

Ref. PDI/BK-BS-049/2019

9 August 2019

To: President  
The Stock Exchange of Thailand

Subject: The notification of the connected transaction and the dissolution of a Subsidiary (dormant company).

Padaeng Industry Public Company Limited (the “**Company**”) would like to notify that the Board of Directors’ Meeting No. 04-2019 which was convened on Friday 9 August 2019 resolved to approve these following significant matters:

(1) The dissolution of a Subsidiary

The Board of Directors’ Meeting resolved to approve the dissolution of the Company’s subsidiary, PDI Eco Company Limited (the “**Subsidiary**”) in which the Company holds 99.99% shares and it had operated no business. Therefore, the dissolution of the Subsidiary does not affect the business operation of the Company, it will be only the reduction of administrative expenses, which will also be beneficial to the performance results of the Company. The Company will further dissolve and liquidate the Subsidiary in accordance with the laws.

(2) Notification of the connected transaction.

The Board of Directors’ Meeting resolved to approve entering into a connected transaction to sell the obsolete assets related to zinc production that are free from any mortgage and encumbrances i.e. building structure, machinery, materials equipment and non-used equipment, etc. of Tak Smelting Plant as follows;

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|-------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Date of Transaction              | : | Within August 2019                                                                                                                                                                                                           |
| 2. Related parties                  | : |                                                                                                                                                                                                                              |
| 2.1 Seller                          | : | Padaeng Industry Public Company Limited                                                                                                                                                                                      |
| 2.2 Buyer                           | : | Strega Public Company Limited                                                                                                                                                                                                |
| 3. Related parties and Relationship | : | Triton Holding Public Company Limited (“ <b>Triton</b> ”) is a major shareholder of Strega Public Company Limited (“ <b>Strega</b> ”), holding shares equivalent to 92.63% of the total issued and paid-up shares of Strega. |

Ms. Louis Taechaubol (“**Khun Louis**”) who is daughter of Mr. Sadawut Taechaubol (“**Khun Sadawut**”) and sister of Mr. Tommy Taechaubol (“**Khun Tommy**”) is a director of Strega and major shareholder of Triton, holding shares equivalent to 20.76% of the total issued and paid-up shares of Triton.

Khun Sadawut and Khun Tommy are the directors of the Company.

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| 4. General Description of transaction | : | Transaction relating to assets or services. Type of disposition of assets with a related party. |
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5. Details of transaction
- 5.1 Nature of transaction : Sell the obsolete assets related to zinc production business that are free from any mortgage and encumbrances i.e. building structure, machinery, materials equipment and non-used equipment, etc. of Tak Smelting Plant located at No. 94, Moo 1, Nong Bua Tai Sub-district, Muang District, Tak Province to Strega whilst Strega is responsible for removal and demolition which shall be finished within 540 days from the date of obtaining required permits and licenses from the concerned authorities.
- 5.2 Value of transaction : The total value of obsolete assets sold at this time is 132,077,686.05 Baht by way of the bidding. The bidding process is done publicly and started since February 2019. For the final round, Strega proposed the highest price and has met the technical requirements. In addition to the price, the Company has carefully considered other factors e.g. work experiences, past performance, financial situation, etc. for the purpose of project completion within the timeline and resulting in highest possible benefit to the Company.
- 5.3 Size of transaction : It is considered as the Transaction Category 4 - Assets or Services according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re: Rules on Connected Transactions and according to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Operations of the Listed Company in the connected transaction size, B.E. 2546, with a value of connected transaction at 132,077,686.05 Baht, the transaction size equal to 2.81% of Net Tangible Assets according to the reviewed Consolidated Financial Statements of the Company of June 30, 2019 with a value equal to 4,700,465,176 Baht. The value of the transaction is more than 0.03 percent but less than 3 percent of the Net Tangible Assets of the Company. Therefore, the transaction must be approved by the Board of Directors and disclosed to the Stock Exchange of Thailand.
- In addition, the Company has no other connected transactions with Strega or its related parties or close relatives of such persons during six months prior to the date of entering into this transaction.
6. Transaction objective : To manage obsolete assets properly. To increase the Company's liquidity, decrease administrative expenses and prepare the land for any other businesses in the future.
7. Expected benefit to the Company : Earn return in the form of cash to the Company.
8. Director who has the Vested interests : Mr. Sadawut Taechaubol and Mr. Tommy Taechaubol were not present in the meeting nor vote in considering the agenda of the said transaction.

9. Opinion of the Board of Directors : The Board of Directors' meeting has considered and opinioned that entering into such connected transaction is reasonable and beneficial to the Company. In addition, the proposed purchase price is highest.
10. Opinion of the Audit Committee and the Directors which is different from the opinion of the Board of Directors : -none-

Please be notified accordingly.

Yours truly,

- Signature -

(Ms. Suthathip Pilasarom)  
Company Secretary

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