

Ref No. 0363/15E

March 4, 2020

Subject: Investment in Power Pellet Production and Distribution Project

Attn: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of Lanna Resources Public Co., Ltd. ("LANNA") No. 1/2020 dated February 3, 2020, has resolved to approve Lanna Power Generation, a subsidiary company, to invest in acquiring ordinary shares and preferred shares of SRT Power Pellet Co., Ltd. ("SRT"), in order to invest in power pellet production and distribution project, having details which can be summarized as follows:

- (1) **Transaction Date** : March 4, 2020
- (2) **Related Parties**
- Buyer** : Lanna Power Generation Co., Ltd. ("LPG"), a subsidiary company that LANNA holds 99.99985 percent of the paid-up capital.
- Seller** : 3 persons as follows:
- (1) Power Pellet Co., Ltd., which holds 779,999 ordinary shares in SRT.
 - (2) Mr. Tanawan Panyo, which holds 120,000 preferred shares in SRT;
and
 - (3) Mr. Chayaditt Hutauwatra, which holds 1 ordinary share in SRT.
- Connected Relationship** : Both sides of the parties are not connected persons.
- (3) **General Type of Transaction**
- (3.1) **Type of Transaction** : LPG and persons specified by LPG invested in acquiring ordinary shares and preferred shares of SRT from the sellers as follows:
- (1) LPG acquired and received the transfer of SRT ordinary shares from Power Pellet Co., Ltd. of 779,997 shares at Baht 90 per share, totaling Baht 70,199,730.
 - (2) LPG acquired and received the transfer of SRT preferred shares from Mr. Tanawan Panyo of 120,000 shares at Baht 90 per share, totaling Baht 10,800,000.
 - (3) LPG acquired and received the transfer of SRT ordinary share from Mr. Chayaditt Hutauwatra of 1 share at Baht 90 per share, totaling Baht 90.
 - (4) Mr. Srihasak Arirachakaran acquired and received the transfer of SRT ordinary share from Power Pellet Co., Ltd. of 1 share at Baht 90 per share, totaling Baht 90.
 - (5) Mr. Saharat Vatanatumrak acquired and received the transfer of SRT ordinary share from Power Pellet Co., Ltd. of 1 share at Baht 90 per share, totaling Baht 90.

- (3.2) Transaction Size** : Transaction size calculations according to the latest audited consolidated financial statements as at December 31, 2019, the calculation, based on the total value of consideration, has the highest value at 2.02 percent.
- (4) Description of Investment Asset**
- Name of the Company to invest : SRT Power Pellet Co., Ltd. ("SRT")
- Paid-up Capital : Registered and Paid-up capital of SRT as at the transaction date of 900,000 shares with a par value of Baht 100 per share, totaling Baht 90 million.
- Type of Business : SRT operates wood pellet production and distribution business in Surat Thani province.
- (5) Sources of Fund** : LPG uses fund from the shareholders to invest in acquiring the ordinary shares and preferred shares of SRT as mentioned above.
- (6) Payment Method** : One-time payment shall be made on the date of transaction.
- (7) Expected Benefit** : To invest in the renewable energy business, by which SRT has already completed its plant construction and ready to commercially produce and distribute wood pellet, which should immediately generate revenue and profit.
- (8) SRT Board of Directors** : LANNA shall nominate 4 persons to represent as the directors of SRT, namely, (1) Mr. Kraisi Sirirungsi (2) Mr. Anun Louharanoo (3) Mr. Srihasak Arirachakaran and (4) Mr. Saharat Vatanatumrak.

(9) This transaction is not a connected transaction but the transaction is the acquisition of assets with transaction size not within the criteria for disclosure of information about the transaction in accordance with the Notification of the Capital Market Advisory Board no. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets.

Please be informed accordingly.

Yours faithfully,

For and behalf of Lanna Resources Public Company Limited

(Mr. Saharat Vatanatumrak)
Company Secretary