENERAL INFORMATION

Padaeng Industry Public Company Limited (the "Company") was established on April 10, 1981 and has been listed on the Stock Exchange of Thailand since July 21, 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 for Calcine located in the Rayong province.

The operation of Company, subsidiaries and joint ventures are called "the Group", which have detail as follows:

SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	% OWNERSHIP	
			2017	2016
Padaeng Properties Co., Ltd.	Providing property services	Thailand	100.00	100.00
PDI Energy Co., Ltd.	Expand and diversify into renewable energy business	Thailand	100.00	100.00
PDI Materials Co., Ltd.*	Trading of various base metals and their by-products	Thailand	100.00	100.00
Ton Sangkasi Pte Ltd.	Holding Company	Singapore	100.00	100.00
PDI Eco Co., Ltd.	Eco-managed business	Thailand	100.00	100.00
J-Solar Co., Ltd.*	Solar energy business	Thailand	100.00	100.00
PDI Asia Solar Co., Ltd.*	Solar energy business	Thailand	100.00	100.00
PDI Mae Ramat Co., Ltd.*	Solar energy business	Thailand	99.99	99.99
Century Asset Management KK*	Solar energy business	Japan	100.00	100.00
ATC Enviro Co., Ltd.*	Solar energy business	Thailand	100.00	-
P.P. Solar (Nong-No) Co., Ltd.*	Solar energy business	Thailand	100.00	-
Symbior Elements Pte Ltd.*	Holding Company	Singapore	100.00	-

JOINT VENTURES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	% OWNERSHIP	
			2017	2016
Maesod Clean Energy Co., Ltd.**	Production and sales of ethanol and electively	Thailand	-	35.00
PDI-CRT Co., Ltd.*	Explore opportunity in waste management	Thailand	60.00	54.00
PDI Tak Eco Co., Ltd.	Waste Management	Thailand	51.00	51.00

* Indirectly owned by the Company

** Sold by the Company on February 16, 2017

The Group has extensive transactions and relationships with the related company. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Group operated without such affiliations.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENT

2.1 Statement of compliance

- (1) The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- (2) The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2016) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2017 onward and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No.2) B.E. 2559" dated October 11, 2016 (see Note 36).
- (3) Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Group has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

- (4) Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

2.2 Basis of preparation of consolidation financial statements

The Consolidated financial statements relate to the Group and the Group's interest in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations except for the business combination under common control.

The Group's control is achieved when the Group (1) has power over the investee (2) is exposed, or has rights, to variable returns from its involvement with the investee and (3) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized as other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree or measures using the fair value.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group controlling shareholder's consolidated financial statements. Surplus arising from business combination under common control represents the difference between the cost of the combination and the carrying amounts of net identifiable assets at the date of combination. The difference arising from common control transactions is recognized under shareholders' equity until disposal of the investment.

Transactions eliminated on consolidation

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2017 and 2016 were prepared by using the financial statements of its subsidiaries, associates and joint ventures as of the same date.

3 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the accounting policies as follows:

3.1 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on

translation are recognized as profit or loss in statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of transactions.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized as other comprehensive income in the statement of profit or loss and other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

3.2 Derivative financial instruments

Derivative financial instruments are used to manage exposure of fluctuations in foreign exchange, interest rate and product price risks arising from operational, financing and investment activities.

Such derivatives are not recognized on statement of financial position at inception, since they relate to future transactions (or underlying) which are not yet reflected in the financial statements. Gains and losses on those derivative contracts are recognized in the financial statements upon settlement of the transactions. Further details of financial instruments are disclosed in Notes 31.

The Group has no policy to speculate in or engage in the trading of any derivative financial instruments.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current deposit accounts, saving deposit accounts, time deposit with maturities not later than 3 months from acquisition date, and without commitments, call notes receivables and term promissory notes with maturities within 3 months from acquisition date. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

3.4 Short-term Investments

Investments in marketable securities held for trading are stated at fair value. The Group recognized re-measuring investments in the statements of profit or loss and other comprehensive income.

Investments in debt securities that the Group intends and is able to hold to maturity are stated at amortized cost less impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Investments in debt securities and marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale investments and are stated at fair value, with any resultant gain or loss on re-measuring investments being recognized as other component of owners' equity in owners' equity. The exception is impairment losses, which is recognized in the statements of profit or loss and other comprehensive income. When these investments are disposed, the cumulative gain or loss previously recognized directly in other component of owners' equity

in owners' equity is recognized in the statements of profit or loss and other comprehensive income. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in the statements of profit or loss and other comprehensive income.

Investments in equity securities which are not marketable are stated at cost, net allowance for impairment (if any).

The fair value of marketable security is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of unit trusts of closed - end fund is determined from their net asset value. The fair value of debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments in securities. The first in - first out method is used for computation of the cost of investments in derivatives.

Impairment

Loss on impairment (if any) of investments is recognized in the statements of profit or loss and other comprehensive income when the carrying amount exceeds its recoverable value.

3.5 Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.6 Inventories

Inventories are measured at the lower of cost and net realizable value.

Price of inventory is calculated using the weighted average method for a subsidiary and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity, and manufactured inventories, cost is presented at actual cost per stage-of-completion.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.7 Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted by using the cost method. Investments in associates in the consolidated financial statements are accounted by using the equity method.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate equals or exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill or right to generate and sell electricity, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately in profit or loss in the statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss in the statement of profit or loss and other comprehensive income on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of profit or loss and other comprehensive income.

If the Group disposes a partial of its holding investment, the deemed cost of the sold investment is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.8 Property, plant and equipment

Recognition and measurement

Land is stated at the revalued value while land improvement, condominium and buildings are stated at the revalued value net of accumulated depreciation and allowance for impairment, if any. Machinery, equipment, vehicle and mine restoration assets are stated at cost, net of accumulated depreciation and allowance for impairment, if any.

The land, land improvement, condominium and buildings reappraisal is performed by independent appraisers. This reappraisal is based on the market value method for land and condominium and the replacement cost method (net of accumulated depreciation) for land improvement and buildings. The

increment resulting from the appraisal is recognized as part of equity as "revaluation surplus on assets". Upon disposal land, land improvement, condominium and buildings, any remaining the revaluation surplus on assets is transferred directly to retained earnings and is not taken into account when calculating the gain or loss on disposal.

Revaluation surplus on assets can neither be offset against deficit nor used for dividend distribution.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in the statement of profit or loss and other comprehensive income.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of profit or loss and other comprehensive income as incurred.

Depreciation

Depreciation is calculated on the straight line basis and recognized in statements of profit or loss to write off the cost or the revalued amount of each asset, except for land, to its residual value over the estimated useful life. The estimated useful life of assets are as follows:

	OLD (YEARS)	NEW (YEARS)
Land improvements	5 - 20	5 - 20
Condominium*	25	50
Buildings	20 - 25	20 - 50
Machinery and heavy equipment	8 - 25	8 - 25
Equipment, furniture and fixtures	3 - 5	3 - 5
Vehicles	5	5

* In 2017, the Company has separately presented Condominium which was previously presented as part of Buildings.

No depreciation is provided on land and construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Finance costs which occur from borrowings that specified for construction-in-progress projects and equipment installation projects will be capitalized as cost of construction in progress until the project is in ready condition as per management's intended purpose.

Mine restoration assets/residual ponds are amortized on units of production basis using the capacity volume of the residue ponds. Residual value and the estimated useful life of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

3.9 Investment property

Investment property is the property which held to earn for rental or for capital appreciation or both, rather than for sale in the ordinary course of business or use in the production or supply of goods or services or for administrative purposes.

The Company measured investment property initially at its cost, including related transaction costs and less allowance for impairment, if any.

Depreciation is calculated by the straight-line method, based on the estimated useful life of assets. For investment property, the estimate useful live is 20 years.

3.10 Non-current assets held for sale

Non-current assets are classified as assets held for sale if their book value will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets held for sale is stated at the lower of book value and fair value less costs of sell. Loss from impairment will be recognized as expenses in the statement of profit or loss and other comprehensive income, if any.

3.11 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is as intangible assets. The measurement of goodwill at initial recognition is described in Note 5. Subsequent to the initial recognition, goodwill is measured at cost less allowance for impairment loss. The Group assesses an impairment of goodwill annually, without consideration of indication that such goodwill may be impaired.

3.12 Intangible assets

Intangible assets are computer software, right of using Electrical Pole and transmission line which the Group has amortized as expenses, using straight-line method over useful life with 5 years and 25 years.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets with indefinite useful lives are tested for impairment when there is an indicator that the asset may be impaired.

3.13 License for Energy Industry and its amortization

The Group recorded initial cost of License for Energy Industry which obtained from business combination at fair value as at business combination date. After initial recognition, License for Energy Industry is presented at cost less accumulated amortization and allowance for impairment, if any.

Amortization

The Group amortizes based on period of agreement for License for Energy Industry by using straight-line method for the remaining period of its subsidiaries since the date which the Group has controls over its subsidiaries.

3.14 Exploration and acquisition costs

Exploration costs are accumulated separately for each area of interest and accounted using the successful efforts basis of accounting for such costs.

Under this basis, accumulated costs of exploration are capitalized and carried forward on statement of financial position where one or both of the following conditions are met:

- costs are expected to be recouped through successful development and exploitation of each area of interest or by sale of the area of interest; and/or
- exploration activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves and exploration activities are continuing in the area of interest.

Expenditures which no longer satisfy the above policy are written-off or a provision is recognized for such expenditure where management is of the opinion that the carried forward net cost may not be recoverable.

Upon commencement of development and production, these exploration costs are amortized by using the straight line basis over the period that they are expected to provide economic benefits. Mining concession fees and acquisition costs have an estimated useful life of 5 to 16 years and are amortized accordingly or over the life of the mine, whichever is shorter.

3.15 Environmental rehabilitation, environmental risk assurance and restoration expenses

Under the terms of the Group's mining and production licenses, it is required to restore mining and production areas to their original conditions. The Group has recognized environmental rehabilitation and risk assurance provisions in respect to these costs as follows:

The Group accounts for environmental restoration and rehabilitation costs by estimating the costs of decommissioning mine properties and mine restoration assets and removal of any related assets and site restoration as part of the cost of restoration assets as at the date the obligation first arises and to the extent that it is first recognized as a provision.

Deferred environmental rehabilitation expenses and environmental risk assurance costs are amortized by the straight-line method over the useful life of mining area. Mine restoration assets are subsequently amortized on a unit-of production basis. The provisions are reviewed regularly and any changes in provisions are recognized as administrative expenses.

The corresponding restoration and rehabilitation provision, of an amount equivalent to the restoration asset created, is reviewed at the end of each reporting period. The provision is measured at the best estimate of the present value amount required to settle the present obligation at the end of the reporting period based on current legal and other requirements and technology, discounted where material using the weighted average cost of capital at the statement of financial position date with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Where there is a change in the expected restoration, rehabilitation or decommissioning costs, an adjustment is recorded against the carrying value of the provision and any related restoration asset, and the effects are recognized in the profit or loss on a prospective basis over the remaining life of the operation. Accretion expenses recognized due to unwinding of the effect of discounting of the restoration provision is included within administrative expenses in the statement of comprehensive income.

Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill and right to generate and sell electricity, the Group assesses an impairment annually.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to statement of other comprehensive income.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of profit or loss and other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.16 Employee benefits

Short-term benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits - defined contribution plan

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund and obligations under contribution plan are charged as an expense to the statement of comprehensive income in the period to which they relate.

Post-employment benefits - defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognized as an expense over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) immediately in other comprehensive income.

3.17 Income tax expenses

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expense in the statement of profit or loss and other comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill in the consolidated financial statements; the initial recognition of assets or liabilities in a transaction in the consolidated financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities;

such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and subsidiaries intends to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the consolidated and separate financial statements.

3.18 Revenue and expenses

Revenue excludes value added taxes and present as net after discount.

Revenue from sales of electricity

Revenue from sales of electricity generated from solar panels includes adder and fuel adjustment charge (Ft rate) net of operating expenses from Provincial Electricity Authority and Electricity Generating Authority is recognized when significant risks and rewards have been transferred to the buyer.

Sales of goods and rendering of services

Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. Revenue will not be recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, revenues and costs cannot be measurable and available, or there is certainly probability of sell return.

Other income

Other income is recognized on accrual basis.

Dividend received

Dividend received is recognized on the date the Group's right to receive payments is established.

Interest income

Interest income is recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

Expenses

Expenses are recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

3.19 Finance costs

Finance costs comprise of interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in statement of profit or loss and other comprehensive income using the effective interest method.

3.20 Lease

3.20.1 Operating lease

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as expenses to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

3.20.2 Finance lease

Leases which the Group has transferred a significant portion of the risks and rewards of ownership to the lessee except for legal are classified as finance leases. The Group recognized leased assets at fair value at the beginning of lease period with obliged liabilities. Depreciation of leased assets is depreciated by straight-line method based on the estimated useful lives of asset. Interest or finance fee and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

3.21 Basic earnings per share

The calculations of basic earnings per share were based on the profit for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.22 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2016), leasing transactions that are within the scope of TAS 17 (Revised 2016), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in TAS 2 (Revised 2016) or value in use in TAS 36 (Revised 2016).

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.23 Accounting estimated and source of estimation uncertainty

(1) Use of management's critical judgements in applying accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires the Group's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statements of financial position and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying accounting policies are as follows:

Environmental restoration and rehabilitation costs and environmental risk assurance costs

Deferred environmental restoration and rehabilitation expenses and provision for environmental restoration and rehabilitation expenses are recognized in the statement of financial position using the present value of the management's best estimation of future cash flows to be required to settle the expenditures for rehabilitation activities.

Deferred environmental risk assurance expenses and provision for environmental risk assurance expenses are recognized in the statement of financial position using the present value of the installments plan.

Significant judgment is required in determining the environmental restoration and rehabilitation expenses as there are many transactions and factors that will affect the ultimate liability payable to rehabilitate the mine site. Factors that will affect this liability includes future development, changes in technology, commodity price changes and changes in interest rates.

Useful lives of property, plant and equipment

The Group's management reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. Details of useful lives of the property, plant and equipment are set out in Note 3.8.

Impairment

The Group shall assess the assets balance with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. For the assets balance with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired, the recoverable amounts are estimated.

Recognition of deferred tax assets associated with tax losses carried forward

A deferred tax asset is recognized to the extent that it is probable that it will be utilized in the future and the Company has assessed it to be probable that the Company will generate taxable income sufficient to fully utilize the tax losses that exist.

Classification of leases

In determining whether a lease should be classified as an operating lease or finance lease, the Group's management has to use judgement to determine whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Provisions for employee benefit

The present value of the provisions for employee benefit depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 22.

Income tax

The Group is subject to income taxes in Thailand and the jurisdictions where it has foreign operations. Significant judgment is requirement in determining the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Management has to exercise judgement with regards to deferred tax assets. Where the possibility exists that no future taxable income may flow against which these assets can be offset, the deferred tax assets are not recognized.

Deferred tax assets and liabilities are measures at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. When the different tax rates apply, deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the taxable profit or loss if the periods in which the temporary differences are expected to reserve.

(2) Key sources of estimation uncertainty

2.1 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses other observable information either directly or indirectly.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 31 and 32.

2.2 Calculation of recoverable amount

In the calculation of recoverable amount, the Group's management estimated the future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.3 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value where the actual future cash flows are less than expected, a material impairment loss may arise.

2.4 Impairment of right to produce and sell electricity

Determining whether right to produce and sell electricity is impaired requires an estimation of the value in use of the cash-generating units to which right to produce and sell electricity has been allocated. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value where the actual future cash flows are less than expected, a material impairment loss may arise.

4 THE ADDITIONAL ACCOUNTING POLICY DURING THE PERIOD

4.1 The change in accounting policies during the period

4.1.1 Valuation of property, plant and equipment

On May 8, 2017, the Board of Director meeting passed a resolution to change the accounting policy with effective on June 30, 2017 for land, land improvement, condominium and buildings, which were a part of property, plant and equipment. The valuation method was changed from cost method to the revaluation method which is fair value measured by an independent appraiser every 3 - 5 years to appropriate reflect current usage and future economic benefit.

In making the changes in accounting policy, the Company adopted TAS 8 "Accounting Policies, Changes in Accounting Estimates and Error" which is a revaluation of assets in accordance with TAS 16 "Property, Plant and Equipment", which does not require the change to be applied retroactively for previous financial statements. Therefore, the Company have applied the change prospectively.

The amounts of adjustments affecting the Company's consolidated and separate financial statements for the year ended December 31, 2017 are as follows:

(Unit : Million Baht)
As at December 31, 2017

	Consolidated Financial Statements	Separate Financial Statements
Statement of financial position:		
Property, plant and equipment increase	485	485
Deferred tax liabilities increase	97	97
Retained earnings - unappropriated	5	5
Revaluation surplus on assets - net of income tax	383	383

(Unit : Million Baht)
As at December 31, 2017

	Consolidated Financial Statements	Separate Financial Statements
Statement of other comprehensive income:		
Statements of profit and loss	5	5
Depreciation		
Other Comprehensive income		
Difference from revaluation surplus on assets - net increase	388	388

4.1.2 Changes in estimated useful life of assets

On May 8, 2017, the Board of Director meeting passed a resolution to change the estimated useful life of assets with effective on June 30, 2017 for land improvement, condominium and buildings to appropriate reflect the current existing useful life of such assets.

In making the changes in the estimated useful life of assets, the Company adopted TAS 8 "Accounting Policies, Changes in Accounting Estimates and Error" which is the change in accounting estimates. Therefore, the Company have applied the change prospectively.

Such change results in changes to the depreciation expenses to be recorded in the statements of income of the future years as follows:

For the year ended	Increase (Decrease) Million Baht
December 2017	(0.30)
December 2018	(0.62)
December 2019	(0.62)
Later than December 2019	1.54

5 ACQUISITION

On September 15, 2017, Padaeng Industry Public Company Limited and its subsidiaries ("the Group") purchased the shares of Symbior Elements Pte. Ltd. ("Symbior") through one of its subsidiary, for 100% of total issued and paid-up share capital, totaling Baht 1,112.51 million from former shareholders of such companies. Such share purchase in the Symbior group, the subsidiaries of Symbior would be considered as indirect subsidiaries of the Group as follows:

- (1) ATC Enviro Co., Ltd.
- (2) P.P.Solar (Nong-No) Co., Ltd.
- (3) Symbior Elements Pte. Ltd.

The net identifiable assets acquired on the date of acquisition were as follows:

	(Unit : Million Baht)
Cash and cash equivalent	156
Trade and other current receivables	42
Inventories	2
Other current assets	89
Property, plant and equipment	1,724
License for Energy Industry	691
Short-term loans from financial institutions	(147)
Trade and other current payables	(10)
Current portion of long-term loans from financial institutions	(104)
Other current liabilities	(4)
Long-term loans from financial institutions	(1,101)
Loans from related parties	(142)
Deferred tax liabilities	(109)
Total identifiable net assets	1,087
Consideration transferred	1,113
Goodwill	26

Since September 15, 2017, the acquisition date, up to December 31, 2017, the Symbior group had revenue and net income which was included in the financial performance for the year ended December 31, 2017 was as follows:

(Unit : Million Baht)

	Total revenue	Net profit
For the year ended December 31, 2017	63	41

For the preparation of the consolidated financial statements for the year ended December 31, 2017, the Group used the net assets value at the business acquisition date from the interim financial information of Symbior group adjusted with other relevant factors which may affect such value as the consideration received from this business acquisition and recorded the difference amount between the purchasing price and the value of consideration received as goodwill amounting to Baht 26 million.

On December 26, 2016, the Group acquired 99.99% of the share capital of PDI Mae Ramat Co., Ltd. ("PDI Mae Ramat") for Baht 303.33 million and obtained the control of PDI Mae Ramat, a solar energy business.

The excess of the net consideration transfer lower than the identifiable assets acquired and liabilities assumed at the acquisition date is considered as gain on a bargain purchase of Baht 44.82 million. The gain on a bargain purchase recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2016.

The net identifiable assets acquired on the date of acquisition were as follows:

(Unit : Million Baht)

Cash and cash equivalent	54
Trade and other current receivables	8
Property, plant and equipment	289
Power purchase agreement	222
Other assets	17
Loans	(240)
Other liabilities	(2)
Total identifiable net assets	348
Consideration transferred	303
Non-controlling interest	-
Gain on a bargain purchase	45

Since December 26, 2016, the acquisition date, up to December 31, 2016, PDI Mae Ramat had revenue and net income which was included in the financial performance for the year ended December 31, 2016 was as follows:

(Unit : Million Baht)

	Total revenue	Net profit
For the year ended December 31, 2016	1.00	0.85

6 ADDITIONAL CASH FLOW INFORMATION

6.1 Cash and cash equivalents as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Cash on hand	1,203,616	410,000	200,000	350,000
Deposits held at call with banks	1,033,806,847	867,618,722	785,888,399	689,165,194
Total Cash and cash equivalents	1,035,010,463	868,028,722	786,088,399	689,515,194

As at December 31, 2017 and December 31, 2016, the average interest rates on bank accounts and deposits are in the range of 0.10% - 3.20% per annum.

6.2 Non-cash transactions are as follows:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Transferred land, land improvement and buildings to non-current assets held for sale	185,559,896	-	185,559,896	-
Transferred condominium to investment in property	983,892	-	983,892	-
Land, land improvement, condominium and buildings increased from revaluation	485,136,678	-	485,136,678	-
Deferred tax liabilities	97,027,336	-	97,027,336	-
Acquisition (see Note 5)				

7 SHORT-TERM INVESTMENTS

Short-term investments represented the deposit in a private fund which invest in trading of debt instruments, Unit trust and listed securities (See Note 32).

8 TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016 (Reclassified)	As at December 31, 2017	As at December 31, 2016 (Reclassified)
Trade receivables - other companies	419,009,591	314,987,104	396,017,726	306,661,125
Other receivables - other companies	13,920,677	1,427,923	6,168,335	1,368,975
Accrued income	16,940,778	6,200,270	-	-
Prepaid expenses	32,029,542	12,268,060	2,953,693	5,127,021
Others	1,684,551	1,646,101	1,348,934	1,281,361
Total trade and other current receivables	483,585,139	336,529,458	406,488,688	314,438,482

Outstanding trade receivables as at December 31, 2017 and December 31, 2016 separated by aging as follows:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Up to 3 months	419,009,591	314,987,104	396,017,726	306,661,125
Trade receivables - other companies	419,009,591	314,987,104	396,017,726	306,661,125

9 LOAN TO OTHER PARTY

On September 9, 2011, the Company entered into loan agreement with Maesod Clean Energy Co., Ltd. which was Joint Venture. The Company had provided loan to Maesod Clean Energy Co., Ltd. of Baht 105 million in October 2011. The Company was eligible to convert this loan into equity of such joint venture. Such loan was presented as short-term loan to joint venture of Baht 52.50 million and long-term loan to joint venture of Baht 52.50 million in the consolidated statement of financial position and separate statement of financial position as at December 31, 2016.

Subsequently on February 16, 2017, the Company has entered into Share Purchase Agreement with MP Energy Co., Ltd. to sell all shares of Maesod Clean Energy Co., Ltd. In addition, the Company has made the addendum to loan agreement with Maesod Clean Energy Co., Ltd. in the same day. The outstanding loan of Baht 105 million will be settled in February 2018 of Baht 52.50 million and February 2019 of Baht 52.50 million. Such loan is presented as current portion of long-term loan to other party of Baht 52.50 million and long-term loan to other party of Baht 52.50 million in the consolidated statement of financial position and separate statement of financial position as at December 31, 2017.

10 INVENTORIES

Inventories as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Raw materials	-	14,589,957	-	14,589,957
Spare parts and consumables	44,764,589	64,102,300	43,112,441	64,102,300
Goods in transit	332,929,217	163,040,475	332,929,217	163,040,475
Work in process	-	1,164,197,339	-	1,164,197,339
Finished goods	231,980,928	483,417,176	231,980,928	483,417,176
	609,674,734	1,889,347,247	608,022,586	1,889,347,247
<u>Less</u> Allowance for slow moving and obsolete inventories	(42,204,977)	(14,488,480)	(42,204,977)	(14,488,480)
Allowance for diminution in value of inventories	-	(20,571,057)	-	(20,571,057)
Inventories - net	567,469,757	1,854,287,710	565,817,609	1,854,287,710

11 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Cost	2,047,198,222	-	2,047,198,222	-
<u>Less</u> Accumulated depreciation	(1,830,032,805)	-	(1,830,032,805)	-
	217,165,417	-	217,165,417	-
<u>Less</u> Allowance for impairment	(31,605,580)	-	(31,605,580)	-
Total	185,559,837	-	185,559,837	-

On May 8, 2017, the Board of Director have resolved the intention to sell the assets consists of land and building at Tak and Rayong. As at December 31, 2017, the Company have been considering and negotiating the proposal for sales of assets at Tak and Rayong with potential buyers. The Company expects to complete the sales of assets by next 1 year after recognized them as non-current assets held for sales.

12 OTHER CURRENT ASSETS

Other current assets as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016 (Reclassified)	As at December 31, 2017	As at December 31, 2016 (Reclassified)
Deposits	320,873,206	320,873,206	320,873,206	320,873,206
Margin call	-	55,625,320	-	55,625,320
Others	4,517,494	3,820,919	4,036,496	3,509,406
Total	325,390,700	380,319,445	324,909,702	380,007,932

13 LONG-TERM INVESTMENTS

PDI Asia Solar Co., Ltd. ("PDI Asia Solar"), a subsidiary of PDI Energy Co., Ltd., has entered into the Tokumei Kumiai Agreement ("TK Agreement") dated April 28, 2016 as a TK investor to provide contribution funding equal to 97% of total investment or JPY 1,629 million to Green Brilliant Godo Kaisha ("GBGK") who invest into 13 Megawatts solar farms in Japan. As at December 31, 2017 and December 31, 2016, total contributed amount is Baht 465.96 million and Baht 496.23 million, respectively. PDI Asia Solar will receive allocated profit distribution as return. A local independent asset management company established to control assets and monitor the return of the investment.

Whereas J-Solar Co., Ltd. ("J-Solar"), a subsidiary of PDI Energy Co., Ltd., has entered into the Equity Interest Transfer Agreement dated, April 22, 2016 to invest in Century Asset Management Kabushiki Kaisha ("CKK") in Japan. CKK has further invested in 3% GBGK shares or JPY 51 million as a non-executive member. As at December 31, 2017 and December 31, 2016, total investment amount is Baht 14.43 million and Baht 15.37 million, respectively. The control shares were transferred from CKK to ISH Radiant Solar to comply with the related regulations in Japan.

The profit distribution of this long term investment is based on the GBGK's operation result pay to PDI Asia Solar and J-Solar with the defined period. The profit distribution will reflect the operation result of solar power plant and return of capital investment which shown as reduction of investment value accordingly.

14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements					
	Balance as at January 1, 2017	Addition	Acquired in a business acquisition	(Disposal)	Transfer in/ (out)	Balance as at December 31, 2017
Cost						
Land and Land improvement						
Original cost	808,852,497	-	203,993,700	(679,129,493)	8,051,942	341,768,646
Appraised value	-	252,524,888	-	(420,022)	-	252,104,866
Buildings						
Original cost	1,675,590,619	-	-	(1,603,034,287)	533,278	73,089,610
Appraised value	-	232,611,790	-	-	-	232,611,790
Machinery and heavy equipment	6,074,065,843	15,283,525	1,519,852,000	(8,077,993)	4,657,781	7,605,781,156
Equipment, furniture and fixtures	511,105,806	655,869	-	(40,165,539)	889,639	472,485,775
Vehicles	238,005,495	-	-	(106,196,248)	-	131,809,247
Building and machinery under constructions	161,089	14,150,095	-	-	(14,132,640)	178,544
Mine restoration assets	178,761,256	-	-	(3,412,760)	-	175,348,496
Total cost	9,486,542,605	515,226,167	1,723,845,700	(2,440,436,342)	-	9,285,178,130
Accumulated depreciation						
Land improvement						
Original cost	(572,285,686)	(8,182,761)	-	487,446,048	-	(93,022,399)
Buildings						
Original cost	(1,618,614,658)	(15,216,896)	-	1,575,584,047	-	(58,247,507)
Appraised value	-	(4,770,467)	-	-	-	(4,770,467)
Machinery and heavy equipment	(5,533,523,801)	(84,147,019)	-	7,887,990	-	(5,609,782,830)
Equipment, furniture and fixtures	(478,819,750)	(5,352,709)	-	23,757,134	-	(460,415,325)
Vehicles	(228,260,584)	(2,185,878)	-	100,441,828	-	(130,004,634)
Mine restoration assets	(172,892,978)	(6,329,485)	-	3,873,967	-	(175,348,496)
Total Accumulated depreciation	(8,604,397,457)	(126,185,215)	-	2,198,991,014	-	(6,531,591,658)
Accumulated provision for impairment	(237,280,881)	(18,454,260)	-	42,841,533	-	(212,893,608)
Total Property, plant and equipment	644,864,267					2,540,692,864

As at December 31, 2016

Unit : Baht

	Consolidated Financial Statements					
	Balance as at January 1, 2016	Addition	Acquired in a business acquisition	(Disposal)	Transfer in/ (out)	Balance as at December 31, 2016
Cost						
Land and Land improvement	851,976,203	-	6,344,461	(49,468,167)	-	808,852,497
Buildings	1,675,703,650	-	4,000,000	(4,182,677)	69,646	1,675,590,619
Machinery and heavy equipment	5,793,600,713	-	277,826,352	(20,653,160)	23,291,938	6,074,065,843
Equipment, furniture and fixtures	508,864,305	172,683	1,146,968	(705,855)	1,627,705	511,105,806
Vehicles	234,868,771	-	167,854	(320,912)	3,289,782	238,005,495
Building and machinery under constructions	8,008,958	20,431,202	-	-	(28,279,071)	161,089
Mine restoration assets	168,907,461	9,853,795	-	-	-	178,761,256
Total cost	9,241,930,061	30,457,680	289,485,635	(75,330,771)	-	9,486,542,605
Accumulated depreciation						
Land improvement	(490,707,907)	(81,577,779)	-	-	-	(572,285,686)
Buildings	(1,562,931,852)	(55,682,806)	-	-	-	(1,618,614,658)
Machinery and heavy equipment	(5,167,723,832)	(365,799,969)	-	-	-	(5,533,523,801)
Equipment, furniture and fixtures	(462,363,566)	(16,456,184)	-	-	-	(478,819,750)
Vehicles	(216,902,696)	(11,357,888)	-	-	-	(228,260,584)
Mine restoration assets	(91,845,981)	(81,046,997)	-	-	-	(172,892,978)
Total Accumulated depreciation	(7,992,475,834)	(611,921,623)	-	-	-	(8,604,397,457)
Accumulated provision for impairment	(297,693,799)	(167,934,527)	-	228,347,445	-	(237,280,881)
Total Property, plant and equipment	951,760,428					644,864,267
Depreciation for the years ended December 31,						
2017					Baht	126,185,215
2016					Baht	611,921,623

As at December 31, 2017

Unit : Baht

	Separated Financial Statements				
	Balance as at January 1, 2017	Addition	(Disposal)	Transfer in/ (out)	Balance as at December 31, 2017
Cost					
Land and Land improvement					
Original cost	713,443,462	-	(679,129,493)	-	34,313,969
Appraised value	-	252,524,888	(420,022)	-	252,104,866
Buildings					
Original cost	1,615,449,253	-	(1,603,034,287)	-	12,414,966
Appraised value	-	232,611,790	-	-	232,611,790
Machinery and heavy equipment	5,676,981,154	15,281,245	(8,077,993)	4,059,080	5,688,243,486
Equipment, furniture and fixtures	463,209,825	637,369	(40,165,539)	236,857	423,918,512
Vehicles	222,005,666	-	(106,196,248)	-	115,809,418
Building and machinery under constructions	161,089	4,135,310	-	(4,295,937)	462
Mine restoration assets	178,761,256	-	(3,412,760)	-	175,348,496
Total cost	8,870,011,705	505,190,602	(2,440,436,342)	-	6,934,765,965
Accumulated depreciation					
Land improvement					
Original cost	(479,707,221)	(7,738,827)	487,446,048	-	-
Buildings					
Original cost	(1,562,470,801)	(13,606,767)	1,575,584,047	-	(493,521)
Appraised value	-	(4,770,467)	-	-	(4,770,467)
Machinery and heavy equipment	(5,413,510,859)	(50,608,364)	7,887,990	-	(5,456,231,233)
Equipment, furniture and fixtures	(432,877,851)	(4,504,248)	23,757,134	-	(413,624,965)
Vehicles	(212,427,735)	(2,083,295)	100,441,827	-	(114,069,203)
Mine restoration assets	(172,892,978)	(6,329,485)	3,873,967	-	(175,348,496)
Total Accumulated depreciation	(8,273,887,445)	(89,641,453)	2,198,991,013	-	(6,164,537,885)
Accumulated provision for impairment	(237,280,881)	(18,454,260)	42,841,533	-	(212,893,608)
Total Property, plant and equipment	358,843,379				557,334,472

As at December 31, 2016

Unit : Baht

	Separated Financial Statements				Balance as at December 31, 2016
	Balance as at January 1, 2016	Addition	(Disposal)	Transfer in/ (out)	
Cost					
Land and Land improvement	824,102,658	-	(110,659,196)	-	713,443,462
Buildings	1,674,929,070	-	(59,549,463)	69,646	1,615,449,253
Machinery and heavy equipment	5,783,467,218	-	(129,778,002)	23,291,938	5,676,981,154
Equipment, furniture and fixtures	499,194,923	54,682	(37,667,485)	1,627,705	463,209,825
Vehicles	227,361,415	-	(8,645,531)	3,289,782	222,005,666
Building and machinery under constructions	8,008,958	20,431,202	-	(28,279,071)	161,089
Mine restoration assets	168,907,461	9,853,795	-	-	178,761,256
Total cost	9,185,971,703	30,339,679	(346,299,677)	-	8,870,011,705
Accumulated depreciation					
Land improvement	(459,324,422)	(81,573,828)	61,191,029	-	(479,707,221)
Buildings	(1,562,157,272)	(55,680,315)	55,366,786	-	(1,562,470,801)
Machinery and heavy equipment	(5,157,069,849)	(365,565,852)	109,124,842	-	(5,413,510,859)
Equipment, furniture and fixtures	(453,593,329)	(16,393,391)	37,108,869	-	(432,877,851)
Vehicles	(209,395,835)	(11,356,518)	8,324,618	-	(212,427,735)
Mine restoration assets	(91,845,981)	(81,046,997)	-	-	(172,892,978)
Total Accumulated depreciation	(7,933,386,688)	(611,616,901)	271,116,144	-	(8,273,887,445)
Accumulated provision for impairment	(297,693,799)	(167,934,527)	228,347,445	-	(237,280,881)
Total Property, plant and equipment	954,891,216				358,843,379
Depreciation for the years ended December 31,					
2017				Baht	89,641,453
2016				Baht	611,616,901

As at December 31, 2017, ATC Enviro Co., Ltd. has mortgaged land, building and power plants in the amount of Baht 1,553.50 million as collateral for long-term loans from financial institutions (see Note 19).

As at December 31, 2017, P.P. Solar (Nong-No) Co., Ltd. has mortgaged land and factory in the amount of Baht 73.97 million as collateral for long-term loans from financial institutions (see Note 19).

Provision for asset impairment

Asset impairment charges represent a write-down in the book value of assets which exceed their estimated recoverable amount based on a review of each asset's fair value less costs to sell and value in use.

Changes in impairment provision movement are shown as follows:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
At January 1,	237,280,881	297,693,799	237,280,881	297,693,799
Reversal during the year	(24,387,273)	(60,412,918)	(24,387,273)	(60,412,918)
At December 31,	212,893,608	237,280,881	212,893,608	237,280,881

15 INTANGIBLE ASSETS

Intangible asset as at December 31, 2017 and December 31, 2016 are as follows:

As at December 31, 2017

Unit : Baht

	Consolidated Financial Statements					
	Balance as at January 1, 2017	Addition	Acquired in a business acquisition	(Disposal)	Transfer in/ (out)	Balance as at December 31, 2017
Cost						
Software Computer	3,371,649	-	-	-	-	3,371,649
Right of using Electrical Pole and transmission line	4,534,894	-	-	-	-	4,534,894
License for Energy Industry	221,646,792	691,000,000	-	-	-	912,646,792
Total cost	229,553,335	691,000,000	-	-	-	920,553,335
Accumulated depreciation						
Software Computer	(2,024,836)	-	(676,177)	-	-	(2,701,013)
Right of using Electrical Pole and transmission line	(547,666)	-	(181,893)	-	-	(729,559)
License for Energy Industry	(264,022)	-	(29,545,631)	-	-	(29,809,653)
Total accumulated amortization	(2,836,524)	-	(30,403,701)	-	-	(33,240,225)
Total	226,716,811					887,313,110

As at December 31, 2016

Unit : Baht

	Consolidated Financial Statements					
	Balance as at January 1, 2016	Addition	Acquired in a business acquisition	(Disposal)	Transfer in/ (out)	Balance as at December 31, 2016
Cost						
Software Computer	-	3,371,649	-	-	-	3,371,649
Right of using Electrical Pole and transmission line	-	4,534,894	-	-	-	4,534,894
License for Energy Industry	-	221,646,792	-	-	-	221,646,792
Total cost	-	229,553,335	-	-	-	229,553,335
Accumulated depreciation						
Software Computer	-	(2,024,836)	-	-	-	(2,024,836)
Right of using Electrical Pole and transmission line	-	(547,666)	-	-	-	(547,666)
License for Energy Industry	-	-	(264,022)	-	-	(264,022)
Total accumulated amortization	-	(2,572,502)	(264,022)	-	-	(2,836,524)
Total	-					226,716,811
Amortization for the years ended December 31,						
2017					Baht	30,403,701
2016					Baht	264,022

As at December 31, 2017, intangible asset amount of Baht 680.73 million represent the value of Power Purchase Agreement from the acquisition of Symbior group on September 15, 2017 by Ton Sangkasi Pte Ltd., a subsidiary of the Company.

As at December 31, 2016, intangible asset amount of Baht 221.38 million represent the value of Power Purchase Agreement from the acquisition of PDI Mae Ramat Co., Ltd. on December 26, 2016 by PDI Energy Co. Ltd., a subsidiary of the Company.

16 DEFERRED TAX ASSETS AND LIABILITIES AND INCOME TAX EXPENSES

Deferred tax assets and liabilities as at December 31, 2017 and December 31, 2016 were as follows :

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Deferred tax assets	-	31,640,000	-	31,640,000
Deferred tax liabilities	(205,253,476)	(218,234)	(96,291,476)	(218,234)

Movements of deferred tax assets and liabilities during the year were as follows :
As at December 31, 2017

Unit : Baht

	Consolidated Financial Statements			
	Balance as at January 1, 2017	Increase	Decrease	Balance as at December 31, 2017
Deferred tax assets	31,640,000	-	(31,640,000)	-
Total	31,640,000	-	(31,640,000)	-
Deferred tax liabilities				
Fair value adjustment of subsidiaries' assets regarding business acquisition	-	(108,962,000)	-	(108,962,000)
Revaluation surplus on assets	-	(97,027,336)	954,094	(96,073,242)
Others	(218,234)	-	-	(218,234)
Total	(218,234)	(205,989,336)	954,094	(205,253,476)

As at December 31, 2016

Unit : Baht

	Consolidated Financial Statements			
	Balance as at January 1, 2016	Increase	Decrease	Balance as at December 31, 2016
Deferred tax assets	-	31,640,000	-	31,640,000
Total	-	31,640,000	-	31,640,000
Deferred tax liabilities	(218,234)	-	-	(218,234)
Total	(218,234)	-	-	(218,234)

As at December 31, 2017

Unit : Baht

	Consolidated Financial Statements			
	Balance as at January 1, 2017	Increase	Decrease	Balance as at December 31, 2017
Deferred tax assets	31,640,000	-	(31,640,000)	-
Total	31,640,000	-	(31,640,000)	-
Deferred tax liabilities				
Revaluation surplus on assets	-	(97,027,336)	954,094	(96,073,242)
Others	(218,234)	-	-	(218,234)
Total	(218,234)	(97,027,336)	954,094	(96,291,476)

As at December 31, 2016

Unit : Baht

	Consolidated Financial Statements			
	Balance as at January 1, 2016	Increase	Decrease	Balance as at December 31, 2016
Deferred tax assets	-	31,640,000	-	31,640,000
Total	-	31,640,000	-	31,640,000
Deferred tax liabilities	(218,234)	-	-	(218,234)
Total	(218,234)	-	-	(218,234)

Deferred income tax assets are recognized for tax loss and carry forwards only to the extent that realization of the related tax benefit through the future taxable profits is probable. The Company has no any unrecognized tax losses to carry forward against future taxable income.

As at December 31, 2017, deferred tax assets presented in the consolidated statement of financial position and separate statement of financial position decreased in the amount of Baht 31.64 million because there is no probable future taxable income which the temporary differences can be utilized.

Income tax expenses

Income tax expenses recognized in statements of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016 were as follows:

Reconciliation of effective tax rate

Unit : Baht

	Consolidated financial Statements			
	2017		2016	
	Rate (%)	Amount	Rate (%)	Amount
Profit before income tax expense		1,005,879,750		549,040,032
Less Benefits from Promotional Privileges		52,214,639		-
Profit before income tax expense		953,665,111		549,040,032
Income tax using applicable tax rate	20.00	190,733,022	20.00	109,808,006
Tax effect of non-deductible expenses (benefit)				
- Expenses not deductible for tax purpose		15,241,761		2,914,928
- Addition expenses deductible for tax purpose		(134,784,436)		(8,964,751)
Income tax expense for the current year		71,190,347		103,758,183
Movement in temporary difference		30,685,906		(31,640,000)
Adjustment in respect of prior year		(1,274,797)		(843,781)
Income tax expense	10.55	100,601,456	12.98	71,274,402

Unit : Baht

	Separate financial statements			
	2017		2016	
	Rate (%)	Amount	Rate (%)	Amount
Profit before income tax expense		968,113,725		431,416,287
Income tax using applicable tax rate	20.00	193,622,745	20.00	86,283,257
Tax effect of non-deductible expenses (benefit)				
- Expenses not deductible for tax purposes		12,861,458		16,972,460
- Addition expenses deductible for tax purpose		(135,671,617)		-
Income tax expense for the current year		70,812,586		103,255,717
Movement in temporary difference		30,685,906		(31,640,000)
Adjustment in respect of prior		(1,323,250)		(843,781)
Income tax expense	10.35	100,175,242	16.40	70,771,936

17 SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Promissory Note	140,702,205	-	-	-
Trust receipts	-	205,006,310	-	205,006,310
Total	140,702,205	205,006,310	-	205,006,310

As at December 31, 2017, the Subsidiaries had short-term loans from financial institutions for operations. The interest rates of the promissory notes is at MLR per annum. Such short-term loans are unsecured.

As at December 31, 2016, the Company had short-term financing arrangements for its operations with various financial institutions. The interest rates of the trust receipts is 1.30% per annum. Subsequently, such loans were repaid on January 4, 2017.

Financing arrangements available

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Bank overdraft	40,000,000	40,000,000	40,000,000	40,000,000
Short-term loans	2,440,702,205	2,500,000,000	2,300,000,000	2,500,000,000
Bank guarantees	734,440,427	845,718,568	731,400,427	842,678,568
Total	3,215,142,632	3,385,718,568	3,071,400,427	3,382,678,568

18 TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016 (Reclassified)	As at December 31, 2017	As at December 31, 2016 (Reclassified)
Trade accounts payables				
Trade accounts payables - others	336,144,489	242,386,572	335,464,146	241,525,255
Other payables				
Other payables - others	12,544,045	5,681,943	11,945,615	5,512,545
Other payable - related party	-	-	12,621	26,768
Accrued expenses	70,765,008	94,304,015	55,546,408	77,259,745
Other	60,783,049	37,565,478	58,228,439	41,248,337
Total	144,092,102	137,551,436	125,733,083	124,047,395
Trade and other current payables	480,236,591	379,938,008	461,197,229	365,572,650

19 LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Long-term loans from financial institutions		Interest rate % per annum		Condition to maintain financial ratios
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	
Consolidated financial statements					
Long-term loans					
ATC Enviro Company Limited repayable from June 2016 to 2029 on quarterly basis	1,130,613,100	-	5.7	-	Yes
P.P. Solar (Nong-No) Company Limited repayable from December 2013 to 2023 on quarterly basis	21,943,520	-	MLR	-	Yes
Total	1,152,556,620	-			
<u>Less</u> Current portion of long-term loans	(103,696,560)	-			
	1,048,860,060	-			

As at December 31, 2017, the long-term loan of ATC Enviro Co., Ltd was guaranteed by the pledge of its shares held by the shareholders, deposits at financial institutions of Baht 86.64 million, mortgage of the land, building and power plants (see Note 14) as well as the power purchase agreement with the Provincial Electricity Authority and certain other contract of project under the condition of credit facilities agreement granted by the financial institutions. In January 2016, ATC Enviro Co., Ltd has entered into contract for hedging interest rate from floating rate to be fixed rate at 5.7% per annum under the principal amount of Baht 975 million.

As at December 31, 2017, the long-term loan of P.P. Solar (Nong-No) Co., Ltd was guarantee by deposits at financial institutions of Baht 3.32 million and the mortgage of the land and factory (see Note 14).

Certain loan agreements stipulate certain covenants such as maintenance of a net debt to equity ratio and the maintenance of debt service coverage ratio.

As at December 31, 2017, the subsidiaries was able to maintain certain debt covenants as stipulated in the agreements.

20 PROVISIONS FOR RESTORATION AND REHABILITATION EXPENSES

Provisions for restoration and rehabilitation expenses as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
As at January 1,	337,898,500	428,057,372	337,898,500	428,057,372
Accretion expense during the year	26,621,780	118,016,509	26,621,780	118,016,509
Reversal of provision*	(81,459,327)	-	(81,459,327)	-
Amounts utilized	(128,958,745)	(208,175,381)	(128,958,745)	(208,175,381)
Ending balance for the year	154,102,208	337,898,500	154,102,208	337,898,500
<u>Less</u> Current portion of provisions restoration and rehabilitation Expenses	(118,649,727)	(272,681,493)	(118,649,727)	(272,681,493)
Provisions for restoration and rehabilitation expenses	35,452,481	65,217,007	35,452,481	65,217,007

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 recognized in the same amount. This restoration asset is subsequently amortized on a unit-of-production basis. For environmental rehabilitation and environmental risk assurance assets, they are subsequently amortized on a straight-line basis. Accretion expense is recognized to reflect the change in present value of the liability initially recognized using the Company's end of period Weighted Average Cost of Capital ("WACC").

* The Company has reversed provision for restoration and rehabilitation expenses to reflect management judgment relating to the reduction of estimated liabilities relating to assets for environmental restoration of Baht 59 million and reduction from completion residual pond decommission of Baht 22 million.

21 OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016 (Reclassified)	As at December 31, 2017	As at December 31, 2016 (Reclassified)
Social security and other taxes	283,675	13,778	283,675	9,277
Current portion of liabilities under early retirement program	3,493,674	135,022,700	3,493,674	135,022,700
Others	17,772,913	29,329,277	17,358,624	27,022,238
Total	21,550,262	164,365,755	21,135,973	162,054,215

22 PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit in the statements of financial position as at December 31, 2017 and December 31, 2016, consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016 (Reclassified)	As at December 31, 2017	As at December 31, 2016 (Reclassified)
Provisions for employee benefit as at January 1,	166,420,879	220,405,430	166,344,809	220,405,430
Included in profit or loss:				
Current service cost	7,112,044	12,189,727	7,112,044	12,113,657
Interest cost	2,631,636	6,041,284	2,631,636	6,041,284
Provision for employee benefit (Reversal)	(132,869,550)	(69,797,550)	(132,869,550)	(69,797,550)
Included in other comprehensive income (loss):				
Actuarial (gain) loss	-	(2,418,012)	-	(2,418,012)
Provisions for employee benefit as at December 31,	43,295,009	166,420,879	43,218,939	166,344,809

The result of change in significant assumptions that affect the present value of the post-employment benefit obligations as at December 31, 2017 and December 31, 2016 are summarized below:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017 Increase (Decrease)	2016 Increase (Decrease)	2017 Increase (Decrease)	2016 Increase (Decrease)
Discount rate - decrease by 0.5%	1,395,442	1,696,527	1,395,442	1,696,527
Discount rate - increase by 0.5%	(1,308,929)	(1,780,521)	(1,308,929)	(1,780,521)
Salary increase rate - decrease by 0.5%	(1,288,412)	(1,930,380)	(1,288,412)	(1,930,380)
Salary increase rate - increase by 0.5%	1,358,725	1,866,624	1,358,725	1,866,624
Turnover rate - decrease by 0.5%	1,403,944	1,362,159	1,403,944	1,362,159
Turnover rate - increase by 0.5%	(1,323,315)	(1,439,839)	(1,323,315)	(1,439,839)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

Provisions for employee benefit in the statements of financial position as at December 31, 2017 and December 31, 2016 consisted of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Post-employment benefit plan				
Present value of obligations	43,295,009	166,420,879	43,218,939	166,344,806
Provisions for employee benefit - recognized in statement of financial position	43,295,009	166,420,879	43,218,939	166,344,806

The Company made defined benefit plan in accordance with severance payment as the labour law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

The principal assumptions used in determining provision for retirement benefit on an actuarial basis as at December 31, 2017 and December 31, 2016 (expressed as weighted averages) are shown below:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Discount rate (%)	2.81	2.05	2.81	2.05
Salary increase rate (%)	5.00	5.00	5.00	5.00
Turnover rate (%)	0 - 13	0 - 15	0 - 13	0 - 15

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase rate and turnover rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

23 RESERVES

Other components of equity comprise:

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward, if any, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

Revaluation surplus on assets

The land, land improvement, condominium and buildings reappraisal is performed by independent appraisers. The increment resulting from the appraisal is recognized as part of equity as "revaluation surplus on assets".

24 PROVIDENT FUND

On June 27, 1990 the Company and its subsidiaries set up a provident fund for those employees who elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company and its subsidiaries matches the individuals' contributions. At the present, the provident fund is managed by Kasikorn Asset Management Company Limited, authorized financial institution in accordance with the Provident Fund Act B.E. 2530 (1987).

For the years ended December 31, 2017 and 2016, the Company and its subsidiaries has contributed approximately Baht 16 million and Baht 22 million, respectively, to the fund.

25 DIVIDEND

On April 25, 2017, the Annual General Meeting of Shareholders passed a resolution to pay a dividend from operations of Baht 1.00 per share, in the total amount of Baht 226 million. The Company paid the dividend on May 18, 2017.

26 EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 consists of:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Movement in inventories	61,460,089	130,779,479	1,288,470,101	545,703,647
Raw materials, spare parts and consumables used	260,335,191	2,039,005,636	4,736,498,133	4,267,357,925
Employee benefits expense	370,249,264	529,104,960	328,354,929	477,668,967
Utility expenses	305,159,336	941,878,608	624,075,326	1,845,501,104
Depreciation and amortization expenses	157,195,732	685,536,543	89,641,453	611,616,901

27 PROMOTIONAL PRIVILEGES ACCORDING TO INVESTMENT PROMOTION ACT

The Subsidiaries have been granted certain rights and privileges as a promoted industry under the Industrial Investment Promotion Act of B.E. 2520, as follows :

Promotional Privileges No./ Dated	Effective date	Activities	Major rights and conditions
PDI MAE RAMAT CO., LTD.			
No. 2011(1)/2556 Dated July 16, 2013	March 19, 2013	Electricity from solar energy sector 7.1 Public utilities and basic services	<ul style="list-style-type: none"> (a) Exemption from payment of import duty and tax on machinery approved by the Board of Investment. (b) Exemption from corporate income tax for the profit earned under promotional privileges, defined time of 8 years from the date operating income is first derived. (c) If the operating loss is incurred the period of exemption corporate income tax, the Company shall be granted permission to deduct such annual loss from net income of subsequent period that exempted from corporate income tax for a period not exceeding 5 years from the date of the expiration of that period. (d) Exemption the dividend from the operation to be promoted which exempt the income tax expense as (b) include in the corporate income tax through period has been promoted. (e) A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in (b) above; and (f) Double deduction of transportation expenses, electricity expenses and water expenses for a period of 10 years from the date on which the income is first derived from such operations. (g) Be allowed to deduct investments in the installation or construction of facilities, 25% of the investment apart from normal depreciation.
ATC ENVIRO CO., LTD.			
58-2350-1-00-1-0 Dated October 20, 2015	September 8, 2015	Electricity from solar energy sector 7.1.1.2 : production of electricity and steam from renewable energy except biomass	<ul style="list-style-type: none"> (a) Exemption from payment of import duty and tax on machinery approved by the Board of Investment. (b) Exemption from corporate income tax for the profit earned under promotional privileges, defined time of 8 years from the date operating income is first derived.
58-2351-1-00-1-0 Dated October 20, 2015	September 14, 2015		<ul style="list-style-type: none"> (c) If the operating loss is incurred the period of exemption corporate income tax, the Company shall be granted permission to deduct such annual loss from net income of subsequent period that exempted from corporate income tax for a period not exceeding 5 years from the date of the expiration of that period.
58-2352-1-00-1-0 Dated October 20, 2015	September 14, 2015		<ul style="list-style-type: none"> (d) Exemption the dividend from the operation to be promoted which exempt the income tax expense as (b) include in the corporate income tax through period has been promoted.
58-2353-1-00-1-0 Dated October 20, 2015	September 8, 2015		<ul style="list-style-type: none"> (e) Be allowed to transfer cash to aboard as foreign currency.
58-2354-1-00-1-0 Dated October 20, 2015	September 8, 2015		

Promotional Privileges No./ Dated	Effective date	Activities	Major rights and conditions
P.P. SOLAR (NONG-NO) CO., LTD.			
1416(1)/2555 Dated October 20, 2015	February 27, 2012	Electricity from solar energy sector 7.1 Public utilities and basic services	<ul style="list-style-type: none"> (a) Exemption from payment of import duty and tax on machinery approved by the Board of Investment. (b) Exemption from corporate income tax for the profit earned under promotional privileges, defined time of 8 years from the date operating income is first derived. The exemption of corporate income tax must not over Baht 398.20 million. Thus, this will be varied by the investment excluding actual cost of land and working capital at the opening date under privilege project. (c) If the operating loss is incurred the period of exemption corporate income tax, the Company shall be granted permission to deduct such annual loss from net income of subsequent period that exempted from corporate income tax for a period not exceeding 5 years from the date of the expiration of that period. (d) Exemption the dividend from the operation to be promoted which exempt the income tax expense as (b) include in the corporate income tax through period has been promoted. (e) A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in (b) above; and (f) Double deduction of transportation expenses, electricity expenses and water expenses for a period of 10 years from the date on which the income is first derived from such operations. (g) Be allowed to deduct investments in the installation or construction of facilities, 25% of the investment apart from normal depreciation. (h) Be allowed to transfer cash to aboard as foreign currency.

As promoted companies, the subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenues from promoted and non-promoted businesses for the years ended December 31, were summarized as follows:

Unit : Baht

	Consolidated Financial Statements					
	Promoted businesses	2017 Non-promoted businesses	Total	Promoted businesses	2016 Non-promoted businesses	Total
Revenues						
Revenue from sales	85,446,738	6,025,783,064	6,111,229,802	320,311	5,147,521,905	5,147,842,216
Revenue from government granted - adder	57,834,840	-	57,834,840	679,774	-	679,774
Other income	-	188,542,101	188,542,101	-	192,418,882	192,418,882
Gain on exchange rate - net	-	(24,696,825)	(24,696,825)	-	(34,960,932)	(34,960,932)
Total revenues	143,281,578	6,189,628,340	6,332,909,918	1,000,085	5,304,979,855	5,305,979,940

Unit : Baht

	Separate financial Statements					
	Promoted businesses	2017 Non-promoted businesses	Total	Promoted businesses	2016 Non-promoted businesses	Total
Revenues						
Revenue from sales	-	6,010,768,746	6,010,768,746	-	5,134,918,930	5,134,918,930
Other income	-	160,835,811	160,835,811	-	140,186,223	140,186,223
Gain on exchange rate - net	-	(10,029,768)	(10,029,768)	-	12,228,967	12,228,967
Total revenues	-	6,161,574,789	6,161,574,789	-	5,287,334,120	5,287,334,120

28 BANK GUARANTEES

As at December 31, 2017, the Company and subsidiaries have given letters of guarantee in the ordinary course of business issued by banks of approximately Baht 274.45 million and JPY 2,408.41 million.

As at December 31, 2016, the Company and subsidiaries have given letters of guarantee in the ordinary course of business issued by banks of approximately Baht 405.23 million and JPY 2,363.75 million.

29 BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2017 and 2016 was based on profit attributable to owners of the parent and the weighted average number of shares outstanding during each year, calculated as follows:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Profit attributable to owners of the parent company for the year (basic)	905,278,294	477,765,630	867,938,483	360,644,351
Weighted average number of ordinary shares during the year (basic) (shares)	226,000,000	226,000,000	226,000,000	226,000,000
Basic earnings per share (Baht per share)	4.01	2.11	3.84	1.60

30 COMMITMENTS AND CONTINGENT LIABILITY

30.1 As at December 31, 2017 and December 31, 2016, the Company has the following commitments for the construction of plant and acquisition of equipment that have been contracted but not recorded as liabilities:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Not later than 1 year	713,040	14,416,538	713,040	14,416,538

As at December 31, 2017 and December 31, 2016, the Company had the following commitments for the purchase of raw materials that have been contracted but not recorded as liabilities:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Not later than 1 year	-	96,169,342	-	96,169,342

In addition, as at December 31, 2016, the Company had contracted for the purchase of raw materials that contained zinc units of approximately 163 tons.

30.2 Minimum lease payments as at December 31, 2017 and December 31, 2016 were as follows:

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Not later than 1 year	491,666	491,666	-	-
Later than 1 year but not later than 5 years	1,966,665	1,966,665	-	-
Later than 5 years	7,784,714	8,276,380	-	-
	10,243,045	10,734,711	-	-

30.3 The Company obtained the Forestry Land Permit ("Permit") from the Royal Forestry Department ("RFD") for mining operations since 1982. Each permission period of such Permits is valid for maximum 10 years and can renew after each expiration period. Referring to the conditions of Permit, the Company is required to reforest and maintain planted forest area equivalent to 3 times of the granted land area within the period of Permit or when notified by the provincial office or RFD. In case the Company fails to execute reforestation, the Company shall make payment to the RFD at the rate specified by the RFD. The regulations have been revised regularly since the first permitting. The Company already paid compensation of reforestation when receiving the first Permit and its renewal on the same area. The Company remains convinced that it complied with the regulations correctly.

Due to the mine closure, the Company is in the process of relinquishing the land to the RFD. However, the Company has been informed by the RFD to pay an additional compensation equivalent to 3 times of the granted area on the same permitted land. The Company is in the process to verify if these claims are legitimate. Such impact of the compensation was estimated approximately Baht 62 million in Mae Sod area.

30.4 The Customs Department launched a post audit on the Company imports of crude zinc oxide in November, 2016. The Customs Department concluded that the Company used a wrong Harmonized System code ("HS Code") classification. The correct HS code is subject to 1% import duty, totally for duty shortfall was Baht 8.3 million. In December 2017, the company paid that duty shortfall and surcharge to The Custom Department; however, The Custom Department has been considering penalty amount (the maximum penalty is 2 times of duty shortfall).

31 FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group is exposed to normal business risks from changes in interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or use derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital Management

The Board of Directors' policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board monitors the return on capital, which the Group defines as result from operating activities divided by total equity, excluding non-controlling interests and also monitors the level of dividends to ordinary share holders.

Interest Rate Risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. As a general rule, the Company has a credit risk management policy of obtaining credit insurance or collateral from the customers before commencing trade. The collateral may include bank guarantees or cash guarantees. The management does not expect that there is significant loss from uncollectable customers.

31.1 Forward exchange contracts

The Company entered into forward exchange contracts to reduce foreign exchange exposure. As at December 31, 2017 and December 31, 2016, the outstanding forward exchange contracts are summarized as follows:

Agreement	Currency	Notional amount (Million US Dollar)	Deliverable Period	Deliverable amount (Million Baht)	Net fair value profit (loss) (Million Baht)	Fair value hierarchy	Valuation techniques and key inputs
As at December 31, 2017							
Purchase	USD	12.50	January - March 2018	409.34	(0.59)	2	Discounted cash flow*
Sell	EURO	0.85	February - April 2018	32.98	(0.25)	2	Discounted cash flow*
As at December 31, 2016							
Purchase	USD	11.33	January - March 2017	401.56	4.98	2	Discounted cash flow*
Sell	USD	2.13	February - March 2017	75.89	(0.46)	2	Discounted cash flow*

* The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

31.2 Forward zinc contracts

The Company entered into forward zinc contracts with a financial institution to reduce fluctuation of zinc's index exposure relating to London Metal Exchange. As at December 31, 2017 and December 31, 2016, the outstanding forward zinc contracts are summarized as follows:

Agreement	Zinc (Metric ton)	Effective date	Currency	Net fair value Profit (loss) (Million US Dollar)	Fair value hierarchy	Valuation techniques and key inputs
As at December 31, 2017						
Purchase	2,875	January 2018	USD	0.39	2	Discounted cash flow*
Sell	3,300	January 2018	USD	(1.06)	2	Discounted cash flow*
As at December 31, 2016						
Purchase	6,475	January - February 2017	USD	(0.76)		
Sell	18,850	January 2017 - January 2018	USD	(3.55)	2	Discounted cash flow*
					2	Discounted cash flow*

* The estimated future cash flows is from zinc price (from observable price index of London Metal Exchange at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

31.3 Interest rate swap contracts

The Company entered into interest rate swap contracts to reduce interest rate exposure. The outstanding interest rate swap contracts as at December 31, 2017 (2016: nil), are summarized as follows:

Related agreement	Contract amount (Million Baht)	Duration of transaction	Interest rate per Loan agreement	Interest rate per Swap agreement	Fair value Gain/(loss) (Million Baht)	Fair value hierarchy	Valuation techniques and key inputs
As at December 31, 2017							
Long-term loans from financial institutions	975	January 31, 2016 to December 31, 2021	THBFIX +3.25%	5.7%	(17.94)	2	Discounted cash flow*

* The estimated future cash flows is from interest exchange rates (from observable interest exchange rates at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the market risk of various products.

32 FAIR VALUE MEASUREMENTS

Certain financial assets and liabilities of the Group and the Company are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined.

Unit: Million Baht

Consolidated Financial Statements					
	Fair value		Carrying amount		Valuation techniques and key inputs
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	
Financial assets and liabilities					
Financial assets					
Short-term investments					
Debt instruments	209.68	177.13	209.68	177.13	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association.
Unit trust	70.17	207.14	70.17	207.14	2 Net asset values of the last working day of the reporting period.
Listed securities	216.80	143.71	216.80	143.71	1 period.
Listed securities (Foreign)	47.02	-	47.02	-	1 Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand.
Fixed deposit	-	15.72	-	-	3
					Latest bid prices of the last working day of the reporting period as quoted in an active market.
					The carrying amount is approximate their fair values due to the relatively short-term maturity.

32. FAIR VALUE MEASUREMENTS (CONTINUED)

Unit: Million Baht

	Separate Financial Statements					
	Fair value		Carrying amount		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016		
Financial assets						
Short-term investments						Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association.
Debt instruments	209.68	177.13	209.68	177.13	2	2
Unit trust	70.17	207.14	70.17	207.14	2	2
Listed securities	216.80	143.71	216.80	143.71	1	1
Listed securities (Foreign)	47.02	-	47.02	-	1	1
						Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand.
						Latest bid prices of the last working day of the reporting period as quoted in an active market.

32. FAIR VALUE MEASUREMENTS (CONTINUED)

Unit: Million Baht

Consolidated Financial Statements					
	Fair value		Carrying amount		Valuation techniques and key inputs
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	
Financial assets and liabilities					
Financial liabilities					
Current portion of long-term loans from financial institutions	104	-	104	-	Fair value of long-term borrowings from financial institutions bearing fixed interest rate are determined by discounted cash flows method. Future cash flows are
Long-term loans from financial institutions	1,049	-	1,049	-	discounted using cost of debts of the Group. For long-term borrowings from financial institutions with floating interest rate, the fair values approximate their carrying values

Valuation technique for financial instruments not measured at fair value of the Group and the Company are as follows:

Cash and cash equivalents, trade and other current receivables, loan to other party, loan to joint venture, advances to related parties, loans to related parties, advances to joint ventures, other current assets, other assets, short-term loans from financial institutions, trade and other current payables, accrued expenses, and other current liabilities stated in the statements of financial position approximate their fair values due to the relatively short-term maturity of these financial instruments.

Other long-term investments had not significantly different from the carrying values stated in the statements of financial position.

33 OPERATING SEGMENT INFORMATION

The Group has been engaged to manufacture and sell zinc products for both domestic and export markets, utilizing the same assets. The Group has one reportable segment which consisted of zinc smelter and roaster plant for Calcine. 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 financial cost, tax, depreciation and amortization. The following is financial information relating to this operating segment :

Unit : Million Baht

For the year ended December 31,	2017	2016
Revenue domestic		
- zinc ingot	3,530	2,714
- zinc alloy	2,141	1,898
- others	326	99
Revenue export		
- zinc ingot	-	80
- zinc alloy	62	264
- others	110	94
Total sales and services	6,169	5,149
Operating profit	1,023	602
Net profit for the period	905	478

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

34 RELATED PARTIES TRANSACTIONS

34.1 Investments in related parties

Details of investments in subsidiaries and joint ventures are as follows:

Unit : Baht

	As at December 31, 2017				As at December 31, 2016			
	Consolidated Financial Statements Equity	Paid-up capital	% Ownership investment	Cost	Consolidated Financial Statements Equity	Paid-up capital	% Ownership investment	Cost
Subsidiaries								
Padaeng Properties Co., Ltd.	-	80,000,000	100	80,000,000	-	80,000,000	100	80,000,000
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
Ton Sangkasi Pte Ltd.	-	246,700	100	246,700	-	246,700	100	246,700
Total				192,796,625				192,796,625
Less Diminution								
Ton Sangkasi Pte Ltd.	-	-	-	-	-	-	-	(246,700)
Investments in subsidiaries-net	-	-	-	192,796,625	-	-	-	192,549,925
Joint ventures								
Maesod Clean Energy Co., Ltd.	-	-	-	-	3,660,030	675,000,000	35	236,249,800
PDI-CRT Co., Ltd.	42,745,290	89,000,000	60	-	28,224,496	58,750,000	54	-
PDI Tak Eco Co., Ltd.	13,148,172	30,000,000	51	15,300,000	15,292,219	30,000,000	51	15,300,000
Total	55,893,462			15,300,000	47,176,745			251,549,800
Less Diminution								
Maesod Clean Energy Co., Ltd.	-	-	-	-	-	-	-	(177,187,300)
Investments in joint ventures-net	55,893,462	-	-	15,300,000	47,176,745	-	-	74,362,500

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
As at January 1,	47,126,745	66,660,312	266,912,425	428,799,725
Investment in joint ventures	21,660,000	29,040,000	-	15,300,000
Sales of investment in joint ventures	(18,247,301)	-	(236,249,800)	-
Share of profit (loss) from joint ventures	5,354,018	(48,523,567)	-	-
Reverse allowance diminution in value of Investment in subsidiary	-	-	246,700	-
Disposal (Reserve) of allowance diminution in value of investment	-	-	177,187,300	(177,187,300)
Ending balance for the period/year	55,893,462	47,176,745	208,096,625	266,912,425

Maesod Clean Energy Co., Ltd.

Due to limitation of economic feed supply to produce ethanol and the consecutive losses since starting operation, the Company's Board of Directors dated August 4, 2016 decided to divest the investment in Maesod Clean Energy Co., Ltd. As at December 31, 2016, the Company has agreed in principle to sell the Company's 35% interest in Maesod Clean Energy Co., Ltd. to MP Energy Co., Ltd., one of Maesod Clean Energy Co., Ltd.'s shareholders with the value of Baht 59.06 million. The Company recorded allowance for impairment of remaining investment of Baht 177.18 million. Subsequently, the Company entered into the Share Purchase Agreement ("SPA") on February 16, 2017. The Company has received the payment accordingly on the same day.

PDI-CRT Co., Ltd.

On November 18, 2016, PDI-CRT has increased its registered capital into Baht 79,000,000 with additional 2,700,000 shares with par value of 10 Baht per share, of which Baht 2.50 per share was paid.

Subsequently, in March 2017, the additional share of 3.75 Baht per share was paid, totally Baht 10,125,000.

Subsequently, in May 2017, the additional share of 3.75 Baht per share was paid, totally Baht 10,125,000.

In September 2017, PDT-CRT has increased its registered capital into Baht 89,000,000 with addition 1,000,000 shares with par value of 10 Baht per share, which Baht 5 per share was paid. Subsequently, in October 2017, the additional share of 5 Baht per share was paid, totally Baht 5,000,000.

PDI Energy Co., Ltd.

On December 26, 2016, PDI Energy Co., Ltd. ("PDI Energy") has entered into the Share Purchase Agreement and Shareholders Agreement to invest in PDI Mae Ramat Co., Ltd. ("PDI Mae Ramat") which operates a 5.3 Megawatts solar farm power plant located in Tak province. The purchase price is Baht 477 million (see Note 5).

PDI Tak Eco Co., Ltd.

On February 23, 2016, total shares of PDI Tak Eco Co., Ltd. (PDI Tak Eco) have been transferred from PDI Energy to be directly owned by the Company.

On April 26, 2016, the Company and Dowa Eco System Co., Ltd. had entered into the Share Purchase Agreement and Shareholders Agreement to jointly acquire shares of PDI Tak Eco. On September 14, 2016, Dowa Eco System acquired 49% interest in PDI Tak Eco. Subsequently, on October 6, 2016, PDI Tak Eco registered issued and paid-up share capital of Baht 30 million.

34.2 Sales of goods and services

For the year ended December 31,

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Sales of goods and services:				
Padaeng Properties Co., Ltd.	-	-	396,000	1,037,520
PDI Materials. Co., Ltd.	-	-	7,859,995	28,145,794

Sales to related parties are based on current market prices.

34.3 Purchases of goods and services

For the year ended December 31,

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Purchases of goods and services:				
Padaeng Properties Co., Ltd.	-	-	950,848	3,294,324

Purchases from related party are based on current market prices.

34.4 Advances to related parties

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Ton Sangkasi Co., Ltd.	-	-	-	13,504,358
PDI Eco Co., Ltd.	-	-	307,795	307,795
J-Solar Co., Ltd.	-	-	56,705	56,705
Total	-	-	364,500	13,868,858
<u>Less</u> Allowance for doubtful accounts	-	-	-	(13,504,358)
Advance to related parties - net	-	-	364,500	364,500

34.5 Loans to related parties

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Ton Sangkasi Co., Ltd.	-	-	1,275,274,196	-
PDI Asia Solar Co., Ltd.	-	-	541,056,710	541,056,710
PDI Energy Co., Ltd.	-	-	456,332,114	490,000,000
Loans to related parties - net	-	-	2,272,663,020	1,031,056,710

Such loans to related parties are unsecured and will be repaid at call.

34.6 Other payables - related party

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Padaeng Properties Co., Ltd.	-	-	12,621	26,768
Total	-	-	12,621	26,768

34.7 Key management compensation

The compensation paid or payable to key management for employee services for the year ended December 31, were shown below :

Unit : Baht

	Consolidated Financial statements		Separate Financial Statements	
	2017	2016	2017	2016
Short-term employee benefits	47,389,620	42,015,000	47,389,620	42,015,000
Post-employee benefits and termination benefits	2,503,000	4,946,525	2,503,000	4,946,525
Total	49,892,620	46,961,525	49,892,620	46,961,525

34.8 Investment with Country Group Securities Public Company Limited, as a counter party are as follow. The investment term is less than 3 months (which is presented as part of cash and cash equivalents).

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Buy-sell back of corporate debentures	196,131,924	205,397,455	182,198,776	156,738,599
Bill of Exchange	90,000,000	-	90,000,000	-
Total	286,131,924	205,397,455	272,198,776	156,738,599

35 LITIGATION

As of December 31, 2017, the Company has 5 outstanding litigation cases which have been under the court consideration. The Company were filed by the villagers ("plaintiffs") who claimed that they got the impact from cadmium contamination in the area. The plaintiffs sealed the compensation at Baht 3,949 million from the Company.

Management of the Company considered that the Company's environmental measurement is complied with the regulations and requirements of the authorities. The Company recognized provision for such compensation which the Company expected to pay for all litigation cases included interest at the rate 7.5 percent per annum from the date of complains in the total amount of Baht 96.55 million in the statement of financial position as at December 31, 2017. Detail of litigation cases are as follow:

35.1 Case No. 66/2552

On September 20, 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) Plaintiffs who were scared of 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.

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 appealed the court order accordingly.

Subsequently on March 9, 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 appealed its judgment to the Supreme Court. The case is pending for the Supreme Court proceeding.

35.2 Case No. 9/2553

On February 28, 2014, the Bangkok South Civil Court ruled judgment in the Black Case No. 9/2553, in the same manner above, which claimed over Baht 230 million as damage compensation. The court judgment orders the Company and Tak Mining to pay 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 responsible for Baht 1.24 million. The Company has studied the court judgment and appealed its judgment to the appeal court.

Subsequently on July 12, 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 Company to pay compensation on the amount of Baht

1.09 million for 20 plaintiffs of 84 plaintiffs in the case while Tak Mining did not file the appeal. The Company has studied in the court judgment and appeal its judgment to the Supreme Court. The case is pending for the Supreme Court proceeding.

On October 25, 2017, The court read the Supreme Court ordered that the company was not allowed to stay of execution and had to pay compensation as per the Appeal court ordered including interest of 7.5% per annum from the date of complain until the next 2 years by place the cash or bank guarantee at the court so that the supreme court will take further proceeding. The amount for this is Baht 1.09 million for principle compensation and Baht 0.80 million interest for totally Baht 1.89 million. The company had already placed the cash with the court at the amount of 1.89 million on December 27, 2017 and court then issued the confirmation letter of receipt on the same day. We are now waiting for the court to accept our request for a stay of execution and appeal with the Supreme Court.

35.3 Case No. 64/2552

On September 29, 2014, the Bangkok South Civil Court ruled judgment in the Black Case No. 64/2552, in the same manner above, which claimed over Baht 836 million as damage compensation. The court judgment orders the Company and Tak Mining to pay 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 has studied the court judgment and appealed its judgment to the Appeal Court.

Subsequently on November 24, 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 Company to pay compensation on the amount of Baht 4.10 million for 82 plaintiffs of 218 plaintiffs in the case. The Company had studied in the court judgment and appealed its judgment to the Supreme Court. Then, the court informed the Company on 29 November 2017 that the judges of the Court of First Instance and of the Appeal Court do not allow the Company to file appeal with the Supreme Court. On 30 November 2017, the company already submitted the request again to the President of Appeal Court to consider whether our case is eligible to be appealed to the Supreme Court or not, if the President of Appeal Court agrees, the case shall be continued under the process of the Supreme Court. As of December 31, 2017, the president of Appeal Court has not give any orders.

35.4 Case No. 63/2552

On May 27, 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 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 has studied the court judgment and appealed its judgment to the Appeal Court.

Subsequently on April 18, 2017, 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 Company and Tak Mining to pay compensation on the amount of Baht 36.60 million for 218 plaintiffs of 319 plaintiffs in the case, the Company is responsible for Baht 18.30 million. The Company has studied in the court judgment and appealed its judgment to the Supreme Court. The case is pending for the Supreme Court proceeding.

35.5 Case No. 65/2552

On December 22, 2016, the Bangkok South Civil Court ruled judgment in the Black Case No. 65/2552, in the same manner above, which claimed over 1,064 million Baht as damage compensation. The court judgment orders the Company and Tak Mining to pay compensation to 186 plaintiffs (villagers) who hold the Cadmium patient's card issued by the Mae Sod Hospital and plaintiffs who claimed for damaged of their land, from the total 313 plaintiffs, at the total amount of Baht 99 million, the Company is responsible for Baht 49.50 million. The Company has studied in the court judgment and appealed its judgment to the Appeal Court. The case is pending for the Appeal Court proceeding

36 RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2016, to conform to the classification used in current period's financial statements (see Note 2.1). Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follows:

Unit : Baht

	Consolidated financial Statements			Separate financial Statements		
	Previous presentation	Reclassifications	Current presentation	Previous presentation	Reclassifications	Current presentation
Statement of financial positions						
Trade and other current receivables	314,987,104	21,542,354	336,529,458	306,661,125	7,777,357	314,438,482
Other current assets	400,810,646	(20,491,201)	380,319,445	386,734,139	(6,726,207)	380,007,932
Advanced to related parties	-	-	-	1,031,421,210	(1,031,056,710)	364,500
Loans to related parties	-	-	-	-	1,031,056,710	1,031,056,710
Intangible assets	221,382,770	5,334,041	226,716,811	-	-	-
Other non-current assets	36,511,790	(6,385,194)	30,126,596	34,310,545	(1,051,150)	33,259,395
Trade and other current payables	242,390,957	137,547,051	379,938,008	241,525,255	124,047,395	365,572,650
Other payable - related party	-	-	-	26,768	(26,768)	-
Other current liabilities	301,912,806	(137,547,051)	164,365,755	286,074,842	(124,020,627)	162,054,215

37 EVENTS AFTER THE REPORTING PERIOD

On February 12, 2018, the Subsidiary entered into the long-term loan of Baht 287.10 million from the financial institution by quarterly repayment for 9 years.

38 APPROVAL FOR FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized directors of the Company on February 21, 2018.

MANAGEMENT AND CORPORATE GOVERNANCE



SECURITIES AND SHAREHOLDERS INFORMATION



NUMBER OF REGISTERED CAPITAL AND PAID-UP CAPITAL

The Company's registered and paid-up capital amounts to Baht 2,260,000,000 issued as 226,000,000 ordinary shares at Baht 10 per share.

SHAREHOLDERS

a) First 10 Major Shareholders of Padaeng Industry Public Company Limited as of March 21, 2018 which is the latest closing date of the share register book, are as follows:

No.	Name	No. of Shares	% of Total Shares
1.	Country Group Holding Public Company Limited	56,499,900	25.000
2.	Ministry of Finance	31,200,000	13.805
3.	Thai NVDR Limited	15,325,457	6.781
4.	Bangkok Bank Public Company Limited	7,301,070	3.231
5.	Mr. Supachai Veeraborvornpong	4,032,400	1.784
6.	Recycle Engineering Company Limited	2,302,500	1.019
7.	Mr. Nurak Mahatana-arnont	2,133,400	0.944
8.	Mrs. Yaowaluk Sarapak	2,032,400	0.899
9.	Mrs. Nunta Rungnoppakunsi	2,008,400	0.889
10.	Nortrust Nominees Ltd-CI-Ac	1,707,990	0.756

b) Major Shareholders

No.	Name	No. of Shares	% of Total Shares
1.	Country Group Holding Public Company Limited	56,499,900	25.000
2.	Ministry of Finance	31,200,000	13.805

THE ISSUANCES OF OTHER SECURITIES - None

POLICY FOR PAYMENT OF DIVIDENDS

An amount of at least 5% of profits after corporate income taxes must be put in reserve, until the total amount in reserve at least equal to 10% of the Company's registered share capital. The Company will normally pay dividends up to 50% of profits after corporate income taxes, unless the Board determines that the near future cash needs of the Company justify reserving part of the profit to cover those needs.

At the 2017 Annual General Meeting of April 25, 2017, after reviewing the financial statements of December 31, 2016, the Company has a net profit for the year 2016 in the amount of 360.64 million Baht which has significantly increased from the year 2015, the net loss of which was 64.18 million Baht. As such the Board of Directors is of the opinion that the dividend payment for 2016 at 1.00 Baht per share be paid from the net profits of the Company. The dividends will be declared to the Shareholders totaling 226 million shares amounting to 226 million Baht. The dividend increases from last year and is higher than the normal dividend policy.

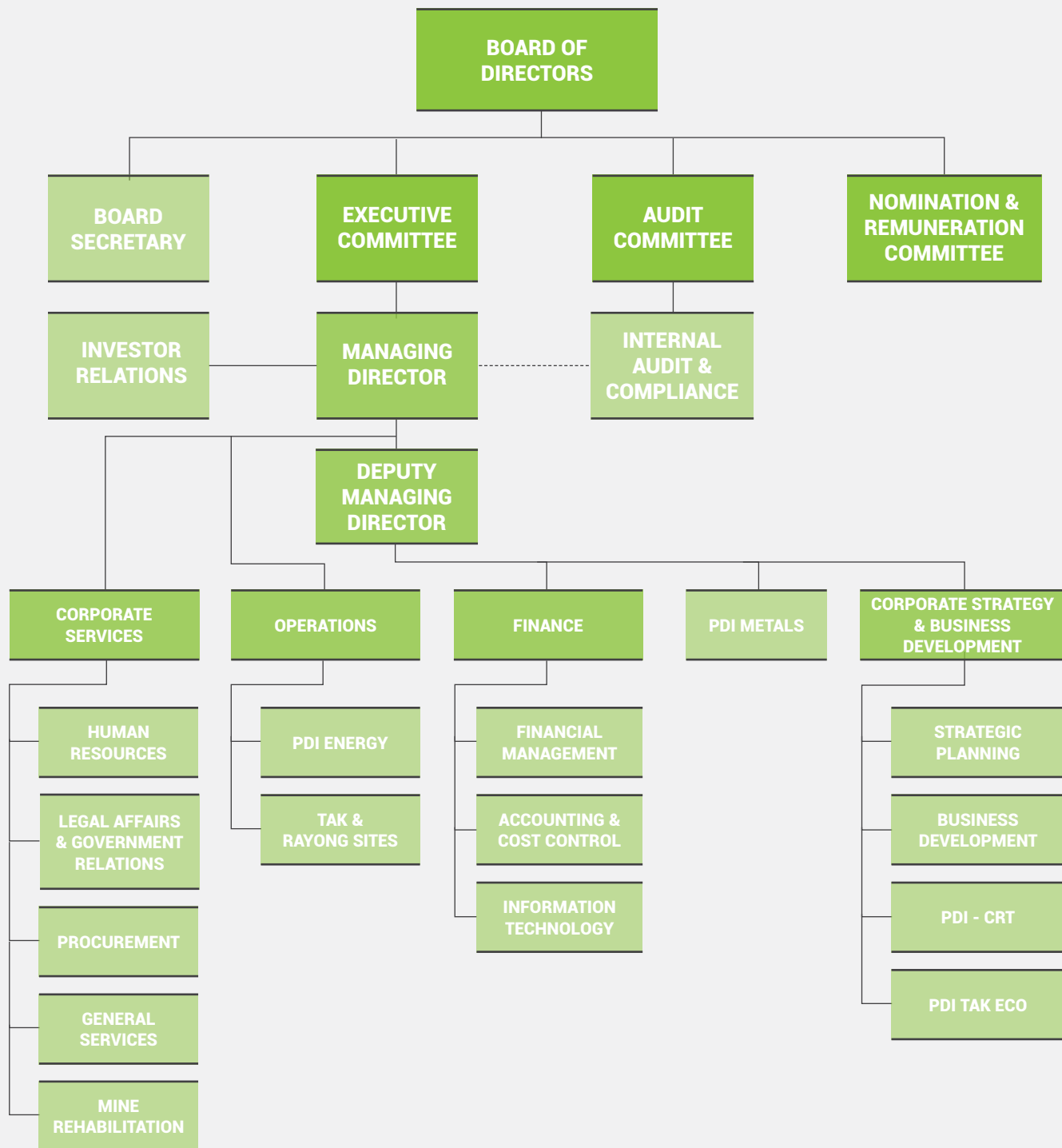
There is no fixed dividend payment policy for subsidiaries. However subsidiaries will generally follow the policy of the Company.

DIVIDEND PAYMENT RECORD FOR THE YEAR 2012-2016

Year	2012	2013	2014	2015	2016
Net (Loss) profit per share (Baht)	(2.52)	(1.07)	2.05	(0.28)	1.60
Dividend payment per share (Baht)	-	0.30	0.40	0.20	1.00
Proportion of dividend from net profit (%)	-	N.A. ¹⁾	19.49	N.A. ¹⁾	62.67

Remark 1) Not applicable since it is paid from the retained earnings of the Company

ORGANIZATION CHART



MANAGEMENT

BOARD OF DIRECTORS

The duties and responsibilities of the Company's Board of Directors include:

1. Manage Company operations according to the law, rules and regulations, the mission and vision of the Company and the resolutions of the Company shareholders.
2. Propose the level of dividend to be paid to the shareholders.
3. Determine the level of compensation or bonus to be awarded to officers, employees or other staff working for the Company (permanent or temporary), excluding pension benefits or other remuneration paid to directors.
4. Review the Company's strategic action plan and assess the Company's operations as suggested by the Executive Committee.

In carrying out its duties and responsibilities, the Board of Directors may assign the Managing Director, any or several directors or any other person(s), to take actions on its behalf and under the Articles of Association of the Company.

MEETING OF THE BOARD OF DIRECTORS

The Board of Directors regularly meets every 3 months according to the meeting schedule which is notified in advance and may call additional dedicated meetings. Clear agenda and follow-up topics are prepared prior to each meeting. The Company Secretary sends out an invitation letter and relevant documents to Board members at least 5 working days prior to the meetings, enabling sufficient time for review.

As of December 31, 2017 The Company's Board of Directors is composed of 11 members. During 2017, the Board of Directors met 5 times with records of attendance as follows:

Directors	Position	Meeting	
		No. of Meeting	Attendance
1. Mr. Arsa Sarasin (Authorized director)	Chairman	5	5
2. Mr. Francis Vanbellen (Authorized director)	Director Managing Director Executive Committee Member	5	5
3. Mr. Sadawut Taechaubol (Authorized director)	Director Executive Committee Chairman	5	5
4. Mr. Tommy Taechaubol	Director Executive Committee Member Nomination & Remuneration Committee Member	5	5

Directors	Position	Meeting	
		No. of Meeting	Attendance
5. Ms. Prapa Puranachote	Director Executive Committee Member	5	3
6. Ms. Wimol Chatameena	Director	5	5
7. Mr. Karel Vinck	Independent Director Audit Committee Member	5	4
8. Mr. Vinai Vamvanij (Authorized director)	Independent Director Audit Committee Chairman Nomination & Remuneration Committee Member	5	5
9. Mr. Aswin Kongsiri	Independent Director Nomination & Remuneration Committee Chairman Audit Committee Member	5	3
10. Mr. Pinit Vongmasa ¹⁾	Independent Director Nomination & Remuneration Committee Member	1	1
11. Dr. Kurujit Nakornthap	Independent Director Executive Committee Member	5	4
12. Dr. Chokchai Aksaranan ²⁾	Independent Director Executive Committee Member	3	3

Remark: 1) Mr. Pinit Vongmasa was the Director until April 25, 2017.

2) Dr. Chokchai Aksaranan has been appointed as the Director on April 25, 2017 and has been appointed as the Executive Committee Member on June 13, 2017.

AUTHORIZED DIRECTORS

The names and number of the directors who are authorized to sign on behalf of the Company are Mr. Arsa Sarasin, Mr. Vinai Vamvanij, Mr. Francis Vanbellen and Mr. Sadawut Taechaubol, where Mr. Arsa Sarasin or Mr. Francis Vanbellen jointly signed with one of the remaining three directors for the total of two directors with the Company's seal affixed.

EXECUTIVES

No.	Name	Position
1.	Mr. Arsa Sarasin	Chairman
2.	Mr. Francis Vanbellen	Managing Director
3.	Mr. Sakorn Suriyabhivadh	Deputy Managing Director
4.	Mr. Chitchai Thaveepanich	Executive Vice President - Corporate Services
5.	Mr. Chaya Hasdiseve ¹⁾	Executive Vice President - Commercial
6.	Mr. Manoch Jaroenvuthitham	Executive Vice President - Operations
7.	Mr. Unnop Tungkananukulchai ²⁾	Corporate Vice President - Regulatory Affair
8.	Mrs. Woratip Rerkpiboon	Executive Vice President - Finance
9.	Dr. Surin Tanticharoenkiat ²⁾	Corporate Vice President - Internal Audit Company Secretary

Remark: 1) Retired as of January 31, 2018.

2) Retired as of December 31, 2017.

SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND EXECUTIVES AS OF DECEMBER 31, 2017

No.	Name	December 31, 2016		December 31, 2017		Change +(-)
		Own	Spouse / Minor child	Own	Spouse/ Minor child	
1.	Mr. Arsa Sarasin	-	-	-	-	-
2.	Mr. Francis Vanbellen	-	-	-	-	-
3.	Mr. Sadawut Taechaubol	-	-	-	-	-
4.	Mr. Tommy Taechaubol	-	-	-	-	-
5.	Ms. Prapa Puranachote	-	-	-	-	-
6.	Ms. Wimol Chatameena	-	-	-	-	-
7.	Mr. Karel Vinck	-	-	-	-	-
8.	Mr. Vinai Vamvanij	8,000	-	8,000	-	-
9.	Mr. Aswin Kongsiri	-	-	-	-	-
10.	Dr. Kurujit Nakornthap	-	-	-	-	-

SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND EXECUTIVES AS OF DECEMBER 31, 2017

No.	Name	December 31, 2016		December 31, 2017		Change +(-)
		Own	Spouse / Minor child	Own	Spouse/ Minor child	
11.	Dr. Chokchai Aksaranan	-	-	-	-	-
12.	Mr. Sakorn Suriyabhivadh	-	-	-	-	-
13.	Mr. Chitchai Thaveepanich	-	-	-	-	-
14.	Mr. Chaya Hasdisave	-	-	-	-	-
15.	Mr. Manoch Jaroenvuthitham	-	-	-	-	-
16.	Mr. Unnop Tungkananukulchai	-	-	-	-	-
17.	Mrs. Woratip Rerkpiboon	-	-	-	-	-
18.	Dr. Surin Tanticharoenkiat	-	-	-	-	-

THE COMPANY SECRETARY

In the Board meeting No. 04-2008 on May 13, 2008, the Board appointed Dr. Surin Tanticharoenkiat as the Company Secretary responsible for giving advice on regulatory issues for listed company to the Board. The Company Secretary is in charge of organizing board and shareholders' meeting as well as in preparing the minutes of the Board meetings and the minutes of shareholders' meetings, filing documents as stipulated by law. The Company Secretary is also coordinating with different department to ensure that the Board and shareholders' resolution are followed.

Due to the retirement of Dr. Surin Tanticharoenkiat as of December 31, 2017, the Board in the meeting No. 05-2017 on November 6, 2017 has appointed Ms. Suthathip Pilasrom as the Company Secretary in place of Dr. Surin Tanticharoenkiat, effective January 1, 2018 onward. Credential of the Company Secretary is as follow:

Ms. Suthathip Pilasrom, 32 Years Old

Position

Company Secretary
Board Secretary
Executive Committee Secretary

Education


- Barrister-at-Law, The Thai Bar under The Royal Patronage
- Bachelor of Laws (Business Law), Chulalongkorn University

Training at Thai Institute of Directors Association

- Effective Minutes Taking, 2017

Training at Thai Listed Company Association

- Advances for Corporate Secretaries, 2017
- Fundamentals for Corporate Secretaries, 2016



Other Training

- Preliminary to Corporate Sustainability, The Stock Exchange of Thailand, 2018
- Advanced Legal Studies on Securities and Exchange Law, Lawyers Council of Thailand, 2017
- Micro MBA Chula, Chulalongkorn Business School, 2017
- Mergers & Acquisitions Workshop, 2017
- Finance for Non-Financial Manager, NIDA, 2016
- Notarial Services Attorney Certificate, Lawyers Council of Thailand, 2013
- Lawyer License, Lawyers Council of Thailand, 2007

Current position

- 2018 - Present Company Secretary, Padaeng Industry Public Company Limited
- 2018 - Present Board Secretary, Padaeng Industry Public Company Limited
- 2018 - Present Executive Committee Secretary, Padaeng Industry Public Company Limited
- 2017 - Present Manager - Board Secretary, Padaeng Industry Public Company Limited

Working experience

- 2014 - 2017 Assistant Manager - Legal, Padaeng Industry Public Company Limited
- 2012 - 2014 Senior Legal Counsel, Ayudhya Development Leasing Company Limited, Affiliate of Bank of Ayudhya
- 2010 - 2012 Legal Officer, TRC Construction Public Company Limited
- 2009 - 2010 Lawyer Ayudhya Development Leasing Company Limited, Affiliate of Bank of Ayudhya

REMUNERATIONS FOR DIRECTORS AND EXECUTIVES

Remuneration for Company directors has been determined in a clear manner and is comparable to that of similar companies in the industry. The level of remuneration has been approved by shareholders. Directors who have been selected to participate in the Audit Committee, the Executive Committee and the Nomination and Remuneration Committee receive additional remuneration aligned with the additional responsibilities as stipulated in the Good Corporate Governance guideline for Listed Company 2012.

Remuneration of top executives is aligned with the principles and policies of the Board of Directors and corresponds with overall company and individual performance.

Remuneration of the Board, subcommittees and top executives are reviewed by the Nomination and Remuneration Committee prior submitting to the Board.

1 IN THE FORM OF CASH

a) In the year 2017 the Company paid a total of 7,550,576.45 Baht to 11 Directors, 6 Executive Committee Members, 3 Audit Committee Members and 3 Nomination and Remuneration Committee Members as director's fees, director's remuneration and director's bonus:

Name / Position	Retaining Fee		Meeting Fee			Director Bonus For 2017 ¹⁾	Total Remuneration ³⁾
	Director	Audit Committee	Director	Executive Committee	Nomination and Remuneration Committee		
1. Mr. Arsa Sarasin Chairman	-	-	-	-	-	- ²⁾	-
2. Mr. Francis Vanbellen Director Managing Director Executive Committee Member	-	-	-	-	-	- ²⁾	-
3. Mr. Sadawut Taechaubol Director Executive Committee Chairman	200,000.00	-	75,000.00	250,000.00	-	376,552.00	901,552.00
4. Mr. Tommy Taechaubol Director Executive Committee Member Nomination and Remuneration Committee Member	200,000.00	-	75,000.00	200,000.00	40,000.00	376,552.00	891,552.00
5. Ms. Prapa Puranachote Director Executive Committee Member	200,000.00	-	45,000.00	160,000.00	-	376,552.00	781,552.00
6. Ms. Wimol Chatameena Director	200,000.00	-	75,000.00	-	-	376,552.00	651,552.00
7. Mr. Karel Vinck Independent Director Audit Committee Member	200,000.00	200,000.00	60,000.00	-	-	376,552.00	836,552.00
8. Mr. Vinai Vamvanij Independent Director Executive Committee Member Audit Committee Chairman Nomination and Remuneration Committee Member	200,000.00	200,000.00	75,000.00	180,000.00	20,000.00	376,552.00	1,051,552.00

Name / Position	Retaining Fee		Meeting Fee			Director Bonus For 2017 ¹⁾	Total Remuneration ³⁾
	Director	Audit Committee	Director	Executive Committee	Nomination and Remuneration Committee		
9. Mr. Aswin Kongsiri Independent Director Executive Committee Member Nomination and Remuneration Committee Chairman Audit Committee Member	200,000.00	200,000.00	45,000.00	140,000.00	40,000.00	376,552.00	1,001,552.00
10. Dr. Kurujit Nakornthap Independent Director Executive Committee Member	200,000.00	-	60,000.00	20,000.00	-	376,552.00	656,552.00
11. Dr. Chokchai Aksaranan Independent Director Executive Committee Member (Since April 25, 2017)	136,813.19	-	45,000.00	120,000.00	-	258,944.00	560,757.19
12. Mr. Pinit Vongmasa Independent Director Nomination and Remuneration Committee Member (Until April 25, 2017)	63,763.26	-	15,000.00	-	20,000.00	118,640.00	217,403.26
Total						3,390,000.00	7,550,576.45

Note: 1) Director Bonus will be proposed to the 2018 Shareholders' Meeting for approval.
2) Executive Director's bonus is included in b) the Company bonus paid to the executives.
3) No remuneration payment for the executive directors.

b) The Company paid a total of 63,128,690 Baht to the 9 executives in the year 2017, as salaries and bonuses.

2 IN OTHER FORMS

The Company contributed to employees' provident fund savings, as a percentage of salary and period of time enrolled in the fund, ranging from 5 to 10%.

ANTI-CORRUPTION



PDI remains committed to its anti-corruption policy statement as announced in early 2015 : *"PDI is committed to conducting all of its business in an honest and ethical way. The Company has adopted a zero-tolerance approach to bribery and corruption to comply with its good governance principles and to achieve sustainable development. Our success is driven by a sustainable approach without any bribery and corruption."*

Training on Anti-Corruption Measures

PDI conducted training and handed out manuals on counter-corruption measures to the Board of Directors, management and staff. The Company also included an anti-corruption orientation program in the intake process for new employees, along with on-going communication to all staff about the anti-corruption policy. Through its intranet and website, it also communicates this policy to business partners and stakeholders so that they understand PDI's vision and render appropriate business support.

Complaint Channels and Audit Process

PDI has created complaint channels together with a response process, with the aim that all employees will work together to ensure compliance with these new standards in corporate governance and business ethics. To ask questions regarding business ethics or to file a complaint against alleged violations of PDI business ethics standards, individuals can contact Internal Auditing, Human Resources or their direct superiors, even communicate issues through suggestion boxes. All complaint submissions are treated equally, transparently, attentively, fairly and are dealt with within reasonable time frames. Confidentiality is guaranteed, and those who file complaints are duly protected against retribution before or after the investigation. In 2017, no complaints were collected regarding corruption and business ethics.

Internal Anti-Corruption Risk Assessment

In addition, PDI conducted risk assessments for internal corruption practices and developed anti-corruption measures in line with the assessed risks for the management and employees to comply with. In 2016, the Audit Committee Charter was revised in order to clearly specify the committee's objectives, roles and responsibilities for due conformance. PDI's Internal Audit Department audited the work processes along with the assessed risks and examined the appropriateness of the internal control system and the effectiveness of the anti-corruption measures. This significantly helped to ensure that our employees strictly comply with the measures, and to establish sufficient internal control to protect the Company from corruption.

Private Sector Collective Action Coalition against Corruption (CAC)

PDI recognizes the value of a joint coalition against corruption, which directly affects the entire population and the economy. Thus, in 2015, to reiterate its firm intention as a private company whose business ideals consist of integrity and righteousness, PDI announced its desire to become an ally of the Private Sector Collective Action Coalition against Corruption (CAC). PDI has adhered to CAC's anti-corruption guidelines since it began the certification process on December 13, 2016. The Company was certified by the CAC on March 9, 2017, and received the certificate on June 28, 2017.



CORPORATE GOVERNANCE



POLICY OF CORPORATE GOVERNANCE

PDI conducts its business in compliance with "The Principles of Good Corporate Governance," published in 2012, and outlined by the Stock Exchange of Thailand. In doing so, we at PDI have demonstrated our commitment to these accepted standards and have fostered the confidence of our employees, our investors and all stakeholders involved in our operations and business endeavors." Our Audit Committee, by means of the "Internal Audit Department", supervises financial statements, internal control and practices of good corporate governance to ensure compliance with our vision, values and policies. PDI has also endorsed a Code of Conduct including an Anti-Corruption Policy with which all executives and employees are assumed to comply, in conducting all business affairs. We have instituted a Nomination and Remuneration Committee to supervise the process of director nominations and to recommend fair and reasonable annual remuneration for the Board of Directors, the subcommittees and the top executives. To ensure efficient and productive business operations, an Executive Committee has also been established to oversee our strategic plan, prior to giving recommendations to the Board of Directors.

The Company has proceeded in other areas as well, in an effort to be recognized by all our stakeholders as ensuring good corporate governance as enforced by the Stock Exchange of Thailand.

SUBCOMMITTEES

- 1) The structure of the Board of Directors consists of three Subcommittees as follows:

1 THE AUDIT COMMITTEE

The Audit Committee was first established on December 22, 1998. At present it consists of three directors:

- | | |
|----------------------------|----------------------------------|
| 1. Mr. Vinai Vamvanij | Chairman |
| 2. Mr. Aswin Kongsiri | Member |
| 3. Mr. Karel Vinck | Member |
| Dr. Surin Tanticharoenkiat | Secretary to the Audit Committee |

As of December 31, 2017, Dr. Surin retired from the company. In Board Meeting no. 05-2017 on November 6, 2017, the board appointed Mr. Duangden Nimpaiboon (Manager - Internal Audit) as Secretary to the Audit Committee from 2018 onwards.

In 2017, the committee held four meetings in order to perform its duties as stipulated in the Audit Committee Charter, and the proceedings of each meeting were reported to the Board of Directors. Additionally there were also several additional meetings between the committee members and external auditors.

Furthermore, the Audit Committee has duties and responsibilities to monitor compliance with the Anti-Corruption Policy and review reported concerns about fraud or corruption that were stipulated in the Audit Committee Charter.

The Scope of Authority of the Audit Committee

1. To request any information it considers relevant to its activities from the managing director and/or any managers of the Company.
2. To seek independent professional advice as it deems necessary.
3. To abstain from executive powers with regard to its findings and recommendations.

Duties and Responsibilities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, and to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select, nominate, and dismiss an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend non-managerial meetings with an external auditor at least once a year.
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the greatest benefit to the Company.
6. To prepare, and to disclose in the Company's annual report, an audit committee's report, which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) Opinion on the accuracy, completeness, and credibility of the Company's financial report.
 - (b) Opinion on the adequacy of the Company's internal control system.
 - (c) Opinion on the compliance with the law regarding securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business.
 - (d) Opinion on the suitability of an auditor.

- (e) Opinion on the transactions that may lead to conflicts of interest.
 - (f) The number of audit committee meetings, and the attendance of such meetings by each committee member.
 - (g) Opinion or overview of comments received by the audit committee from its performance of duties in accordance with the charter.
 - (h) Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
7. To monitor the risk management process.
 8. To monitor compliance with the Anti-Corruption Policy and review reported concerns about fraud or corruption.
 9. To perform any other acts as assigned by the Company's board of directors, with the approval of the audit committee.
 10. Report any matter to the board that the audit committee considers appropriate.

2 THE EXECUTIVE COMMITTEE

The Executive Committee was established on November 10, 2015 and at present consists of six members:

- | | |
|----------------------------|--------------------------------------|
| 1. Mr. Sadawut Tachaubol | Chairman of the Executive Committee |
| 2. Mr. Tommy Tachaubol | Member |
| 3. Ms. Prapa Puranachote | Member |
| 4. Mr. Francis Vanbellen | Member |
| 5. Dr. Chokchai Aksaranan | Member |
| 6. Dr. Kurujit Nakornthap | Member |
| Dr. Surin Tanticharoenkiat | Secretary to the Executive Committee |

As of December 31, 2017, Dr. Surin retired from the company. In Board Meeting no. 05-2017 on November 6, 2017, the board appointed Ms. Suthathip Pilasarom (Manager – Board Secretary) as Secretary to the Executive Committee from 2018 onwards.

AUTHORITY AND RESPONSIBILITIES

The Committee shall have, and may exercise, the powers of the Board in the management and direction of the business and affairs of the Company in between full meetings of the Board, as determined by the Board, in line with the Company's certificate of incorporation or by-laws, each as amended and in line with applicable law or regulations.

The Committee shall maintain minutes of meetings and activities. It shall provide the Board a summary of the matters discussed and decisions taken at each meeting. The Committee minutes shall be presented to the Board at the next Board meeting for acknowledgement and approval.

The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or any other advisors and to approve the fees and other retention terms related to any such external counsel, consultants or advisors.

The Committee may form and delegate authority to subcommittees when appropriate.

The Committee shall annually review its own performance.

In 2017 the committee held ten meetings and reported to the Board of Directors.

3 THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) was established on February 25, 2005 and at present consists of three members:

- | | |
|----------------------------|--|
| 1. Mr. Aswin Kongsiri | Chairman, Independent Director |
| 2. Mr. Tommy Taechaubol | Member, Director |
| 3. Mr. Vinai Vamvanij | Member, Independent Director |
| Dr. Surin Tanticharoenkiat | Secretary to the Nomination and Remuneration Committee |

As of December 31, 2017, Dr. Surin retired from the company. In Board Meeting no. 05-2017 on November 6, 2017, the board appointed Mr. Chitchai Thaveepanich (Executive Vice President - Corporate Services) as Secretary to the Nomination and Remuneration Committee from 2018 onwards.

In 2017 the committee held two meetings and reported to the Board of Directors.

THE SCOPE OF AUTHORITY OF THE NOMINATION AND REMUNERATION COMMITTEE

1. To set the criteria and process of nominating board members and top executives.
2. To set the process to review and assess the performance of the board and top executives.
3. To recommend new nominees to the Board to fill positions made vacant by directors who complete their terms or resign.
4. To review and recommend to the Board on the hiring of advisers to the Board as it deems necessary.
5. To review for the Board the succession plan of the Company's top executives.
6. To recommend fair and reasonable annual remuneration for the Board, the subcommittees, and the top executives.



THE ATTENDANCE OF THE DIRECTORS ON THE SUBCOMMITTEES

Directors (Attendance/ No. of the meeting)	Audit Committee	Executive Committee	Nomination and Remuneration Committee	AGM
1. Mr. Arsa Sarasin	-	-	-	1/1
2. Mr. Francis Vanbellen	-	10/10	-	1/1
3. Mr. Sadawut Tachaubol	-	10/10	-	1/1
4. Mr. Tommy Tachaubol	-	10/10	2/2	1/1
5. Mr. Prapa Puranachote	-	8/10	-	0/1
6. Ms. Wimol Chatameena	-	-	-	0/1
7. Mr. Karel Vinck	4/4	-	-	0/1
8. Mr. Vinai Vamvanij ¹⁾	4/4	9/9	1/1	1/1
9. Mr. Aswin Kongsiri ²⁾	2/4	7/9	2/2	1/1
10. Mr. Pinit Vongmasa ³⁾	-	-	1/1	1/1
11. Dr. Kurujit Nakornthap ⁴⁾	-	1/1	-	1/1
12. Dr. Chokchai Aksaranan ⁵⁾	-	6/7	-	-

Remark:

- 1) Mr. Vinai Vamvanij was appointed as a Nomination & Remuneration Committee Member on February 22, 2017 and was an Executive Committee Member until November 6, 2017.
- 2) Mr. Aswin Kongsiri was an Executive Committee Member until November 6, 2017.
- 3) Mr. Pinit Vongmasa was a director until April 25, 2017.
- 4) Dr. Kurujit Nakornthap was appointed as an Executive Committee member on November 6, 2017.
- 5) Dr. Chokchai Aksaranan was appointed as a director on April 25, 2017 and as an Executive Committee Member on June 13, 2017.

2) Mr. Vinai Vamvanij is chairman of the Audit Committee. He has knowledge and experience reviewing financial statements of companies. His background in financial statement review is as follows:

Year	Position	Company
1967-1968	Senior Auditor	Price Waterhouse & Co., Chartered Accountants
1963-1966	Audit & Accounting Clerk	R.J. Oehr & Church, Chartered Accountants Melbourne, Australia

THE SELECTION AND THE APPOINTMENT OF COMPANY DIRECTORS AND EXECUTIVES

1 INDEPENDENT DIRECTOR

The Nomination and Remuneration Committee will consider the list of candidates and nominate persons with proper qualifications and experience that could be beneficial to the Company.

Characteristics of Independent Company Directors

1. Holding shares not exceeding five percent of the paid-up capital of the Company, affiliated company, associated company or related company, inclusive of the shares held by any related persons.
2. Not taking part in the management of the Company, affiliated company, associated company, related company or majority shareholders of the Company. Not being an employee, staff member or advisor who receives a regular salary from the Company, affiliated company, associated company, related company or majority shareholders of the Company.
3. Having no direct or indirect benefit or interest in the finance and management of the Company, affiliated company, associated company or majority shareholders of the Company. Having no benefit or interest of the said nature during the period of one year before his appointment as a director except where the Board of Directors has carefully considered that such previous benefit or interest does not affect the performance of duties and the giving of independent opinions.
4. Not being a close relative of any management member or majority shareholder of the Company.
5. Not being appointed as a representative to safeguard the interests of the Company's directors, majority shareholders of the Company or those who are related to the Company's majority shareholders.
6. Being capable of performing duties, giving opinions, or reporting the results of performance of work according to the duties delegated by the Board of Directors free and clear of the management or the majority shareholders of the Company, including related persons or close relatives of the said persons.

2 THE SELECTION OF COMPANY DIRECTORS AND EXECUTIVES

The NRC, consisting of three independent directors, is responsible for the selection of a qualified person, not subject to the prohibitive characteristics under the law for nomination, to the Board of Directors prior to submitting them for final election in the "Annual General Shareholders' Meeting (AGM)".

The Company has also allowed the shareholders to submit names through the Company's website of qualified candidates to be nominated for selection as members of the PDI Board of Directors in advance of the annual general shareholders' meeting. The Company also refers to the list of qualified candidates released by the Thai Institute of Directors (IOD).

THE SELECTION OF DIRECTORS AT THE ANNUAL GENERAL SHAREHOLDERS' MEETING

The appointment of a director requires a majority vote from the eligible voting shareholders present at the annual general shareholders' meeting. Votes shall be cast according to the following guidelines:

1. Each shareholder shall have one vote for each share.
2. Each shareholder must exercise all the votes he has under item (1) to elect one or several persons to be directors, but cannot divide his votes to any person particularly.
3. The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be elected as directors equivalent to the number of directors who are to be elected.
4. If there is a tie for the last position to be elected and this exceeds the said number of directors, the presiding Chairman shall cast an additional vote.

In the case of a vacancy on the Board of Directors prior to the expiration of the term of office due to death, resignation, or for reasons other than by rotation, the Board of Directors shall elect any person who is qualified and not subject to the prohibitive characteristics under the law as a substitute director at the subsequent Board of Directors meeting, unless the remaining term of office of the said director is less than two (2) months.

The aforesaid substitute director shall retain his position only for the remaining term of office of the director whom he replaces. The resolution of the Board on this matter must receive no less than three-fourths ($\frac{3}{4}$) of the votes from the remaining directors.

At present, of all the Company's directors, five are independent directors and two are executive directors.

SUPERVISION OF THE OPERATIONS OF SUBSIDIARY AND AFFILIATED COMPANIES

In the case of a subsidiary company, executives of the Company will be appointed as directors, in proportion of no less than half of the total number of directors, to supervise the operations of the subsidiary company so that the subsidiary's activities are under Company policy.

In the case of an affiliated company, executives of the Company will be appointed as members of the Board of Directors, in proportion to the number of shares held by the Company. As a representative of the Company, the director(s) will receive policy mandates from the Company for the control or supervision of the operations of the affiliated company.

CONTROLLING THE USE OF INTERNAL INFORMATION

The Company has established policies and guidelines to prevent executives and related persons from using internal company information for personal gains. Before the announcement of company results, internal data is restricted to related departments including Accounting and Finance, Investor Relations, Internal Audits, and the Company Secretary. Each quarter, a summary of changes of company holdings (if any) by directors and executives is submitted for review to monitor any use of inside information by executives.

Directors, executives, and employees at all levels are forbidden from using internal data containing crucial information that would have a significant impact on the stock price and has not yet been declared to the public or the Stock Exchange of Thailand for trading to the advantage of self or others. Furthermore, in 2017 the Company established a policy such that the aforementioned parties are to avoid or refrain from trading the Company's stock for two (2) weeks prior to the last day as required by the Stock Exchange of Thailand to submit financial statements and for 24 hours after the release of the financial statements to SET. (Blackout Period).

AUDITOR'S FEE

1. Audit Fee

The Company and its subsidiaries have paid audit fees to audit companies, individual auditors or other businesses relating to the auditors and auditing companies during the previous fiscal year totaling 4,880,000 Baht.

2. Non-Audit Fee

The Company and its subsidiaries have a general policy not to hire individual auditors or other businesses related to its auditor for non-audit services.

COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRINCIPLES

1. Rights of Shareholders

The Company considers each shareholder equally and stipulates procedures for the shareholders meeting according to the law and in compliance with the guidelines of the Stock Exchange of Thailand.

In 2017 the Company organized an annual shareholders' meeting on April 25, 2017 at the Queen Sirikit National Convention Center in Bangkok. An invitation letter with the agenda of the meeting and related documents was sent to the shareholders 7 days prior to the meeting. Topics included the views of the Board of Directors and a review of the minutes of the previous meeting. As such shareholders were allowed ample time to review and consider the topics. The Company accommodated shareholders in a convenient location with an appropriately sized meeting space. Shareholder proxies were permitted in the event that shareholders were unable to attend the meeting. The Company also posted the information regarding the shareholders meeting on the Company's website and shareholders were invited to submit questions related to the Company operations through the website, prior to the meeting.

During the 2017 annual shareholders' meeting, a total of eight directors attended, including the Chairman of the Audit Committee. The Chairman of the meeting allowed equal opportunities for all shareholders to ask questions, make comments, and submit suggestions regarding Company operations. Prominent opinions were recorded in the minutes of the meeting.

In addition to the annual shareholders' meeting, the Company will call additional shareholders' meetings, if necessary, in the event of specific emerging topics, which are pertinent to the shareholders' interests or related to laws or regulations that require the shareholders' approval.

2. Equitable Treatment of Shareholders

The Company treats all shareholders equally and stipulates procedures for the shareholders meeting in accordance with the law and in compliance with the guidelines of the Stock Exchange of Thailand. Each shareholder has one vote for each share. Shareholders can send a proxy on their behalf in the event that they are unable to attend.

To prevent conflicts of interest and misuse of inside information for personal gain, the Board of Directors investigates any issues which may lead to a dispute and has established a policy and guidelines to prevent executives and related persons from using internal company information for personal gain. Company holdings by directors and executives are assessed to screen any use of inside information for gains by executives. In addition, the company has set a policy that directors, executives, and employees at all levels are to avoid or refrain from trading in the securities of the Company during the two (2) weeks prior to the last day as required by the Stock Exchange of Thailand to submit financial statements and for 24 hours after the release of the financial statement to SET (Blackout Period).

In case of related parties' transactions, the Audit Committee is responsible for reviewing the related transactions to ensure that no conflict of interest will occur in order to maximize the overall company's benefits. The Company discloses all necessary information together with the Directors' opinion to the public according to SET regulations

The Company has established a channel, through the company's website, to allow shareholders to submit names of qualified candidates to be nominated as board members and to propose an agenda for, and in advance of, the annual general shareholders' meeting.

3. Role of Stakeholders

The Company maximizes added value for its clients, with respect to its people and the environment. PDI supports the communities in which it operates and gives the best possible return to its stakeholders..

Commitment to Shareholders

The Company respects the rights of its major and minor shareholders equally. In alignment with PDI's vision, the Company commits to profitable and safe operations yielding the best possible return for the benefit of all its shareholders. More details can be found in the "Corporate Social Responsibility (CSR) report section."

The details of the Company's commitment to customer and suppliers, commitment to employees and commitment to the community (local and national) can also be found in the CSR section of the report.

The Company announced its desire to become an ally of CAC (Private Sector Collective Action Coalition against Corruption) and submitted the CAC self-evaluation tool on December 13, 2016 to begin the certification process. The Company was certified by CAC on March 9, 2017 and received the certificate on June 28, 2017.

The Company has created an open channel for receiving complaints regarding corporate governance and the Code of Conduct. This can be done through the secretariat of the Audit Committee or the Chairman of the Audit Committee using the following email: DuangdenN@padaeng.co.th. All information received will be treated as confidential and properly investigated in a timely manner.

4. Disclosure and Transparency

The Company manages its business with honesty, ethical conduct, and responsibility concerning all stakeholders: customers, employees, shareholders and the general public. The Company issued a Code of Conduct, which gives guidelines for work and employee behavior. All employees use this as a guide for their daily work, along with the influence and inspiration of the vision of the Company. The latest version of the Code of Conduct was revised in 2015.

The Company ensures that important information, both financial and non-financial, as specified in relevant regulations of the SET, is disclosed correctly, accurately, transparently, and in a timely manner. In addition to this, the financial report, the annual statement (Form 56-1), and the annual report are available on the PDI website.

The Board of Directors has also called for the disclosure of company information in an accurate, complete, transparent, and widespread manner. As such, all financial information, as well as general information about the Company that might impact the value of the Company, is readily available. Shareholders and other interested parties can access any such information through the various Stock Exchange of Thailand media outlets or directly from the Company's website. A specific investor relations function has been established and existing and potential investors can obtain information by contacting the Company directly at Tel: 66(0)2695-9409 or at www.padaeng.com, or by sending e-mail inquiries to the Investor Relations Manager at supichnans@padaeng.co.th.

The Company recognizes the importance of internal control systems at managerial and operational levels, and has created an authority manual for reference. An independent Internal Audit Department, reporting directly to the Audit Committee, organizes various internal checks and conducts audits as needed.

5. Responsibilities of the Board

The PDI Board of Directors is responsible for acting in compliance with the by-laws, objectives, and guidelines of the Company, as well as the resolutions of the shareholders' meeting, with honesty and prudence and in the best interest of the Company. In addition to this, the Board of Directors also makes contributions towards establishing the vision, mission, strategy, objectives, business plans and the budget of the Company. The Board ensures that the management team conducts operations in accordance with the Company's business plan, in order to add value to its business and ensure sustainability for its shareholders.

The Board of Directors acknowledges that the Company maintains adequate internal controls and that its financial statements as of December 31, 2017 are reliable.

BALANCE OF AUTHORITY FOR NON-EXECUTIVE DIRECTORS

The Company's Board of Directors consists of qualified directors with a broad realm of experience, totaling eleven members at the end of 2017 as follows:

1. Executive Directors : 2 directors
2. Non-Executive Directors : 9 directors;
 - 2.1 Directors from major shareholders : 4 directors
 - Country Group Holdings Public Company Limited holds 3 seats
 - Ministry of Finance holds 1 seat
 - 2.2 Independent directors : 5 independent directors; 3 of whom are Audit Committee members.

AGGREGATION OR SEGREGATION OF POSITIONS

The functions of the Chairman of the Board of Directors and the Managing Director (MD) are separated to ensure a clear distinction between responsibilities in policy making and managing daily operations. The Company has clearly defined the authority and responsibilities of management at every level.

BOARD SELF-ASSESSMENT

The Board of Directors annually engages in self-assessment, which enables all board members to consider their overall performance and resolve any potential problems or issues. This serves as a tool for reviewing performance, as well as a way to identify issues and obstacles that each director faced over the past year. It also helps increase the operational effectiveness of the Board. At present, the performance assessment of the Board is conducted using an overall performance method. To facilitate this, the Company has developed an assessment form consistent with the Statement of Corporate Governance Principles and the duties and responsibilities stated in the Board of Directors Charter. In 2017, the results of the self-assessment will be distributed to all board members for acknowledgment and self-improvement in 2018.

ORIENTATION FOR NEW DIRECTORS AND DIRECTOR PARTICIPATION IN SEMINARS

The Board of Directors secretary division is responsible for preparing general information and briefing newly elected directors on the actions and procedures of the Company to ensure that they are updated on all Company operations, as well as the SEC and SET regulations and requirements. Site visits will also be available for new directors who would like to have a more in-depth knowledge of Company operations.

In order to keep the directors currently informed on new rules, regulations, and requirements, they are encouraged to attend refresher courses and seminars organized by the Thai Institute of Directors and other relevant organizations.

In 2017, directors and executives of the Company who participated in such courses are listed below:

Name	Position	Course
1. Mr. Vinai Vamvanij	Independent Director	<ol style="list-style-type: none"> 1. Board Nomination & Compensation Program (BNCP) 1/2017 2. Boardroom Success through Financing and Investment, 2/2017
2. Mr. Aswin Kongsiri	Independent Director	<ol style="list-style-type: none"> 1. IOD Director Briefing 2/2017: Directing in the Year of the Rooster: Hot Issues and Outlook for 2017 2. Nomination Director Event: Nomination Committee Best Practice Guideline, 2017 3. Chartered Director & Fellow Member Event 1/2017: Story Telling 4. Audit Committee Forum 2017: The Audit Committee's Role in Compliance and Ethical Culture Oversight
3. Mr. Sakorn Suriyabhivadh	Deputy Managing Director	<ol style="list-style-type: none"> 1. Director Certification Program (DCP), 247/2017
4. Mr. Chitchai Thaveepanich	Executive Vice President - Corporate Services	<ol style="list-style-type: none"> 1. Board Nomination and Compensation Program (BNCP) No. 3/2018

INTERNAL CONTROL AND RISK MANAGEMENT



At PDI, internal control is a crucial process for achieving our goals and objectives. In this respect, the Audit Committee is tasked with supervising the Internal Audit Office and ensuring that it works independently, with the utmost integrity, and under proper ethics as defined in the Internal Audit Charter. The latter clearly prescribes the mission, scope of work, authority, duties, and responsibilities of the Internal Audit Office; as well as its operating and auditing guidelines. The Audit Committee is also responsible for ensuring a strict and appropriate assessment and review of the internal control systems, the internal audit activities, and risk management in order to mitigate significant risk to be in line with the organization's risk tolerance level and to help the organization accomplish its objectives.

Based on recommendations gathered from the Internal Audit Department, PDI has streamlined its working procedures to ensure the efficiency and effectiveness of our control systems, with the aim of continuous improvement and sustainable development. In 2017, our auditing work has improved internal control and enhanced our internal control significantly in the following areas: inventory management (RY & Tak), payment processing, sales and marketing (metal trading), logistics management and general procurement.

At present the Audit Committee also reviews the company's risk management. In 2018, PDI plans to appoint the Executive Committee to supervise the management to analyze, manage and assess the risk according to risk assessment criteria also oversee the risk management result.

In this dynamic environment, PDI has emphasized risk prevention measures and risk management, with the anticipation of upcoming changes in internal factors and general external factors such as economic and information technology changes. Moreover, PDI has also conducted its risk assessment to focus on fraud and corruption and developed measures to cope with the assessed risk as well as performed an audit to assess the sufficiency and effectiveness of internal controls and compliance with anti-corruption policies. In 2018, PDI will continue to conduct its risk management based on the operational risk of new business activities, as well as fraud and corruption risk.

In 2017 and 2018, PDI will continue its strategy to move towards green business for sustainable growth. New projects were studied, with emphasis placed upon PDI Metals, a trading and servicing business for zinc metals and alloys in Thailand, PDI-CRT, a producer of value-added materials from recycling, PDI energy, a solar farm operator in Japan and Thailand, and PDI Eco, an industrial waste management business at Tak. The Company focuses especially on those that are in line with the national agenda. Each feasibility study for all proposed projects included risk assessments that followed standard risk assessment procedures. All inherent risks, including strategic, operational, reporting and compliance, for each project are identified and analyzed, and this information is presented to the Executive Committee and the Board of Directors before any final decisions for the projects are made.

At Board Meeting no.01-2018, with all three Audit Committee members present, the Board reviewed the system of internal control, the organization and external influencing factors, risk management, methods of dissemination, communications, and monitoring information. In conclusion, it was confirmed that PDI deploys an adequate system of internal controls regarding transactions with major shareholders, directors, management and related persons, as well as internal controls in other areas.

HEAD OF INTERNAL AUDITOR :

In Board Meeting no.08-1998, on December 22, 1998, the board appointed Dr. Surin Tanticharoenkiat as head of the Internal Audit Department and secretary to the Audit Committee. Dr. Surin had worked as the technical support manager, and possessed an extensive knowledge of the Company's operations. In addition to this, he had also attended courses in both the business management and internal audit fields. As such, the board of directors deemed him qualified to lead the internal audit department of the Company.

The independence of the Internal Audit Department is ensured by the fact that the head of the department reports directly to the Audit Committee, and the Audit Committee is responsible for approving the appointment, as well as transferal and dismissal of the chief of the internal audit unit.

As of December 31, 2017, Dr. Surin retired from the company. Referring to Board Meeting no. 05-2017 on November 6, 2017, the board appointed Mr. Duangden Nimpai boon (Manager - Internal Audit) as Secretary of the Audit Committee from 2018 onwards.

Below is the judgment of the auditor, Mr. Wonlop Vilaivaravit, Certified Public Accountant (Thailand) No. 6797, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.:

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

"Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit."



RELATED PARTIES TRANSACTIONS



THE COMPANY'S POLICY ON RELATED PARTIES' TRANSACTIONS IS AS FOLLOWS:

- Directors and Executives should inform the Company of a relationship or Connected-Transaction related to the business that may create a conflict of interest.
- Directors and Executives should avoid performing any Connected-Transaction that may cause a conflict of interest with the Company or its subsidiaries.
- The Company shall consider the value used for the calculation of the transaction size according to the type of the connected transactions. The Company shall measure the size of the transaction by comparison of the transaction value against the higher one between the two references as per the latest financial statement in order to prepare for the case of any possible connected transactions and how to further proceed in accordance with the Stock Exchange of Thailand, the Capital Market Advisory Board, and the Securities and Exchange Commission.
- The Company shall disclose information concerning transactions that may cause a conflict of interest or Connected-Transaction in accordance with regulations specified by the Stock Exchange of Thailand, the Capital Market Advisory Board, and the Securities and Exchange Commission.

Apart from this, the Internal Audit Department shall review transactions to verify whether the price can be referred to as a market price or not, and whether a trade condition is specified within normal business parameters, compared to a third party, in order to maximize the benefit for the Company. The Internal Audit Department shall also present verification results to the Audit Committee for acknowledgement. If the Audit Committee finds that the performance is not in accordance with the policy, the Audit Committee shall inform the Board of Directors or the Managing Director, to cooperate in finding a resolution.

Details can be found in note 34 of the 2017 Financial Statement.

SEC CONTENTS IN ACCORDANCE WITH FORM 56-2

Accordance with the form of Annual Report for a security-issuing company (56-2) issued under notification of the Capital Market Supervisory Board No.Tor Chor.44/2556 regarding Rules, Condition and Procedures for Disclosure of Information Relating to Financial Status and Operating Result of Issuing Company. (Effective on January 1, 2014)

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Occupational Health and Safety G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	21	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	21	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	21	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	-	No trade unions in PDI
Training and Education G4-LA9	Average hours of training per year per employee by gender, and by employee category	-	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	-	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	-	
Diversity and Equal Opportunity G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	-	
Equal Remuneration for Women and Men G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	-	
Supplier Assessment for Labor Practices G4-LA14 G4-LA15	Percentage of new suppliers that were screened using labor practices criteria Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	-	
Labor Practices Grievance Mechanisms G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	-	
Social: Human Rights Investment G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	All agreements are in compliance with PDI Code of Conduct
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	-	
Non-discrimination G4-HR3	Total number of incidents of discrimination and corrective actions taken	-	There was no incidents of discrimination
Freedom of Association and Collective Bargaining G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	24	
Child Labor G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	-	
Forced or Compulsory Labor G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor	24	

SPECIFIC STANDARD DISCLOSURES

INDICATOR	DISCLOSURES	PAGE	NOTE
Security Practices G4-HR7	Human rights policies or procedures that are relevant to human rights policies or procedures that are relevant to operations	24	
Indigenous Rights G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	-	
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	-	
Assessment G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	-	
Supplier Human Rights Assessment G4-HR10	Percentage of new suppliers that were screened using human rights criteria	-	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	-	
Human Rights Grievance Mechanisms G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanism	-	
Social: Society			
Local Communities G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs Report whether there are programs in place for assessing the impacts of operations on local communities"	28-29	
G4-S02	Operations with significant actual and potential negative impacts on local communities	28-29	
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	-	None
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes	-	None
Artisanal and Small-scale Mining MM8	Number (and percentage) or company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	-	None
Resettlement MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	-	None
Closure Planning MM10	Number and percentage of operations with closure plans	31	
Anti-corruption G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	146-147	
G4-S04	Communication and training on anti-corruption policies and procedures	146-147	
G4-S05	Confirmed incidents of corruption and actions taken	146-147	
Public Policy G4-S06	Total value of political contributions by country and recipient/beneficiary	-	
Anti-competitive Behavior G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	-	
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	-	
Supplier Assessment for Impacts on Society G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	-	No grievances about human rights impacts filed

SPECIFIC STANDARD DISCLOSURES

INDICATOR	DISCLOSURES	PAGE	NOTE
G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken	-	
Grievance Mechanisms for Impacts on Society G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	-	no grievances about environmental impacts field, and addressed
Social: Product Responsibility			
Customer Health and Safety G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	-	100% of significant products
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	-	None
Materials Stewardship MM11	Programs and progress relating to materials stewardship	35-36	
Product and Service Labeling G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	-	All significant product and service categories are assessed regarding health and safety impact
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	-	Note: There was no incidents of non-compliance
G4-PR5	Results of surveys measuring customer satisfaction	36	
Marketing Communications G4-PR6	Sale of banned or disputed products	35-36	There was no banned or disputed products
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	36	None
Customer Privacy G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	36	
Compliance G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-	There was no fines for non-compliance

GERNERAL INFORMATION

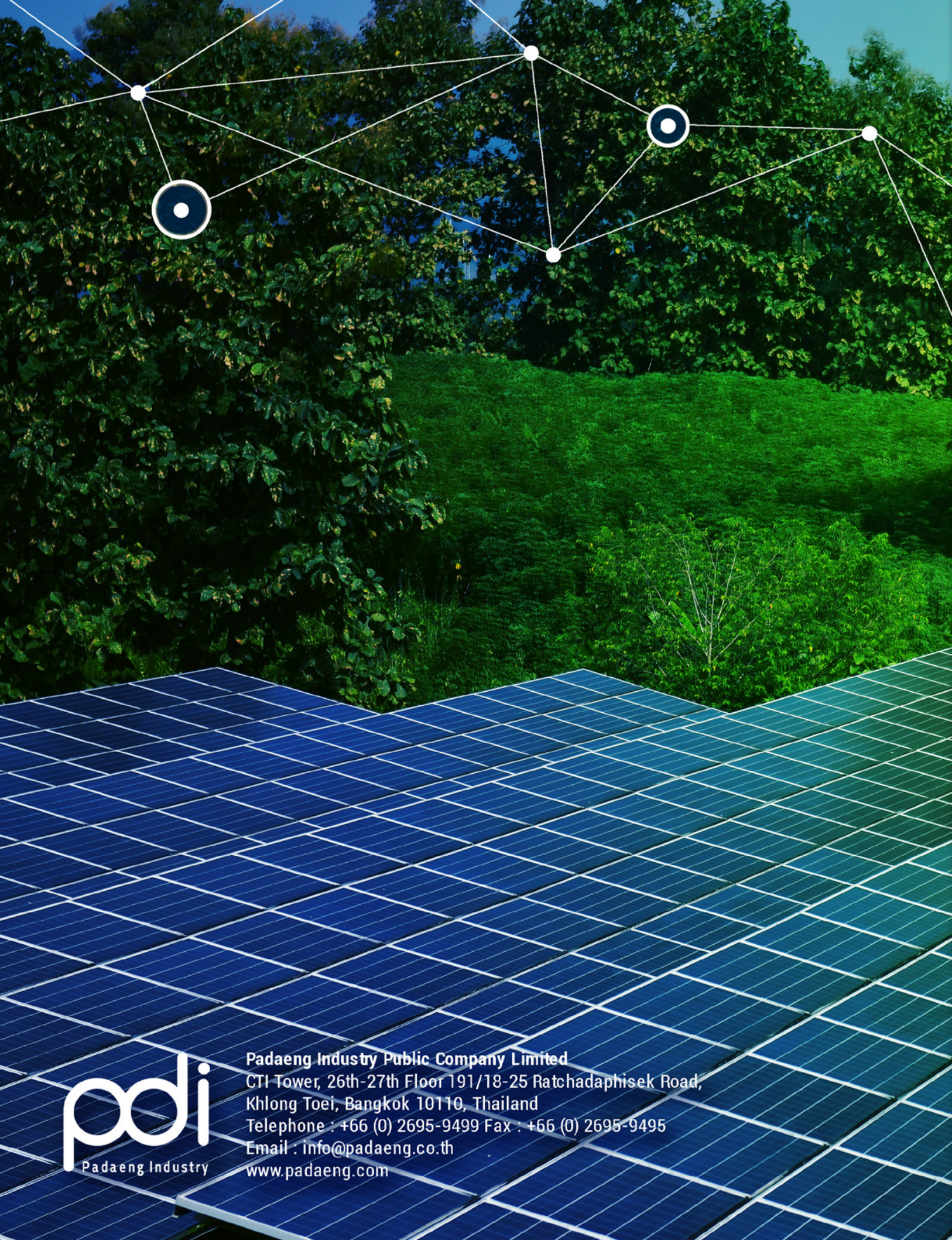
COMPANY NAME	Padaeng Industry Public Company Limited
SYMBOL	PDI
REGISTRATION NUMBER	0107537000467
BUSINESS TYPE	Providing energy from renewable sources, providing added value materials from recycled metals, and providing waste management solutions for complex industrial waste
REGISTERED CAPITAL	Baht 2,260,000,000 with 226,000,000 Shares at Baht 10 per share.
HEAD OFFICE	CTI Tower, 26th-27th Floor, 191/18-25 Ratchadaphisek Road, Khlong Toei, Bangkok 10110, Thailand. Telephone : +66 (0) 2695-9499 Fax : +66 (0) 2695-9495 E-mail : info@padaeng.co.th Website: www.padaeng.com
INVESTOR RELATIONS	Telephone : +66 (0) 2695-9409 Fax : +66 (0) 2695-9495 E-mail : supichnans@padaeng.co.th
BOARD SECRETARY	Telephone : +66 (0) 2695-9414 Fax : +66 (0) 2695-9495 E-mail : suthathipp@padaeng.co.th
COMPLAINT	Telephone : +66 (0) 2695-9332 Fax : +66 (0) 2695-9495 E-mail : duangdenn@padaeng.co.th
OTHER REFERENCES	Registrar : Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Tel. (66 2) 009 9000, Fax. (66 2) 009-9991 SET Contact Center: (66 2) 009-9999 Website: http://www.set.or.th/tsd E-mail: SETContactCenter@set.or.th Auditor Mr. Wonlop Vilaivaravit Deloitte Touche Touche Tohmatsu Jaiyos Audit Co., Ltd. 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Thailand Tel. (66 2) 034-0000, Fax. (66 2) 034-0100 www.deloitte.com

LEGAL ADVISOR

- None -

**ADVISOR OR CONTRACTOR
UNDER MANAGEMENT
AGREEMENT****MEMBERSHIPS**

- International Zinc Association (IZA)
- Mining Industry Council
- The Thai Chamber of Commerce
- Thai Listed Companies Association
- Thai Institute of Directors Association
- Thailand Management Association (TMA)
- Thai Galvanizing Association (TGA)
- Community Partnership Association (CPA)
- Galvanizing Steel Sheet and Strip Producers Association



Padaeng Industry Public Company Limited
CTI Tower, 26th-27th Floor 191/18-25 Ratchadaphisek Road,
Khlong Toei, Bangkok 10110, Thailand
Telephone : +66 (0) 2695-9499 Fax : +66 (0) 2695-9495
Email : info@padaeng.co.th
www.padaeng.com