

Ref. PDI/BK-BS-012/2018

23rd February 2018

To: President
The Stock Exchange of Thailand

Re: Clarification on Company's performance of the 4th Quarter and Full Year 2017

Unit : Baht million	4 th Quarter		12-month Year to date	
	2017	2016	2017	2016
Sales and services	1,841.58	1,408.07	6,169.06	5,148.52
Cost of sales and services	(1,448.71)	(1,092.37)	(4,806.81)	(4,203.81)
Gross Profit	392.87	315.69	1,362.25	944.71
Gain/(Loss) on exchange rate	(3.43)	(65.40)	(24.70)	(34.96)
Other Income	93.62	70.95	188.12	192.42
Profit/(Loss) before expenses	483.06	321.24	1,525.68	1,102.17
Selling and Administrative expenses	(112.65)	(126.90)	(502.85)	(499.75)
Share of Gain/(Loss) from equity method	(2.82)	2.85	5.35	(48.57)
Finance cost	(18.65)	(0.97)	(22.30)	(4.80)
Profit/(Loss) before tax	348.94	196.22	1,005.88	549.04
Corporate Income Tax	(80.55)	(70.68)	(100.60)	(71.27)
Net Profit/(Loss) after tax-attributed to Company	268.39	125.54	905.28	477.77
Earning per share (Baht/share)	1.19	0.56	4.01	2.11

For the fourth quarter of 2017, Padaeng Industry Public Company Limited announces a **consolidated net profit of 268.39MB**, compared to a net profit of 125.54MB for the same quarter previous year.

For the full year 2017, Padaeng Industry Public Company Limited announces a **consolidated net profit of 905.28MB**, a significant increase with 89% compared to the net profit of 477.77MB for the previous year.

Sales and services of Q4 2017 reached 1,841.58MB, an increase of 31% from 1,408.07MB in Q4 2016. This mainly resulted from a 31% increase in USD zinc price despite a 7% appreciation of Thai Baht against USD. The USD zinc price increased to 3,234USD/ton in Q4 2017 from 2,518USD/ton in Q4 2016. Thai Baht appreciated against the US dollar by 7% from 35.57 THB/USD in Q4 2016 to 33.11 THB/USD in Q4 2017. As a result of the ceasing of the Zinc operations, total sales volumes in Q4 2017 dropped by 7% from Q4 2016. The sales volumes of imported metals, at lower margins than the PDI's own mine production, reached 52% of total sales in Q4 2017.

Costs of goods sold increased by 33% to 1,448.71MB in Q4 2017 from 1,092.37MB in Q4 2016 due to huge increase in LME zinc price which increased gross profit of Q4 2017 by 24% from Q4 2016. The selling and administrative expenses in Q4 2017 significantly decreased with 11% from 126.90MB in Q4 2016 to 112.65MB.

For the full year 2017, sales and services increased by 20% from 5,148.52MB in year 2016 to 6,169.06MB in year 2017. The average LME zinc price during year 2017 sharply increased from 2,091USD/ton in year 2016 to 2,894USD/ton which compensated the decrease in sales volume and the stronger Thai Baht against USD. Total sales volumes of year 2017 decreased by 11% from 2016, whilst the sales of zinc metal from PDI's own operations dropped to 60% of total year 2017 sales

due to the ceasing of zinc business. The exchange rate of THB against the USD in year 2017 appreciated to 34.11THB/USD compared with 35.47THB/USD of year 2016.

Due to an increase of LME zinc price, the gross profit of year 2017 significantly increased by 44% from 944.71MB in year 2016 to 1,362.25MB despite an increase in cost of sales and services from higher raw material costs of imported metals.

Other incomes of year 2017 reaches 186.44MB which included sales of investment in Mae Sod Clean Energy Co., Ltd. of 59.10MB and sales of obsolete assets, whereas the sales of investment in Padaeng Industry (Laos) Co., Ltd. of 50.10MB was included in year 2016.

The company sustained steady progress in its make-over strategy into renewable Energy by acquiring another 30MW of solar farms in Thailand in September 2017. Currently, the company operates already 38.6MW of solar power plants of in total. The second solar power plant in Japan with installed capacity of 10.7MW will COD in March 2018, boosting total Solar Power output to 50MW.

PDI remains actively looking for projects with acceptable risks and substantial returns, in South East Asia and beyond, targeting area's in Energy, Eco and Materials. Other M&A targets, when encouraging, will also be considered.

Please be informed accordingly.

Yours truly,

- Signature -

(Suthathip Pilasarom)
Company Secretary

Board Secretary Division
Tel. 0 2695 9499 Ext. 9414, 9335
Fax. 0 2695 9495