

Ref. No.0856/74E

August 19, 2013

Subject: Resolutions of the Board of Directors

Attn: President  
The Stock Exchange of Thailand

Attachment: Information Concerning the Listing of Thai Agro Energy Public Co., Ltd., a Subsidiary Company of Lanna Resources Public Co., Ltd., in the Stock Exchange of Thailand

The Board of Directors of Lanna Resources Public Co., Ltd. ("Lanna") in the meeting No. 5/2013 on August 19, 2013, has resolved on various matters as follows:

(1) The Board has resolved to propose to the Shareholders' Meeting of Lanna to approve the reduction of the Company's registered capital from Baht 525,000,000 to Baht 524,999,679 by writing off the unsold ordinary shares of 321 shares at the par value of Baht 1 per share, totaling Baht 321.

(2) The Board has resolved to propose to the Shareholder's Meeting of Lanna to approve the additional amendment of Article 4 of the Company's Memorandum of Association for conformity with the capital reduction as follows:

**Original Statement**

Article 4	The registered capital is	525,000,000 Baht	(Five hundred and twenty five million Baht only)
	divided into	525,000,000 shares	(Five hundred and twenty five million shares)
	at a par value of	1 Baht each	(One Baht only)
	The shares are divided into		
	Ordinary shares	525,000,000 shares	(Five hundred and twenty five million shares)
	Preferred Shares	- shares	( _____ )

**Amended Statement**

Article 4	The registered capital is	524,999,679 Baht	(Five hundred and twenty-four million nine hundred and ninety-nine thousand six hundred and seventy-nine Baht only)
	divided into	524,999,679 shares	(Five hundred and twenty-four million nine hundred and ninety-nine thousand six hundred and seventy-nine shares)
	at a par value of	1 Baht each	(One Baht only)
	The shares are divided into		
	Ordinary shares	524,999,679 shares	(Five hundred and twenty-four million nine hundred and ninety-nine thousand six hundred and seventy-nine shares)
	Preferred Shares	- shares	( _____ )

(3) The Board has resolved to propose to the Shareholder's Meeting of Lanna to approve the spin-off plan for the listing of Thai Agro Energy Public Co., Ltd. ("TAE"), a subsidiary company of Lanna Resources Public Co., Ltd. ("Lanna"), in the Stock Exchange of Thailand for fund raising purpose to improve efficiency in the ethanol production and distribution, which is the core business, and as a working capital for business operation in the future. The listing shall proceed by the initial public offering (IPO) and the offer to Lanna shareholders by pre-emptive right according to shareholding proportion in Lanna, totaling 296,037,733 shares at the par value of Baht 1 per share, totaling Baht 296,037,733 or 29.60 percent of the paid-up capital of TAE after the IPO, consisting of:

(1) Capital increase ordinary shares in TAE of 200,000,000 shares at the par value of Baht 1 per share, totaling Baht 200,000,000 or 20 percent of paid-up capital after the IPO, and

(2) Ordinary shares in TAE originally held by Lanna of 96,037,733 shares at the par value of Baht 1 per share, or 9.60 percent of paid-up capital after the IPO.

After the initial public offering of TAE, the shareholding proportion of Lanna in TAE will decrease from 75.75 percent to 51 percent of paid-up capital of TAE. As a result, rights of Lanna as a shareholder of TAE will be affected due to the dilution effect such as profit sharing, the voting right, etc. Since the shareholding proportion will decrease by 32.67 percent, it is classified as a disposition of assets of a listed company according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E. 2547 dated October 29, 2004 with the highest transaction size calculated on net tangible asset basis of 9.88 percent of the net tangible assets in the latest reviewed financial statements dated June 30, 2013, with details as described in the attached information.

(4) The Board has resolved to propose to the Shareholder's Meeting of Lanna to approve the allocation of ordinary shares in TAE of 105,037,733 shares or 35.48 percent of the ordinary shares in the initial public offering, to Lanna shareholders for subscription by pre-emptive right according to their shareholding proportion in Lanna. This can reduce the dilution effect against Lanna shareholders to certain degree. The offer price shall be the same as the IPO price, which shall be determined after the Securities and Exchange Commission of Thailand has approved the IPO and the offer to Lanna shareholders. The meeting of shareholders of Lanna shall be proposed to authorized the Board of Lanna or a person authorized by the Board of Lanna to determine the criteria concerning the allocation of the ordinary shares in TAE to the shareholders of Lanna by pre-emptive right – e.g. offer price, allocated proportion, offer period, record date, and share book closing date to determine the name list of shareholders entitled to share subscription in TAE, etc. The criteria must not violate the governing law at that time, including but not limited to discussion and execution of agreements, related contracts, and other necessary and appropriate proceedings.

(5) The Board has resolved to propose to the Shareholder's Meeting of Lanna to approve the sale of ordinary shares in TAE originally held by Lanna of 96,037,733 shares, to be offered together with the public offering of newly issued capital increase ordinary shares of TAE. The offer price shall be the same as the offer price of the IPO, which will be determined after the Securities and Exchange Commission of Thailand has approved the IPO. Accordingly, the general meeting of shareholders will be proposed to authorize the Board of Lanna or a person authorized by the Board of Lanna to determine the criteria concerning the allocation and sale of such ordinary shares in TAE, including but not limited to discussion and execution of agreements, related contracts, and other necessary and appropriate proceedings.

(6) The Board has resolved to approve the arrangement of the Extraordinary General Meeting of Shareholders No. 1/2013 to be held on September 18, 2013, at 14:00 hrs. at the Grand Hall Room, 2<sup>nd</sup> Floor, Plaza Athenee Bangkok - A Royal Meridien Hotel, 61 Wireless Road, Lumpini, Pathumwan, Bangkok, according to the following meeting agenda.

- Agenda No. 1: Approval of the Minutes of Annual General Meeting of Shareholders Year 2013
- Agenda No. 2: Approval of the Reduction of Company's Registered Capital from Baht 525,000,000 to Baht 524,999,679 by Writing Off the Unsold Ordinary Shares of 321 Shares at the Par Value of Baht 1 per Share, totaling Baht 321
- Agenda No. 3: Approval of the Amendment of Article 4 of the Memorandum of Association to Conform to the Registered Capital Reduction
- Agenda No. 4: Approval of the Spin-off Plan for the Listing of Thai Agro Energy Public Co., Ltd. in the Stock Exchange of Thailand by Initial Public Offering and by Pre-emptive Right of the Shareholders of Lanna Resources Public Co., Ltd, totaling 296,037,733 shares
- Agenda No. 5: Approval of the Allocation of Ordinary Shares in Thai Agro Energy Public Co., Ltd. of 105,037,733 Shares or 35.48 Percent of the Ordinary Shares in the Initial Public Offering to the Shareholders of Lanna Resources Public Co., Ltd. for Subscription by Pre-emptive Right.
- Agenda No. 6: Approval of the Sale of Ordinary Shares in Thai Agro Energy Public Co., Ltd. Originally held by Lanna Resources Public Co., Ltd. of 96,037,733 Shares to be Offered Together with the Initial Public Offering of New Issue Capital Increase Ordinary Share of Thai Agro Energy Public Co., Ltd.
- Agenda No. 7: Other Matters (if any)

Accordingly, the Company shall assign rights to the shareholders for attending the Extraordinary General Meeting of Shareholders No. 1/2013 on September 3, 2013 and compile the name list according to Clause 225 of the Securities and Exchange Act using share registry book closing method, suspending share transfer on September 4, 2013.

Please be informed accordingly.

Yours faithfully,  
For and on behalf of  
Lanna Resources Public Company Limited

(Mr. Anun Louharanoo)  
Director and Secretary

## **Information Concerning the Listing of Thai Agro Energy Public Co., Ltd., a Subsidiary Company of Lanna Resources Public Co., Ltd., in the Stock Exchange of Thailand**

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Thai Agro Energy Public Co., Ltd. (“TAE”), a subsidiary company of Lanna Resources Public Co., Ltd. (“Lanna”) wishes to list TAE in the Stock Exchange of Thailand and increase its capital for the sale of its ordinary shares by initial public offering and by pre-emptive right of Lanna shareholders in order to raise the capital needed for the improvement of the ethanol for fuel production and distribution, which is the core business, and as the working capital in the future.

Accordingly, the Board of Directors of Lanna in the meeting No. 5/2013 on August 19, 2013 has resolved to propose to the general meeting of shareholders the spin-off plan for the listing of TAE in the Stock Exchange of Thailand by initial public offering and by pre-emptive right of Lanna shareholders. TAE shall increase its capital by issuing new 200,000,000 ordinary shares, and Lanna shall offer its currently held ordinary shares in TAE of 96,037,733 shares, totaling 296,037,733 offered shares. The sale of the ordinary shares in TAE to the public and to Lanna shareholders is classified as a disposition of assets of a listed company according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E. 2547 dated October 29, 2004. The details are as follows.

### **(1) Date of the Transaction**

The listing of TAE in the Stock Exchange of Thailand by initial public offering (IPO) and by pre-emptive right of Lanna shareholders shall commence after the approval of the IPO and the offering by pre-emptive right of Lanna shareholder by the Securities and Exchange Commission. The transaction is expected by 2014.

### **(2) Connected Parties**

**Seller:** Lanna Resources Public Co., Ltd. (“Lanna”) and Thai Agro Energy Public Co., Ltd. (“TAE”), a subsidiary company with ordinary shares held by Lanna of 75.75 percent of paid-up capital before the IPO

**Buyer:** The public and Lanna shareholders

### **(3) General Description of the Transaction**

TAE shall offer 296,037,733 ordinary shares at par value of Baht 1 per share to the public and to Lanna shareholders by pre-emptive right. Also, all ordinary shares in TAE shall be listed in the Stock Exchange of Thailand. As a shareholder of the original shares in TAE, Lanna shall offer the originally held ordinary shares in TAE to the public along with the public offering of the newly issued share of TAE. After the capital increase of TAE and public offering of the ordinary shares in TAE originally held by Lanna, the shareholding proportion of Lanna in TAE will decrease from 75.75 percent to 51 percent of TAE paid-up capital. As a result, the right of Lanna as a shareholder of TAE will be affected by the dilution effect, e.g. the dividend, the voting right, etc. Since the shareholding proportion will decrease by 32.67 percent, it is classified as a disposition of assets of a listed company according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E. 2547 dated October 29, 2004 with highest transaction size calculated by net tangible asset criteria of 9.88 percent of the net tangible assets in the latest reviewed financial statements dated June 30, 2013, with details and calculation bases as follows.

(1) Net Asset Basis	=	$\frac{\text{Net Asset Value of TAE} \times \text{Dilution Effect \%}}{\text{Net Asset Value of Lanna}}$
	=	$\frac{\text{Baht 1,111.92 million} \times 32.67\%}{\text{Baht 3,675.78 million}}$
	=	9.88%
(2) Net Earnings Basis	=	$\frac{\text{Net Earnings of TAE} \times \text{Dilution Effect \%}}{\text{Net Earnings of Lanna}}$
	=	$\frac{\text{Baht 69.03 million} \times 32.67\%}{\text{Baht 345.05 million}}$
	=	6.54%
(3) Value of Consideration Basis	=	$\frac{\text{Offered Value of TAE Ordinary Shares} = \text{Book Value per Share} \times \text{Total Offered Shares \%}}{\text{Total Asset Value of Lanna}}$
	=	$\frac{\text{Baht 1.39 per share} \times 296,037,733 \text{ shares}}{\text{Baht 8,039.65 million}}$
	=	5.12%
(4) Security Value Basis	=	None
<b>(4) Details of the Disposed Asset</b>		

Security Issuer: Thai Agro Energy Public Co., Ltd. (“TAE”)

Security Type: Ordinary shares in TAE

Total Offered Shares: 296,037,733 ordinary shares in TAE, consisting of:

- (1) 200,000,000 newly issued ordinary shares in TAE, or 20 percent of the paid-up capital after the IPO, and
- (2) 96,037,733 ordinary shares in TAE originally held by Lanna, or 9.60 of the paid-up capital after the IPO

The ordinary shares in TAE of 296,037,733 shares shall be offered as follows:

- (1) 191,000,000 ordinary shares in TAE to be offered to the public, or 64.52 percent of the total offered ordinary shares, and
- (2) 105,037,733 ordinary shares in TAE to be offered to Lanna shareholders by pre-emptive right, or 35.48 percent of the total offered ordinary shares

Par Value: Baht 1 per share

Offer Price: To be determined after the approval from the Securities and Exchange Commission (SEC) for the tender offer to the public and Lanna shareholders. The offer price shall be the same for both the public and Lanna shareholders.

Tender Offer Period: To be determined after the approval from SEC for the tender offer to the public and Lanna shareholders.

**Allocation by Pre-emptive Right:** The general meeting of Lanna shareholders shall be proposed to authorize the Board of Directors of Lanna or a person authorized by the Board of Directors of Lanna to determine the criteria concerning the allocation of the ordinary shares in TAE to the shareholders of Lanna by pre-emptive right – e.g. offer price, allocated proportion, tender offer period, record date, and share book closing date to determine the name list of shareholders entitled to share subscription in TAE, etc. The criteria must not violate the governing law at that time, including but not limited to discussion and execution of agreements, related contracts, and other necessary and appropriate proceedings.

**Other Details:**

Lanna shareholders may subscribe the ordinary shares in TAE above their right. Lanna shareholders who subscribe the shares above their right shall receive the portion of the ordinary shares in TAE above their right only if there are ordinary shares in TAE remain after the completion of the allocation by the pre-emptive right. The allocation is to be conducted as follows:

- (1) If the remaining ordinary shares are more than the shares subscribed above the pre-emptive right, the shares shall be allocated according to the amount subscribed above the right to all buyers who subscribe the shares above their right and have made payments for the shares.
- (2) If the remaining ordinary shares are less than the shares subscribed above the pre-emptive right, the shares shall be allocated according to the shareholding proportion in Lanna of each buyer who subscribe the shares above their right: by multiplying the shareholding proportion in Lanna of each buyer who subscribe the shares above their right with the remaining shares, the results are the amount of shares that each buyer who subscribe the shares above their right shall receive (fractions of shares shall be discarded). The calculation shall continue until there is no shares remaining as Lanna deem appropriate. Accordingly, the amount of the allocated shares will not be more than the amount subscribed and paid by each buyer.

If there are ordinary shares in TAE remain after the subscription by Lanna shareholders, the Board of Directors of TAE, a person authorized by the Board of Directors of TAE, or the underwriter shall be authorized to further allocate the remaining ordinary shares in TAE to the public and determine the criteria concerning the offer of the ordinary shares in TAE as appropriate. To ensure that the initial public offering is highly successful, the criteria must not violate the governing law and/or regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and/or other related entities.

**(5) Concise Details of the Security Issuer**

Issuing Company: Thai Agro Energy Public Co., Ltd. (“TAE”)  
 Head Office Address: 888/114 Mahathun Plaza Building, 11 Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok, 10330  
 Type of Business: Ethanol for fuel production and distribution  
 Capital Structure: Registered capital of Baht 800,000,000, consisting of 800,000,000 ordinary shares at the par value of Baht 1 per share. The list of the major shareholders is as follows.

Shareholders of TAE	Number of Shares	Shareholding Proportion (%)
(1) Lanna Resources Public Co., Ltd.	606,037,733	75.75
(2) Mr. Kraisi Sirirungsi	41,500,000	5.19
(3) Mr. Somchit Limwathanagura	35,893,454	4.49
(4) Mr. Bunsin Chaturaphruek	18,132,080	2.27
(5) Mr. Visit Tantisunthorn	17,350,000	2.17
(6) Mrs. Hang Chaturaphruek	16,113,213	2.01
(7) Mrs. Phanni Sisawat	8,100,000	1.01
(8) Forty shareholders with less than 1% shareholding proportions	56,873,520	7.11
Total	800,000,000	100

Board of Directors: The Board consisting of 10 members, namely:

- |                                 |   |
|---------------------------------|---|
| (1) Mr. Visith Noiphan          | Chairman of the Board and Independent Director    |
| (2) Mr. Kraisi Sirirungsi       | Vice Chairman                                     |
| (3) Mr. Suroj Subhasavasdikul   | Vice Chairman                                     |
| (4) Mr. Padetpai Meekun-iam     | Audit Committee Chairman and Independent Director |
| (5) Mr. Virach Aphimeteetamrong | Audit Committee Member and Independent Director   |
| (6) Mr. Satit Chanjavanakul     | Audit Committee Member and Independent Director   |
| (7) Mr. Somchit Limwathanagura  | Director  |
| (8) Mr. Anun Louharanoo         | Director  |
| (9) Mr. Srihasak Arirachakaran  | Director  |
| (10) Mr. Somchai Lovisuth       | Director and Chief Executive Officer              |

Summary of Financial Status and Operating Results:

Financial Information (Unit: Million Baht)	2011	2012	6-Month Period of 2013 (Jan – Jun 2013)
Current Assets	226.80	231.52	446.15
Total Assets	2,416.49	4,402.87	2,605.25
Current Liabilities	1,509.46	792.21	1,039.51
Total Liabilities	1,512.47	1,333.35	1,491.08
Issued and Paid-up Capital	800.00	800.00	800.00
Total Shareholders' Equity	904.02	1,069.52	1,114.17
Total Revenue	1,098.81	1,350.87	810.66
Net Earnings (Loss)	(42.90)	165.50	69.03
Net Earnings (Loss) per Share (Baht per Share)	(0.05)	0.21	0.09
Book Value per Share (Baht per Share)	1.13	1.34	1.39



**(6) Total Value of Consideration**

TAE shall offer the ordinary shares in TAE to Lanna shareholders at the same offer price of the public offer of ordinary shares in TAE. The offer price of the ordinary shares in TAE shall be determined after the approval from SEC for the offer of ordinary shares in TAE to the public and Lanna shareholders has been granted.

**(7) Value of the Disposed Assets**

Book value per share of TAE according to the latest reviewed financial statements dated June 30, 2013 is Baht 1.39 per share (at the par value of Baht 1 per share). Therefore, the offered ordinary shares in TAE of 296,037,733 shares will have a book value as per the financial statements dated June 30, 2013 of Baht 411,492,448.87.

**(8) Expected Benefits**

Expected Benefits for Lanna	Expected Benefits for TAE
(1) Reduce financial responsibility of Lanna as a shareholder of TAE in case of financial aids to TAE	(1) The listing of TAE in the Stock Exchange of Thailand allows more fund raising alternatives for TAE in order to increase its competitiveness and business expansions in the future.
(2) Expected earnings from the sale of 96,037,733 ordinary shares in TAE originally held by Lanna	(2) Increase the value and liquidity of the ordinary shares in TAE and provide a market for trading of the ordinary shares in TAE in the future
(3) Increase the value of the investment in TAE, which may be higher than the book value, reflecting the market value	

**(9) Usage Plan of Fund Received from the IPO**

(9.1) As for TAE, the fund raised by the public offering and the sale of shares to the shareholders of Lanna will be used to improve efficiency in the ethanol production and distribution which is a core business, and as a working capital for business operation in the future.

(9.2) As for Lanna, the fund received from the sale of the abovementioned ordinary shares in TAE will be used for business expansions in the future.

**(10) Transaction Conditions**

(10.1) Lanna Shareholders' Meeting approves the listing of TAE in the Stock Exchange of Thailand, the sale of ordinary shares in TAE originally held by Lanna along with the public offering of TAE ordinary shares, and the capital increase for the public offering of TAE ordinary shares and the offer to Lanna shareholders by pre-emptive right.

(10.2) TAE Shareholders' Meeting approves the listing of TAE in the Stock Exchange of Thailand and the capital increase for the public offering of ordinary shares in TAE and the offer to Lanna shareholders by pre-emptive right.

(10.3) TAE registers its capital increase with the Department of Business Development, Ministry of Commerce.

(10.4) SEC grants approval to TAE for the public offering of ordinary shares in TAE and the offer to Lanna shareholders by pre-emptive right.

(10.5) The Stock Exchange of Thailand approves the listing of TAE in the Stock Exchange of Thailand.



**(11) Effects from the Offer of Ordinary Share in TAE to Lanna and Lanna Shareholders**

(11.1) Earning and Control Dilution

The offer of ordinary shares in TAE to the public and Lanna shareholders of 296,037,733 shares shall affect the right of Lanna as a shareholder of TAE due to the dilution effect by 32.67 percent, e.g. the dividend and voting right. Therefore, ordinary shares in TAE of 105,037,733 shares will be offered to Lanna shareholders by pre-emptive right in order to mitigate such effect.

(11.2) Price Dilution

The offered shares are ordinary shares in TAE, and it is expected that the market price of the ordinary shares in Lanna will not be significantly affected. However, the reduction of the shareholding proportion in TAE will affect the realized earnings of Lanna in TAE, a decrease from 75.75 percent to 51 percent of the paid-up capital of TAE. Regardless, TAE still remains a subsidiary company of Lanna.

**(12) Opinion of the Board of Directors of Lanna**

The Board of Directors of Lanna, including three Audit Committee Members, finds that this transaction is reasonable. It will enhance the strength of TAE and allow TAE to be able to raise funds by itself for its expansions in the future. Moreover, the transaction will increase the value of the investment of Lanna in TAE. Accordingly, the Board has unanimously approved the proposal to the general meeting of shareholders to approve the spin-off plan for the listing of TAE in the Stock Exchange of Thailand by initial public offering and by preemptive right of the shareholders of Lanna, totaling 296,037,733 shares, according to the abovementioned details.

**(13) Opinion of the Audit Committee and/or Directors of Lanna which is different from the Opinion of the Board of Directors of Lanna in (12): None**

The Company hereby certifies that this information is true and correct in all respects with emphasis on the benefits of shareholders. The purpose of the publication of this information is solely to disclose the information in details. It is neither an invitation nor an offer to subscribe the security.

On behalf of Lanna Resources Public Co., Ltd.

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(Mr. Pilas Puntakosol) (Mr. Anun Louharanoo)

Authorized Directors