

Ref. No. 0967/44E

September 13, 2024

Subject: Submission of the Opinion of the Company on the Tender Offer for Securities (Form 250-2) and the Opinion of the Independent Financial Advisor on the Tender Offer for Securities of Lanna Resources Public Company Limited

Attn: President
The Stock Exchange of Thailand

Encl.: (1) A copy of the Opinion of the Company on the Tender Offer for Securities (Form 250-2)
(2) A copy of the Opinion of the Independent Financial Advisor on the Tender Offer for Securities

Pursuant to Lanna Resources Public Company Limited (the "Company") has received a copy of the Tender Offer for Securities (Form 247-4), including subsequent amendments from Sunrise Equity Company Limited ("Sunrise"), together with Siam City Cement Public Company Limited ("SCCC") (collectively, the "Tender Offerors"), on August 28, 2024 and on September 6, 2024, respectively.

The Company has appointed Jay Capital Advisory Limited as the Independent Financial Advisor to prepare an opinion on the tender offer for securities, and the Company has duly prepared the Opinion of the Company on the Tender Offer for Securities (Form 250-2) in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 40/2552 Re: Statement Form and Period for Preparing Opinion Concerning Tender Offer.

The Company hereby submits a copy of the Opinion of the Company on the Tender Offer for Securities (Form 250-2) and a copy of the Opinion of the Independent Financial Advisor on the Tender Offer for Securities, the details of which are set out in the Enclosure.

Please be informed accordingly.

Yours faithfully,

For and on behalf of Lanna Resources Public Company Limited

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(Mr. Saharat Vatanatumrak)
Company Secretary

Opinion of the Company on the Tender Offer

(Form 250-2)

of



Lanna Resources Public Company Limited

The Offeror

**Sunrise Equity Company Limited and
Siam City Cement Public Company Limited**

Independent Financial Advisor



Jay Capital Advisory Limited

September 13, 2024

This English report has been prepared solely for the convenience of foreign shareholders of Lanna Resources Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

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Opinion of the Company on the Tender Offer

September 13, 2024

To: Shareholders of Lanna Resources Public Company Limited

On August 28, 2024, Lanna Resources Public Company Limited (“LANNA” or the “Business” or the “Company”) received a copy of the Tender Offer Form for the Securities of the Company (“Form 247-4”) and later on September 6, 2024, received an additional disclosure to Form 247-4 from Sunrise Equity Company Limited (“Sunrise Equity”) and Siam City Cement Public Company Limited (“SCCC”) (“collectively, the “Offeror”) with the following details:

Types of Securities	Number of Offered Securities		Percentage of Offered Securities		The Offer Price Per Unit (THB)	The Offered Value (THB million)
	Shares/ Unit	Voting Rights	To the Total Issued Securities ¹	To the Total Voting Rights		
Ordinary Shares	288,825,699	288,825,699	55.01	55.01	16.50	4,765,624,033.50
Preferred Shares	-	-	-	-	-	-
Warrants	-	-	-	-	-	-
Convertible Debentures	-	-	-	-	-	-
Other Securities (if any)	-	-	-	-	-	-
			Total	55.01	Total	4,765,624,033.50

Remark: /1 In the case of shares, regardless of the type or class, the number of issued and paid-up shares = Ordinary shares + Preferred shares - Repurchased shares outstanding on the last day of the month before the Tender Offer Announcement excluding the shares that SCCC agrees not to sell, totaling 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company.

The Tender Offer of the Company’s ordinary shares is in accordance with the rules on acquiring a significant degree of control over a juristic person which an existing shareholding in the business (the “Chain Principle rule”) due to the fact that on August 19, 2024, Sunrise Equity, who is the major shareholder of SCCC, has additionally acquired ordinary shares of SCCC under the share purchase agreement (“SPA”) between Sunrise Equity and Jardine Cycle & Carriage Limited with an objective to increase the investment in SCCC by Sunrise Equity, resulting in Sunrise Equity’s shareholding and being entitled to the voting rights of exceeding 50.00% of the total issued and paid-up ordinary shares and total voting rights of SCCC. In addition, before the Tender Offer, SCCC is a major shareholder of the Company, holding 236,173,980 shares, or equivalent to 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company¹.

In this regard, it is deemed that Sunrise Equity has significantly acquired controlling power in the Company under the Chain Principle rule, resulting in Sunrise Equity being obliged to make a Mandatory Tender Offer for the entire securities of the Company subject to Clause 6 of the Notification of the Capital Market Supervisory Board No. TorChor.12/2554 Re: Rules, Condition and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 (including any amendment thereto) (the “Notification TorChor.12/2554”) for 524,999,679 or equivalent to 100.00% of the total issued and paid-up ordinary shares and total voting rights of the Company.

Remark: /1 SET as of March 18, 2024 which is the latest record date of the Company

However, at the Board of Directors Meeting No.199 of the SCCC on August 23, 2024, SCCC, as a related party under Section 258 of Sunrise Equity and a direct shareholder of the Company, received approval related to the tender offer with the following details:

- (a) SCCC to participate together with Sunrise Equity in the Tender Offer for all the securities of the Company whereby SCCC will acquire all securities of the Company in this Tender Offer. On August 23, 2024, SCCC has sent a letter to Sunrise Equity to express its intention and consent to join together with Sunrise Equity for being a “Joint Offeror” in its acquisition of the entire securities of the Company and that Sunrise Equity has acknowledged and provided a written consent; and
- (b) SCCC to not sell shares in the Company totaling 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company, throughout the Offer period.

Therefore, the Offeror is obligated to make a Mandatory Tender Offer for all the remaining shares of the Company totaling 288,825,699 shares, equivalent to 55.01% of the total issued and paid-up ordinary shares and total voting rights of the Company (excluding the shares in which SCCC commit not to sell shares in total of 236,173,980 shares, representing 44.99% of the total voting rights of the Company). If all shareholders sell the shares in the Tender Offer, SCCC will accept all shares.

The Offer Price

The Offeror is offering to purchase the ordinary shares of the Company at THB 16.50 per share (the “Offer Price”). The Company’s shareholders who accept the Tender Offer (the “Offeree”) are subject to a brokerage fee of 0.25% of the Offer Price plus value added tax (VAT) of 7.00% of the brokerage fee. Therefore, the net share price to be received by the Offeree will be THB 16.45586250 per share (the “Net Offer Price”). The Net Offer Price is final and may not be changed, unless the condition(s) as specified in the Form 247-4 are met.

On August 26, 2024, the Board of Directors’ Meeting of the Company No. 4/2024 resolved to distribute an interim dividend of THB 1.10 per share to ordinary shareholders. The record date for determining shareholders’ entitlement to this dividend is set for September 9, 2024, with the payment scheduled for September 20, 2024. However, the Offeror will not adjust the Offer Price in response to this dividend payment.

For the calculation of the payment to be made for each Offeree, the Tender Offer Agents (Kiatnakin Phatra Securities Public Company Limited and/or Krungsri Securities Public Company Limited, collectively referred to as the “Tender Offer Agents”) will take the Offer Price multiplied by the number of the offered ordinary shares, and round any fractions of the payment to 2 decimal places in Satang. If any fraction in the 3rd decimal places is more than or equivalent to THB 0.005, such fraction will be rounded up. If any fraction is less than THB 0.005, such fraction will be rounded down. Rounding will be used in the calculation of the brokerage fee, value added tax of the brokerage fee, as well as the Net Offer Price.

Pursuant to the Revenue Code of Thailand (unless specifically exempted under the terms of an applicable double tax treaty), in case that the Offeree is a foreign juristic person not operating any business in Thailand and not residing in a country which has a double tax treaty with Thailand, or residing in a country which has a double tax treaty with Thailand but such double tax treaty does not exempt such foreign juristic person from withholding tax on capital gains realized from the sale of securities in Thailand, such Offeree is subject to a deduction of 15.00% withholding tax on the capital gains from the sale of securities, i.e., the difference between the Offer Price and the original cost, which the Offeree has paid for the tendered securities. The Offeree must declare the original cost of such tendered securities to the Tender Offer Agents by submitting the Form for Confirmation of Cost

for the ordinary shares. In the event that any Offeree fails to declare such original cost together with the Form for Confirmation of Cost to the Tender Offer Agents, the Tender Offer Agents will deduct the withholding tax which will be calculated on the basis of the Offer Price multiplied by the total number of securities of the Company intended to sell by the Offeree.

In the case where the Offeree is a Thai juristic person, such Offeree will be responsible for a withholding tax of 3.00% of the brokerage fee and must issue a Withholding Tax Certificate and submit the same to the Tender Offer Agents.

Settlement Date and Settlement Methods

The Offeror will make payment to the Offeree for the tendered shares within 2 business days from the end of the Offer Period, which falls on October 4, 2024; where the relevant acceptance forms submitted by the Offerees must be correct, complete, and valid. Or, in the case of an extension of the end of the Offer Period, the Offerees will receive payment for the tendered shares within 2 business days from the end of the extended Offer Period.

After the Tender Offer Acceptance Form, share certificate, other deed of ownership and all required documents provided by the Offeree are duly examined and verified, and the shares transferred to the Offeror is completed; the Offeror, through the Tender Offer Agents, will then make a payment for the purchase of shares, net of any fee or tax, to the Offeree in accordance with the payment method selected by the Offeree as follows:

(1) *The Offeree accepts to receive payment by bank transfer via Automatic Transfer System (ATS)*

The Offeror will make payment, through the Tender Offer Agents, to the Offeree's account by 4.00 p.m. on October 4, 2024; which is the second business day, following the last day of the Offer Period.

In the event that the bank transfer cannot be completed for any reason, the Offeror reserves the rights to procure the Tender Offer Agents to make a payment for the purchase of shares by cheque. Through the Tender Offer Agents, the Offeror will send the cheque via registered post to the address specified in the Tender Offer Acceptance Form within 15 days after the settlement date.

(2) *The Offeree accepts to receive payment by cheque*

Should the Offeree choose to accept payment by cheque, the Offeror will make payment through the Tender Offer Agents to the Offeree by cheque. A clearing process may take approximately 7 - 15 days if the Offeree deposits such cheque in an account that is in different clearing areas other than Bangkok (depending on each bank's procedures).

The Offer Period

The Offer Period will be a total of 25 business days, from August 29, 2024 to October 2, 2024 (the "Offer Period") during the business hours of the Tender Offer Agents, from 9:00 a.m. to 4:00 p.m. The Offer Period is the final period, unless the condition(s) for the Amendment of the Tender Offer as specified in the Form 247-4 are met.

In addition, if there is any announcement of additional public holidays during the Offer Period, the Offeror will extend the Offer Period as necessary until the Offer Period is comprised of at least 25 business days in compliance with Notification TorChor.12/2554.

Conditions for the Amendment of the Tender Offer

The Offeror sets out the conditions for the Amendment of the Tender Offer as follows;

- The Offeror may reduce the Offer Price or extend the Offer Period in the case of an occurrence of any event or action during the Offer Period, causing material damage to the status or assets of the Company.
- The Offeror may change the offer or extend the Offer Period to compete with another offeror who has submitted a tender offer for shares of the Company during the Offer Period.

Conditions for the Cancellation of the Tender Offer

The Offeror may cancel the Tender Offer upon the occurrence of one or more of the following events:

- Any event or act occurring after the submission of the Tender Offer to the Office of Securities and Exchange Commission (“the SEC”) but within the Offer Period, which causes or may cause material damage to the status or the assets of the Company, where such event or action has not resulted from the act of the Offeror or any act for which the Offeror is responsible for; or
- The Company being tendered performs any action after submitting the Tender Offer to the SEC but is still within the period of acceptance, which significantly reduces the value of the shares; or
- Any business activities that may have an impact on the Tender Offer process in accordance with the announcement of the Securities and Exchange Commission No. TorChor.14/2554 regarding actions or abstentions from actions in announcements that may affect the tender offer of the securities of the Company, dated July 25, 2011 (as amended).

The Offer Period that the Offeree Can Revoke their Intention to Sell

The Offeree is able to revoke its intention to sell shares at the office of the Tender Offer Agents from August 29, 2024 to September 25, 2024 on every business day of the Tender Offer Agents from 9.00 a.m. - 4.00 p.m. (totaling 20 business days). The Offeree must follow the Tender Offer Cancellation Procedures.

In addition, if there is any announcement of additional public holidays during the aforementioned cancellation period, the Offeror will extend the Offer Period so that the securities holders can revoke their intention to sell the shares as necessary until the cancellation period is comprised of at least 20 business days in compliance with Notification TorChor.12/2554.

The Company has considered the Tender Offer by taking into consideration the benefits of the shareholders and would like to express opinion for consideration as follows:

1. The Company’s status relating to the past performance and the anticipated future performance together with the underlying assumptions

1.1 General information

Name	:	Lanna Resources Public Company Limited
Registration Number	:	0107535000397
Type of Business	:	Producer and distributor of coal both in domestic and overseas markets
Number of Issued/ Paid-up Shares	:	524,999,679 ordinary shares with the par value of THB 1.00 per share
Address (Head Office)	:	888/99 Mahathun Plaza Building 9th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone	:	0-2253-8080
Website	:	www.lannar.com

1.2 History and key developments

Lanna Resources Public Company Limited (“LANNA” or the “Business” or the “Company”), formerly Lanna Lignite Public Company Limited, was initially established a registered company on October 4, 1985, and later converted to a public company limited on December 29, 1992. The Company was given permission to register its ordinary shares for first trading in the Securities Exchange of Thailand (the “SET”) on July 12, 1994. The Company has registered and changed its name to Lanna Resources Public Company Limited since May 17, 2001.

Over the past, the Company has continuously developed its business by expanding coal production and distribution both domestically and overseas. For more than 22 years, the Company has invested in joint venture coal mining projects in Indonesia, of which coal is imported for distribution to the domestic customers and exported to other countries especially in the Asia region market. Additionally, the Company has explored new business opportunities by investing in Thai Agro Energy Public Company Limited (“TAE”) which engages in the production and distribution of ethanol for bio-fuel purpose, and investing in Lanna Power Generation Company Limited, which having objectives to study and prepare for investments in renewable energy business both domestically and overseas. Furthermore, the Company has jointly invested and established an associated company in Singapore to undertake business in ocean freight transport and coal trading, which has efficiently managed coal transport services for both imported and distributed coal at reasonable costs. In this regard, the Company remains committed to investing in environmentally friendly projects in order to create new opportunities, generate revenues and ensure long-term stability and sustainability.

1.3 Nature of business

For over 30 years, the Company's operations are divided into 3 businesses including (1) Solid Fuel which operate in the coal production and distribution domestically and overseas; (2) Liquid Bio-Fuel which operate in ethanol production and distribution used for bio-fuel purpose and (3) Renewable Energy which operate in the investment and service in renewable energy business. The details of each business are as follows:

1. Coal Business

The Company is engaged production and distribution of coal for both in domestic and overseas markets. The Company imports coal from the joint venture coal mining projects as well as other sources in Indonesia for distribution in Thailand. This includes either direct delivery or inventory and processing at Ayutthaya Coal Distribution Center before delivery to the customers. Domestic coal consumption is primarily driven by the cement industry, electricity production and other industrial sectors. Additionally, the Company exports coal to various countries, especially in the Asia region market, such as India, Japan, South Korea, Taiwan and Hong Kong etc. Coal products by the Company are of good quality with reputable brand and trusted by both domestic and overseas customers. The Company is one of the highly regarded and reliable coal companies in the Asia region.

2. Ethanol for Bio-Fuel Business

TAE, a subsidiary company, registered in Thailand, specialized in the production and distribution of ethanol (99.5% anhydrous alcohol by volume) for bio-fuel purposes, as well as "Potassium Humate" Soil conditioner, a by-product derived from the wastewater management process of ethanol production by drying to powder. Currently, TAE operates two ethanol production plants in Suphanburi Province consisting of the Production Line No. 1 with a production capacity of 150,000 liters per day and the Production Line No. 2 with a production capacity of 200,000 liters per day, totaling 350,000 liters per day.

3. Renewable Energy Business

Lanna Power Generation Company Limited, a subsidiary company registered in Thailand, having objectives to study and prepare for an investment in renewable energy business both domestically and overseas such as biomass energy business, electricity generation from biomass fuels including investment and development of other energy businesses such as solar energy, wind energy, electric charging station (EV Charging) or related projects, etc., which should bring in more revenues and profit in the future.

1.4 Revenue structure

Revenue structure for the years 2021 - 2023, and for the 6-month period ended 2023 and 2024

Consolidated Financial Statement	January - December						January - June			
	2021		2022		2023		2023		2024	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Revenue from coal sales	13,527.17	85.24	23,164.66	91.47	20,228.89	87.76	11,325.81	87.13	10,364.14	86.94
Revenue from ethanol and soil conditioner sales	2,207.30	13.91	2,029.74	8.02	2,644.78	11.47	1,557.66	11.98	1,397.27	11.72
Total net sales	15,734.47	99.15	25,194.40	99.49	22,873.67	99.23	12,883.47	99.11	11,761.41	98.66
Other incomes ¹	134.25	0.85	130.27	0.51	177.42	0.77	115.43	0.89	134.45	1.13
Sales of raw materials from the fire incident	-	-	-	-	-	-	-	-	24.49	0.21
Total revenues	15,868.72	100.00	25,324.67	100.00	23,051.09	100.00	12,998.90	100.00	11,920.35	100.00

Remark: /1 Other incomes including gain from exchange rate, financial income and others etc.

1.5 Shareholding Structure of the Company as of August 19, 2024



Company name	Shareholding (%)	Registered/ Stated Capital	Type of business/ Products
Local Subsidiaries			
Thai Agro Energy Public Company Limited (“TAE”)	51.00	THB 1,000 million	Ethanol Production and Distribution
Lanna Power Generation Company Limited	100.00	THB 300 million	Investment and service in renewable energy business
Overseas Subsidiaries			
PT. SINGLURUS PRATAMA (Incorporated in Indonesia)	65.00	Rp 10,500 million	Coal Production and Distribution
PT. LANNA HARITA INDONESIA (Incorporated in Indonesia)	55.00	USD 8 million	Coal Production and Distribution
Associated Companies			
UNITED BULK SHIPPING PTE LTD (Incorporated in Singapore)	49.00	SGD 0.1 million	Shipping Business
PT. PESONA KHATULISTIWA NUSANTARA (Incorporated in Indonesia)	10.00	Rp 580,891 million	Coal Production and Distribution

1.6 Shareholders

1.6.1 Shareholders List Prior to the Tender Offer

The top 15 shareholders of SCCC as of March 18, 2024, which is the latest shareholder register closing date, are as follows:

No.	Name of Shareholders of the Company	Number of Shares (Shares)	Shareholding (%)
1	Siam City Cement Public Company Limited	236,173,980	44.99
2	THAI NVDR Company Limited	21,984,819	4.19
3	Mr. Thaveechat Jurangkool	16,000,000	3.05
4	Mr. Tanat Tantisunthorn	15,881,065	3.02
5	Mr. Gongpop Limsong	14,507,660	2.76
6	Mr. Chaisith Viriyamettakul	11,878,800	2.26
7	Miss Greigarn Sirirungsi	11,600,000	2.21
8	Mr. Kraisi Sirirungsi	9,697,781	1.85
9	Mr. Visit Tantisunthorn	6,430,500	1.22
10	UBS AG LONDON BRANCH	6,429,100	1.22
11	Mrs. Mallika Inthusut	5,150,000	0.98
12	Mr. Supachai Suthipongchai	5,000,000	0.95
13	Mr. Kiet Srichomkwan	3,800,000	0.72
14	Mr. Suthat Triyangkulsri	3,323,000	0.63
15	Mr. Banyong Anakatham	2,800,000	0.53
Top 15 shareholders		370,656,705	70.60
Other Shareholders		154,342,974	29.40
Total Shareholders		524,999,679	100.00

Source: Shareholders details on the SET website

1.6.2 Potential Shareholding Structure after the Tender Offer

In the case that all shareholders (excluding the shares in which SCCC commit not to sell in the Tender Offer totaling 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company) express their intention to sell all of their shares, the Offeror will hold 100.00% of the total number of issued ordinary shares and all voting rights of the Company.

No.	Name of Shareholders of the Company	Number of Shares (Shares)	Shareholding (%)
1	Siam City Cement Public Company Limited	524,999,679	100.00
Total Shareholders		524,999,679	100.00

1.7 Board of Directors

1.7.1 List of Board of Directors before the Tender Offer as of August 19, 2024

No.	Name of Directors	Position
1	Mr. Vanchai Tosomboon ^{/1}	Chairman of the Board
2	Mr. Kraisi Sirirungsi	Vice Chairman
3	Mr. Srihasak Arirachakaran	Chief Executive Officer / Director
4	Mr. Visit Tantisunthorn	Director
5	Mr. Anun Louharanoo	Director
6	Mr. Siva Mahasandana ^{/1/2}	Director
7	Mr. Ranjan Sachdeva ^{/1/2}	Director
8	Mr. Kerry James Chia Beng Lee ^{/1}	Director
9	Mr. Adul Tantharatana	Independent Director / Chairman of the Audit Committee
10	Mrs. Duangkamol Suchato	Independent Director / Audit Committee
11	Mr. Tanon Tantisunthorn	Independent Director
12	Mr. Ralph Robert Tye	Independent Director / Audit Committee

Source: Board of Directors details from SET

Remark: /1 Representative directors from SCCC

/2 Director holding the director position of the Offeror and persons specified in Section 258 of the Securities and Exchange Act.

1.7.2 Expected Board of Directors after the Tender Offer

After the Tender Offer, especially in the event that SCCC becomes a controlling person of the Company, the Offeror may decide to change or appoint additional directors or adjust the proportion of the Company's board structure as deemed appropriate, whereby the amount of directors currently and after the Tender Offer, the Business will still maintain the amount of independent directors and audit committee at the required minimum amount as stipulated by the law. Any change or appointment of additional directors or change in the composition of the Board of Directors shall be selected from experience, expertise to support the business of the Company and the Offeror will comply with the relevant laws and regulations, including Business' policies, and approval process from the Board of Directors and/or the shareholders meetings.

1.8 Financial position and operating performance

The summary of the Company's financial statement for the year ended December 31, 2021 - 2023, and for the 6-month period ended June 30, 2024, audited/ reviewed by EY Office Limited, are as follows:

Lanna Resources PCL Consolidated statement of financial position (Unit: THB million)	As of December 31			As of June 30, 2024
	2021 (Restated) ^{/1}	2022 (Restated) ^{/1}	2023	
Cash and cash equivalents	2,163.72	3,028.67	1,701.75	2,528.89
Restricted bank deposits	-	-	1,015.20	1,052.97
Other current financial assets	551.10	1,443.58	1,595.89	1,896.66
Trade and other receivables	1,666.08	1,879.51	2,123.60	2,452.16
Inventories	525.52	583.22	570.02	467.36
Other current assets	1,263.44	1,729.75	1,626.32	1,350.39
Restricted bank deposits	343.23	434.88	393.42	390.56
Investments in associated companies	173.04	383.38	496.50	517.77
Long-term loan to related party	105.81	90.19	32.80	9.23
Investment properties	57.53	50.15	46.67	45.40
Biological asset	11.58	15.17	18.97	21.19
Property, plant and equipment	4,027.18	3,997.39	3,967.19	3,944.73
Intangible assets	106.57	75.26	39.14	18.06
Other non-current assets	1,027.17	1,242.65	1,204.54	1,160.24
Total assets	12,021.97	14,953.80	14,832.01	15,855.61
Short-term loans from financial institutions	763.61	1,303.95	1,247.36	927.91
Trade and other payables	529.71	743.89	577.60	818.53
Other current liabilities	1,598.56	1,664.81	924.95	1,211.58
Long-term loans from financial institutions	910.70	705.35	501.35	404.36
Lease liabilities	92.96	74.45	65.05	57.03
Provision for long-term employee benefits	203.69	203.76	201.45	213.34
Provision for mine reclamation and decommissioning costs	124.99	130.67	148.76	151.48
Deferred tax liabilities	226.33	445.16	495.56	482.98
Total liabilities	4,450.55	5,272.04	4,162.08	4,267.21
Share capital	525.00	525.00	525.00	525.00
Share premium	680.40	680.40	680.40	680.40
Retained earnings				
- Appropriated - statutory reserve	52.50	52.50	52.50	52.50
- Appropriated - general reserve	1,310.60	1,310.60	1,310.60	1,310.60
- Unappropriated	2,995.60	4,673.40	5,377.37	5,813.31
Other components of shareholders' equity	115.15	188.78	160.64	389.58
Non-controlling interests of the subsidiaries	1,892.17	2,251.08	2,563.42	2,817.01
Total shareholders' equity	7,571.42	9,681.76	10,669.93	11,588.40
Total liabilities and shareholders' equity	12,021.97	14,953.80	14,832.01	15,855.61

Remark: /1 The restated financial information for the year ended 2021 - 2022 refers to the comparative figures presented in the Company's financial statements for the year ended 2023, as stated in Form 56-1 One Report.

Lanna Resources PCL Consolidated income statement (Unit: THB million)	January - December			January - June	
	2021 (Restated) ^{/1}	2022 (Restated) ^{/1}	2023	2023	2024
Revenue from sales	15,734.47	25,194.40	22,873.67	12,883.47	11,761.41
Other income ^{/2}	119.96	100.82	104.58	85.71	74.17
Sales of raw materials from the fire incident	-	-	-	-	24.49
Total revenue	15,854.43	25,295.22	22,978.25	12,969.18	11,860.07
Cost of sales	(7,791.62)	(10,607.58)	(11,690.40)	(5,998.10)	(6,164.65)
Selling and Administrative expenses	(3,831.04)	(7,013.82)	(6,048.37)	(3,387.40)	(2,943.43)
Loss from the fire incident	-	-	-	-	(73.99)
Loss on exchange	-	(51.87)	-	-	(51.72)
Total expenses	(11,622.66)	(17,673.27)	(17,738.77)	(9,385.50)	(9,233.79)
Operating profit	4,231.77	7,621.95	5,239.48	3,583.68	2,626.28
Share of profit from investment in associates	101.57	219.04	123.79	90.99	32.58
Finance income	14.29	29.45	72.84	29.72	60.28
Finance cost	(53.32)	(55.99)	(85.57)	(43.76)	(45.93)
Profit before income tax expense	4,294.31	7,814.45	5,350.54	3,660.63	2,673.21
Income tax	(1,577.38)	(2,911.48)	(1,977.15)	(1,336.86)	(950.55)
Profit for the year/ period	2,716.93	4,902.97	3,373.39	2,323.77	1,722.66

Remark: /1 The restated financial information for the year ended 2021 - 2022 refers to the comparative figures presented in the Company's financial statements for the year ended 2023, as stated in Form 56-1 One Report.

/2 Other incomes including gain from exchange rate, financial income and others etc.

Lanna Resources PCL Consolidated cash flows statement (Unit: THB million)	January - December			January - June 2024
	2021 (Restated) ^{/1}	2022 (Restated) ^{/1}	2023	
Net cash flows from operating activities	3,623.81	5,529.87	3,752.84	2,965.20
Net cash flows used in investing activities	(940.62)	(2,095.36)	(2,382.61)	(626.58)
Net cash flows used in financing activities	(1,365.01)	(2,566.52)	(2,663.73)	(1,500.15)
Increase (Decrease) in translation adjustments	12.84	(3.04)	(33.42)	(11.33)
Net increase (decrease) in cash and cash equivalents	1,331.02	864.95	(1,326.92)	827.14
Cash and cash equivalents at the beginning of the year/ period	832.70	2,163.72	3,028.67	1,701.75
Cash and cash equivalents at the end of the year/ period	2,163.72	3,028.67	1,701.75	2,528.89

Remark: /1 The restated financial information for the year ended 2021 - 2022 refers to the comparative figures presented in the Company's financial statements for the year ended 2023, as stated in Form 56-1 One Report.

Analysis of financial position and consolidated performance of the Company

Financial Performance

Revenue from sales

For the year 2021 - 2023 and for the 6-month period ended 2023 and 2024, the Company had revenue from sales of THB 15,734.47 million, THB 25,194.40 million, THB 22,873.67 million, THB 12,833.47 million, and THB 11,761.41 million, respectively. This represents an increase (decrease) from the same periods in the previous year by THB 9,459.93 million, THB (2,320.73) million, and THB (1,122.06) million, respectively, or equivalent to growth (decline) rate of 60.12%, (9.21%), and (8.71%), respectively. For the year 2022, revenue from the core coal business increased due to the increase in coal sales volume and the average coal selling price of 15.56% and 48.20%, respectively, compared to the previous year. For the year 2023, however, revenue from coal business decreased due to a decline in the average coal selling price. Conversely, revenue from the ethanol business and the soil conditioner byproduct increased, driven by both ethanol sale volume and average ethanol selling price with 20.83% and 7.54% growth, respectively. For the 6-month period ended 2024, revenue from sales was affected by a decrease in both average coals selling price and ethanol sale volume compared to the same period in the previous year.

Cost of sales and expenses

For the years 2021 - 2023 and for the 6-month period ended 2023 and 2024, the Company had total cost of sales of THB 7,791.62 million, THB 10,607.58 million, THB 11,690.40 million, THB 5,998.10 million and THB 6,164.65 million, respectively. This represents an increase (decrease) from the previous years of THB 2,815.96 million, THB 1,082.82 million, and THB 166.55 million, corresponding to growth (decline) rate of 36.41%, 10.21%, and 2.78%, respectively. For the year 2022, the cost of coal sales per metric ton increased by 32.95% driven by rising global coal prices in line with the increasing in demand for coal, similarly, the average cost of ethanol sales per liter increased by 4.22% in line with ethanol sales growth. For the year 2023, revenue from coal sales decreased by 12.67% while cost of coal sales slightly declined by 2.93%. This resulted in the total cost of sales being higher than the previous year. For the 6-month period ended 2024, cost of sales increased due to a 3.52% rise in the average cost of ethanol sales, despite a 14.20% decrease in ethanol sales volume. The ratio of cost of sales to sales revenue was 49.52%, 42.10%, 51.11%, 46.56%, and 52.41%, respectively.

For the years 2021 - 2023 and for the 6-month period ended 2023 and 2024, the Company had selling and administrative expenses of THB 3,831.04 million, THB 7,013.82 million, THB 6,048.37 million, THB 3,387.40 million, and THB 2,943.43 million, respectively. The growth (decrease) from the previous year was THB 3,182.78 million, THB (965.45) million, and THB (443.97) million, corresponding to growth (decline) rates of 83.08%, (13.76%), and (13.11%), respectively.

Net Profit

For the years 2021 - 2023 and for the 6-month period ended 2023 and 2024, the Company had net profit of THB 2,716.93 million, THB 4,902.97 million, THB 3,373.39 million, THB 2,323.77 million, and THB 1,722.66 million, respectively. This represents an increase (decrease) from the previous years of THB 2,186.04 million, THB (1,529.58) million, and THB (601.11) million, corresponding to growth (decline) rate of 80.46%, (31.20%), and (25.87%), respectively. The changes in net profit each year/period were primarily influenced by the increase and decrease in revenue, both from coal and ethanol. For the year 2022, net profit increased from coal business and share of income from associated company named PT. PESONA KHATULISTIWA NUSANTARA ("PKN"), which the Company acquired shares at 10.00% of the total number of paid-up shares on August 31, 2021. For the year 2023, the net profit of the Company decreased due to the decline in average coal selling price, despite increases in both ethanol sale volume and average ethanol selling price. Additionally, for the 6-month period ended 2024, the Company's performance was adversely affected by a lower sales volume and

losses resulting from a fire broke out in the cassava chips storage, which is a raw material for ethanol production.

Financial Position

Asset

As of December 31, 2021 - 2023 and June 30, 2024, the Company had total assets of THB 12,021.97 million, THB 14,953.80 million, THB 14,832.01 million, and THB 15,855.61 million, respectively. The growth (decline) from the previous year was 24.39%, (0.81%), and 6.90%, respectively.

Liabilities

As of December 31, 2021 - 2023 and June 30, 2024, the Company had total liabilities of THB 4,450.55 million, THB 5,272.04 million, THB 4,162.08 million, and THB 4,267.21 million, respectively. This reflects a growth (decline) from the previous years of 18.46%, (21.05%), and 2.53%, respectively. As of December 31, 2022, the primary increase in liabilities was attributed to trade and other payables, accrued removal and freight expenses, and deferred tax liabilities. As of December 31, 2023, the main reductions due to the repayment of short-term and long-term loans from financial institutions as well as decreased in trade and other payables and accrued expenses. As of June 30, 2024, the Company's liabilities increased from trade and other payables.

Equity

As of December 31, 2021 - 2023 and June 30, 2024, the Company had total shareholders' equity of THB 7,571.42 million, THB 9,681.76 million, THB 10,669.93 million, and THB 11,588.40 million, respectively. This reflects a growth (decline) from the previous years of 27.87%, 10.21%, and 8.61%, respectively. The changes were due to the net profits from operations during 2021 - 2023 and the 6-month of 2024 amounting to THB 4,902.97 million, THB 3,373.39 million, and THB 1,722.66 million, respectively.

1.9 Projection of the Company's future performance

The Offeror has no plan to substantially change the Company's core business objectives within a period of 12 months after the completion of the Tender Offer whereby the Company will still focus on its core businesses as usual.

However, if necessary or appropriate, the Offeror may collaborate with the Company in changing the Company's business plan. Or in cases of significant changes in the Company's financial condition or business environment, or other necessary or appropriate changes, the Offeror may review and adjust the Company's business policies, organizational structure, personnel, financial structure, and future dividend payments to align with the Company's operating performances and financial status and to avoid any adverse effects on the Company's operations, or to enhance future efficiency and competitiveness, all for the best interests of the Company.

In the event that the Offeror seeks any significant changes to the Company that differ from those specified in the Tender Offer, the Offeror must seek approval from the meeting of the Board of Directors and/or the meeting of the shareholders of the Company as well as other necessary permissions according to laws, policies, and regulations that are applicable at that time.

2. Opinion on the accuracy of the Company's information in the Tender Offer Form

The Company's Board of Directors views that the information relevant to the Company as presented in the Tender Offer Form for the Securities of the Company (Form 247-4) dated August 28, 2024 and an additional disclosure to Form 247-4 dated September 6, 2024 are accurate in a material substance.

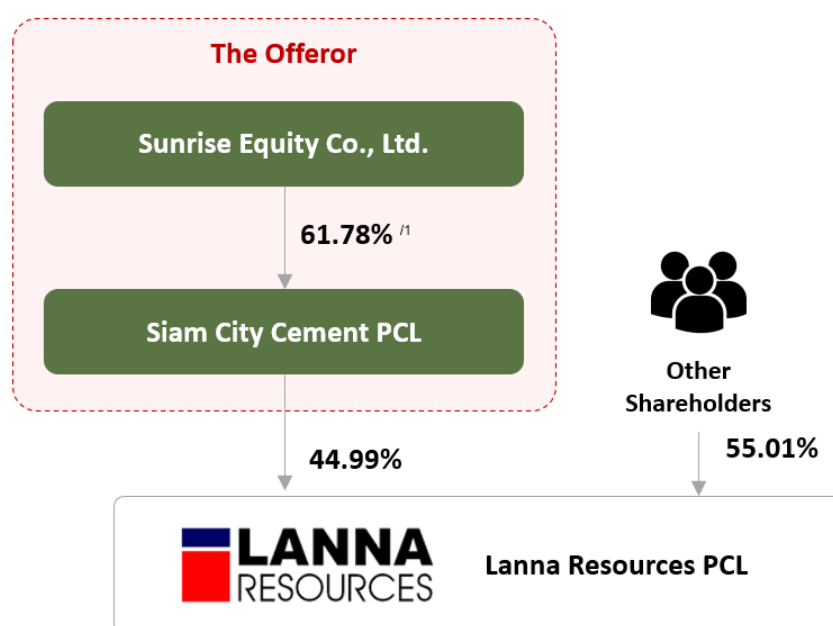
3. Any relationship or agreement between the Company's directors and the Offeror whether personally or as the director of the Company or the representative of the Offeror; which shall include the holding of shares in the Offeror's company by the Company's directors and the presence of any contracts or understandings or agreements between each other in any aspects (such as management etc.)

3.1 Summary of a contract/agreement/memorandum of understanding made by the Offeror prior to submission of the Tender Offer for the purpose of purchase and sale of the Company's securities in material respects, regardless of the connection between such contract/ agreement/ memorandum of understanding to the Tender Offer

- None -

3.2 Shareholding, either directly or indirectly, by the Offeror in the Company

3.2.1 Shareholding in the Company



Remark: /1 Sunrise Equity and its related parties under Section 258 hold a total number of 214,196,787 shares, representing 71.88% of the total issued and paid-up ordinary shares and total voting rights of SCCC.

• **Sunrise Equity**

As of the date of the Tender Offer, Sunrise Equity does not directly hold shares in the Company, however, Sunrise Equity indirectly holds shares in the Company through SCCC. Sunrise Equity directly holds shares of 184,104,749 shares of SCCC or equivalent to 61.78% of the total issued and paid-up ordinary shares and total voting rights of SCCC, and when combining with SCCC's shares held by related parties under Section 258 of Sunrise Equity, the combined shareholding is equivalent to 214,196,787 shares, representing 71.88% of the total issued and paid-up ordinary shares and total voting rights of SCCC. Subsequently, SCCC, who is the major shareholder of the Company, holds 236,173,980 shares, equivalent to 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company.

- **SCCC**
As of the date of the Tender Offer, SCCC directly holds 236,173,980 shares, equivalent to 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company.

3.2.2 Shareholding in the Major Shareholder of the Company

- **Sunrise Equity**
As of the date of the Tender Offer, Sunrise Equity directly holds shares in SCCC, who is the major shareholder of the Company, amounting to 184,104,749 shares or equivalent to 61.78% of the total issued and paid-up ordinary shares and total voting rights of SCCC.
- **SCCC**
- None -

3.3 Shareholding, either directly or indirectly, by the Company, major shareholders, or directors of the Company in the Offeror

3.3.1 Shareholding by the Company in the Offeror

- **Sunrise Equity**
- None -
- **SCCC**
- None -

3.3.2 Shareholding by the major shareholder of the Company in the Offeror

- **Sunrise Equity**
- None -
- **SCCC**
As of the date of the Tender Offer, Sunrise Equity, an indirect major shareholder of the Company, directly holds shares in SCCC, amounting to 184,104,749 shares or equivalent to 61.78% of the total issued and paid-up ordinary shares and total voting rights of SCCC.

3.3.3 Shareholding by the Director of the Company in the Offeror

- **Sunrise Equity**
- None -
- **SCCC**
As of the date of the Tender Offer, shareholding by the directors of the Company in SCCC are as follows:

No.	Name of Directors	Number of Shares (Shares)	Shareholding (%)
1	Mr. Vanchai Tosomboon	98,456	0.0330
2	Mr. Siva Mahasandana	216,926	0.0728
3	Mr. Ranjan Sachdeva	3,814	0.0013
4	Mr. Kerry James Chia Beng Lee	12,680	0.0043

3.4 Related Party Transactions between the Offeror and the Company and its major shareholders or directors

The Company has related party transactions with SCCC, the Offeror, for the year ended December 31, 2021 - 2023 and for the 6-month period ended June 30, 2024 as detailed below;

Offeror	Company name	Type of related party transaction	(Unit: THB million)			
			For the year ended December 31,			For the 6-month period ended June 30,
			2021	2022	2023	2024
SCCC	LANNA	Sales of coal	860.86	1,322.78	1,434.32	559.15

Source: Form 56-1 One Report for the year 2023 of the Company and information from the Company

3.5 Other Forms of Relationships

- **Sunrise Equity**
- None -

- **SCCC**

As of August 19, 2024, the SCCC directors, who are also directors of the Company, are as follows:

No.	Name	Position in SCCC	Position in the Company
1	Mr. Ranjan Sachdeva	Group Chief Executive Officer/ Director	Director
2	Mr. Siva Mahasandana	Director	Director

3.6 Sources of Funds for the Tender Offer

As of August 23, 2024, the date on which the Company received the Announcement of Intention to Make a Tender Offer (Form 247-3), SCCC has secured a credit facility from Bank of Ayudhya Public Company Limited, not exceeding THB 6,500,000,000, as a source of funds for the Tender Offer (a portion of this credit facility, totaling THB 580,556,004.00, will be allocated to the payment for securities in the tender offer for all securities of TAE by SCCC). This credit facility covers the remaining required fund of THB 4,765,624,033.50, which is sufficient for the Tender Offer of 288,825,699 shares, or 55.01% of the total issued and paid-up ordinary shares and total voting rights of the Company, excluding the shares in which the Offeror obtained before the Tender Offer and commit not to sell in the Tender Offer, at a price of THB 16.50 per share, totaling THB 4,765,624,033.50. In this regard, SCCC has obtained a copy of Certification Letter of credit facility issued by the Bank of Ayudhya Public Company Limited to carry out this Tender Offer.

Considering the source of funds from the above credit facility as well as the financial certification letter used by SCCC for this Tender Offer and the undertaking letter not to sell shares held in the Company by SCCC, the Board of Directors of the Company views that the Offeror has a sufficient source of funds to carry out this Tender Offer.

3.7 Plan to Sell Shares of the Company

As of the date of the Tender Offer, the Offeror has no plan to either sell or transfer a significant amount of the Company's shares within 12 months from the end of the Offer Period, except in any of the following events:

1. The Offeror is obliged to comply with relevant regulations to maintain the qualification of free float of not less than 150 shareholders and such shareholders shall hold shares in aggregate not less than 15% of the paid-up capital of the Company according to the criterion of maintaining the listing status and/or the Offeror is obligated to comply with any effective laws and regulations during such period; or
2. The Offeror may restructure their shareholding, organization structure or capital structure, sell or transfer the securities of the Business to its major shareholder or person under Section 258 of the Offeror being (a) Bangkok Broadcasting & T.V. Company Limited (b) CKS Holding Company Limited or (c) Super Assets Company Limited in accordance with the suitability of the business operations in order to improve efficiency and competitiveness, including the benefits of conducting business as a member of the Offeror's group.

3.8 Other Necessary Information

On August 19, 2024, Sunrise Equity, who is the major shareholder of SCCC, has additionally acquired ordinary shares of SCCC under the Share Purchase Agreement (SPA) between Sunrise Equity and Jardine Cycle & Carriage Limited with an objective to increase the investment in SCCC by Sunrise Equity, resulting in Sunrise Equity's shareholding and being entitled to the voting rights of exceeding 50.00% of the total issued and paid-up ordinary shares and total voting rights of SCCC. Therefore, Sunrise Equity is obliged to make a Mandatory Tender Offer for the entire securities of SCCC pursuant to the Notification of the Capital Market Supervisory Board No. TorChor.12/2554.

As of August 19, 2024, the relationship between the Offeror and the Company can be summarized below:

- (1) SCCC is the major shareholder of the Company, holding 236,173,980 shares, or 44.99% of the total issued and paid-up ordinary shares and total voting rights of LANNA¹; and
- (2) The Company is the major shareholder of TAE, holding 510,000,000 shares, equivalent to 51.00% of the total issued and paid-up ordinary shares and total voting rights of TAE². In addition, SCCC also directly holds 47,234,796 shares in TAE or equivalent to 4.72% of the total issued and paid-up ordinary shares and total voting rights of TAE.

As a result, it is deemed that Sunrise Equity has significantly acquired controlling interests in the Company and TAE through SCCC under the Chain Principle rule, resulting in Sunrise Equity being obliged to make a Tender Offer for the entire securities of the Company and TAE; subject to Clause 6 of the Notification TorChor.12/2554.

In this regard, the Board of Directors of SCCC No.199 held on August 23, 2024, has approved the arrangement of SCCC to be a joint offeror with Sunrise Equity, to jointly launch the Tender Offer to purchase all securities in LANNA and TAE. On such same date, Sunrise Equity and SCCC have together filed the announcement on its joint intention to make a Tender Offer (For 247-3) for the entire securities of LANNA and TAE with the SEC accordingly and will jointly make a Tender Offer for the entire securities of LANNA and TAE at the price of THB 16.50 per share and THB 0.84 per share, respectively.

Remark: /1 SET as of March 18, 2024 which is the latest record date of the Company
/2 SET as of March 6, 2024 which is the latest record date of TAE

Because Sunrise Equity holds more than 30.00% of the total voting rights in SCCC, SCCC is considered as related parties under Section 258 of Sunrise Equity. Therefore, for the Tender Offer of LANNA and TAE, SCCC will purchase the securities with the details as follows:

- (1) the entire securities in the Company from the shareholders who tendered their shares; and
- (2) the partial securities in TAE from the shareholders who tendered their shares for not more than 691,138,100 shares, or equivalent to 69.11% of the total issued and paid-up ordinary shares and total voting rights of TAE, and Sunrise Equity will purchase the remaining securities in TAE from the shareholders who tendered their shares for 261,627,104 shares, equivalent to 26.16% of the total issued and paid-up ordinary shares and total voting rights of TAE.

The source of funds to enter into this Tender Offer transaction comes from the credit facilities of SCCC from the financial institutions. The rationale of SCCC for being the Joint Offeror is to combine the resources of SCCC, LANNA and TAE to increase the operational efficiency, reduce cost, and ultimately increase the overall value of all companies. The investment in LANNA and TAE for growth opportunities both domestic and international markets align with SCCC's strategic direction and goals of the expansion. Further details are in accordance with the information memorandum on the acquisition of assets of SCCC regarding the acquisition of ordinary shares in LANNA and TAE which SCCC disclosed on the SET website on August 23, 2024, and additional information on the Joint Offeror in LANNA and TAE on September 5, 2024.

If the majority of the shareholders of LANNA accept such Tender Offer for the entire securities made by Sunrise Equity and SCCC, SCCC may become a controlling person of LANNA from an increase shareholding in LANNA. Nevertheless, during the period of 12 months from the end of the Offer Period, Sunrise Equity and SCCC have no plans or policies to make material changes to the policies and plans of business operations of LANNA including (1) core business objectives, (2) investment (unless it conforms to the normal investment plans), (3) acquiring and/or disposing of key assets (unless it conforms to the normal investment plans), (4) financial structure, (5) dividend policy, (6) current policy on related party transactions, and plan to enter into any material related party transaction with LANNA other than the related party transactions for normal business or supporting normal business operations as disclosed in the Company's Annual Registration Statement ("**Form 56-1 One Report**") for the year 2023, nor any intention to delist LANNA's shares from the SET.

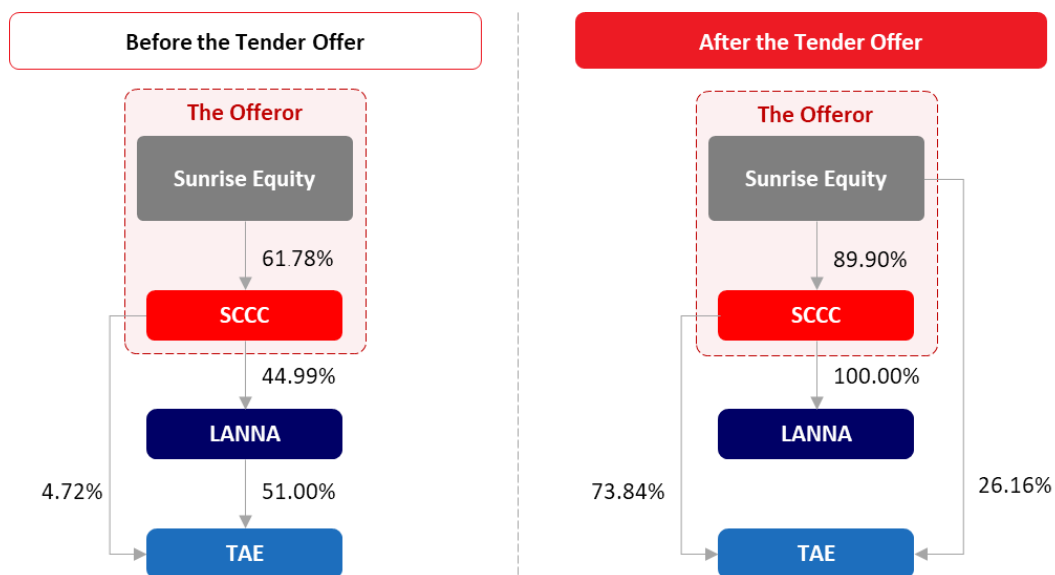
However, in the event of LANNA becoming a subsidiary of SCCC, LANNA will have to adopt governance, operational and financial policies of SCCC. Sunrise Equity and SCCC may propose changes to the Board of Directors and the management structure of LANNA as deemed appropriate where such changes (if any) would be in compliance with the relevant rules and regulations.

If the majority of the shareholders of TAE accept such Tender Offer for the entire securities made by Sunrise Equity and SCCC, Sunrise Equity may become a major shareholder or a controlling person of TAE instead of LANNA (in case that Sunrise Equity acquires the entire securities of TAE) or SCCC may become a major shareholder or a controlling person of TAE instead of LANNA (in case that SCCC acquires the entire securities of TAE). Nevertheless, during the period of 12 months from the end of the Offer Period, Sunrise Equity and SCCC have no plans or policies to make material changes to the policies and plans of business operations of TAE including (1) core business objectives, (2) investment (unless it conforms to the normal investment plans), (3) acquiring and/or disposing of key assets (unless it conforms to the normal investment plans), (4) financial structure, (5) dividend policy, (6) current policy on related party transactions, and plan to enter into any material related party transaction with TAE other than the related party transactions for normal business or supporting normal business operations nor any intention to delist TAE's shares from the SET.

However, in the event of TAE becoming a subsidiary of SCCC, TAE will have to adopt governance, operational and financial policies of SCCC. Sunrise Equity and SCCC may propose changes to the Board

of Directors and the management structure of TAE as appropriate where such changes (if any) would be in compliance with the relevant rules and regulations.

The Shareholding Structure of the Offeror and the Company before and after the Tender Offer of LANNA and TAE in case all shares accept the Tender Offer



4. Opinion of the Board of Directors of the Company to the shareholders

The Company’s Board of Directors Meeting No. 5/2024 held on September 9, 2024 had considered the Tender Offer Document (Form 247-4) and the opinion report of Jay Capital Advisory Limited (the “IFA”), who is the independent financial advisor of the Company’s shareholders on the Tender Offer.

For transparency and independence in providing the Company’s opinion regarding the Tender Offer, the 4 directors of the Company, who may have conflict of interest, namely Mr. Vanchai Tosomboon , Mr. Ranjan Sachdeva, Mr. Siva Mahasandana and Mr. Kerry James Chia Beng Lee, did not attend and had abstained from voting on such agenda. As a result, the remaining 8 directors without potential conflict of interests who had considered and voted on the agenda relating to the Tender Offer (Form 247-4) are as follows:

No.	Name	Position
1	Mr. Kraisi Sirirungsi	Vice Chairman
2	Mr. Srihasak Arirachakaran	Chief Executive Officer / Director
3	Mr. Visit Tantisunthorn	Director
4	Mr. Anun Louharanoo	Director
5	Mr. Adul Tantharatana	Independent Director / Chairman of the Audit Committee
6	Mrs. Duangkamol Suchato	Independent Director / Audit Committee
7	Mr. Tanon Tantisunthorn	Independent Director
8	Mr. Ralph Robert Tye	Independent Director / Audit Committee

4.1 Reasons to accept and /or reject the Tender Offer

The Company's Board of Directors (excluding the directors with potential conflict of interest) has considered the Tender Offer Document (Form 247-4) as well as the opinion report as prepared by the IFA regarding the Tender Offer. The Company's Board of Directors' view is in accordance with the IFA's opinion that the information in the Tender Offer Document (Form 247-4) is correct in material aspect and unanimously agrees that the shareholders should **reject** the Tender Offer due to the following reasons:

- The Offer Price of the Company's ordinary shares at THB 16.50 per share is deemed **inappropriate**. The fair value of the Company's ordinary shares, as assessed by the IFA, is in the range of THB 20.40- 24.99 per share, which is higher than the offer price of THB 16.50 per share by 23.66% - 51.47%. Therefore, the offer price of THB 16.50 per share is considered inappropriate when compared to the fair value assessment by the IFA (Details of the valuation are provided in the Opinion of the IFA attached to this document).
- As presented in the Tender Offer Document (Form 247-4) by the Offeror, the Company's business objectives, investment and capacity expansion plan, plan on acquisition or disposal of the Company's assets, plan on changing the financial structure, dividend policy and related party transactions; will not be materially changed during 12-month period after the completion of the Tender Offer. Therefore, the Company and its shareholders will not be affected by any significant changes after the Tender Offer.
- However, the Offeror may propose for a change in directors and management structure of the Company as appropriate, either additional appointment or change of directors and/or executives and/or personnel with knowledge and ability to increase efficiency in management for the best interest of the Company. Such a process may occur within the period of 12 months following the end of the Offer Period.

The opinion of the Board of Directors presented above is intended to support the consideration of the shareholders in deciding whether to accept or reject the Tender Offer. Shareholders are encouraged to consider relevant information including, but not limited to, the IFA report, as well as other information such as investment objective, investment period, tolerance level of risks, volatility of future performance, as well as the potential market price and trading liquidity of the Company's shares in the future, and the benefits to be realized by the Company after the change of shareholding structure. The final decision solely depends on the discretion of each individual shareholder. Moreover, shareholders should also take the market price into consideration as follows:

- If the market price is lower than the Offer Price, shareholders have the option to sell their shares by accepting this Tender Offer, which allows the shareholders to sell the total amount of shares without any limitation from the liquidity of the Company's shares.
- If the market price is greater than the Offer Price, shareholders have the option to sell their shares on the SET and decline this Tender Offer.

Nevertheless, if the shareholders believe in the future business potential of the Company under the control of the Offeror or would like to hold shares of the Company as a long-term investment, rejecting the Tender Offer is also an alternative for the shareholders as well.

4.2 Opinions and reasons of the individual directors and the number of shares held by them (only in the case where the opinion in 4.1 is not unanimous)

- None -

4.3 Benefits or impacts from the plans and policies of the Offeror specified in the Tender Offer, including the possibility of such plans and policies

The Company's Board of Directors, excluding the directors with potential conflict of interests, has reviewed the plans and policies of the Offeror as provided in the Tender Offer Document (Form 247-4) and has the opinion as follows:

4.3.1 Company Status

Within the period of 12 months after the completion of the Tender Offer, the Offeror has no intention to delist the Company's shares from the SET, except in the case that the Offeror is required to comply with applicable laws, rules and regulations.

Opinion of the Board of Directors

After the completion of the Tender Offer, the Company will remain as a listed company on the SET. Consequently, neither the Company nor the shareholders will be materially affected by any change in the status of a listed company or from the delisting of the Company's shares during such period. Moreover, shareholders of the Company who do not wish to sell shares under this Tender Offer will not be affected in terms of the secondary market for the trading of the Company's shares.

Nevertheless, after the completion of the Tender Offer, in case the Offeror is able to acquire a large number of shares from the Tender Offer to the point where the shareholdings of the minority shareholders declined significantly, the shareholders of the Company may be impacted by the declining trading liquidity of the Company's shares. Additionally, the listing status of the Company may be impacted due to the free float requirement of the SET. Such requirement states that the share distribution among the minority shareholders (Free Float) must remain at least 150 shareholders, holding no fewer than 15.00% of the Company's paid-up shares. Otherwise, the Company will be posted a CF symbol (Caution - Free Float) and the Company will have to hold a public presentation within 15 days from the date the SET places the CF symbol and on a quarterly basis to report its shareholders on the measures that the Company will undertake in order to resolve the CF symbol. If the CF symbol cannot be resolved after 1 year, the SET will change the symbol to SP (Suspension) according to the SET's rules on temporary trade suspension until the free float requirement are met. If the Company continues to hold SP symbol for 1 year, the listing status of such company may be revoked (reference to SET Circular Letter Bor.Jor. (Wor) 2/2024 RE: Revision of the Regulations of the Stock Exchange of Thailand to step up the supervision of listed companies and information disclosure, which came into effect on March 25, 2024, and Regulation of the Stock Exchange of Thailand Re: Measure in case of Events that may affect the Listed Companies' Financial Condition and Business Operation (as amended)).

However, if such a case occurs, the Board of Directors of the Company believes that the Offeror will consider selling some of the Company's shares after the Tender Offer or consider alternative approaches in order for the Company to comply with the distribution of shares of the minority shareholders according to the criteria for maintaining the status of a listed company.

In any case, following the end of 12 months period after the completion of the Tender Offer, the Company and its shareholders who continue to hold shares of the Company may encounter the risk that the Offeror may consider delisting the Company's securities from the SET. However, if the Offeror wishes to delist the shares of the Company from the SET, the Offeror must seek an approval from the shareholders' meeting with a vote of not less than three-fourths of the total number of paid-up shares and total voting rights in the Company; with the shareholders objecting the delisting of securities amounting not more than 10.00% of the total number of paid-up shares and total voting rights in the Company. In this matter, the combined shares of the minority shareholders will have the rights to veto on the securities delisting.

4.3.2 Business Objective

Within the period of 12 months following the end of the Offer Period, the Offeror has no plans or policies to make material changes to the core business objectives of the Company and intends to continue operating the Company as usual. However, in the best interest of the Company, if essential or appropriate, the Offeror, together with the Company, may consider changing the business plans. In the event of any material changes in the Company's financial condition or business circumstances, or if other necessary changes are required or appropriate, the Offeror may reconsider and revise the business policies to ensure that they are appropriate for the operations and financial conditions of the Company to avoid any material impact on the operations of the Company or to enhance its efficiency and strengthen its competitiveness in the future, especially in the event that SCCC becomes a controlling person of the Company.

Opinion of the Board of Directors

The Board of Directors of the Company (excluding the directors with potential conflict of interests) views that the Company and its shareholders will not be materially impacted by the Offeror's policies regarding the Company's business operations because the Offeror does not have any plans or policies to change the business objectives during the period of 12 months after the completion of the Tender Offer. The Company will continue to focus on its original core businesses as usual. In the event of LANNA becoming a subsidiary of SCCC, the Offeror may engage in the governance of the Company as necessary and appropriate to enhance management, business plan development, and the Company's growth. However, if there are material changes in the business objectives or policy from those disclosed in the Tender Offer, the Company and the Offeror will comply with the relevant laws, criteria, and regulations of the SEC and the SET applicable at the time, such as requesting approval from the Board of Directors' meeting and/or the shareholders' meeting of the Company.

4.3.3 Investment or Production Expansion Plan

Within the period of 12 months following the end of the Offer Period, the Offeror has no plan to make any material investment that does not conform to the normal investment plans of the Company. However, if essential or appropriate, the Offeror, together with the Company, may reconsider and revise the investment plans of the Company as appropriate in order to increase its efficiency in operation and management and improve each business line for the best interest of the Company, especially in the event that SCCC becomes a controlling person of the Company.

Opinion of the Board of Directors

The Board of Directors of the Company (excluding the directors with potential conflict of interests) views that the Company and the shareholders will not be materially impacted by the Offeror's policy regarding the investment or production expansion plan. In the case that the Offeror considers to expand any investments, the Offeror, as the shareholder of the Company, will have to comply with relevant regulations; including seeking approval from the meeting of the Board of Directors and/or

the meeting of the shareholders of the Company, and relevant regulators (if any), as well as seeking other necessary permissions from relevant parties according to laws, policies, and regulations that are applicable at the time. Such procedures will help to ensure that the consideration for investment expansion is appropriate and that it has already taken into account the benefits of the Company and shareholders.

4.3.4 Plan on Changing in Organization

Within the period of 12 months following the end of the Offer Period, the Offeror may propose changes to the structure of the Board of Directors and/or management of the Company as appropriate, either additional appointment or change of executives and/or personnel with knowledge and ability to increase efficiency in management, especially in the event that SCCC becomes a controlling person of the Company, for the best interest of the Company. In the event that the Company becomes a subsidiary of SCCC, the Company will adhere to the corporate governance, operational and financial policies of SCCC. However, any changes and/or additions to the Board of Directors, management structure, or personnel would be in compliance with the relevant rules and regulations and the Company will still maintain the independent directors and audit committee at the required minimum amount as stipulated by the law.

Opinion of the Board of Directors

The Board of Directors of the Company (excluding the directors with potential conflict of interests) views that the Company and the shareholders will not be materially impacted by the Offeror's plan on the change in organization. Although, the Offeror may change or appoint additional directors and/or management or the Offeror may change the composition of the Board of Directors and/or management of the Company as deemed appropriate within the period of 12 months following the end of the Tender Offer, in such a case, the Company and the Offeror will have to comply with the relevant rules and regulations of the SEC and the SET as well as taking into consideration the best benefits of the Company and the shareholders as the key consideration.

4.3.5 Plan on Acquisition or Disposal of the Company's Assets

Within the period of 12 months following the end of the Offer Period, the Offeror has no plan or policy to have the Company materially acquiring and/or disposing of key assets in relation to the main business operation that are not aligned with the normal business operation of the Company, especially in the event that SCCC becomes a controlling person of the Company.

Opinion of the Board of Directors

The Board of Directors of the Company (excluding the directors with potential conflict of interests) views that the Company and the shareholders will not be materially impacted by the Offeror's plan on the acquisition or disposal of the Company's asset given that the Offeror does not have any plans or policies that are not aligned with the normal business operation of the Company within 12 months following the end of the Offer Period. Nonetheless, given that the Company will remain as a listed company on the SET, therefore, if the Offeror has any plans to acquire and/or dispose assets or the Offeror would like to propose any material changes which differ from those disclosed in the Tender Offer, the Company and the Offeror will have to comply with the relevant rules and regulations of the SEC and the SET, as well as taking into consideration the utmost benefits of the Company and the shareholders.

4.3.6 Plan on Changing the Financial Structure

Within the 12 months after the Offer Period, the Offeror has no plan or policy to make significant changes to the Company's financial structure. However, if it is essential or appropriate, the Offeror, together with the Company, may reconsider and revise the financial structure of the Company to ensure that the financial structure is appropriate for the operations and financial condition of the Company. Such process may include capital injection or debt financing in an appropriate level in order to avoid any material effects on the operations of the Company or to increase its efficiency and strengthen its competitiveness for the best interest of the Company, especially in the event that SCCC becomes a controlling person of the Company.

Opinion of the Board of Directors

The Board of Directors of the Company (excluding the directors with potential conflict of interests) views that the Company and the shareholders will not be materially impacted by the Offeror's plan on changing the financial structure since the Offeror does not have any plan or policy to materially change the Company's financial structure during 12-month period after the completion of the Tender Offer. However, if any significant changes occur, the Company and the Offeror will have to request for an approval from the meeting of the Board of Directors and/or the meeting of the shareholders of the Company as well as other necessary approvals to comply with relevant rules, laws, policies and regulations that are applicable at that time.

4.3.7 Dividend Policy

Within the 12 months after the Offer Period, the Offeror has no plan or policy to make significant changes to the Company's dividend policy. The Company has a dividend payment policy to distribute dividends to shareholders at not less than 60.00% of the net profits after allocating any reserves and is subject to the Company's investment plan, necessity, relevant laws, and other related considerations. However, the actual dividend payout ratio may vary, being either higher or lower than the designated rate in the aforementioned policy, depending on various risk factors.

Opinion of the Board of Directors

Currently, the Company has a dividend payment policy to distribute dividends to shareholders at not less than 60.00% of the net profits after allocating any legal reserves and accumulated losses carried forward (if any). The Board of Directors of the Company (excluding the directors with potential conflict of interests) views that the Company and the shareholders will not be materially impacted by the Offeror's policy regarding dividend since the Offeror does not have any plan to alter such policy during the 12-month period after the completion of the Tender Offer. Nevertheless, the payment of dividends may be subject to change depending on the operating results and financial position of the Company, as well as other necessary and appropriate considerations of the Board of Directors of the Company. The Board of Directors will implement strict measures to benefit all shareholders of the Company.

Nevertheless, if the Offeror wishes to make a material change in the Company's dividend policy during the 12-month period after the completion of the Offer Period, the Company and the Offeror will have to comply with relevant laws, policies, and regulations.

4.3.8 Related Party Transaction Policy

Within the period of 12 months following the end of the Offer Period, the Offeror has no plan to make any material changes to the current policy on related party transactions of the Company and has no plan to enter into any material related party transaction with the Company, except for those that are normal business transactions or support normal business operations, as disclosed in the Company's Annual Registration Statement ("Form 56-1 One Report"). For the year ended December 31, 2021 - 2023 and for the 6-month period ended June 30, 2024, the Company has related party transactions with SCCC, the Offeror, as detailed below;

Offeror	Company name	Type of related party transaction	(Unit: THB million)			
			For the year ended December 31,			For the 6-month period ended June 30,
			2021	2022	2023	2024
SCCC	LANNA	Sell of coal	860.86	1,322.78	1,434.32	559.15

Source: Form 56-1 One Report for the year 2023 of the Company and information from the Company

However, if the Offeror enters into any related party transactions with the Company in the future, the Offeror and the Company shall proceed and disclose details of such related party transactions in accordance with all related and applicable rules, regulations, notifications, orders or conditions stipulated by the SEC and/or the SET as required. This is to ensure that such related party transactions have similar criteria as those transactions entered with other parties on an arm's length basis (Arm's Length Transaction).

Opinion of the Board of Directors

The Board of Directors of the Company (excluding the directors with potential conflict of interests) views that shareholders of the Company will not be materially impacted by the Offeror's policy regarding related party transactions or the entering into any significant related party transaction during the period of 12 months after the completion of the Tender Offer. This is because the Company has a strict policy on related party transactions that are in accordance with the regulations of the SET and the SEC, by taking into consideration the utmost benefits of the Company while preventing any potential conflicts of interest that may arise between the Company and its subsidiaries, affiliated companies, related companies and/or any persons who may have potential conflict; and also, rendering fairness to all shareholders and ensuring that the related party transactions are made on the same terms as arm's length transactions whereby the Company will disclose its related transactions in the notes to the financial statements and the annual registration statement of the Company.

4.4 Additional opinions of the Board of Directors of the Company (only in case of a Tender Offer for delisting in accordance with the SET's requirements)

None, as the Tender Offer is not for the purpose of delisting the Company from SET.

5. Opinion of the Independent Financial Advisor

Please refer to an attached document of Independent Financial Advisor Opinion on the Tender Offer of Lanna Resources Public Company Limited which is prepared by Jay Capital Advisory Limited.

The Company hereby certifies that all the above information is true, complete, and correct, and there is no information that may cause a misunderstanding in a material aspect among other parties, nor any concealment of material information that should have been explicitly revealed.

Lanna Resources Public Company Limited

- Mr. Srihasak Arirachakaran -

- Mr. Anun Louharanoo -

(Mr. Srihasak Arirachakaran)

(Mr. Anun Louharanoo)

Authorized Director

Authorized Director

**The Opinion of the Independent Financial Advisor
on the Tender Offer for Securities of Lanna Resources Public Company Limited
by Sunrise Equity Company Limited and Siam City Cement Public Company Limited**

Presented to



Shareholders of Lanna Resources Public Company Limited

Prepared by



Jay Capital Advisory Limited

September 13, 2024

This English report of the Independent Financial Advisor's Opinion has been prepared solely for the convenience of foreign shareholders of Lanna Resources Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

Abbreviation	Full name
LANNA or the Business or the Company	Lanna Resources Public Company Limited
Sunrise Equity	Sunrise Equity Company Limited
SCCC	Siam City Cement Public Company Limited
TAE	Thai Agro Energy Public Company Limited
LHI	PT. Lanna Harita Indonesia
SGP	PT. Singlurus Pratama
PKN	PT. Persona Khatulistiwa Nusantara
UBS	United Bulk Shipping Pte. Ltd.
LPG	Lanna Power Generation Company Limited
BBTV	Bangkok Broadcasting & T.V. Company Limited
The Offeror	Sunrise Equity Company Limited and Siam City Cement Public Company Limited
The Independent Financial Advisor or the IFA	Jay Capital Advisory Limited
The SET	Stock Exchange of Thailand
The SEC	Securities and Exchange Commission
IFA Report	Report of the Opinion of the IFA prepared by Jay Capital Advisory Limited
Form 247-3	The Announcement of the Intention to Make the Tender Offer
Form 247-4	The Tender Offer for the Securities of the Company
Form 56-1 One Report	Annual Registration Statement
the Tender Offer Preparer	Kiatnakin Phatra Securities Public Company Limited
the Tender Offer Agents	Kiatnakin Phatra Securities Public Company Limited and Krungsri Securities Public Company Limited
Offer Price	Offer price of LANNA's common shares which is THB 16.50 per share
Offer Period	Every business day from August 29, 2024 to October 2, 2024 (total of 25 business days)
Notification No. TorChor.12/2554	Notification of Capital Market Supervisory Board No. TorChor.12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated May 13, 2011 (as amended)
Notification No. TorChor.14/2554	Notification of Capital Market Supervisory Board No. TorChor.14/2554 Re: Act or Omission to Act Which is Likely to Affect Tender Offer of Business dated July 25, 2011 (as amended)
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

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September 13, 2024

Re: Opinion of the Independent Financial Advisor regarding the Tender Offer of the Securities of Lanna Resources Public Company Limited by Sunrise Equity Company Limited and Siam City Cement Public Company Limited

To: The Shareholders of Lanna Resources Public Company Limited

As Lanna Resources Public Company Limited (“LANNA” or the “Business” or the “Company”) received a copy of the announcement of the intention to make the Tender Offer (“Form 247-3”) dated 23 August 2024. Then, LANNA received a copy of the Tender Offer for the securities of the Company (“Form 247-4”) from Sunrise Equity Company Limited (“Sunrise Equity”) and Siam City Cement Public Company Limited (“SCCC”) (“collectively, the “Offeror”), and later on September 6, 2024, received an additional disclosure to Form 247-4.

On August 19, 2024, Sunrise Equity, who is the major shareholder of SCCC, has additionally acquired ordinary shares of SCCC under the share purchase agreement (“SPA”) between Sunrise Equity and Jardine Cycle & Carriage Limited with an objective to increase the investment in SCCC by Sunrise Equity, resulting in Sunrise Equity’s shareholding and being entitled to the voting rights of exceeding 50.00% of the total issued and paid-up ordinary shares and total voting rights of SCCC. In addition, as of that date, SCCC is a major shareholder of the Company, holding 236,173,980 shares, or equivalent to 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company. In this regard, it is deemed that Sunrise Equity has significantly acquired controlling power in the Company under the Chain Principle rule. Thus, the Offeror is obliged to purchase the remaining shares of the Company (Mandatory Tender Offer) at the amount of 524,999,679 shares, equivalent to 100.00% of total issued and paid-up ordinary shares and of the total voting rights of the Company at THB 16.50 per share (the “Offer Price”).

In this regards, SCCC, as a related party under Section 258 of Sunrise Equity, has received approval from the Board of Directors’ Meeting No. 199 on August 23, 2024 to (a) participate together with Sunrise Equity in the Tender Offer for all of the securities of the Company whereby SCCC will acquire all securities of the Company in this Tender Offer and (b) to not sell shares in the Company totaling 236,173,960 shares, representing 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company, throughout the Tender Offer period. SCCC has sent a letter to Sunrise Equity on 23 August 2024 to express its intention and consent to join with Sunrise Equity for being a Joint Offeror in its acquisition of the total securities of the Company and that Sunrise Equity has acknowledged and provided a written consent.

Therefore, the Offeror is obliged to make a Mandatory Tender Offer for all the remaining shares of the Company totaling 288,825,699 shares, equivalent to 55.01% of the total issued and paid-up ordinary shares and total voting rights of the Company (excluding the shares in which SCCC commit not to sell shares in total of 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and of the total voting rights the Company). If all shareholders sell the shares in the Tender Offer, SCCC will accept all shares.

Jay Capital Advisory Limited (the “Independent Financial Advisor” or the “IFA”), as an Independent Financial Advisor approved by the Securities and Exchange Commission (the “SEC”), has been appointed by the Company to be the Independent Financial Advisor to render the opinion regarding the Tender Offer to the minority shareholders (“IFA Report”). As a basis of our analysis and rendering opinion, the IFA has studied the information contained in the Tender Offer for the Securities of the Company (Form 247-4), the information and documents obtained from the Company and/or the information available in the public domain such as Annual Registration Statement (“Form 56-1 One Report”), the audited and/or reviewed financial statements of the Company for the year 2021 - 2023, and for the 6-month period ended 2024, as well as the interview with the Company’s management. The opinion of the IFA is based on the assumptions

that the information appeared in the Tender Offer for the Securities of the Company (Form 247-4) and information and documents received from the Company and/or the Tender Offer Preparer as well as information from the interviews with the Company's management are complete and accurate. The opinions expressed are considered reliable and reflective of the current situation, based on the prevailing economic conditions and the information available at the time of the study. In any case, the IFA performs an auditing on the correctness and appropriateness of the mentioned information. In the event of invalidity, incorrectness, or significant changes to such information in the future, it may unavoidably affect the Company's business operation and the opinion of the IFA regarding the Tender Offer as well as the shareholders' decision regarding the Tender Offer.

In making the decision to accept or to reject the Tender Offer, the shareholders should take the reasons and opinion in all aspects provided herein into consideration as a basis for decision making. Nonetheless, the final decision whether to accept or to reject the Tender Offer should be made solely based on the consideration and discretion of the shareholders.

Executive Summary

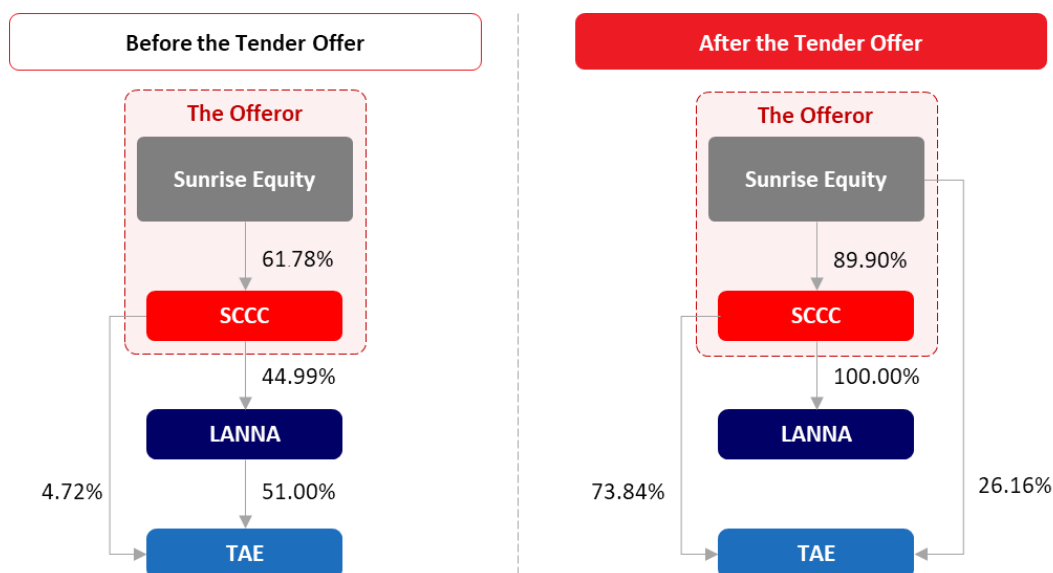
On August 19, 2024, Sunrise Equity Company Limited (“Sunrise Equity”), who is the major shareholder of Siam City Cement Public Company Limited (“SCCC”), has additionally acquired ordinary shares of SCCC under the share purchase agreement (“SPA”) between Sunrise Equity and Jardine Cycle & Carriage Limited with an objective to increase the investment in SCCC by Sunrise Equity, resulting in Sunrise Equity’s shareholding and being entitled to the voting rights of exceeding 50.00% of the total issued and paid-up ordinary shares and total voting rights of SCCC prior to the Tender Offer. On such date, SCCC is a major shareholder of Lanna Resources Public Company Limited (“LANNA” or the “Business” or the “Company”), holding 236,173,980 shares or equivalent to 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company¹.

In this regard, it is deemed that Sunrise Equity has significantly acquired controlling power in the Company through SCCC under the Chain Principle rule, resulting in Sunrise Equity being obliged to make a Mandatory Tender Offer for the entire securities of the Company subject to Clause 6 of the Notification of the Capital Market Supervisory Board No. TorChor.12/2554 Re: Rules, Condition and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 (including any amendment thereto) (the “Notification TorChor.12/2554”) for 524,999,679 or equivalent to 100.00% of the total issued and paid-up ordinary shares and total voting rights of the Company. However, SCCC, as a related party under Section 258 of Sunrise Equity and as a direct shareholder of the Company, has received approval from the Board of Directors Meeting No. 199 on August 23, 2024: (a) to participate together with Sunrise Equity in the Tender Offer for all the securities of the Company whereby SCCC will acquire all securities of the Company in this Tender Offer and (b) SCCC to not sell shares in the Company totaling 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company, throughout the Offer period. On August 23, 2024, SCCC has sent a letter to Sunrise Equity to express its intention and consent to join together with Sunrise Equity for being a “Joint Offeror” in its acquisition of the total securities of the Company and that Sunrise Equity has acknowledged and provided a written consent. The rationale of SCCC for being the Joint Offeror with Sunrise Equity is to combine the resources of the 3 companies, SCCC LANNA and TAE, to increase the operational efficiency, reduce cost, and ultimately increase the overall value of all 3 companies. The investment in LANNA and TAE for growth opportunities both domestic and international markets align with SCCC's strategic direction and goals of the expansion. Further details are in accordance to the information memorandum on the acquisition of assets of SCCC regarding the acquisition of ordinary shares in LANNA and TAE which SCCC disclosed on the SET website on August 23, 2024, and Additional information on the Joint Offeror in LANNA and TAE on September 5, 2024.

Therefore, Sunrise Equity and SCCC (“collectively, the “Offeror”) are obliged to make a Mandatory Tender Offer for all the remaining shares of the Company totaling 288,825,699 shares, equivalent to 55.01% of the total issued and paid-up ordinary shares and total voting rights of the Company (excluding the shares in which SCCC commit not to sell shares in total of 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and of the total voting rights of the Company) at THB 16.50 per share (the “Offer Price”) with total amount of THB 4,765,624,033.50. However, the Board of Directors’ Meeting of the Company No. 4/2024 on August 26, 2024, resolved to distribute an interim dividend of THB 1.10 per share to ordinary shareholders. The record date for determining shareholders’ entitlement to this dividend is set for September 9, 2024, with the payment scheduled for September 20, 2024. However, the Offeror has decided not to adjust the Offer Price in response to this dividend payment.

Remark: /1 Information for the SET as of 18 March 2024 which is the latest record date of the Company

The Shareholding Structure of the Offeror and the Company before and after the Tender Offer of LANNA and TAE in case all shares accept the Tender Offer



The Offeror has no plans or policies to make material changes to the core business objectives of the Company, nor delisting of the Company's shares from the Stock Exchange of Thailand (the "SET") within the period of 12 months following the end of the Offer Period. Additionally, the Offeror may propose for a change in directors and/or management of the Company as appropriate, either additional appointment or change of executives and/or personnel with knowledge and ability to increase efficiency in management for the best interest of the Company.

The Offeror submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) to the Securities and Exchange Commission (SEC) on August 23, 2024, and subsequently filed the Tender Offer for the Company (Form 247-4) with the SEC on August 28, 2024. On September 6, 2024, the Company was notified of the disclosure of additional information in Form 247-4.

The information from the Tender Offer for the Securities of the Company Form (Form 247-4) can be summarized as follows:

Summary of Tender Offer by the Offeror

The Offeror	Sunrise Equity and SCCC (collectively, the "Offeror")
Amount of Securities to be Offered	288,825,699 ordinary shares that are equivalent to 55.01% of the total issued and paid-up ordinary shares and of the total voting rights of the Company
Tender Offer Agents	Kiatnakin Phatra Securities Public Company Limited and Krungsri Securities Public Company Limited (collectively, the "Tender Offer Agents")
Offer Price	THB 16.50 per share, the Offerees shall be subject to the brokerage fee of 0.25% of the Offer Price and value added tax (VAT) for 7.00% of the brokerage fee. Thus, the Offerees shall receive net price of THB 16.45586250 per share (the "Net Offer Price").
Offer Period	The Offeror will purchase the Company's share in a total of 25 business days from August 29, 2024 to October 2, 2024 (the "Offer Period"), for every business day, during the office hours of the Tender Offer Agent from 9:00 a.m. to 4:00 p.m. Such an Offer Period is the final period which will not be extended subject to the conditions specified in the Tender Offer. If there is any

	<p>announcement of additional public holiday during the Offer Period, the Tender Offeror will extend the Offer Period until the Offer Period totaling 25 business days according to the Notification No. TorChor.12/2554.</p> <p>In case the Offeree chooses to receive payment after the Offer Period, the Offeree is able to revoke its acceptance of the Tender Offer at the office of the Tender Offer Agent on any business day between August 29, 2024 and September 25, 2024 during the hours of 9:00 a.m. to 4:00 p.m., totaling 20 business days. If there is any announcement of additional public holiday during the Offer Period, the Tender Offeror will extend Tender Offer Revocation Period until the Tender Offer Revocation Period totaling not fewer than 20 business days according to the Notification No. TorChor.12/2554.</p>
<p>Conditions of the Tender Offer and Important Conditions Related to the Tender Offer</p>	<p>Conditions for Amendment of the Tender Offer are as follows:</p> <ul style="list-style-type: none"> • The Offeror may reduce the Offer Price or extend the Offer Period in the case of occurrence of any event or action during the Offer Period, causing material damage to the status or assets of the Company. • The Offeror may change the offer or extend the Offer Period to compete with another offeror who has submitted a tender offer for shares of the Company during the Offer Period. <p>Conditions for Cancellation of the Tender Offer</p> <ul style="list-style-type: none"> • Any event or act occurring after the submission of the Tender Offer to the SEC but within the Offer Period, which causes or may cause material damage to the status or the assets of the Company, where such event or action has not resulted from the act of the Offeror or any act for which the Offeror is responsible for; or • The Company being tendered performs any action after submitting the Tender Offer but is still within the period of acceptance, which significantly reduces the value of the shares; or • Any business activities that may have an impact on the Tender Offer process in accordance with the announcement of the Securities and Exchange Commission No. TorChor.14/2554 regarding actions or abstentions from actions in announcements that may affect the tender offer of the securities of the Company dated July 25, 2011 (as amended).

The Company has appointed Jay Capital Advisory Limited to be the Independent Financial Advisor (“the IFA”) to render the opinion to minority shareholders of the Company by assessing the appropriateness of the Offer Price as well as other underlying reasons for accepting and/or rejecting the Tender Offer that can be summarized as follows:

Summary of IFA's Opinion

Appropriateness of the Offer Price

The IFA has performed the valuation of LANNA using 5 approaches. The details are as follows:

Summary of LANNA's Share Valuation and the Offer Price

Valuation Approach	Fair Value by IFA (THB/share)	The Offer Price (THB/share)	Appropriateness of valuation approach	The IFA price is higher (lower) than the Offer Price (%)
1. Book Value Approach	16.71	16.50	Not appropriate	1.26
2. Adjusted Book Value Approach	15.42 - 15.57		Not appropriate	(6.54) - (5.61)
3. Historical Market Price Approach	14.17 - 15.26		Not appropriate	(14.11) - (7.49)
4. Market Comparable Approach				
- P/BV	23.02 - 25.00		Not appropriate	39.51 - 51.49
- PER	10.21 - 14.10		Not appropriate	(38.15) - (14.53)
- EV/EBITDA	19.98 - 24.96		Not appropriate	21.07 - 51.27
5. Sum of The Parts Approach	20.40 - 24.99 Base case: 22.70			Appropriate

From the table above, the IFA views that the Book Value Approach, Adjusted Book Value Approach, Historical Market Price Approach, and Market Comparable Approach are inappropriate to evaluate the fair value of LANNA's shares according to the limitation in many aspects such as valuing the Company only at the certain point of time and disregarding the potential growth and capability of the Company's operating in the future, etc.

The IFA views that the Sum of the Parts (SOTP) Approach is the most appropriate approach for the valuation of LANNA's shares because this approach takes into account the Company's ability to generate profit and cash flows in the future, management's policies on investments and revenue generation of LANNA and its subsidiaries, and value of investment in associate companies. **The range of the fair value of LANNA's shares based on SOTP approach is between THB 20.40 - 24.99 per share and the base case valuation is THB 22.70 per share, which is higher than the Offer Price at THB 16.50 per share by THB 3.90 - 8.49 per share or higher by 23.66% - 51.47%.** Hence, the IFA has the opinion that the Offer Price is inappropriate and the shareholders **should reject the Tender Offer.**

However, if considering historical market price of LANNA's shares traded in the SET up until 16 August 2024, which is the last day to trade in shares before Sunrise Equity submits the Announcement of Intention to Make a Tender Offer (Form 247-3) of SCCC, which triggered the obligation for Sunrise Equity under the Chain Principle to make a tender offer for all securities of LANNA, the volume-weighted average price ("VWAP") for the previous 15 - 360 business is THB 14.17 - 15.26 per share, which is lower than the Offer Price at THB 16.50 per share by 7.49% - 14.11% (Details of historical stock prices are provided in Section 2, Subsection 2.1.3, Historical Market Price Approach, of this report.). Therefore, **if the market price is lower than the Offer Price, shareholders have the option to sell their shares by accepting this Tender Offer. This offer enables shareholders to sell their entire holdings without any restrictions related to the liquidity of the Company's shares.**

However, for consideration on the acceptance or rejection of the present Tender Offer to purchase the Company's ordinary shares, the shareholders should consider the reasoning and opinion of each point as presented by the IFA. **The decision to accept or reject the offer ultimately depends on the shareholders' discretion.** In addition, the shareholders should also consider various factors in making their decision such as the fact that the Offeror holds shares of the Company in total of 44.99% of the total issued shares and voting rights of the Company (information as of March 18, 2024). In the event that a sufficient number of shareholders accept the Tender Offer, SCCC may acquire more than 50.00% of the total issued shares and voting rights of the Company, as a result, SCCC will have the power to manage the Company and control significant shareholders' meeting resolutions. Therefore, if shareholders wish to mitigate potential risks or impacts that may arise in the future from changes in management policies and plans by the Offeror, which could occur after the 12-month period following the end of the Offer Period, they may consider accepting this Tender Offer.

Part 1 Background

1.1 Characteristic of the Transaction

On August 19, 2024, Sunrise Equity Company Limited (“Sunrise Equity”), who is the major shareholder of Siam City Cement Public Company Limited (“SCCC”), has additionally acquired ordinary shares of SCCC under the share purchase agreement between Sunrise Equity and Jardine Cycle & Carriage Limited with an objective to increase the investment in SCCC by Sunrise Equity, resulting in Sunrise Equity’s shareholding and being entitled to the voting rights of exceeding 50.00% of the total issued and paid-up ordinary shares and total voting rights of SCCC prior to the Tender Offer. As of that date, SCCC is a major shareholder of Lanna Resources Company Limited (“LANNA” or the “Business” or the “Company”), holding 236,173,980 shares or equivalent to 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company¹.

In this regard, it is deemed that Sunrise Equity has significantly acquired controlling power in the Company through SCCC under the Chain Principle rule, resulting in Sunrise Equity being obliged to make a Mandatory Tender Offer for the entire securities of the Company subject to Clause 6 of the Notification of the Capital Market Supervisory Board No. TorChor.12/2554 Re: Rules, Condition and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 (including any amendment thereto) (the “Notification TorChor.12/2554”) for 524,999,679 or equivalent to 100.00% of the total issued and paid-up ordinary shares and total voting rights of the Company.

However, SCCC, as a related party under Section 258 of Sunrise Equity and as a shareholder of the Company, has received approval from the Board of Directors’ Meeting of SCCC No. 199 on August 23, 2024, to

- (a) participate together with Sunrise Equity in the Tender Offer for all the securities of the Company whereby SCCC will acquire all securities of the Company in this Tender Offer and;
- (b) to not sell shares in the Company totaling of 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company, throughout the Offer period.

On August 23, 2024, SCCC has sent a letter to Sunrise Equity to express its intention and consent to join with Sunrise Equity for being a “Joint Offeror” in its acquisition of the total securities of the Company and that Sunrise Equity has acknowledged and provided a written consent (so called Sunrise Equity and SCCC as the “Offeror”). The rationale of SCCC for being the Joint Offeror with Sunrise Equity is to combine the resources of the 3 companies, SCCC LANNA and TAE, to increase the operational efficiency, reduce cost, and ultimately increase the overall value of all 3 companies. The investment in LANNA and TAE for growth opportunities both domestic and international markets align with SCCC’s strategic direction and goals of the expansion. Further details are in accordance to the information memorandum on the acquisition of assets of SCCC regarding the acquisition of ordinary shares in LANNA and TAE which SCCC disclosed on the SET website on August 23, 2024, and Additional information on the Joint Offeror in LANNA and TAE on September 5, 2024.

Therefore, the Offeror are obliged to make a Mandatory Tender Offer for all the remaining shares of the Company totaling 288,825,699 shares, equivalent to 55.01% of the total issued and paid-up ordinary shares and total voting rights of the Company (excluding the shares in which SCCC commit not to sell shares in total of 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and of the total voting rights the Company). If all shareholders sell the shares in the Tender Offer, SCCC will accept all shares at THB 16.50 per share (the “Offer Price”) with total amount

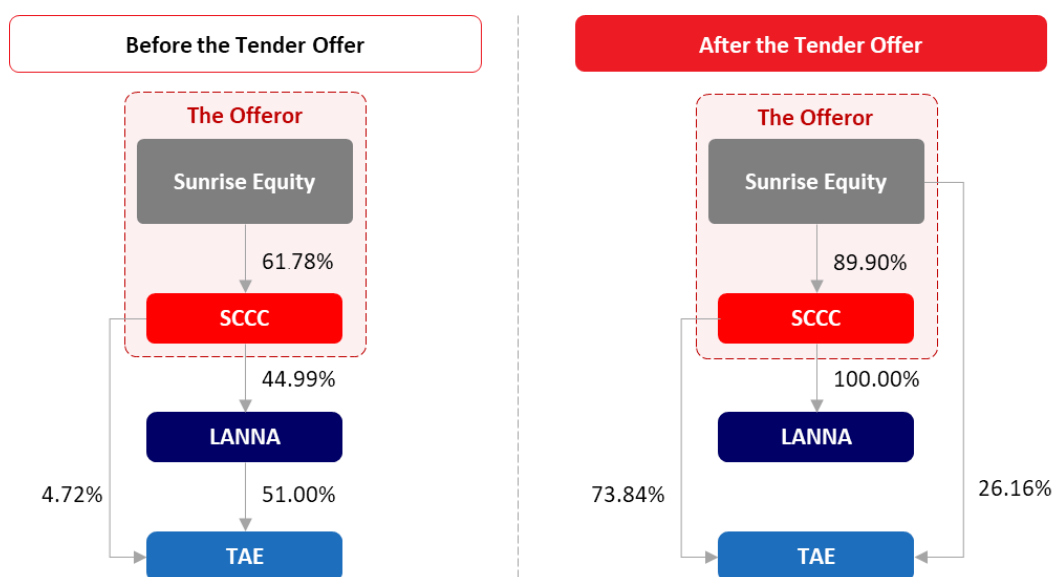
Remark: /1 Information from the SET as of March 18, 2024 which is the latest record date of the Company

of THB 4,765,624,033.50. However, the Board of Directors' Meeting of the Company No. 4/2024 on August 26, 2024, resolved to distribute an interim dividend of THB 1.10 per share to ordinary shareholders. The record date for determining shareholders' entitlement to this dividend is set for September 9, 2024, with the payment scheduled for September 20, 2024. However, the Offeror has decided not to adjust the Offer Price in response to this dividend payment.

The Offeror has no plans or policies to make material changes to the core business objectives of the Company, nor delisting of the Company's shares from the Stock Exchange of Thailand (the "SET") within the period of 12 months following the end of the Offer Period. Additionally, The Offeror may propose for a change in Board of Directors composition and management structure of the Company as appropriate, either additional appointment or change of executives and/or personnel with knowledge and ability to increase efficiency in management for the best interest of the Company.

The Offeror submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) to the Securities and Exchange Commission (SEC) on August 23, 2024, and subsequently filed the Tender Offer for the Business (Form 247-4) with the SEC on August 28, 2024. On September 6, 2024, the Company was notified of the disclosure of additional information in Form 247-4.

The Shareholding Structure of the Offeror and the Company before and after the Tender Offer of LANNA and TAE in case all shares accept the Tender Offer



The information from the Tender Offer for the Securities of the Company (Form 247-4) can be summarized as follows:

Type and series of securities offered to be purchased

The Offeror intended to purchase the remaining shares of the Company, which is 288,825,699 shares or 55.01% of the total issued and paid-up ordinary shares and of the total voting rights of the Company (excluding the shares in which SCCC commit not to sell in total of 236,173,980 shares, representing 44.99% of the total issued and paid-up ordinary shares and of the total voting rights the Company) at THB 16.50 per share (the "Offer Price"). The Offeror has not adjusted the Offer Price following the Company's announcement of an interim dividend payment on August 26, 2024.

In addition, the Offeree is subject to brokerage fee at 0.25% of the Offer Price and value added tax (VAT) at 7.00% of the brokerage fee. Thus, the net price to be received by the Offeree is THB 16.45586250 per share (the “Net Offer Price”).

The Offer Period will be a total of 25 business days from August 29, 2024 to October 2, 2024 (the “Offer Period”) during the office hours of the Tender Offer Agent which is from 9:00 a.m. to 4:00 p.m. The Offer Period is the final period which will not be extended subject to the conditions specified in the Tender Offer, except as stated in the Conditions for Amendment of the Tender Offer in Form 247-4. If there is any announcement of additional public holiday during the Offer Period, the Offeror will extend the Offer Period as necessary until the Offer Period is comprised of at least 25 business days according to the Notification No. TorChor.12/2554.

The Offeree is able to revoke its acceptance of the Tender Offer at the office of the Tender Offer Agent on any business day between August 29, 2024 and September 25, 2024 during the hours of 9:00 a.m. to 4:00 p.m., totaling 20 business days. If there is any announcement of additional public holiday during the aforementioned cancellation period, the Offeror will extend the Offer Period so that the securities holders can revoke their intention to sell the shares as necessary until the cancellation period is comprised of at least 20 business days according to the Notification No. TorChor.12/2554.

1.2 Information of the Offeror

1.2.1 General Information

- **Sunrise Equity**

Name	:	Sunrise Equity Company Limited
Address	:	898 Ploenchit Tower Bldg. 21 Fl. Phloen Chit Rd. Lumpini, Pathum Wan, Bangkok 10330
Telephone No.	:	0-2263-0099
Company Registration No.	:	0105542070522
Nature of Business	:	Holding Company, mostly investing in non-financial sectors, where Sunrise Equity primarily invests in SCCC, along with other investments in Real Estate company.

Source: Tender Offer for the Securities of the Company Form (Form 247-4)

- **SCCC**

Name	:	Siam City Cement Public Company Limited
Address	:	Column Tower, 3rd, 10th, 12th Floor, 199 Ratchadapisek Road, Klongtoey, Bangkok, 10110
Telephone No.	:	0-2797-7000
Company Registration No.	:	0107536001346
Nature of Business	:	Cement production and distribution

1.2.2 Nature of Business Operation

- **Sunrise Equity**

Sunrise Equity was established on September 16, 1999, and operates as a holding company that invests in various businesses, where Sunrise Equity primarily invests in SCCC, along with other investments in Real Estate company. As of March 28, 2024, Sunrise Equity has registered capital

and paid-up capital of THB 12,500,000,000, consisting of 1,250,000,000 ordinary shares with a par value of THB 10.00 per share.

- **SCCC**

SCCC is a manufacturer and distributor of various types of high-quality cement products under INSEE brand, SCCC and its subsidiaries' operations are divided into 4 businesses including (1) Cement Business; (2) Concrete and Aggregates Business; (3) Light Building Materials Business; and (4) Waste Management and Industrial Service and Other Businesses. As of August 16, 2024, SCCC has registered capital and paid-up capital of THB 2,980,000,000, consisting of 298,000,000 ordinary shares with the par value of THB 10.00 per share.

1.2.3 List of Shareholders

- **Sunrise Equity**

List of shareholders of Sunrise Equity as of March 28, 2024 are as follows:

No.	Shareholders	Number of Shares (Shares)	% of Total Paid-up Shares and Total Voting Rights
1	Bangkok Broadcasting & T.V. Company Limited ^{/1}	624,810,181	49.99
2	Great Fortune Equity Company Limited ^{/2}	312,673,292	25.01
3	The Great Luck Equity Company Limited ^{/3}	312,516,527	25.00
	Total	1,250,000,000	100.00

Source: Tender Offer for the Securities of the Company (Form 247-4)

Remark: ^{/1} Bangkok Broadcasting & T.V. Company Limited ("BBTV") is the person under Section 258 of the Offeror and has the Ratanarak Family directly and indirectly holds more than 50.00% of the total issued and paid-up ordinary shares and total voting rights. The Ratanarak Family comprises of (a) Mr. Krit Ratanarak, (b) Mr. Chachchon Ratanarak, (c) Ms. Sudthida Ratanarak, (d) Mrs. Sasithorn Ratanarak, (e) Ms. Jit-uma Ratanarak, and (f) Ms. Pilanuch Ratanarak. The group of shareholders illustrated is not constituted as persons acting in concert in accordance with the definition of the Notification of Capital Market Supervisory Board no. TorChor. 7/2552 Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247.

^{/2} Great Fortune Equity Company Limited is an affiliated company of BBTV with the Ratanarak Family indirectly holds more than 50.00% of the total issued and paid-up ordinary shares and total voting rights of company. Great Fortune Equity Company Limited is a holding company performing own-account investment activities.

^{/3} The Great Luck Equity Company Limited is an affiliated company of BBTV with the Ratanarak Family indirectly holds more than 50.00% of the total issued and paid-up ordinary shares and total voting rights of company. The Great Luck Equity Company Limited operates television program production activities and is a holding company performing own-account investment activities.

- **SCCC**

The top 12 shareholders of SCCC, as of August 16, 2024, which is the latest shareholder register closing date, are as follows:

No.	Name of Shareholders of the Company	Number of Shares (Shares)	Shareholding (%)
1	Sunrise Equity Company Limited ^{/1}	107,997,381	36.24
2	Jardine Cycle & Carriage Limited ^{/1}	76,107,368	25.54
3	Bangkok Broadcasting and Television Company Limited ^{/2 /3}	28,091,034	9.43
4	Mr. Prinya Tieworn	6,650,000	2.23
5	Thai NVDR Company Limited	3,974,748	1.33

No.	Name of Shareholders of the Company	Number of Shares (Shares)	Shareholding (%)
6	South East Asia UK (TYPE C) Nominees Limited	3,068,127	1.03
7	Vayupak Mutual Fund 1 by MFC Asset Management Public Company Limited	2,920,399	0.98
8	Vayupak Mutual Fund 1 by Krungthai Asset Management Public Company Limited	2,920,399	0.98
9	Mrs. Sasithon Ratanarak ^{/3}	2,734,639	0.92
10	The Bank Of New York Mellon	1,870,607	0.63
11	Nortrust Nominees Limited-NTC-Client Account	1,815,647	0.61
12	Miss Sudthida Ratanarak ^{/3}	1,500,000	0.50
Top 12 shareholders		239,650,349	80.42
Other Shareholders		58,349,651	19.58
Total Shareholders		298,000,000	100.00

Source: Shareholders details as of August 16, 2024 from SET and Tender Offer for the Securities of the Company (Form 247-4)

Remark: /1 On August 19, 2024, Sunrise Equity Company Limited, as the Offeror, acquired 76,107,368 shares, representing 25.54% of SCCC's issued and paid-up capital, under the SPA from Jardine Cycle & Carriage Limited.

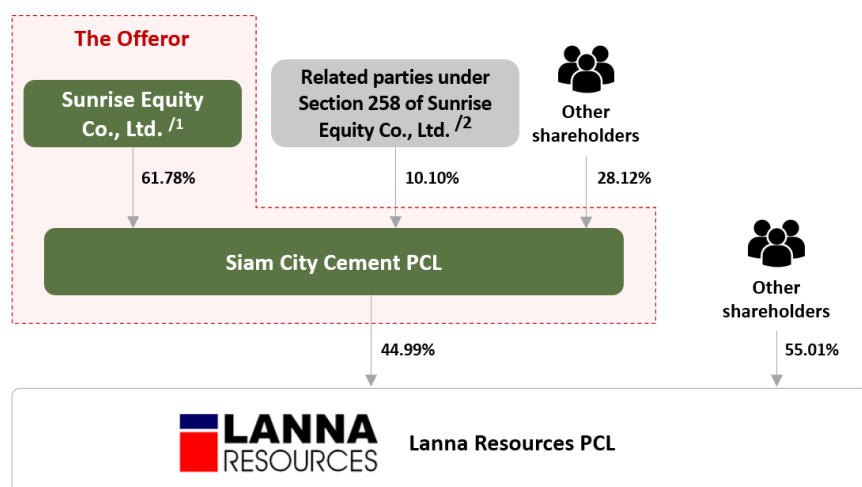
/2 Related parties under Section 258 of Sunrise Equity include (a) Bangkok Broadcasting & T.V. Company Limited, holding shares in SCCC in the total amount of 28,091,034 shares, representing 9.43% of the total issued and paid-up ordinary shares and total voting rights of SCCC, (b) KKS Holding Company Limited, holding shares in SCCC in the total amount of 1,337,812 shares, representing 0.45% of the total issued and paid-up ordinary shares and total voting rights of SCCC, and (c) Super Assets Company Limited, holding shares in SCCC in the total amount of 663,192 shares, representing 0.22% of the total issued and paid-up ordinary shares and total voting rights of SCCC.

/2 Bangkok Broadcasting & T.V. Company Limited, the major shareholders of the Offeror, has the Ratanarak Family directly and indirectly holds more than 50.00% of the total issued and paid-up ordinary shares and total voting rights. The Ratanarak Family comprises of (a) Mr. Krit Ratanarak, (b) Mr. Chachchon Ratanarak, (c) Ms. Sudthida Ratanarak, (d) Mrs. Sasithorn Ratanarak, (e) Ms. Jit-uma Ratanarak, and (f) Ms. Pilanuch Ratanarak. The group of shareholders illustrated is not constituted as persons acting in concert in accordance with the definition of the Notification of Capital Market Supervisory Board no. TorChor. 7/2552 Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247.

1.2.4 Shareholding Structure according to Section 258 of the Offeror

The Offeror and its related parties under Section 258 of the SEC Act can be shown as follows:

Shareholding Structure according to Section 258 of the Offeror



Source: Tender Offer for the Securities of the Company (Form 247-4)

Remark: /1 Sunrise Equity Company Limited is owned by (1) Bangkok Broadcasting & T.V. Company Limited (2) Great Fortune Equity Company Limited and (3) The Great Luck Equity Company Limited which the Ratanarak Family directly and indirectly holds more than 50.00% of the total issued and paid-up ordinary shares and total voting rights in each company.

/2 Related parties under Section 258 of Sunrise Equity are (1) Bangkok Broadcasting & T.V. Company Limited (2) CKS Holding Company Limited (3) Super Assets Company Limited which the Ratanarak Family directly and indirectly holds more than 50.00% of the total issued and paid-up ordinary shares and total voting rights in each company.

1.2.5 List of Board of Directors

- Sunrise Equity**

List of board of directors of Sunrise Equity as of March 28, 2024, are as follows:

No.	Name	Position
1	Mr. Krit Ratanarak	Director
2	Mr. Jarern Jirawisan	Director
3	Miss Nopporn Tirawattanagool	Director
4	Mr. Tinnawat Mahatharadol	Director
5	Mr. Nattawut Goysookho	Director

Source: Tender Offer for the Securities of the Company (Form 247-4)

- SCCC**

List of board of directors of SCCC as of August 19, 2024, are as follows:

No.	Name of Directors	Position
1	Mr. Paul Heinz Hugentobler	Chairman of the Board
2	Mr. Ranjan Sachdeva	Group Chief Executive Officer/ Director
3	Miss Nopporn Tirawattanagool	Director
4	Mr. Tinnawat Mahatharadol	Director
5	Mr. Siva Mahasandana	Director
6	Mr. Montri Nithikul	Director
7	Mrs. Sunee Sornchaitanasuk	Independent Director/ Chairman of the Audit Committee
8	Mr. Charin Satchayan	Independent Director/ Audit Committee
9	Mr. Robbert Egbert Johannes Van Der Feltz Va Sloot	Independent Director
10	Mr. Onne Van Der Weijde	Independent Director/ Audit Committee

Source: Tender Offer for the Securities of the Company (Form 247-4) and Directors and Managements details from the SET

1.2.6 Summary of the Financial Status and Performance of the Offeror

- Sunrise Equity**

Summary of the audited separated financial statements of Sunrise Equity for the year ended December 31, 2021 - 2023 are as follows:

Items (Unit: THB million)	For the Year Ended December 31,		
	2021	2022	2023
Statement of Financial Position			
Total assets	21,875	22,808	23,754
Total Liabilities	2	2	2

Items (Unit: THB million)	For the Year Ended December 31,		
	2021	2022	2023
Total shareholders' equity	21,874	22,806	23,752
Registered Capital	12,500	12,500	12,500
Issued and paid-up capital	12,500	12,500	12,500
Profit and Loss Statement			
Total revenue	968	977	985
Total expenses	37	43	38
Net income	931	933	946
Earnings per share (THB) ^{/1}	0.74	0.75	0.76
Dividend per share (THB) ^{/2}	-	-	-
Book value per share (THB) ^{/3}	17.50	18.24	19.00

Source: Tender Offer for the Securities of the Company (Form 247-4)

Remark: /1 Calculated from profit attributable to owners of Sunrise Equity divided by weighted average number of ordinary shares

/2 Dividend per share announced in accordance with the performance of the Sunrise Equity in each period

/3 Calculated from the total paid-up shares

- **SCCC**

Summary of the audited/ reviewed financial statements of SCCC for the year ended December 31, 2021 - 2023 and for the 6-month period ended June 30, 2024 are as follows:

Items (Unit: THB million)	For the Year Ended December 31,						For the 6-month period ended June 30,	
	2021		2022		2023		2024	
	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement
Statement of Financial Position								
Total Assets	71,766	82,012	69,540	73,353	66,884	69,699	64,104	67,636
Total Liabilities	30,468	42,785	28,672	38,851	25,144	35,851	22,945	32,380
Total Equity	41,298	39,227	40,868	34,502	41,740	33,848	41,159	35,256
Registered Capital	2,980	2,980	2,980	2,980	2,980	2,980	2,980	2,980
Issued and paid-up capital	2,980	2,980	2,980	2,980	2,980	2,980	2,980	2,980
Profit and Loss Statement								
Total revenue	21,265	41,890	24,711	50,292	25,499	42,797	11,244	20,128
Total expenses	16,229	37,737	21,905	47,728	20,770	39,731	9,148	17,676
Net income	3,794	4,310	2,185	1,967	3,610	2,492	1,505	2,066
Other Financial Information								
Earnings (loss) per share (THB) ^{/3}	12.73	14.25	7.33	6.23	12.12	9.00	5.05	6.83

Items (Unit: THB million)	For the Year Ended December 31,						For the 6-month period ended June 30,	
	2021		2022		2023		2024	
	Separate Financial Statement	Consoli- dated Financial Statement	Separate Financial Statement	Consoli- dated Financial Statement	Separate Financial Statement	Consoli- dated Financial Statement	Separate Financial Statement	Consoli- dated Financial Statement
Dividend per share (THB) / ⁴	9.00	-	9.00	-	7.00	-	4.00	-
Book value per share (THB) / ⁵	138.58	131.63	137.14	115.78	140.07	113.58	138.12	118.31

Source: Audited Financial Statements of SCCC year ended December 31, 2021 - 2023 and reviewed financial statements for the six-month period ended June 30, 2024

Remark: /1 Total revenue comprises of revenue from sales of cement and cement-related products, sales of concrete and aggregates, revenue from industrial waste disposal and cleaning services, and others

/2 Total expense comprises of cost of sales and rendering services, selling and distribution expenses, administrative expenses, and other expenses

/3 Calculated from profit attributable to owners of SCCC divided by weighted average number of ordinary shares

/4 Dividend per share announced in accordance with the performance of SCCC in each period

/5 Calculated from the total paid-up and issued shares

1.2.7 Material Encumbrance

Sunrise Equity and SCCC have no material obligation other than those shown in the audited financial statements for the year ended December 31, 2023.

1.2.8 Information relating to Criminal Records

Sunrise Equity and SCCC, including directors and executives of Sunrise Equity and SCCC, have no criminal offence record.

1.2.9 Pending Legal Disputes

- **Sunrise Equity**

As of August 20, 2024, Sunrise Equity, its directors and executives are not litigant or a party in any pending lawsuit that may lead to materially negative impact on the assets of Sunrise Equity. In addition, there are no pending lawsuits that materially affect Sunrise Equity's operations.

- **SCCC**

As of August 20, 2024, SCCC, its directors and executives are not litigant or a party in any pending lawsuit that may lead to materially negative impact on the assets of SCCC. In addition, there are no pending lawsuits that materially affect SCCC's operations.

1.3 Information of Tender Offer Agent

Name	:	Kiatnakin Phatra Securities Public Company Limited
Address	:	209 KKP Tower A, 9,12A-16,18,20 floor, Sukhumvit 21 (Asoke), Khlong Toey Nua, Wattana, Bangkok 10110
Telephone No.	:	02-165-5555 Press 4

Source: Tender Offer for the Securities of the Company (Form 247-4)

1.4 Information of other advisors

Name	:	Baker & McKenzie Ltd.
Role	:	Legal Advisor
Address	:	990 Abdulrahim Place, 5, 10 and 21-25 Floor, Rama IV Road, Silom, Bangkok 10500
Telephone no.	:	02-636-2000

Source: Tender Offer for the Securities of the Company (Form 247-4)

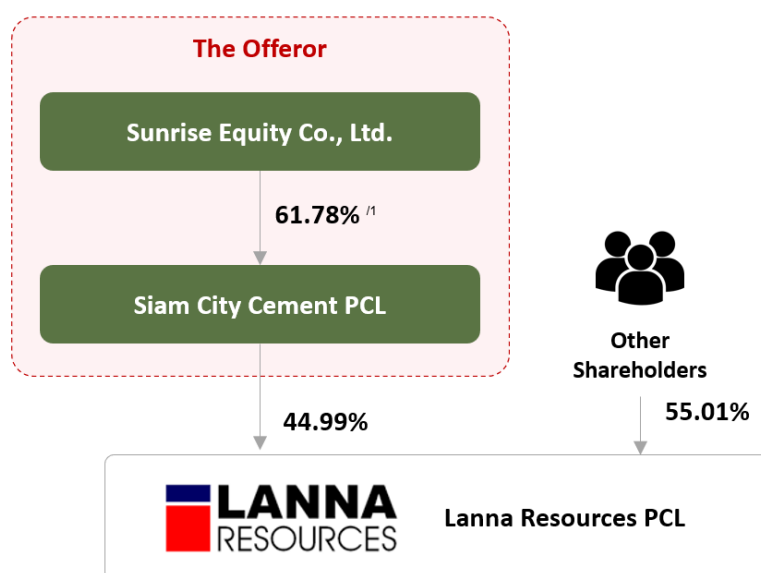
1.5 Any relationship or agreement between the Company’s directors and the Offeror whether done personally or by the status of directors or the representative of the Offeror which includes the holding of shares in the Offeror’s company and any contract or understanding or agreement between each other in such transaction (such as management etc.)

1.5.1 Summary of a contract/agreement/memorandum of understanding made by the Offeror prior to submission of the Tender Offer for the purpose of buying and selling the Company’s securities in material respects

- None -

1.5.2 Shareholding, either directly or indirectly, by the Offeror or the authorized persons of the Offeror in the Company

1.5.2.1 Shareholding in the Company



Remark: /1 Sunrise Equity and its related parties under Section 258 hold a total number of 214,196,787 shares, representing 71.88% of the total issued and paid-up ordinary shares and total voting rights of SCCC.

- **Sunrise Equity**

As at the Tender Offer Submission Date, Sunrise Equity does not directly hold shares in the Company, however, Sunrise Equity indirectly holds shares in the Company through SCCC. Sunrise Equity directly holds shares of 184,104,749 shares or equivalent to 61.78% of the total issued and paid-up ordinary shares and total voting rights of the SCCC, and when combining with SCCC’s shares held by related parties under Section 258 of Sunrise

Equity, the combined shareholding is equivalent to 214,196,787 shares, representing 71.88% of the total issued and paid-up ordinary shares and total voting rights of SCCC. Subsequently, SCCC, which is the major shareholder of the Company, holds 236,173,980 shares of the Company, equivalent to 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company.

- **SCCC**

As at the Tender Offer Submission Date, SCCC directly holds 236,173,980 shares of the Company, equivalent to 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company.

1.5.2.2 Shareholding in the major shareholder of the Company

- **Sunrise Equity**

As at the Tender Offer Submission Date, Sunrise Equity directly holds shares in SCCC, the major shareholder of the Company, amounting to 184,104,749 shares or equivalent to 61.78% of the total issued and paid-up ordinary shares and total voting rights of SCCC.

- **SCCC**

- None -

1.5.3 Shareholding, either directly or indirectly, by the Company, major shareholders, or directors of the Company in the Offeror

1.5.3.1 Shareholding by the Company in the Offeror

- **Sunrise Equity**

- None -

- **SCCC**

- None -

1.5.3.2 Shareholding by the Major Shareholder of the Company in the Offeror

- **Sunrise Equity**

- None -

- **SCCC**

As at the Tender Offer Submission Date, Sunrise Equity does not hold shares in the Company, however, Sunrise Equity is an indirect major shareholder of the Company, directly holds shares in SCCC, the major shareholder of the Company, amounting to 184,104,749 shares of SCCC or equivalent to 61.78% of the total issued and paid-up ordinary shares and total voting rights of SCCC.

1.5.3.3 Shareholding, either directly or indirectly, by the Company, major shareholders, or directors of the Company in the Offeror

- **Sunrise Equity**

- None -

- **SCCC**

As of the date of the Tender Offer, shareholding by the directors of the Company in the Offeror are as follows:

No.	Name of Directors	Number of Shares (Shares)	Shareholding (%)
1	Mr. Vanchai Tosomboon	98,456	0.0330
2	Mr. Siva Mahasandana	216,926	0.0728
3	Mr. Ranjan Sachdeva	3,814	0.0013
4	Mr. Kerry James Chia Beng Lee	12,680	0.0043

1.5.4 Other relationships

Common Directors and/or Management

- **Sunrise Equity**

- None -

- **SCCC**

As of August 19, 2024, the SCCC directors, who are also directors of the Company, are as follows:

No.	Name	Position in SCCC	Position in the Company
1	Mr. Ranjan Sachdeva	Group Chief Executive Officer/ Director	Director
2	Mr. Siva Mahasandana	Director	Director

Source: Tender Offer for the Securities of the Company (Form 247-4)

Related party transactions between the Tender Offerors and the Company and its major shareholders or directors

- **Sunrise Equity**

- None -

- **SCCC**

For the year ended December 31, 2021 - 2023 and for the 6-month period ended June 30, 2024, the Company has related party transactions with SCCC, as detailed below:

Type of related party transaction	For the year ended December 31,			For the 6-month period ended June 30,
	2021	2022	2023	2024
Sales of coals	860.86	1,322.78	1,434.32	559.15

Source: Annual Registration Statement (Form 56-1 One Report) of the Company and information from the Company

Joint Business Operations or Joint Investments

- **Sunrise Equity**

- None -

- **SCCC**

As of March 6, 2024, SCCC holds shares in Thai Agro Energy Public Company Limited (“TAE”) amounting to 4.72% of the total issued and paid-up ordinary shares and total voting rights of TAE, and the Company hold shares in TAE amounting to 51.00% of the total issued and paid-up ordinary shares and total voting rights of TAE.

1.6 Source of fund used by the Offeror for the Tender Offer

In this Tender Offer, SCCC has received approval from the Board of Directors Meeting of SCCC No. 199 on August 23, 2024, to participate together with Sunrise Equity in the Tender Offer for all the securities of the Company whereby SCCC will acquire all securities of the Company in this Tender Offer. Moreover, SCCC confirms its intention that SCCC will not sell shares in the Company totaling 236,173,960 shares, representing 44.99% of the total issued and paid-up ordinary shares and total voting rights of the Company, throughout the Offer period. Therefore, the Tender Offerors are obligated to make a Mandatory Tender Offer for all the remaining shares of the Company totaling 288,825,699 shares, equivalent to 55.01% of the total issued and paid-up ordinary shares and total voting rights of the Company. The capital required by the Tender Offerors for this Tender Offer will be equal to THB 4,765,624,033.50.

As of August 23, 2024, the date on which the Company received the Announcement of Intention to Make a Tender Offer (Form 247-3), SCCC has secured a credit facility from Bank of Ayudhya Public Company Limited, not exceeding THB 6,500,000,000, as a source of funds for the Tender Offer (A portion of this credit facility, totaling THB 580,556,004.00, will be allocated to the payment for securities in the tender offer for all securities of TAE by SCCC). This credit facility covers the required capital which is sufficient for the Tender Offer of 288,825,699 shares, or 55.01% of the total issued and paid-up ordinary shares and total voting rights of the Company, excluding shares that SCCC confirms and agrees not to sell in the Tender Offer, at a price of THB 16.50 per share, totaling THB 4,765,624,033.50. In this regard, a copy of Certification Letter of credit facility issued by the Bank of Ayudhya Public Company Limited and Confirmation Letter to Retain Fund by the Tender Offeror are included in Form 247-4.

Kiatnakin Phatra Securities Public Company Limited, as a Tender Offer Preparer, has considered details of the source of funds and the undertaking letter not to sell shares held in the Company by SCCC, and views that the Offeror has sufficient source of funds to carry out this Tender Offer. Additionally, as of the date of the Tender Offer, there is no significant term and condition that shall materially affect the Offeror’s ability to withdraw the funds from the credit facility for the purpose of making the Tender Offer and paying for all securities of the Company. In addition, the IFA has reviewed the information provided by the Offeror in the Tender Offer for the Securities of the Company Form (Form 247-4) and views that there is sufficient fund for this Tender Offer.

1.7 Plan to sell the securities of the Company

According to Tender Offer for the Securities of the Company (Form 247-4), the Offeror has no plan to either sell or transfer shares in a significant amount within 12 months from the end of the Offer Period, except in any of the following events:

1. The Offeror shall comply with relevant regulations to maintain the qualification of free float of not less than 150 shareholders and such shareholders shall hold shares in aggregate not less than 15% of the paid-up capital of the Company according to the criterion of maintaining the listing status and/or the Offeror is obligated to comply with any effective laws and regulations during such period; or
2. The Offeror may restructure their shareholding, organization structure or capital structure, sell or transfer the securities of the Business to its major shareholder or person under Section 258 of the

Offeror being (a) Bangkok Broadcasting & T.V. Company Limited (b) CKS Holding Company Limited or (c) Super Assets Company Limited in accordance with the suitability of the business operations in order to improve efficiency and competitiveness, including the benefits of conducting business as a member of the Offeror's group.

The IFA views that the shareholders of the Company will not be affected by the change in the major shareholders of the Company because the Offeror does not have any plan to sell the Company's shares within 12 months after the completion of the Offer Period, except as stated in the Tender Offer for the Securities of the Company (Form 247-4). The IFA views that the plan to sell shares of the Company as stated is an action that will enable the Company to continue to maintain its status as a listed company or is necessary for internal restructuring within the Company. Furthermore, any actions that may affect the rights of minority shareholders, the Offeror, directors and/or executives of the Company should be carefully analyzed by taking the impact and the benefits of the minority shareholders into the consideration. In case that the Offeror intends to change the plan to sell shares of the Company within the 12-month period, the Company and the Offeror must comply with the laws and regulations that are effective at that time.

Part 2 Opinion of the Independent Financial Advisor

2.1 Appropriateness of the Offer Price

The IFA has conducted valuation of LANNA's ordinary shares to render opinion on the appropriateness of the Offer Price using 5 different methods of valuation as follows:

- 1) Book Value Approach
- 2) Adjusted Book Value Approach
- 3) Historical Market Price Approach
- 4) Market Comparable Approach
- 5) Sum of The Parts Approach

In this valuation of common shares, the IFA has set assumptions based on the current economic conditions and information at the time of this report, and under the important assumption that LANNA will operate its business normally under the same market conditions and regulations as in the past. The IFA has not taken into account the possible impacts that may occur in the future from the additional shareholding of the Offeror as there are uncertainties such as the number of the shareholders who will accept the Tender Offer. Therefore, the value of common shares of LANNA that the IFA uses to consider the appropriateness of the Offer Price is the value according to the current business plan. If the factors and assumptions mentioned above change in the future, it may affect the IFA's opinions to change consequently. The details of each method for valuation of common shares of LANNA are as follows:

2.1.1 Book Value Approach

This valuation approach shows the value of common shares by referring to the book value of the as shown in the reviewed consolidated financial statements of LANNA for the 6-month period ended June 30, 2024, with details as follows:

LANNA's Share Valuation Based on the Book Value Approach as of June 30, 2024

Items	Value (THB million)
Issued and fully paid-up capital	525.00
Share premium	680.40
Add Retained earnings	
Appropriated - Statutory reserve	52.50
Appropriated - General reserve	1,310.60
Unappropriated	5,813.31
Other components of shareholders' equity	389.58
Equity attributable to owners of LANNA as of June 30, 2024	8,771.40
Issued and paid-up shares (million shares) - par value of THB 1.00	525.00
Book value per share as of June 30, 2024 (THB per share)	16.71

Based on the table above, **the value of LANNA's common share as of June 30, 2024, under the Book Value Approach is THB 16.71 per share**, which is higher than the Offer Price at THB 16.50 per share by THB 0.21 per share or equivalent to 1.26%.

2.1.2 Adjusted Book Value Approach

This approach of valuing common shares is to adjust the book value of LANNA reported in the reviewed consolidated financial statements for the 6-month period ended June 30, 2024, by the increase (decrease) in the value of certain assets of LANNA to reflect the current fair values. The list of assets that have been used for adjustment includes (1) investment in associates, (2) investment properties, and (3) interim dividend payment which were declared after the date of the reviewed consolidated financial statements as of June 30, 2024, with details as follows:

(1) Investment in associates

LANNA has an investment in associates, which are (1) United Bulk Shipping Pte. Ltd. (“UBS”) and (2) PT. Pesona Khatulistiwa Nusantara (“PKN”).

- UBS, an associate company registered in Singapore which LANNA directly holds 49.00% of its paid-up capital. UBS is involved in ocean freight transport. LANNA currently records this investment using the equity method. As per the reviewed financial statements for the six-month period ended June 30, 2024, LANNA has recorded the investment in UBS at THB 18.39 million.
- PKN is an associate company registered in Indonesia, in which LANNA directly holds 10.00% of its paid-up capital. PKN operates a coal mining business in Bulungan, North Kalimantan. LANNA currently records for this investment using the equity method. As per the reviewed financial statements for the six-month period ended June 30, 2024, LANNA has recorded the investment in UBS at THB 499.38 million.
- However, the IFA perceived that the book value using the equity method might not reflect current fair value of the investment. Hence, the IFA has evaluated the fair value of UBS and PKN as of August 16, 2024, which is the last trading day prior to an announcement of intention to make a tender offer (247-3) of SCCC, which triggered Sunrise Equity's obligation to make a Mandatory Tender Offer for LANNA's shares under the Chain Principle Rules, for adjusting the asset value. The results of the investment valuation and adjustment can be summarized as follows: (Details of the valuation are presented in Part 2.1.5.4 Valuation of investment in associates of this report.)

Valuation Results of LANNA's Investment in Associates

Investment in associates	Appropriate Valuation approach	(THB million)		
		Book value using the equity method as of Jun 30, 24	Valuation result	Adjustment (+/(-))
- UBS	Book Value Approach	18.39	26.02	7.63
- PKN	EV/EBITDA Approach	499.38	366.15 - 446.90	(133.23) - (52.48)
Total		517.77	392.17 - 472.92	(125.60) - (44.85)

From the table above, **the adjusted value for investment in associates is THB (125.60) - (44.85) million.**

(2) Investment properties

The IFA has considered to adjust the book value of LANNA's investment properties as follows:

- Investment properties consists of plots of land of Paka mine and land and building of the local subsidiary. The investment properties were reported at cost less accumulated depreciation and impairment losses. According to the reviewed consolidated financial statements of LANNA for the 6-month ended June 30, 2024, LANNA has recorded the investment properties at THB 45.40 million.
- In addition, as disclosed in the notes to the financial statements as of December 31, 2023, the Company assessed the fair value of its investment properties based on the price appraised by the Department of Land and the independent valuer, together with using the cost approach to

determine the fair value of land and building. The total fair value of the investment properties is THB 72.80 million. Therefore, the IFA has adjusted the asset value to reflect its current value, with details as follows:

Valuation Results of LANNA's Investment Properties				
List of assets	Valuation approach	(THB million)		
		Book value as of June 30, 2024	Valuation result	Adjustment (+/(-))
Investment properties	Price appraised by the Department of Land and the cost approach	45.40	72.80	27.40

From the table above, **the adjusted value for investment properties is THB 27.40 million.**

(3) LANNA's interim dividend payment

On August 26, 2024, LANNA announced its interim dividend payment from operations in the first half of 2024 at THB 1.10 per share, totaling THB 577.50 million. The record date for the rights to receive dividends is September 9, 2024, with payment date on September 20, 2024. Hence, since the dividend record date and payment date occurred after LANNA's latest reviewed financial statements, which is June 30, 2024, the IFA has adjusted the book value to reflect this event.

Summary of the Adjusted Book Value Approach

Following the valuation of LANNA's asset categories above, the IFA has adjusted the book value of LANNA's equity attributable to owners of LANNA to reflect the fair value of LANNA's equity as of June 30, 2024, with the following details:

LANNA's Share Valuation Based on the Adjusted Book Value Approach as of June 30, 2024	
Item	Value (THB million)
Equity attributable to owners of LANNA as of June 30, 2024	8,771.40
Adjustment	
Adjustment of investment in a joint venture (Investment in UBS and PKN)	(125.60) - (44.85)
Adjustment of Investment properties	27.40
Interim dividend payment	(577.50)
Equity after the adjustment	8,095.69 - 8,176.44
Issued and paid-up shares (million shares) - par value of THB 1.00	525.00
Book value after adjustment per share (THB per share)	15.42 - 15.57

Based on the table above, **the value of LANNA's common share under the Adjusted Book Value Approach is THB 15.42 - 15.57 per share**, which is lower than the Offer Price at THB 16.50 per share by THB 0.93 - 1.08 per share or equivalent to 5.61% - 6.54%.

2.1.3 Historical Market Price Approach

For the Historical Market Price Approach, the IFA assesses the value and amount of LANNA's common shares traded in the SET by calculated the volume-weighted average price ("VWAP") for the previous 15 - 360 business days until August 16, 2024, which is the last trading day before Sunrise Equity submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) for SCCC. This

submission triggered Sunrise Equity's obligation to make a Mandatory Tender Offer for LANNA's shares under the Chain Principle Rules. The details of valuation are as follows:

The Calculation Based on Historical Market Price Approach

Historical business day (Business days)	Average daily trading value (THB million)	Average daily trading volume (Million shares)	VWAP (THB per share)
15	11.38	0.80	14.17
30	10.18	0.72	14.21
60	12.22	0.85	14.45
90	11.26	0.79	14.34
180	12.03	0.82	14.73
270	13.28	0.88	15.16
360	14.46	0.95	15.26
Range of LANNA's share price (THB per share)			14.17 - 15.26

Source: www.setsmart.com as of August 16, 2024

Based on the table above, **the value of LANNA's share using the Historical Market Price Approach is between THB 14.17 - 15.26 per share**, which is lower than the Offer Price at THB 16.50 per share by THB 1.24 – 2.33 per share or 7.49% – 14.11%.

2.1.4 Market Comparable Approach

For the Market Comparable Approach, the IFA assessed various ratios of the listed companies traded in the Southeast Asian stock market that have similar characteristics as LANNA, namely majority of revenues is contributed from manufacturing and distribute coals of similar types to LANNA and expected operation year not more than approximately 30 years. The main assumption is that companies with similar characteristics and business operation should have similar financial ratios, such as the Price to Book Value ratio, the Price to Earnings ratio, and the Enterprise Value to Earnings before interest, tax, depreciation, and amortization ratio.

Therefore, the IFA selected listed companies with similar businesses to LANNA's business based on the above considerations for comparison. The details of the comparable companies are as follows:

General Information of LANNA and Comparable Companies

Company	Business description	(THB million)		
		Asset as of June 30, 2024	Last twelve months ended June 30, 2024	
			Revenue	Net profit
The Lanna Resources Public Company Limited (Thailand)	LANNA manufactures and distributes coal in Thailand and internationally. Main businesses include 1. Domestic coal business: import coal from subsidiaries and other sources in Indonesia to distribute in Thailand and 2. Overseas coal business.	15,855.61	21,854.83	1,731.94

Company	Business description	(THB million)		
		Asset as of June 30, 2024	Last twelve months ended June 30, 2024	
			Revenue	Net profit
Comparable Companies				
PT ABM Investama Tbk ("IDX:ABMM")	ABMM engages in services, manufacturing, and mining contractors and coal mining businesses in Indonesia. The company operates as a mining contractor; and provides logistics, stevedoring and sea port, and ship operational services.	78,565.26	49,962.25	8,481.82
PT Baramulti Suksessarana Tbk ("IDX:BSSR")	BSSR engages in the coal mining, trading, and land transportation activities in Indonesia. The company holds interests in the coal concession covering an area of approximately 22,433 hectares, and the coal concession totaling an area of approximately 2,460 hectares.	14,830.11	40,058.89	5,726.99
PT Resource Alam Indonesia Tbk ("IDX:KKG")	KKGI engages in the coal mining, selling high pressure laminate and melamine laminated particle boards, electricity supply, and other mining and excavation support services. In addition, the company is involved in the wholesale of metals and metal ores, hydropower plant industry, real estate, trading activities, and leasing of mining equipment.	8,024.02	11,363.20	1,089.06

Source: www.setsmart.com and Capital IQ

Details of the valuation of LANNA's shares using Market Comparable Approach are as follows;

Price to Book Value Ratio Approach

For the valuation of LANNA's shares using the Price to Book Value Ratio (P/BV) Approach, the IFA determined the cut-off date for calculating the average historical P/BV on August 16, 2024, which was the last trading day before Sunrise Equity submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) for SCCC. This submission triggered Sunrise Equity's obligation to make a Mandatory Tender Offer for LANNA's shares under the Chain Principle Rules. The details of the average historical P/BV Ratio over 15 - 360 business days are as follows:

Comparable companies	Average Historical P/BV Ratio of Comparable Companies for LANNA's Share Valuation						
	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
IDX:ABMM	0.81x	0.81x	0.78x	0.82x	0.85x	0.92x	0.93x
IDX:BSSR	2.43x	2.40x	2.35x	2.42x	2.59x	2.62x	2.60x
IDX:KKG	1.07x	1.04x	1.00x	0.94x	0.86x	0.92x	0.95x

Comparable companies	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
Average	1.44x	1.42x	1.38x	1.39x	1.43x	1.49x	1.50x

Source: Capital IQ as of August 16, 2024 and the IFA's calculation

From the above table, the IFA used the average historical P/BV ratio to multiply with the book value of LANNA based on the book value of equity attributable to owners of LANNA in the reviewed consolidated financial statement as of June 30, 2024, at THB 8,771.40 million or THB 16.71 per share. The details are as follows:

LANNA's Share Valuation using Average Historical P/BV Ratio Approach

Historical Period (Business Days)	Average P/BV (Times) (1)	Book Value (THB per Share) (2)	Fair Value (THB per Share) (3) = (1) x (2)
15	1.44x	16.71	24.02
30	1.42x		23.67
60	1.38x		23.02
90	1.39x		23.28
180	1.43x		23.96
270	1.49x		24.81
360	1.50x		25.00
Range of Equity Value of LANNA (THB per share)			23.02 - 25.00

From the calculation above, based on the Price to Book Value Ratio Approach, **the fair value of LANNA's share is between THB 23.02 - 25.00 per share**, which is lower than the Offer Price at THB 16.50 per share by THB 6.52 - 8.50 per share or by 39.51% - 51.49%

Price to Earnings Ratio Approach

For the valuation of LANNA's shares using the Price to Earnings Ratio (PER) Approach, the IFA determined the cut-off date for calculating the average historical PER on August 16, 2024, which was the last trading day before Sunrise Equity submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) for SCCC. This submission triggered Sunrise Equity's obligation to make a Mandatory Tender Offer for LANNA's shares under the Chain Principle Rules. The details of the average historical PER over 15 - 360 business days are as follows:

Average Historical PER of Comparable Companies for LANNA's Share Valuation

Comparable companies	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
IDX:ABMM	2.82x	2.80x	2.72x	2.67x	2.31x	2.20x	2.12x
IDX:BSSR	4.39x	4.34x	4.25x	4.15x	3.96x	3.71x	3.40x
IDX:KGGI	5.42x	5.31x	5.09x	4.83x	3.93x	3.74x	3.61x
Average	4.21x	4.15x	4.02x	3.88x	3.40x	3.22x	3.05x

Source: Capital IQ as of August 16, 2024 and the IFA's calculation

From the above table, the IFA used the average historical PER ratio to multiply with the last twelve-month net profit of LANNA until June 30, 2024, at THB 1,731.94 million adjusted by the fire incident of which is equal to THB 27.31 million. The normalized net profit is THB 1,759.25 million or THB 3.35 per share. The details are shown as follows:

LANNA's Share Valuation using Average Historical PER Ratio Approach

Historical Period (Business Days)	Average PER (Times) (1)	Net profit per share (THB per Share) (2)	Fair Value (THB per Share) (3) = (1) x (2)
15	4.21x	3.35	14.10
30	4.15x		13.90
60	4.02x		13.47
90	3.88x		13.01
180	3.40x		11.39
270	3.22x		10.77
360	3.05x		10.21
Range of Equity Value of LANNA (THB per share)			10.21 – 14.10

From the calculation above, based on the Price to Earnings Ratio Approach, **the fair value of LANNA's share is between THB 10.21 - 14.10 per share**, which is lower than the Offer Price at THB 16.50 per share by THB 2.40 - 6.29 per share or by 14.53% - 38.15%.

EV/EBITDA Ratio Approach

For the valuation of LANNA's shares using the EV/EBITDA Ratio Approach the IFA determined the cut-off date for calculating the average historical EV/EBITDA Ratio on August 16, 2024, which was the last trading day before Sunrise Equity submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) for SCCC. This submission triggered Sunrise Equity's obligation to make a Mandatory Tender Offer for LANNA's shares under the Chain Principle Rules. The calculated average historical EV/EBITDA Ratio for 15 - 360 business days as follows:

Average Historical EV/EBITDA Ratio of Comparable Companies for LANNA's Share Valuation

Comparable companies	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
IDX:ABMM	2.68x	2.68x	2.64x	2.60x	2.44x	2.40x	2.33x
IDX:BSSR	2.59x	2.55x	2.50x	2.44x	2.32x	2.18x	2.01x
IDX:KKG1	1.79x	1.97x	2.02x	1.94x	1.53x	1.50x	1.46x
Average	2.35x	2.40x	2.39x	2.32x	2.10x	2.03x	1.93x

Source: Capital IQ as of August 16, 2024 and the IFA's calculation

From the above table, the IFA used the average historical EV/EBITDA ratio to multiply with the last twelve-month EBITDA of LANNA until June 30, 2024, to get the Enterprise Value ("EV"). The IFA then adjusted the EV figures by adding LANNA's cash and cash equivalent, other current financial assets, long-term loan to related parties, and investment properties, as well as deducting with interest-bearing debts, provision for site restoration and decommissioning costs, and non-controlling interests based on the consolidated reviewed financial statements of LANNA for the 6-month ended June 30, 2024, and then deducting with interim dividend payment declared after the date of such financial statements to calculate the equity value. The details of LANNA's share valuation using this approach are as follows:

LANNA's Share Valuation using Average Historical EV/EBITDA Ratio Approach

Comparable companies	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
Average EV/EBITDA (Times) (1)	2.35x	2.40x	2.39x	2.32x	2.10x	2.03x	1.93x
EBITDA ^{/1} of LANNA (2)	5,616.38						
Enterprise Value (1) x (2)	13,212.42	13,474.81	13,410.14	13,057.10	11,782.11	11,386.80	10,858.49
Add: Cash and cash equivalent ^{/2}	2,528.89						
Add: Other current financial assets ^{/2}	1,896.66						
Add: Long-term loan to related parties	9.23						
Add: Investment properties ^{/3}	72.80						
Deduct: Interest-bearing debts ^{/2}	(1,332.27)						
Deduct: Provision for site restoration and decommissioning costs ^{/2}	(151.48)						
Deduct: Non-controlling interests ^{/2}	(2,817.01)						
Deduct: Interim dividend ^{/4}	(577.50)						
Equity Value	12,841.75	13,104.14	13,039.46	12,686.42	11,411.44	11,016.12	10,487.81
Number of shares (million shares)	525.00						
Share Price (THB per share)	24.46	24.96	24.84	24.16	21.74	20.98	19.98
Range of LANNA's share price (THB per share)	19.98 - 24.96						

Remark: /1 EBITDA of LANNA is calculated based on last twelve-month performance as of June 30, 2024 based on The LANNA's EBIT of THB 4,282.09 million add share of profit of associates and joint venture accounted for using equity method of THB 65.38 million, depreciation of THB 1,219.42 million. Then adjusted by excluding the fire incident of by THB 49.49 million. As a result, EBITDA of LANNA is THB 5,616.38 million.

/2 Values of each item are based on the book value from the consolidated financial statements of LANNA as of June 30, 2024.

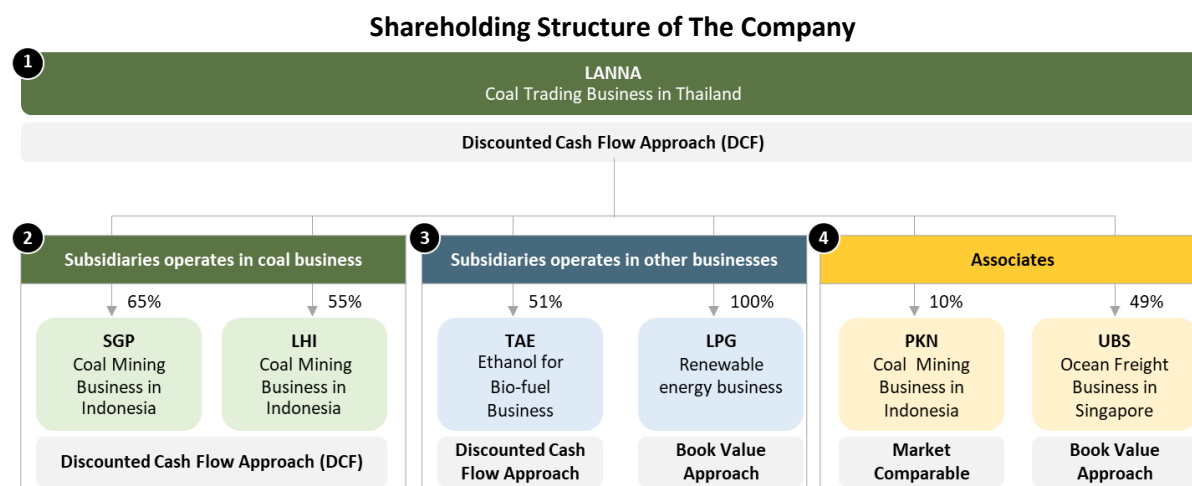
/3 Values of investment properties is based on market values as disclosed by LANNA in the notes to the financial statements as of December 31, 2023, as assessed by independent appraisers.

/4 On August 26, 2024, LANNA announced its interim dividend from operations in the first half of the year 2024 at THB 1.10 per share, which is equivalent to THB 577.50 million. The record date for the rights to receive dividends is September 9, 2024, with payment date on September 20, 2024.

From the calculation above, based on the EV/EBITDA Ratio Approach, **the fair value of LANNA's share is between THB 19.98 - 24.96 per share**, which is higher than the Offer Price at THB 16.50 per share by THB 3.48 - 8.46 per share or by 21.07% - 51.27%.

2.1.5 Sum of The Parts Approach

In assessing the fair value of ordinary shares by Sum of The Parts Approach, the IFA considers the sum of the fair values of 4 parts, which are (1) Domestic coal trading business (2) Coal mining business in Indonesia including LHI and SGP (3) Investment in subsidiaries including TAE and LPG and (4) Investment in associates include UBS and PKN. The fair value assessment of each company is summarized as follows:



Summary of Valuation Approaches for Each Part

Items	Valuation Approach & Rationales
<p>1. Domestic coal trading business LANNA imports coal from joint venture mines and other sources in Indonesia for domestic distribution.</p>	<p>Discounted Cash Flow Approach: The IFA considers this approach to be the most appropriate, as it takes into account the ability to make profits and future cash flows according to the business plan of the Company.</p>
<p>2. Coal mining business in Indonesia Including PT. Singlurus Pratama (“SGP”) and PT. Lanna Harita Indonesia (“LHI”), in which LANNA holds 65.0% and 55.00% stake, respectively. These companies are joint venture coal mining projects in Indonesia, supplying customers both domestically and internationally.</p>	<p>Discounted Cash Flow Approach for valuing investment in TAE: The IFA considers this approach to be the most appropriate, as it takes into account the ability to make profits and future cash flows according to the business plan of TAE.</p> <p>Book Value Approach for valuing investment in LPG: The IFA considers this approach to be the most appropriate, as LPG is not currently conducting any business activities. Furthermore, interviews</p>
<p>3. Investment in subsidiaries</p> <ul style="list-style-type: none"> • Thai Agro Energy PCL (“TAE”) <ul style="list-style-type: none"> - LANNA holds 51.00% stake - Engages in production and sale of ethanol • Lanna Power Generation Co., Ltd. (“LPG”) <ul style="list-style-type: none"> - LANNA holds 100.00% of shares - Invests in renewable energy business 	<p>Discounted Cash Flow Approach for valuing investment in TAE: The IFA considers this approach to be the most appropriate, as it takes into account the ability to make profits and future cash flows according to the business plan of TAE.</p> <p>Book Value Approach for valuing investment in LPG: The IFA considers this approach to be the most appropriate, as LPG is not currently conducting any business activities. Furthermore, interviews</p>

Items	Valuation Approach & Rationales
	with management revealed that there are no clear business or investment plans at this time.
<p>4. Investment in associates</p> <ul style="list-style-type: none"> • PT. Persona Khatulistiwa Nusantara (“PKN”) <ul style="list-style-type: none"> - LANNA holds 10.00% stake - Operates coal mining in Indonesia • United Bulk Shipping Pte. Ltd. (“UBS”) <ul style="list-style-type: none"> - LANNA holds 49.00% stake - Operates the ocean freight transport 	<p><u>Market comparable approach for valuing investment in PKN:</u> The IFA considers this approach to be the most appropriate because, as of the date of this report, there are limitations in accessing information needed to prepare future cash flow projections. Therefore, the IFA believes that using market comparable approach, which can reflect investor sentiment within the same industry, can provide a reasonable estimate of PKN's fair value.</p> <p><u>Book Value Approach for valuing investment in UBS:</u> The IFA considers this approach to be the most appropriate because, as of the date of this report, there are limitations in accessing information needed to prepare future cash flow projections. Additionally, there are few listed companies of comparable business size to UBS that could be used for market comparable approach.</p>

The valuation of LANNA ordinary shares for each business segment is detailed as follows:

2.1.5.1 Valuation of Domestic Coal Business

LANNA imports coal from the joint venture coal mining projects and from other sources in Indonesia for distribution in Thailand by either direct delivery and for inventory and processing before delivery to the customers at Ayutthaya Coal Distribution Center, located in Nakhon Luang District, Phra Nakhon Si Ayutthaya Province on an area of 31 rai and 56.40 square wah, which can support over 200,000 tons of coal inventory. The Company's domestic coal market share in 2023 was approximately 7.00% of the amount of coal used in the industrial sector, excluding coal used for electricity production of independent power producers (IPP) and small power producers (SPP). Most of the domestic coal consumption in 2023 was mainly by cement industry at approximately 35 percent with the remaining 65 percent by electricity production and other industries, which excludes electricity production from the Electricity Generating Authority of Thailand (“EGAT”). It is expected that the consumption of coal, with a lower cost per heat unit than other types of fuel, will continue to increase in the future.

The fair value assessment using the Discounted Cash Flow (DCF) approach for LANNA's domestic coal business considers the Company's ability to generate future cash flows. The IFA calculates the present value of free cash flows by discounting them using the Company's Weighted Average Cost of Capital (WACC). This calculation assumes that LANNA's business will continue operating on a going concern basis after the forecast period without any significant changes, under current economic conditions and circumstances, to determine the net present value of the Company's equity value.

The IFA references actual performance data from LANNA's audited and reviewed separate financial statements for fiscal years 2019 to 2023, ending on December 31, and for the six-month period of 2024, ended June 30, 2024, to determine the valuation of LANNA as of August 16, 2024, which is the last trading day before Sunrise Equity submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) for SCCC. This submission triggered Sunrise Equity's obligation to make a Mandatory Tender Offer for LANNA's shares under the Chain Principle Rules. The details of the valuation are as follows:

A) Overall assumptions

Assumption	Description	Source
Estimated duration	11 years and 6 months, from July 1, 2024, to December 31, 2034, in order to reflect the Company's current strategic operational plan, as well as to account for the expiration of LHI and SGP concessions. After this period, the Terminal Value will be calculated to estimate the business's continuing value beyond the forecast period	The IFA
Inflation rate	2.00% per year based on Thailand's target inflation rate	Bank of Thailand
Exchange rate	USD 1 = THB 35.09 (as of August 16, 2024)	Bank of Thailand
Corporate tax	20.00%	Revenue Department

B) Revenue assumptions

Assumption	Description	Source
1. Coal sales revenue		- LANNA Annual Report - LANNA's financial statements for 2021-2023 and Q2 / 2024 - Management interview - The IFA's Projection
	LANNA imports coal from Indonesia for distribution in Thailand, after considering industry trends, historical data, and information from management interviews, the IFA views that due to limited domestic coal consumption, a small number of key customers, and national policies aiming to reduce coal usage, the Company has no plans to expand this segment of its business. Therefore, the IFA has projected steady revenue of THB 1,875.87 million throughout the forecast period, based on coal sales revenue in 2023.	
2. Commission and marketing service income		
	According to the conditions outlined in the Coal Handling Services Agreement with its subsidiaries, including LHI and SGP, the Company recognizes revenue when the subsidiaries successfully sell coal to buyers (both domestic and international) that the Company has secured. The IFA has estimated commission and marketing service income based on two factors: (1) the volume of coal sold and (2) the commission fees. The details are as follows:	
	(1) Volume of Coal Sold: The IFA considered industry trend data, annual reports of LANNA, LHI, and SGP, as well as interviews with management and views that	
	<ul style="list-style-type: none"> 2024 - 2029: The volume of coal sold equals annual production and sales of LHI and SGP, totaling 8.00 million tons per year. This estimate is based on the coal production capacity disclosed in LANNA's annual report. 2030 - 2034: The volume of LHI and SGP coal sold will decrease due to declining coal reserves and expiration of concessions. However, the 	

Assumption	Description	Source																														
	<p>Company plans to enter into agreements with other coal mines to secure buyers for their coal as the Company currently has existing relationships with numerous buyers and international sales team to find new buyers. The coal sales volume is projected to increase back to 8.00 million tons per year in 2033 and 2034.</p> <p>The details of the coal sales volume are as follows:</p> <p style="text-align: center;">Coal sales volume by source</p> <table border="1"> <thead> <tr> <th>Item (million tons)</th> <th>2024 - 29</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033 - 34</th> </tr> </thead> <tbody> <tr> <td>LHI mines</td> <td>3.50</td> <td>2.50</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>SGP mines</td> <td>4.50</td> <td>4.50</td> <td>4.50</td> <td>3.79</td> <td>-</td> </tr> <tr> <td>Other coal mines</td> <td>-</td> <td>-</td> <td>2.00</td> <td>3.00</td> <td>8.00</td> </tr> <tr> <td>Total sales volume</td> <td>8.00</td> <td>7.00</td> <td>6.50</td> <td>6.79</td> <td>8.00</td> </tr> </tbody> </table>	Item (million tons)	2024 - 29	2030	2031	2032	2033 - 34	LHI mines	3.50	2.50	-	-	-	SGP mines	4.50	4.50	4.50	3.79	-	Other coal mines	-	-	2.00	3.00	8.00	Total sales volume	8.00	7.00	6.50	6.79	8.00	
Item (million tons)	2024 - 29	2030	2031	2032	2033 - 34																											
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Other coal mines	-	-	2.00	3.00	8.00																											
Total sales volume	8.00	7.00	6.50	6.79	8.00																											
	<p>(2) Commission fees: The commission fees are determined based on contractual agreements with each company, as outlined in the financial statement notes of LHI and SGP, and from management interviews for other coal mines. The estimated average commission fee ranges from USD 0.75 - 1.45 per ton, depending on the sales volume from each respective mine.</p>																															
	<p>3. Interest income</p> <p>Includes interest income from deposits and from financial assets, such as fixed deposits and investments in fixed income funds. The estimated interest rates are 1.00% and 2.00% per annum, respectively, based on the average returns that the Company is currently receiving.</p>																															

C) Expense assumptions

Assumption	Description	Source
Cost of goods sold		
Cost of goods sold	Estimated at 89.54% of coal sales revenue, based on the average performance from 2021 - 23, which aligns with the target ratio derived from interviews with management	- LANNA Annual Report - LANNA's financial statements for 2021-2023 and Q2 / 2024 - Management interview
Selling and administrative expenses		
Transportation cost	Includes transportation and distribution costs, estimated at 5.07% of coal sales revenue, based on 2023 performance. This figure reflects current transportation costs and aligns with the target ratio derived from interviews with management	- The IFA's Projection
Sales Expenses	Sales expenses, both domestic and international, which include commissions and employee salaries, are estimated at 1.84% of coal sales revenue, based on 2023 performance and aligns with the target ratio derived from interviews with management	
Coal distribution center expenses	Estimated to grow 2.00% from 2023, amounting to THB 68.06 million in 2024, with an annual growth rate of 2.00%, in line with Thailand's target inflation rate	

Assumption	Description	Source											
Salaries and wages	Estimated to grow 3.00% from 2023, amounting to THB 86.78 million in 2024, with an annual growth rate of 3.00%, based on the Company's policy and management interviews												
Allowances and transportation	Estimated at 0.10% of coal sales revenue, based on allowances and transportation expenses in 2023.												
Fees and meeting allowances	Estimated to grow 2.00% from 2023, amounting to THB 47.19 million in 2024, with an annual growth rate of 2.00%, in line with Thailand's target inflation rate												
Cost of Indonesian Coal Project	Estimated to remain constant at THB 7.07 million per year from 2024 to 2030, based on average coal project costs from 2022 to 2023. This is expected to decrease to THB 3.53 million per year from 2031 to 2032 as LHI's concession expires. From 2033 onwards, there will be no costs as SGP's coal reserves are depleted.												
Other administrative expenses	Includes utility costs, maintenance costs, and other expenses such as insurance premiums, service fees, and public relations costs, estimated to grow 2.00% from 2023, amounting to THB 24.40 million in 2024, with an annual growth rate of 2.00%, in line with Thailand's target inflation rate.												
Depreciation	Calculated using the straight-line method based on the asset's useful life, with details provided below. <table border="1" data-bbox="432 1055 1046 1272"> <thead> <tr> <th>List of assets</th> <th>Service life</th> </tr> </thead> <tbody> <tr> <td>Land/ building improvements</td> <td>5 - 20 years</td> </tr> <tr> <td>Buildings and structures</td> <td>5 - 30, 50 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>5 - 30, 50 years</td> </tr> <tr> <td>Office supplies</td> <td>3 - 15 year</td> </tr> <tr> <td>Vehicle</td> <td>5 - 10 year</td> </tr> </tbody> </table>		List of assets	Service life	Land/ building improvements	5 - 20 years	Buildings and structures	5 - 30, 50 years	Machinery and equipment	5 - 30, 50 years	Office supplies	3 - 15 year	Vehicle
List of assets	Service life												
Land/ building improvements	5 - 20 years												
Buildings and structures	5 - 30, 50 years												
Machinery and equipment	5 - 30, 50 years												
Office supplies	3 - 15 year												
Vehicle	5 - 10 year												

D) Working capital assumptions

Assumption	Description	Source
Trade receivable	Estimated at 93.82 days, equal to the ratio in 2023.	<ul style="list-style-type: none"> - LANNA's financial statements for 2021-2023 and Q2 / 2024 - Management interview - The IFA's Projection
Inventory	Estimated at 35.88 days, equal to the ratio in 2023.	
Trade Payable	Estimated at 8.17 days, equal to the ratio in 2023.	

E) Capital expenditure assumptions (CAPEX)

Assumption	Description	Source
CAPEX	Estimated capital expenditure for the maintenance of buildings, machinery, and equipment is THB 25.00 million per year. This estimate is based on management interviews and aligns with the average annual capital expenditure from 2021 to 2023.	<ul style="list-style-type: none"> - Management interview - The IFA's Projection

F) Discount rate assumptions

The IFA used Weighted Average Cost of Capital (WACC) as discount rate for calculating the present value of free cash flow to firm of LANNA. The WACC can be calculated based on the following formula:

$$WACC = K_e \times [E/(D+E)] + K_d \times (1 - t) \times [D/(D+E)]$$

However, in calculating WACC, K_e must be determined using Capital Asset Pricing Model (CAPM) according to the following formula:

$$K_e = R_f + \beta_L (R_m - R_f)$$

Whereas

- R_f = The risk-free rate based on the 25-year Thai government bond yield as of August 16, 2024, which is 3.25% per year (Source: www.thaibma.or.th).
- R_m = Market return rate based on the average changes in the SET index over the past 25 years up to June 30, 2024, which is 9.26% (source: www.set.or.th and the IFA's calculation).
- β_L = The coefficient of the volatility of LANNA's stock price and the stock market return over the last 5 years up to August 16, 2024, which equals 1.08 (Source: Capital IQ).

From the above assumptions, K_e can be calculated as follows:

Calculation of the Cost of Equity of LANNA

Factors	Assumptions
Risk-free Rate (1)	3.25%
Risk Premium ($R_m - R_f$) (2)	6.00%
β_L (3)	1.08
Cost of Equity or K_e (4) = (1) + [(3) x (2)]	9.75%

From K_e as shown above, the IFA has calculated the WACC with the following details:

- K_e = Cost of equity of 9.75%, calculated using the Capital Asset Pricing Model (CAPM)
- K_d = Weighted-average interest rate of LANNA, which is equal to 5.41%
- t = Thailand's Corporate income tax, which is equal to 20.00%
- IBD/E = Capital structure of LANNA, which is equal to 0.11 times

Calculation of WACC of SCCC

Factors	Assumptions (%)
Cost of Equity or K_e (1)	9.75%
Cost of Debt or K_d (2)	5.41%
IBD/(IBD+E) (3)	10.31%
Corporate income tax rate or t (4)	20.00%
Weighted average cost of capital, or WACC (5) = {(1) x [1-(3)]} + {(2) x [1-(4)] x (3)}	9.19%

From the above table, LANNA's weighted average cost of capital (WACC) is 9.19%.

G) Terminal Value assumptions

The IFA estimates the terminal value because it is believed that the Business will continue to operate after the estimation period. Therefore, the IFA utilized the terminal value to determine the present value of cash flows for each year to reflect the ongoing value of the business as a going concern after the forecast period. It is calculated according to the following equation:

$$\text{Terminal Value} = \text{FCFF} \times (1 + G) / (\text{WACC} - G)$$

Whereas

- FCFF = Cash flow value in 2034 which is equal to THB 38.71 million
- G or Terminal Growth Rate = After considered industry trends and interviews with management, the IFA noted that the Company has no plans for further business expansion and determined that future cash flows will remain constant or with an annual growth rate of 0.00%, following a conservative approach.
- WACC or Discount Rate = 9.19%

H) Calculating the net present value of free cash flow

Based on the assumptions above, the IFA has prepared the free cash flows projection and then discounted by the weighted average cost of capital (WACC) to calculate the net present value of the free cash flow and the Company's shareholders' equity. The details are as follows:

LANNA'S Projected Free Cash Flow (July 2024 - December 2034)

Items (THB million)	Jul - Dec	Jan - Dec				
	2024	2025	2026	2027	2028	2029
Earnings before interest and taxes (EBIT)	99.10	232.55	226.95	221.23	215.36	209.35
(Less): Income tax expenses	(19.82)	(46.51)	(45.39)	(44.25)	(43.07)	(41.87)
Add: Depreciation and amortization	30.16	35.52	38.22	40.62	42.99	45.39
Add (Less): Change in working capital	(169.39)	(1.54)	0.13	0.13	2.06	(1.79)
(Less): Capital Expenditures	(11.00)	(26.00)	(26.00)	(26.00)	(26.00)	(26.00)
Free cash flow	(70.95)	194.02	193.91	191.73	191.34	185.08

Items (continued) (THB million)	Jan. - Dec.					
	2030	2031	2032	2033	2034	
Earnings before interest and taxes (EBIT)	176.90	160.97	131.04	10.50	3.74	
(Less): Income tax expenses	(35.38)	(32.19)	(26.21)	(2.10)	(0.75)	
Add: Depreciation and amortization	47.99	50.49	52.99	55.49	56.49	
Add (Less): Change in working capital	6.90	3.44	8.06	32.36	0.15	
(Less): Capital Expenditures	(26.00)	(26.00)	(26.00)	(26.00)	(26.00)	
Free cash flow	170.41	156.72	139.89	70.25	33.63	
Add: Terminal Value					365.98	
Total free cash flow	170.41	156.72	139.89	70.25	399.61	
Present Value of Enterprise Value	1,086.33	<i>The discount rate of 9.19% is used to discount the free cash flows from 2024 to 2034 to calculate the net present value (NPV) of cash flows as of August 16, 2024.</i>				
Add: Cash and cash equivalents ^{/1}	1,142.83					
Add: Other current financial assets ^{/1}	1,895.56					
Add: Investment Properties ^{/2}	72.80					
Add: Loans to related businesses ^{/1}	9.23					
(Less): Dividends paid ^{/3}	(577.50)					
Net Present Value of LANNA	3,629.24					

Note: /1 Information as of June 30, 2024.

/2 Investment properties are valued based on the market value disclosed by LANNA in the notes to the financial statements as of December 31, 2023, which were appraised by an independent appraiser.

/3 On August 26, 2024, the Board of Directors of LANNA approved an interim dividend payment of 1.10 THB per share, amounting to a total of 577.50 million THB.

From the above table, **the fair value of LANNA based on the discounted cash flow approach equals THB 3,629.24 million.**

I) Sensitivity Analysis

From the valuation of LANNA's equity value using the discounted cash flow approach, the IFA conducted a sensitivity analysis on the Company's equity value, focusing on key factors that impact performance. These factors include changes in the commission rates after the expiration of the subsidiaries' concessions, as well as changes in the cost of goods sold (COGS) as a percentage of revenue. The IFA adjusted these factors, with the details as follows:

Sensitivity analysis of operating results	
Sensitivity analysis	Fair value (THB million)
<u>Changes in the commission rates after the expiration of concessions</u>	
Decrease by 5.00%	3,584.07
Base case	3,629.24
Increase by 5.00%	3,674.41
<u>Changes in COGS as a percentage of revenue</u>	
Increase by 1.00%	3,479.49
Base case	3,629.24
Decrease by 1.00%	3,778.99
Value Range	3,479.49 - 3,778.99

From the sensitivity analysis above, the fair value of **LANNA's equity value based on the discount cashflow approach is THB 3,479.49 - 3,778.99 million (base case at THB 3,629.24 million)**

2.1.5.2 Valuation of Coal Mining Business in Indonesia

The fair value assessment using the Discounted Cash Flow (DCF) approach for the coal mining business in Indonesia, specifically referring to investments in LHI and SGP, which are LANNA's subsidiaries, was conducted by the IFA. The IFA considered LHI and SGP's ability to generate future cash flows. The free cash flows are then discounted using the Company's WACC. The forecast period is 8 to 10 years, covering the operational lifespan of LHI and SGP, which is determined by the duration of the coal mining concessions they hold and the remaining coal reserves.

The IFA references actual performance data from LHI and SGP's audited financial statements for fiscal years 2018 to 2023, ending on December 31, to determine the valuation of LHI and SGP as of August 16, 2024, which is the last trading day before Sunrise Equity submitted the Notification of Intent to Make a Tender Offer (Form 247-3) of SCCC, which triggered the obligation under the Chain Principle to make a mandatory tender offer for all of LANNA's securities. The details of the valuation are as follows:

(1) Valuation of investment in LHI

LHI conducts coal mining business operation in Samarinda district, Kutai Regency, East Kalimantan, having received the coal mining concession (Coal Contract of Work: CCOW) from the Indonesian Government for coal production and distribution for a period of 30 years (from 2001 to 2031) and must pay a royalty to the government in return at a rate of 13.50% of the selling price. The remaining coal reserves are estimated at 23.50 million tons (LHI has assessed the amount of coal reserves according to the standards of The Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (Joint Ore Reserves Committee Code: JORCC), which is an internationally accepted standard). Currently, the production capacity is approximately 3.5 million tons per year. The fair value assessment of LHI is detailed as follows:

A) Overall assumptions

Assumption	Description	Source
Estimated duration	8 years, from January 1, 2024, to December 31, 2031, aligned with the concession duration granted by the Indonesian Government, which is set to expire in 2031.	The IFA
Inflation rate	2.50% per year based on Indonesian's target inflation rate.	Central Bank of Indonesia
Corporate tax	The maximum progressive rate is set at 30.00%, as specified in the Coal Contract of Work (CCOW) concession issued by the Government of Indonesia.	LHI's Note to financial statements 2023

B) Revenue assumptions

Assumption	Description	Source															
1. Coal Sales Revenue		<ul style="list-style-type: none"> - LHI Annual Report - LHI's financial statements for 2018 - 2023 - Indonesian Coal Index (ICI) August 16, 2024 - Management interview - The IFA's Projection 															
	<p>The revenue forecast is based on two key factors: (1) the volume of coal produced and sold and (2) the coal selling price. The details are as follows:</p> <p>(1) Volume of Coal Produced and Sold: Based on management interviews and the annual report, the IFA estimates that the volume of coal produced and sold will remain constant at 3.50 million tons per year. The current coal reserves are estimated at approximately 23.50 million tons, according to the company's geologist surveys as disclosed in note to financial statement in 2023. Based on this estimate, the coal reserves at LHI's coal mine are expected to be depleted by 2030. This aligns with LHI's plan to cease production approximately one year before the concession expires to prepare the site to return to the Government of Indonesia.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5">Volume of coal produced and sold</th> </tr> <tr> <th>Item (million tons)</th> <th>2024</th> <th>2025 - 2029</th> <th>2030</th> <th>2031</th> </tr> </thead> <tbody> <tr> <td>Volume of coal produced and sold</td> <td></td> <td>3.50</td> <td>2.50</td> <td>-</td> </tr> </tbody> </table> <p>(2) Coal Selling Price: The selling price is primarily determined based on calorific value, same as pricing for other fuels. The coal sold by LHI has a calorific value ranging from 3,200 - 3,800 kcal/kg. The IFA has estimated the selling price of coal by referencing the Indonesian Coal Index (ICI), a pricing index commonly used for coal trading. Coal prices are volatile and</p>	Volume of coal produced and sold					Item (million tons)	2024	2025 - 2029	2030	2031	Volume of coal produced and sold		3.50	2.50	-	
Volume of coal produced and sold																	
Item (million tons)	2024	2025 - 2029	2030	2031													
Volume of coal produced and sold		3.50	2.50	-													

Assumption	Description	Source
	influenced by various factors such as supply and demand, global economic conditions, and geopolitical factors. Therefore, the IFA has chosen to use the ICI4 reference price (calorific value of 4,200 kcal/kg) as of August 16, 2024, with a 20.00% discount. This discount is based on a comparison of LHI's historical average selling prices with the ICI4 price. The estimated selling price is set at USD 40.94 per ton, which remains constant throughout the forecast period.	
2. Interest income		
	Includes interest income from financial assets, estimated at USD 0.49 million throughout the forecast period, based on interest income in 2023.	

C) Cost assumptions

Assumption	Description	Source												
Royalty fee	Royalty fee that business is obliged to pay to Indonesian Government at 13.50% of the coal selling price.	- LHI Annual Report - LHI's financial statements for 2018 - 2023												
Production cost	Includes mining costs, coal transportation costs, fees and maintenance expenses. Given the fluctuation of cost to sales ratio as it varies with the global economic cycle, the IFA estimates production cost at 50.09% of revenue. This estimation is based on the average operating results from 2018 to 2023 to reflect actual operating costs and minimize an impact of the coal price fluctuations in the past.	- Management interview - The IFA's Projection												
Depreciation	Calculated using the straight-line method based on the asset's useful life, with details provided below <table border="1" data-bbox="416 1173 1034 1397"> <thead> <tr> <th>List of assets</th> <th>Service life</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td>10 - 20 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>4 - 16 years old</td> </tr> <tr> <td>Mining equipment</td> <td>4 - 8 years</td> </tr> <tr> <td>Office supplies</td> <td>4 years</td> </tr> <tr> <td>Vehicle</td> <td>4 years</td> </tr> </tbody> </table>	List of assets	Service life	Building	10 - 20 years	Machinery and equipment	4 - 16 years old	Mining equipment	4 - 8 years	Office supplies	4 years	Vehicle	4 years	
List of assets	Service life													
Building	10 - 20 years													
Machinery and equipment	4 - 16 years old													
Mining equipment	4 - 8 years													
Office supplies	4 years													
Vehicle	4 years													
Amortization of mining properties	Includes expenses related to the coal mining project and deferred stripping costs. The amortization will be calculated based on the actual volume of coal produced and the remaining life of the concession, which is set to expire in 2031.													

D) Selling and administrative expense assumptions

Assumption	Description	Source
Selling expenses	Includes trans-shipment costs and sales commissions, estimated at 12.09% of revenue based on 2023 operating results, which aligns with the target ratio derived from interviews with management.	- LHI Annual Report - LHI's financial statements for 2018 - 2023
Administrative expenses	Includes employee and executive salaries, estimated to grow 2.50% from 2023, amounting at USD 3.51 million in 2024, with an annual growth rate of 2.50%, in line with Indonesia's target inflation rate.	- Management interview - The IFA's Projection

Assumption	Description	Source	
Depreciation	Calculated using the straight-line method based on the asset's useful life, with details provided below		
	List of assets		Service life
	Building		10 - 20 years
	Machinery and equipment		4 - 16 years old
	Mining equipment		4 - 8 years
Office supplies	4 years		
Vehicle	4 years		

E) Working capital assumptions

Assumption	Description	Source
Trade receivable	Estimated at 19.86 days, equal to the ratio in 2023.	- LHI's financial statements for 2018 - 2023
Inventory	Estimated at 5.52 days, equal to the ratio in 2023.	
Trade Payable	Estimated at 18.58 days, equal to the ratio in 2023.	
Restricted Cash Deposits	In 2023, the Indonesian government introduced a new regulation requiring business to deposit a portion of their coal sales as a reserve. The IFA has estimated at 5.70% of revenue, based on the ratio in 2023.	- Management interview - The IFA's Projection

In 2031, which will be the final year of LHI's operations, the IFA has estimated the net value of working capital after the company ceases operations and settles its assets and liabilities, to be USD 19.58 million.

F) Capital expenditure assumptions (CAPEX)

Assumption	Description	Source
CAPEX	Estimated CAPEX for the maintenance of buildings, machinery, equipment, and deferred stripping costs. Based on management interviews, the estimated capital expenditure is USD 3.20 million per year from 2024 to 2029, in line with the average annual capital expenditure from 2021 to 2023. In 2030, the estimated capital expenditure is reduced to USD 2.00 million, as it will be the final year before the concession expires. For 2031, the IFA has estimated that the remaining assets will be sold at a book value of USD 0.12 million.	- Management interview - The IFA's Projection

G) Discount rate assumptions

The IFA used the Weighted Average Cost of Capital (WACC) as the discount rate to calculate the net present value (NPV) of LHI's operating cash flows, which is 9.19%. This rate is based on LANNA's WACC (detailed as shown in Section 2.1.5.1 the valuation of the domestic coal business of this report). This WACC reflects the business characteristics and risks of LHI, which is a subsidiary and a core business of LANNA.

H) Calculating the net present value of free cash flow

Based on the above assumptions, the IFA has prepared a free cash flow projection and discounted it using the weighted average cost of capital (WACC) to calculate the net present value of free cash flow and the equity value of LHI. The details are as follows:

LHI's Projected Free Cash Flow (January 2024 - December 2033)

Items (USD million)	2024	2025	2026	2027
Earnings before interest and taxes (EBIT)	27.39	27.26	27.13	27.00
(Less): Income tax expenses	(8.34)	(8.30)	(8.26)	(8.22)
Add: Depreciation and amortization	3.98	3.99	4.03	4.07
Add (Less): Change in working capital	3.23	-	-	-
(Less): Capital Expenditures	(3.20)	(3.20)	(3.20)	(3.20)
Free cash flow	23.07	19.75	19.70	19.65

Items (continued) (USD million)	2028	2029	2030	2031
Earnings before interest and taxes (EBIT)	27.15	27.06	17.04	(7.49)
(Less): Income tax expenses	(8.27)	(8.24)	(5.23)	-
Add: Depreciation and amortization	3.82	3.82	3.78	3.31
Add (Less): Change in working capital	-	-	3.78	19.58
(Less): Capital Expenditures	(3.20)	(3.20)	(2.00)	0.12
Free cash flow	19.51	19.44	17.37	15.53
Present Value of Enterprise Value	113.85	<i>The discount rate of 9.19% is used to discount the free cash flows from 2024 to 2031 to calculate the net present value (NPV) of cash flows as of August 16, 2024.</i>		
Add: Cash and cash equivalents ^{/1}	8.67			
(Less): Dividends paid ^{/2}	(10.00)			
Net present value of LHI	112.52			
USD/THB exchange rate (August 16, 2024)	35.09			
Net present value of LHI (THB million)	3,948.47			
% Shareholding held by LANNA (%)	55.00			
Fair value of investment in LHI (THB million)	2,171.66			

Note: /1 Information as of December 31, 2023.

/2 The Board of Directors of LHI approved the payment of the 2nd and 3rd interim dividends for the year 2023. These dividends were distributed on March 27 and June 28, 2024, respectively, totaling USD 10.00 million.

From the above table, the fair value of **investment in LHI based on the discounted cash flow approach is THB 2,171.66 million.**

I) Sensitivity Analysis

For the valuation of investment in LHI using the discounted cash flow approach, the IFA conducted a sensitivity analysis on the company's equity value, focusing on key factors that impact performance. These factors include changes in the coal selling price and changes in production cost as a percentage of revenue. The IFA adjusted these factors, with the details as follows:

Sensitivity analysis of operating results	
Sensitivity analysis	Fair value (THB million)
Changes in coal selling prices	
Decrease by 10.00%	1,941.57
Base case	2,171.66
Increase by 10.00%	2,401.75
Changes in production cost to revenue	
Increase by 5.00%	1,924.46
Base case	2,171.66
Decrease by 5.00%	2,418.86
Value Range	1,924.46 - 2,418.86

From the sensitivity analysis above, the fair value of **investment in LHI based on the discount cash flow approach is THB 1,924.46 - 2,418.86 million (base case at THB 2,171.66 million).**

(2) Valuation of investment in SGP

SGP conducts coal mining business operation in Kutai Regency, East Kalimantan, having received the CCOW from the Indonesian Government for coal production and distribution for a period of 30 years (from 2009 to 2039) and must pay a royalty to the government in return at a rate of 13.50% of the selling price. The remaining coal reserves are estimated at 39.79 million tons (SGP has assessed the amount of coal reserves according to JORCC, which is an internationally accepted standard), with production capacity in 2023 of approximately 5.00 million metric tons. At present, SGP is in the process of developing a new coal deposit within SGP concession area, namely, Margomulyo Block (“MG”). Coal production and distribution from MG commenced in the 2nd quarter 2024 of approximately 0.5 million tons, before increasing to 1-1.5 million tons in the following years. The coal produced from MG will be transported via the port and jetty of the Argosari Block (“AG”), which is currently in operation. SGP has increased its production capacity by having constructed a second coal processing plant and renovating the coal stockyard areas to increase coal stockpile capacity to 200,000 metric tons, and currently renovating the port and jetty, as well as adding another 1.70 km long conveyor belt extending from the port to the jetty in the sea in order to accommodate the coal production and distribution from the AG and MG coal deposits as mentioned above, with plan to produce and distribute coal of approximately 3 million and 1.5 million tons per year, respectively, totaling 4.5 million tons per year. The coal produced is of good quality with relatively high calorific value and low Sulphur content, making it easily marketable and profitable. The fair value assessment of SGP is detailed as follows:

A) Overall assumptions

Assumption	Description	Source
Estimated duration	10 years, from January 1, 2024, to December 31, 2033, aligned with the concession duration granted by the Indonesian Government, which is set to expire in 2032.	The IFA
Inflation rate	2.50% per year based on Indonesian’s target inflation rate.	Central Bank of Indonesia
Corporate tax	The maximum progressive rate is set at 30.00%, as specified in the Coal Contract of Work (CCOW) concession issued by the Government of Indonesia.	SGP 's Note to financial statements 2023

B) Revenue assumptions

Assumption	Description	Source
1. Coal Sales Revenue		
	The revenue forecast is based on two key factors: (1) the volume of coal produced and sold and (2) the coal selling price. The details are as follows: (1) Volume of Coal Produced and Sold: Based on management interviews and the annual report, the IFA estimates that the volume of coal produced and sold will remain constant at 4.50 million tons per year. The current coal reserves are estimated at approximately 39.79 million tons, according to the company's geologist surveys as disclosed in note to financial statement in 2023. Based on this estimate, the coal reserves at SGP’s coal mine are expected to be depleted by 2032.	<ul style="list-style-type: none"> - SGP Annual Report - SGP's financial statements for 2018 - 2023 - Indonesian Coal Index (ICI) August 16, 2024 - Management interview - The IFA's Projection

Assumption	Description				Source
Volume of coal produced and sold					
Item (million tons)	2024	2025 - 2031	2032	2033	
Volume of coal produced and sold		4.50	3.79	-	
<p>(2) Coal Selling Price: The selling price is primarily determined based on calorific value, same as pricing for other fuels. The coal sold by SGP has a calorific value ranging from 4,200 - 4,300 kcal/kg. The IFA has estimated the selling price of coal by referencing the Indonesian Coal Index (ICI), a pricing index commonly used for coal trading. Coal prices are volatile and influenced by various factors such as supply and demand, global economic conditions, and geopolitical factors. Therefore, the IFA used the ICI4 reference price (for coal with a calorific value of 4,200 kcal/kg) as of August 16, 2024, which was USD 51.18 per ton, which remains constant throughout the forecast period.</p>					
2. Interest receivable					
Includes interest income from financial assets, estimated at USD 0.54 million throughout the forecast period, based on interest income in 2023.					

C) Cost assumptions

Assumption	Description	Source												
Royalty fee	Royalty fee that business is obliged to pay to Indonesian Government at 13.50% of the coal selling price.	- SGP Annual Report - SGP's financial statements for 2018 - 2023												
Production cost	Includes mining costs, coal transportation costs, fees and maintenance expenses. Given the fluctuating cost to sales ratio as it varies with the global economic cycle, the IFA estimates production costs at 37.89% of revenue. This estimation is based on the average operating results from 2018 to 2023 to reflect actual operating costs and minimize an impact of the coal price fluctuations in the past.	- Management interview - The IFA's Projection												
Depreciation	Calculated using the straight-line method based on the asset's useful life, with details provided below <table border="1" data-bbox="422 1467 1034 1691"> <thead> <tr> <th>List of assets</th> <th>Service life</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td>10 - 20 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>4 - 16 years old</td> </tr> <tr> <td>Mining equipment</td> <td>3 - 8 years</td> </tr> <tr> <td>Office supplies</td> <td>4 years</td> </tr> <tr> <td>Vehicle</td> <td>4 years</td> </tr> </tbody> </table>	List of assets	Service life	Building	10 - 20 years	Machinery and equipment	4 - 16 years old	Mining equipment	3 - 8 years	Office supplies	4 years	Vehicle	4 years	
List of assets	Service life													
Building	10 - 20 years													
Machinery and equipment	4 - 16 years old													
Mining equipment	3 - 8 years													
Office supplies	4 years													
Vehicle	4 years													
Amortization of mining properties	Includes expenses related to the coal mining project and deferred stripping costs. The amortization will be calculated based on actual volume of coal produced and the remaining life of the concession, which is set to expire in 2032.													

D) Selling and administrative expense assumptions

Assumption	Description	Source												
Selling expenses	Includes trans-shipment costs and sales commissions, estimated at 16.34% of revenue based on average operating results of 2019 to 2023, which aligns with the target ratio derived from interviews with management.	- SGP Annual Report - SGP's financial statements for 2018 - 2023												
Administrative expenses	Includes employee and executive salaries, estimated to grow 2.50% from 2023, amounting at USD 5.45 million in 2024, with an annual growth rate of 2.50%, in line with Indonesia's target inflation rate.	- Management interview - The IFA's Projection												
Depreciation	Calculated using the straight-line method based on the asset's useful life, with details provided below <table border="1" data-bbox="422 660 1061 878"> <thead> <tr> <th>List of assets</th> <th>Service life</th> </tr> </thead> <tbody> <tr> <td>Building</td> <td>10 - 20 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>4 - 16 years old</td> </tr> <tr> <td>Mining equipment</td> <td>4 - 8 years</td> </tr> <tr> <td>Office supplies</td> <td>4 years</td> </tr> <tr> <td>Vehicle</td> <td>4 years</td> </tr> </tbody> </table>	List of assets	Service life	Building	10 - 20 years	Machinery and equipment	4 - 16 years old	Mining equipment	4 - 8 years	Office supplies	4 years	Vehicle	4 years	
List of assets	Service life													
Building	10 - 20 years													
Machinery and equipment	4 - 16 years old													
Mining equipment	4 - 8 years													
Office supplies	4 years													
Vehicle	4 years													

E) Working capital assumptions

Assumption	Description	Source
Trade receivable	Estimated at 26.07 days, equal to the ratio in 2023.	- SGP Annual Report
Inventory	Estimated at 19.26 days, equal to the ratio in 2023.	- SGP's financial statements for 2018 - 2023
Trade Payable	Estimated at 27.06 days, equal to the ratio in 2023.	- Management interview
Restricted Cash Deposits	In 2023, the Indonesian government introduced a new regulation requiring business to deposit a portion of their coal sales as reserve. The IFA has estimated at 5.45% of revenue, based on the ratio in 2023.	- The IFA's Projection

In 2033, which will be the final year of SGP's operations, the IFA has estimated the net value of working capital after the company ceases operations and settles its assets and liabilities, to be USD 27.00 million.

F) Capital expenditure assumptions (CAPEX)

Assumption	Description	Source
CAPEX	Estimated CAPEX for the maintenance of buildings, machinery, equipment, and deferred stripping costs. Based on management interviews, the estimated capital expenditure is USD 22.49 million per year from 2024 to 2031, which aligns with the average annual capital expenditure from 2021 to 2023. In 2032, the estimated capital expenditure is reduced to USD 21.49 million, as it will be the final year before the concession expires. For 2033, the IFA has estimated that the remaining assets will be sold at a book value of USD 2.80 million.	- Management interview - The IFA's Projection

G) Discount rate assumptions

The IFA used the Weighted Average Cost of Capital (WACC) as the discount rate to calculate the net present value (NPV) of SGP's operating cash flows, which is 9.19%. This rate is based on LANNA's WACC (detailed as shown in Section 2.1.5.1 the valuation of the domestic coal business of this report). This WACC reflects the business characteristics and risks of SGP, which is a subsidiary and a core business of LANNA.

H) Calculating the net present value of free cash flow

Based on the above assumptions, the IFA has prepared a free cash flow projection and discounted it using the weighted average cost of capital (WACC) to calculate the net present value of free cash flow and the equity value of SGP. The details are as follows:

SGP's Projected Free Cash Flow (January 2024 - December 2033)

Items (USD million)	2024	2025	2026	2027	2028
Earnings before interest and taxes (EBIT)	40.33	40.09	39.85	39.61	39.36
(Less): Income tax expenses	(12.10)	(12.03)	(11.96)	(11.88)	(11.81)
Add: Depreciation and amortization	28.65	28.65	28.75	28.85	28.95
Add (Less) : Change in working capital	19.65	-	-	-	-
(Less): Capital Expenditures	(22.49)	(22.49)	(22.49)	(22.49)	(22.49)
Free cash flow	54.05	34.23	34.16	34.09	34.02

Items (continued) (USD million)	2029	2030	2031	2032	2033
Earnings before interest and taxes (EBIT)	40.38	42.71	42.45	30.57	(8.47)
(Less): Income tax expenses	(12.12)	(12.81)	(12.73)	(9.17)	-
Add: Depreciation and amortization	27.78	25.31	25.41	25.41	1.67
Add (Less): Change in working capital	-	-	-	4.81	27.00
(Less): Capital Expenditures	(22.49)	(22.49)	(22.49)	(21.49)	2.80
Free cash flow	33.56	32.71	32.63	30.12	23.00
Present Value of Enterprise Value	240.04	<i>The discount rate of 9.19% is used to discount the free cash flows from 2024 to 2033 to calculate the net present value (NPV) of cash flows as of August 16, 2024.</i>			
Add: Cash and cash equivalents ^{/1}	8.50				
(Less): Interest-bearing debt ^{/1}	(12.73)				
(Less): Dividends paid ^{/2}	(30.00)				
Net Present Value of SGP	205.82				
USD/THB exchange rate (August 16, 2024)	35.09				
Net present value of SGP (THB million)	7,222.09				
% Shareholding held by LANNA	65.00				
Fair value of investment in SGP (THB million)	4,694.36				

Note: /1 Information as of December 31, 2023

/2 The Board of Directors of SGP approved the payment of the 3rd and 4th interim dividends for the year 2023. These dividends were distributed on March 27 and June 27, 2024, respectively, totaling USD 30.00 million.

From the above table, the fair value of **investment in SGP based on the discounted cash flow approach is THB 4,694.36 million.**

I) Sensitivity Analysis

For the valuation of investment in SGP using the discounted cash flow approach, the IFA conducted a sensitivity analysis on the company's equity value, focusing on key factors that impact performance. These factors include changes in the coal selling price and changes in production cost as a percentage of revenue. The IFA adjusted these factors, with the details as follows:

Sensitivity analysis of operating results	
Sensitivity analysis	Fair value (THB million)
Changes in coal selling prices	
<u>Decrease</u> 10.00 percent	3,993.71
Base case	4,694.36
<u>Increase</u> 10.00 percent	5,395.01
Changes in production cost to revenue	
<u>Increase</u> 5.00 percent	4,260.87
Base case	4,694.36
<u>Decrease</u> 5.00 percent	5,127.85
Value Range	3,993.71 - 5,395.01

From the sensitivity analysis above, the fair value of **investment in SGP based on the discount cash flow approach is THB 3,993.71 - 5,395.01 million (base case at THB 4,694.36 million).**

2.1.5.3 Valuation of investments in other subsidiaries

(1) Valuation of investment in TAE

TAE is a subsidiary registered in Thailand, in which LANNA holds a direct shareholding of 51.00% of the paid-up capital. TAE engages in the production and distribution of ethanol (99.5% pure alcohol by volume) for use as fuel. TAE's common shares have been listed on the Stock Exchange of Thailand and have been trading since June 5, 2014.

To assess the fair value of investment in TAE, the IFA used 4 different methods of valuation as follows:

1. Book Value Approach refers to the equity value of TAE according to the reviewed financial statements for the six-month period ended June 30, 2024.
2. Historical Market Price Approach refers to the average trading price and trading volume of TAE's ordinary shares on the SET by calculated the weighted average price (Volume Weighted Average Price, or VWAP) for the previous 15 - 360 business days until August 16, 2024, which was the last trading day before Sunrise Equity submitted the Notification of Intent to Make the Tender Offer (Form 247-3) of SCCC. This triggered Sunrise Equity's obligation under the Chain Principle to make a mandatory tender offer for all of LANNA's securities.
3. Market Comparable Approach the IFA assessed various ratios of the listed companies in the SET that have similar characteristics as TAE. The IFA used price-to-book value (P/BV), price-to-earnings ratio (PER), and enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA) ratios for the 15 to 360 trading days leading up to August 16, 2024, which was the last trading day before Sunrise Equity submitted the Notification of Intent to Make the Tender Offer (Form 247-3) of SCCC. This triggered Sunrise Equity's obligation under the Chain Principle to make a mandatory tender offer for all of LANNA's securities.
4. Discounted Cash Flow Approach the IFA assessed TAE's ability to generate future cash flows by discounting the expected free cash flows based on financial projections, using the weighted average cost of capital (WACC) and a forecast period of 5 years and 6 months.

The valuation details are presented in Attachment 1: Valuation of investment in TAE of this report and the summary of the valuation results is as follows:

Summary of the Valuation of Investment in TAE

Valuation approach	Fair value of investment in TAE (THB million)	Appropriateness
1. Book Value Approach	853.92	Inappropriate
2. Historical Market Price Approach	365.49 - 619.21	Inappropriate
3. Market Comparable Approach		
- P/BV ratio	559.94 - 625.05	Inappropriate
- PER ratio	936.86 - 1,337.96	Inappropriate
- EV/EBITDA ratio	965.09 - 1,446.42	Inappropriate
4. Discounted Cash Flow Approach	821.62 - 954.87	Appropriate

The IFA views that **the valuation of investment in TAE according to the discounted cash flow approach is the most appropriate** because this approach considers the performance, profitability, and future cash flows of TAE. Therefore, **the fair value of the investment in TAE according to the discounted cash flow approach is THB 821.62 - 954.87 million.**

(2) Valuation of investment in LPG

LPG is a subsidiary company registered in Thailand in 2016, with LANNA directly holds shares at 100.00% of the paid-up capital, having objectives to study and prepare for an investment in renewable energy business both domestically and overseas such as biomass energy business, electricity generation from biomass fuels, etc., including investment and development of other energy businesses such as solar energy, wind energy, electric charging station (EV Charging) or related projects, etc. However, based on management interviews, LPG is currently not conducting any business and has no clear business or investment plans at present. Therefore, in assessing the fair value of the investment in LPG, the IFA has chosen to use the book value approach. This approach considers the equity value of LPG based on its financial statements. The fair value is determined by referencing the book value of LPG as presented in its most recent audited financial statements for the year ended December 31, 2023. The details are as follows:

Valuation of investment in LPG using the book value approach as of December 31, 2023

Item	Value (THB million)
Issued and paid-up capital	300.00
Add retained earnings	(199.35)
Shareholders' equity of LPG	100.65
% Shareholding held by LANNA	100.00
Fair value of investment in LPG	100.65

Source: LPG's audited financial statements for the year 2023 ended December 31, 2023

Therefore, the fair value of **investment in LPG according to the book value approach is THB 100.65 million.**

2.1.5.4 Valuation of investment in associates

(1) Fair value assessment of investment in UBS

UBS, an associated company registered in Singapore, with LANNA directly holds shares at 49.00% of the paid-up capital, has been established to undertake business in ocean freight transport, which has effectively managed coal transport services for imported coal into Thailand and coal distribution to other countries at reasonable costs. Currently, UBS primarily provides coal import services for LANNA.

Due to limitations in accessing detailed financial information and the lack of comparable publicly listed companies with a similar business size to UBS for a market multiple comparison, the IFA has chosen to assess the fair value using the book value approach. This method evaluates the equity value of UBS based on its financial statements. The fair value is determined by referencing the book value as shown in UBS's most recent audited financial statements for the year ended December 31, 2023. The details are as follows:

Valuation of investment in UBS using the book value approach as of December 31, 2023

Item	Value
Issued and paid-up capital (USD million)	0.07
Plus: retained earnings (USD million)	1.44
Shareholders' equity of UBS (USD million)	1.51
USD/THB exchange rate as of August 16, 2024	35.09
Shareholders' equity of UBS (THB million)	53.10
% Shareholding held by LANNA (%)	49.00
Fair value of investment in UBS (THB million)	26.02

Source: UBS's audited financial statements for the year 2023 ended December 31, 2023

Therefore, the fair value of investment in UBS according to the book value approach is THB 26.02 million.

(2) Valuation of the investment in PKN

Assessing the fair value of investment in PKN, the IFA has conducted valuation of investment in PKN using various methodologies. Due to limitation in accessing target company data, the IFA has strategically chosen 2 valuation methods. The details are as follows:

- (2.1) Book Value Approach
- (2.2) Market Comparable Approach

Details of the valuation of investment in PKN based on each approach are as follows:

(2.1) Book Value Approach

Assessing the fair value of investment in PKN using the book value approach, the IFA considers the company's shareholders' equity based on the latest book value presented in PKN's financial statements. In this valuation, the IFA refers to the audited financial statements for the year 2023 ended December 31, 2023, which is the latest audited financial statement available as of the date of this report. The details are as follows:

Valuation of investment in PKN using the book value approach as of December 31, 2023

Item	Value
Issued and paid-up capital (USD million)	42.73
Add: retained earnings (USD million)	73.64
Shareholders' equity of UBS (USD million)	116.37
USD/THB exchange rate as of August 16, 2024	35.09
Shareholders' equity of UBS (THB million)	4,083.54
% Shareholding held by LANNA (%)	10.00
Fair value of investment in UBS (THB million)	408.35

Source: PKN's audited financial statements for the year 2023 ended December 31, 2023

Therefore, the fair value of investment in PKN according to the book value approach is THB 408.35 million.

(2.2) Market Comparable Approach

Assessing the fair value of investment in PKN using the market comparable approach, the IFA considers various ratios of the listed companies traded in the Southeast Asian stock market that have similar characteristics as PKN (detailed as shown in Section 2.1.4 the Market Comparable Approach of this report). This approach rests upon the main assumption that companies with similar business operation should have similar financial ratios, such as the price to book value ratio, the price to earnings ratio and the enterprise value (EV) to earnings before interest, tax, depreciation, and amortization (EBITDA) ratio. Details of the valuation of investment in PKN according to market comparable approach are as follows:

(2.2.1) Price to Book Value Ratio Approach

Assessing the fair value of investment in PKN using the price to book value ratio approach, the IFA used August 16, 2024, which was the last trading day before Sunrise Equity submitted the Notification of Intent to Make the Tender Offer (Form 247-3) of SCCC. This triggered Sunrise Equity's obligation under the Chain Principle to make a mandatory tender offer for all of LANNA's securities, as the date to calculate the average price-to-book value ratio ("P/BV") for the period 15 - 360 business days prior, the details are as follows:

Average historical P/BV of PKN's Comparable Companies

Comparable Companies	Average Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	270 days	360 days
IDX:ABMM	0.81x	0.81x	0.78x	0.82x	0.85x	0.92x	0.93x
IDX:BSSR	2.43x	2.40x	2.35x	2.42x	2.59x	2.62x	2.60x
IDX:KKG1	1.07x	1.04x	1.00x	0.94x	0.86x	0.92x	0.95x
Average	1.44x	1.42x	1.38x	1.39x	1.43x	1.49x	1.50x

Source: Capital IQ as of August 16, 2024 and IFA calculations

From the above table, the IFA assessed the value of investment in PKN by applying the average P/BV ratio of comparable companies over the preceding 15 - 360 business days, up to August 16, 2024, to the book value of PKN. This calculation is based on the shareholders' equity as reported in the audited financial statements for the year 2023, ended December 31, 2023, which is USD 116.37 million, the detailed valuation is as follows:

Valuation of Investment in PKN using the P/BV Ratio Approach

Historical business day	Average P/BV (times) (1)	Book Value (USD million) (2)	Fair value (USD million) (3) = (1) x (2)
15 days	1.44x	116.37	167.30
30 days	1.42x		164.88
60 days	1.38x		160.34
90 days	1.39x		162.18
180 days	1.43x		166.92
270 days	1.49x		172.84
360 days	1.50x		174.11
Range of PKN's Shareholders' equity			160.34 - 174.11
USD/THB exchange rate as of August 16, 2024			35.09
Range of PKN's Shareholders' equity (THB million)			5,626.25 - 6,109.50
% Shareholding held by LANNA (%)			10.00
Fair value of investment in PKN (THB million)			562.62 - 610.95

From the above table, the fair value of investment in PKN according to the P/BV Approach is THB 562.62 - 610.95 million.

(2.2.2) Price to Earnings Ratio Approach

Assessing the fair value of investment in PKN using the price to earnings value ratio approach, the IFA used August 16, 2024, which was the last trading day before Sunrise Equity submitted the Notification of Intent to Make Tender Offer (Form 247-3) of SCCC. This triggered Sunrise Equity's obligation under the Chain Principle to make a mandatory tender offer for all of LANNA's securities, as the date to calculate the average price-to-earnings value ratio ("PER") for the period 15 - 360 business days prior, the details are as follows:

Average historical PER of PKN's Comparable Companies

Comparable Companies	Average Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	270 days	360 days
IDX:ABMM	2.82x	2.80x	2.72x	2.67x	2.31x	2.20x	2.12x
IDX:BSSR	4.39x	4.34x	4.25x	4.15x	3.96x	3.71x	3.40x
IDX:KKGI	5.42x	5.31x	5.09x	4.83x	3.93x	3.74x	3.61x
Average	4.21x	4.15x	4.02x	3.88x	3.40x	3.22x	3.05x

Source: Capital IQ as of August 16, 2024 and IFA calculations

From the above table, the IFA assessed the value of investment in PKN by applying the average PER ratio of comparable companies over the preceding 15 - 360 business days, up to August 16, 2024, to the net profit of PKN. This calculation is based on PKN's net profit as reported in the audited financial statements for the year 2023, ended December 31, 2023, which is USD 32.29 million, the details are as follows:

Valuation of investment in PKN by PER Ratio Approach

Historical business day	Average PER (times) (1)	Net profit (USD million) (2)	Fair value (USD million) (3) = (1) x (2)
15 days	4.21x	32.29	135.91
30 days	4.15x		133.95
60 days	4.02x		129.85
90 days	3.88x		125.41

Historical business day	Average PER (times) (1)	Net profit (USD million) (2)	Fair value (USD million) (3) = (1) x (2)
180 days	3.40x		109.80
270 days	3.22x		103.83
360 days	3.05x		98.35
Range of PKN's Shareholders' equity			98.35 - 135.91
USD/THB exchange rate as of August 16, 2024			35.09
Range of PKN's Shareholders' equity (THB million)			3,450.98 - 4,768.97
% Shareholding held by LANNA (%)			10.00
Fair value of investment in PKN (THB million)			345.10 - 476.90

From the above table, **the fair value of investment in PKN according to the PER Approach is THB 345.10 - 476.90 million.**

(2.2.3) The EV/EBITDA Ratio Approach

Assessing the fair value using the enterprise value to earnings before interest expenses, income tax, and depreciation and amortization expenses ratio approach ("EV/EBITDA"), the IFA used August 16, 2024, which was the last trading day before Sunrise Equity submitted the Notification of Intent to Make the Tender Offer (Form 247-3) of SCCC. This triggered Sunrise Equity's obligation under the Chain Principle to make a mandatory tender offer for all of LANNA's securities, as the date to calculate the average EV/EBITDA ratio for the period 15 - 360 business days prior, the details are as follows:

Average historical EV/EBITDA of PKN's Comparable Companies

Comparable Companies	Average Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	270 days	360 days
IDX:ABMM	2.68x	2.68x	2.64x	2.60x	2.44x	2.40x	2.33x
IDX:BSSR	2.59x	2.55x	2.50x	2.44x	2.32x	2.18x	2.01x
IDX:KKG1	1.79x	1.97x	2.02x	1.94x	1.53x	1.50x	1.46x
Average	2.35x	2.40x	2.39x	2.32x	2.10x	2.03x	1.93x

Source: Capital IQ as of August 16, 2024 and IFA calculations

From the above table, the IFA assessed the value of investment in PKN by applying the average EV/EBITDA ratio of comparable companies over the preceding 15 - 360 business days, up to August 16, 2024, to the EBITDA for the year 2023 of PKN as reported in the audited financial statements for the year 2023, which is USD 49.40 million, the detailed valuation is as follows:

Valuation of investment in PKN using EV/EBITDA Approach

Items (USD million)	Historical Business Days						
	15 days	30 days	60 days	90 days	180 days	270 days	360 days
Average EV/EBITDA (times) (1)	2.35x	2.40x	2.39x	2.32x	2.10x	2.03x	1.93x
EBITDA for the past 12 months (2)	49.40						
Enterprise value (3) = (1) x (2)	116.21	118.52	117.95	114.84	103.63	100.15	95.51
Add: Cash and Equivalents ^{/1} (4)	25.09						
(Less): Interest-bearing debt ^{/1} (5)	(9.81)						
(Less): Provision for mine rehabilitation, reclamation and closure ^{/1} (6)	(6.44)						
Shareholders' equity (7) = (3) + (4) + (5) + (6)	125.05	127.36	126.79	123.68	112.47	108.99	104.35
THB/USD exchange rate	35.09						
Shareholders' equity (THB million)	4,388.01	4,468.99	4,449.03	4,340.07	3,946.57	3,824.56	3,661.51

Items (USD million)	Historical Business Days						
	15 days	30 days	60 days	90 days	180 days	270 days	360 days
% Shareholding held by LANNA	10.00						
Investment in PKN (THB million)	438.80	446.90	444.90	434.01	394.66	382.46	366.15

Note: /1 Information as of December 31, 2023

From the above table, **the fair value of investment in PKN according to the EV/EBITDA Approach is THB 366.15 - 446.90 million.**

Valuation result of investment in PKN

Valuation approach	Fair value of investment in PKN (THB million)	Appropriateness
1. Book value approach	408.35	Inappropriate
2. Market comparable approach		
- P/BV Ratio	562.62 - 610.95	Inappropriate
- PER Ratio	345.10 - 476.90	Inappropriate
- EV/EBITDA Ratio	366.15 - 446.90	Appropriate

The IFA believes that **the valuation of the investment value in PKN using the EV/EBITDA ratio approach is appropriate** because this method can reflect shareholders' perspectives on the overall industry and allow for comparisons among companies in the same industry, considering differences in capital structure, tax policies, and accounting practices across countries. Furthermore, it excludes non-cash expenses such as depreciation and amortization, ensuring a fair assessment. **Therefore, the fair value of the investment in PKN, based on the EV/EBITDA ratio approach, is THB 366.15 - 446.90 million.**

Summary of the Sum-Of-The-Parts (SOTP) approach

Based on the valuation results for each entity within the group mentioned above, the valuation of LANNA's ordinary shares using the Sum-Of-The-Parts (SOTP) Approach can be summarized as follows:

Valuation results of LANNA's ordinary shares using the Sum-Of-The-Parts (SOTP) Approach

No.	Company / Item	Valuation Approach	Fair Value of Shareholders' equity (THB million)	Proportion held by LANNA (%)	Fair value by % shareholding (THB million)
Domestic business	LANNA		3,479.49 - 3,778.99	100.00	3,479.49 - 3,778.99
Coal mining business in Indonesia	- LHI	Discounted Cash Flows	3,499.02 - 4,397.93	55.00	1,924.46 - 2,418.86
	- SGP		6,144.17 - 8,300.01	65.00	3,993.71 - 5,395.01
Investment in subsidiaries	- TAE	Book Value	1,611.01 - 1,872.30	51.00	821.62 - 954.87
	- LPG		100.65	100.00	100.65
Investment in Associates	- UBS	EV/EBITDA	53.10	49.00	26.02
	- PKN		3,661.51 - 4,468.99	10.00	366.15 - 446.90
Range of LANNA's fair value using Sum-Of-The-Parts approach (THB million)					10,712.10 - 13,121.29 (Base case: 11,916.70)
Issued and paid-up shares (million shares) - par value of THB 1.00					525.00
Range of LANNA's ordinary shares (THB per share)					20.40 - 24.99 (Base case: 22.70)

From the table above, the fair value of **LANNA's price per share according to the Sum-Of-The-Parts (SOTP) approach is THB 20.40 - 24.99 per share (base case at THB 22.70), which is lower than the Offer Price of THB 16.50 per share by THB 3.90 - 8.49 or equivalent to 23.66% - 51.47%.**

2.1.6 Valuation result of LANNA's ordinary shares

Comparison of the valuation prices of LANNA and the Offer Price

Valuation Approach	Estimated price By IFA (THB/share)	Offer price (THB)	Appropriateness of valuation approach	Higher (lower) than Tender Offer Price (%)
1. Book value approach	16.71	16.50	Inappropriate	1.26
2. Adjusted book value approach	15.42 - 15.57		Inappropriate	(6.54) - (5.61)
3. Historical market price approach	14.17 - 15.26		Inappropriate	(14.11) - (7.49)
4. Market comparable approach				
- P/BV Ratio	23.02 - 25.00		Inappropriate	39.51 - 51.49
- P/E Ratio	10.21 - 14.10		Inappropriate	(38.15) - (14.53)
- EV/EBITDA Ratio	19.98 - 24.96		Inappropriate	21.07 - 51.27
5. Sum-Of-The-Parts approach	20.40 - 24.99 (Base case: 22.70)			Appropriate

The valuation of shares using different approaches has both advantages and disadvantages. The appropriateness of each approach can be summarized as follows:

Summary of the Appropriateness of the Valuation Approach

Valuation Approach	Appropriateness	Rationale
1. Book Value Approach	Not appropriate	This approach captures the Company's value at a specific point in time but does not account for its growth potential or ability to generate future cash flows.
2. Adjusted Book Value Approach	Not appropriate	While this approach considers the market value of the company's assets, it remains limited to a specific point in time and does not reflect future growth potential or cash flow generation.
3. Historical Market Price Approach	Not appropriate	Although this approach reflects the Company's market value based on actual share trading activity, it is subject to external factors such as economic conditions, political influences, and interest rates, which may distort intrinsic value.
4. Market Comparable Approach	Not appropriate	This approach compares the Company to peers that may differ significantly in terms of revenue structure, target customers, business size, financial structure, and stock liquidity, making the comparison less reliable.
5. Sum-of-the-Parts (SOTP) Approach	Appropriate	This approach evaluates the Company's future profitability and cash flow potential and considers the fair value of investment in subsidiaries and associates by an appropriate approach for each segment. In addition, it incorporates management insights and strategies, making it a more comprehensive reflection of the Company's fair value.

From the above table, **the IFA views that Sum-of-the-Parts (SOTP) Approach is the most appropriate approach for the valuation of LANNA's shares. The fair value of LANNA's shares is in the range of THB 20.40 - 24.99 per share (Base case at THB 22.70 per share), which is higher than the Offer Price of THB 16.50 per share by THB 3.90 - 8.49 per share or equivalent to 23.66% - 51.47%.**

2.2 Rationale to accept and/or reject the Tender Offer

The IFA has assessed the Tender Offer for the Securities of the Company (Form 247-4), the Offer Price, and other supporting documents of the Company, and has the opinion that the shareholders **should reject the Tender Offer**. The IFA has valued the Company's share price by analyzing through the approaches shown in Section 2, Topic 2.1 of this report, the IFA views that Sum of The Parts (SOTP) Approach is the most appropriate approach to value the share price because this approach takes into account the operating performance, future cash flows from the Company and its subsidiaries' businesses, and investment value in associated companies. As a result, the fair value of the Company's shares that are evaluated using this SOTP approach is in the range of THB 20.40 - 24.99 per share (Base case valuation is THB 22.70 per share). Such price range is higher than the Offer Price at THB 16.50 per share by 23.66% - 51.47%. Hence, the IFA views that the Offer Price at THB 16.50 per share is inappropriate

However, if considering historical market price of LANNA's shares traded in the SET up until 16 August 2024, which is the last day to trade in shares before Sunrise Equity submits the Announcement of Intention to Make a Tender Offer (Form 247-3) of SCCC, which triggered the obligation for Sunrise Equity under the Chain Principle to make a tender offer for all securities of LANNA, the volume-weighted average price ("VWAP") for the previous 15 - 360 business is THB 14.17 - 15.26 per share, which is lower than the Offer Price at THB 16.50 per share by 7.49% - 14.11% (Details of historical stock prices are provided in Section 2, Subsection 2.1.3, Historical Market Price Approach, of this report.). Therefore, if the market price is lower than the Offer Price, shareholders have the option to sell their shares by accepting this Tender Offer. This offer enables shareholders to sell their entire holdings without any restrictions related to the liquidity of the Company's shares.

2.3 Benefits or impacts of plans and policies stipulated in the Tender Offer and viability of such plans and policies

The IFA has analyzed the benefits or impacts from business plan and policy stated in the Tender Offer for the Securities of the Company (Form 247-4), as well as its possibility which are as follows:

Company Status

As stated in Tender Offer for the Securities of the Company (Form 247-4), within the period of 12 months after the completion of the Tender Offer, the Offeror has no intention to delist the Company's shares from the SET, except in the case that the Offeror is required to comply with applicable laws, rules and regulations.

Independent Financial Advisor Opinion:

The IFA has assessed the Company's status as specified in Form 247-4 and opines that the Company and the shareholders of the Company will not be materially affected a change in the status of a listed company or from the delisting of the Company's shares within 12 months from the end of the Offer Period because the Offeror has no intention of delisting the Company's securities from the SET and the Company will continue to maintain its listing status on the SET during the stated period, except for the case that the Offeror is obliged to comply with the relevant laws, rules and regulations that are in effect at that time.

However, the IFA views that the Company may be at risk of maintaining its status as a listed company on the SET after the Tender Offer if the Company's shareholding ratio of minority shareholders is lower than listing requirements on the SET. Such requirement of the SET states that the share distribution among the minority shareholders (Free Float) must remain at least 150 shareholders, holding no fewer than 15.00% of the Company's paid-up shares. Otherwise, the Company will be posted a CF symbol (Caution - Free Float) and the Company will have to hold a public presentation within 15 days from the date the SET places the CF symbol and on a quarterly basis to report its shareholders on the measures that the Company will undertake in order to resolve the CF symbol. If the CF symbol cannot be resolved after 1 year, the SET will change the symbol to SP (Suspension) according to the SET's rules on temporary trade suspension until the free float requirement is met. If the Company continues to hold SP symbol for 1 year, the listing status of such company may be revoked (reference to SET Circular Letter Bor.Jor. (Wor) 2/2024 RE: Revision of the Regulations of the Stock Exchange of Thailand to step up the supervision of listed companies and information disclosure, which came into effect on March 25, 2024, and Regulation of the Stock Exchange of Thailand Re: Measure in case of Events that may affect the Listed Companies' Financial Condition and Business Operation (as amended)).

In addition, after the completion of 12-month period of the Tender Offer, the Company and the shareholders who still hold shares in the Company may be at risk as the Offeror may consider the delisting the shares of the Company from the SET. If the Offeror intends to delist the Company's securities, the Offeror must obtain approval from the shareholders' meeting with no less than three fourths of the total paid-up shares and voting rights of the Company and no more than 10.00% objection of the total issued shares.

Business Objectives

As stated in Tender Offer for the Securities of the Company (Form 247-4), within the period of 12 months following the end of the Offer Period, the Offeror has no plans or policies to make material changes to the core business objectives of the Company and intends to continue operating the Company as usual. However, in the best interest of the Company, if necessary or appropriate, the Offeror, together with the Company, may consider changing the business plans or in the event of any material changes in the Company's financial condition or business circumstances, or if other necessary changes are required or appropriate, the Offeror may reconsider and revise the business policies to ensure that they are appropriate for the operations and financial conditions of the Company to avoid any material impact on the operations of the Company or to enhance its efficiency and strengthen its competitiveness in the future, especially in the event that SCCC becomes a controlling person of the Company.

Independent Financial Advisor Opinion:

The IFA has assessed the business objectives of the Company as specified in Tender Offer for the Securities of the Company (Form 247-4) and opines that the Company and its shareholders will not be materially affected by the Offeror's policies regarding the Company's business operations because the Offeror does not have any plans or policies to change the business objectives within the period of 12 months following the end of the Offer Period. The Company will continue to focus on its core businesses. However, if there are material changes in the business objectives or policy from those disclosed in the Tender Offer, the Company and the Offeror will comply with the relevant laws, criteria, and regulations of the SEC and the SET applicable at the time, such as requesting approval from the Board of Directors' meeting and/or the shareholders' meeting of the Company.

Investment or Production Expansion Plan

As stated in Tender Offer for the Securities of the Company (Form 247-4), within the period of 12 months following the end of the Offer Period, the Offeror has no plan to make any material investment that does not conform to the normal investment plans of the Company. However, if essential or appropriate, the Offeror, together with the Company, may reconsider and revise the investment plans of the Company as appropriate in order to increase its efficiency in operation and management and improve each business line for the best interest of the Company, especially in the event that SCCC becomes a controlling person of the Company.

Independent Financial Advisor Opinion:

The IFA has assessed the investment or production expansion plan as specified in Tender Offer for the Securities of the Company (Form 247-4) and opines that the Company and the shareholders will not be materially affected by the Offeror's policy regarding the investment or production expansion plan. In the event that the Company considers expanding its investment beyond the current business or investment opportunities, the Offeror and the Company must thoroughly study the investment plan and obtain approval from the Board of Directors' Meeting and/or the Shareholders' Meeting. Additionally, they must secure other necessary approvals to comply with the relevant regulations, laws, and rules in effect at that time.

Plan on Changing in Organization

As stated in Tender Offer for the Securities of the Company (Form 247-4), within the period of 12 months following the end of the Offer Period, the Offeror may propose changes to the structure of the Board of Directors and/or management of the Company as appropriate. This may include the appointment or replacement of directors and/or executives and/or personnel with knowledge and ability to increase efficiency in management, especially in the event that SCCC becomes a controlling person of the Company, for the best interests of the Company. However, in conducting any changes and/or appointment of the directors and/or the management of the Company, the Offeror has to comply with the relevant rules and regulations and the Company will still maintain the independent directors and audit committee at the required minimum amount as stipulated by the law.

Independent Financial Advisor Opinion:

The IFA has assessed the organizational restructuring plan as specified in Tender Offer for the Securities of the Company (Form 247-4) and opines that the Company and the shareholders will not be materially affected by the Offeror's plan on the changing in organization within the period of 12 months following the end of the Offer Period. However, in the event of any changes or appointments of additional directors and/or managements, the Offeror and the Company must comply with the regulations of the Business, as well as the criteria set by the SEC and the SET.

Plan on Acquisition or Disposal of the Company's Assets

As stated in Tender Offer for the Securities of the Company (Form 247-4), within the period of 12 months following the end of the Offer Period, the Offeror has no plan or policy to have the Company materially acquiring and/or disposing of key assets that are not aligned with the normal business operation of the Company.

Independent Financial Advisor Opinion:

The IFA has assessed the fixed asset disposal plans as specified in Tender Offer for the Securities of the Company (Form 247-4) and opines that the Company and the shareholders will not be materially affected by the plan to acquire and/or dispose of the Company's assets within 12 months from the end of the Offer Period, unless such disposal is deemed part of the Company's normal course of business. In such cases, the Offeror shall seek approval from the Board of Directors and/or the shareholders' meeting of the Company and obtain other necessary approvals to comply with relevant regulations, laws, and rules in effect at that time. This includes compliance with the Notification of the Capital Market Committee No. TorChor.20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 dated October 29, 2004, and its amendments, as well as actions in accordance with the Company's future business plan.

In addition, SCCC holds shares of the Company in total of 44.99% of the total issued shares and voting rights of the Company (information as of March 18, 2024), in the event that a sufficient number of Offerees accept the Tender Offer, SCCC may acquire more than 50.00% of the total issued shares and voting rights of the Company. Consequently, SCCC may have the power to manage the Company and control significant shareholders' meeting resolutions, which may include transactions such as selling the Company's main assets and etc.

Plan on Changing the Financial Structure

As stated in Tender Offer for the Securities of the Company (Form 247-4), within the period of 12 months following the end of the Offer Period, the Offeror has no plan or policy to make significant changes to the Company's financial structure. However, if it is necessary or appropriate, the Offeror, together with the Company, may reconsider and revise the financial structure of the Company to ensure that the financial structure is appropriate for the operations and financial condition of the Company. Such process may include capital injection or debt financing in an appropriate level in order to avoid any material effects on the operations of the Company or to increase its efficiency and strengthen its competitiveness for the best interest of the Company, especially in the event that SCCC becomes a controlling person of the Company.

Independent Financial Advisor Opinion:

The IFA has assessed the financial restructuring plan as specified in Tender Offer for the Securities of the Company (Form 247-4) and opines that the Company and the shareholders will not be materially impacted by the Offeror's plan on changing the financial structure since the Offeror has not stated any financial structuring plan in the Securities of the Company (Form 247-4). However, if any significant changes occur, the Company and the Offeror will seek for an approval from the meeting of the Board of Directors and/or the meeting of the shareholders of the Company as well as other necessary approvals to comply with relevant rules, laws, policies and regulations that are applicable at that time.

Dividend Policy

As stated in the Tender Offer for the Securities of the Company (Form 247-4), within the period of 12 months following the end of the Offer Period, the Offeror has no plan or policy to make significant changes to the Company's dividend policy. The Company has a dividend payment policy to distribute dividends to shareholders at not less than 60.00% of the net profits after allocating any reserves and is subject to the Company's investment plan, necessity, relevant laws, and other related considerations. However, the actual dividend payout ratio may vary, being either higher or lower than the designated rate in the aforementioned policy, depending on various risk factors.

Independent Financial Advisor Opinion:

The IFA has assessed the dividend policy as specified in Tender Offer for the Securities of the Company (Form 247-4) and opines that the Company and its shareholders will not be materially affected by the dividend policy within 12 months from the end of the Offer Period. In addition, payment of dividends and interim dividends depends on the resolution of the board of directors' meeting and/or shareholders' meeting of the Company.

In addition, SCCC holds shares of the Company in total of 44.99% of the total issued shares and voting rights of the Company (information as of March 18, 2024), in the event that a sufficient number of Offerees accept the Tender Offer, SCCC may acquire more than 50.00% of the total issued shares and voting rights of the Company. Consequently, SCCC may have the power to manage the Company and control significant shareholders' meeting resolutions, which may include the payment of dividends of the Company.

Related Party Transactions Policy

As stated in Tender Offer for the Securities of the Company (Form 247-4), currently, the Company has established policies, regulations, and approval procedures for related party transactions in accordance with the requirements of the SET and the SEC to prevent conflicts of interest in the execution of intercompany transactions within the company and/or individuals who may have conflicts of interest. Nevertheless, within the period of 12 months following the end of the Offer Period, the Offeror has no plans to materially change the policy on related party transactions of the Company. Additionally, the Offeror does not intend to enter into any significant related party transactions with the Company, except for those that are normal business transactions or support normal business operations, as disclosed in the Company's 2023 Annual Registration Statements (Form 56-1 One Report). For the year ended December 31, 2021 - 2023 and for the 6-month period ended June 30, 2024, the Company has related party transactions with SCCC, the Offeror, as detailed below;

Offeror	Company name	Type of related party transaction	(Unit: THB million)			
			For the year ended December 31,			For the 6-month period ended June 30,
			2021	2022	2023	2024
SCCC	LANNA	Sell of coal	860.86	1,322.78	1,434.32	559.15

Source: Form 56-1 One Report for the year 2023 of the Company and information from the Company

However, if the Offeror enters into any related party transactions with the Company in the future, the Offeror and the Company shall proceed and disclose details of such related party transactions in accordance with all related and applicable rules, regulations, notifications, orders or conditions stipulated by the SEC and/or the SET as required. This is to ensure that such related party transactions have similar criteria as those transactions entered with other parties on an arm's length basis (Arm's Length Transaction).

Independent Financial Advisor Opinion:

The IFA has assessed the related party transactions' policies and procedures as specified in Tender Offer for the Securities of the Company (Form 247-4) and opines that the Company and its shareholders will not be materially affected by the related party transactions' policies and procedures within 12 months from the end of the Offer Period because currently the Company has established policies and procedures for related party transactions approval in accordance with the regulations of

the SET and the SEC to prevent conflicts of interest in the related party transaction of the Company and/or in persons.

2.4 Benefits to the shareholders and the impact on the shareholders in case the shareholders reject the Tender Offer (Only in the case of a tender offer for delisting from the Stock Exchange of Thailand)

- None -

2.5 Summary of opinion of the Independent Financial Advisor

From all the information and underlying reasons stated above, the IFA views that the shareholders should **reject the Tender Offer** since the IFA has valued the Company's share price by analyzing through the approaches shown in Section 2, Topic 2.1 of this report, the IFA views that Sum of The Parts (SOTP) Approach is the most appropriate approach to value the share price because this approach takes into account the operating performance, future cash flows from the company's core business, investment value in associated companies and the value of other assets such as investment properties, assets held for sale, and assets not used in operations, etc. As a result, **the fair value of the Company's shares that are evaluated using this SOTP approach is in the range of THB 20.40 - 24.99 per share (Base case valuation is THB 22.70 per share). Such price range is higher than the Offer Price at THB 16.50 per share by 23.66% - 51.47%.** Hence, the IFA views that the Offer Price at THB 16.50 per share is **inappropriate**

However, the decision to accept or reject the offer ultimately depends on the shareholders' discretion. The shareholders should consider various factors to support their decision making such as:

- If considering historical market price of LANNA's shares traded in the SET up until 16 August 2024, which is the last day to trade in shares before Sunrise Equity submits the Announcement of Intention to Make a Tender Offer (Form 247-3) of SCCC, which triggered the obligation for Sunrise Equity under the Chain Principle to make a tender offer for all securities of LANNA, the volume-weighted average price ("VWAP") for the previous 15 - 360 business is THB 14.17 - 15.26 per share, which is lower than the Offer Price at THB 16.50 per share by 7.49% - 14.11% (Details of historical stock prices are provided in Section 2, Subsection 2.1.3, Historical Market Price Approach, of this report.). Therefore, **if the market price is lower than the Offer Price, shareholders have the option to sell their shares by accepting this Tender Offer. This offer enables shareholders to sell their entire holdings without any restrictions related to the liquidity of the Company's shares.**
- Additionally, SCCC holds shares of the Company in total of 44.99% of the total issued shares and voting rights of the Company (information as of March 18, 2024), in the event that a sufficient number of Offerees accept the Tender Offer, SCCC may acquire more than 50.00% of the total issued shares and voting rights of the Company. Consequently, SCCC has the power to manage the Company and control significant shareholders' meeting resolutions. In case the shareholders would like to mitigate the risks and other impacts that may arise in the future due to the possible changes of the Company's policies on the future by the Offeror which is the major shareholders of the Company after 12 months post Tender Offer. The shareholders could consider accepting this Tender Offer.

In considering whether to accept or reject the Tender Offer, the shareholders can review the reasons and opinion in all aspects provided by the IFA. However, the decision to accept or reject the Tender Offer ultimately depends on the discretion of the shareholders.

I hereby certify that we have provided our opinion prudently based on professional practices and in the interest of the shareholders.

Yours Sincerely,

- Possawat Chupanich -
(Mr. Possawat Chupanich)
Supervisor
Jay Capital Advisory Limited,
The Independent Financial Advisor

Attachment 1: Valuation of Investment in TAE

Assessing the fair value of investment in TAE, the IFA has conducted valuation of LANNA's 51.00% investment in TAE using 4 valuation methodologies as follows:

- 1) Book Value Approach
- 2) Historical Market Price Approach
- 3) Market Comparable Approach
- 4) Discounted Cash Flow Approach

Details of the valuation of investment in TAE based on each method are as follows:

1) Book Value Approach

This valuation approach shows the value of common shares by referring to the book value of the as shown in the reviewed consolidated financial statements of TAE for the 6-month period ended June 30, 2024, with details as follows:

Valuation of Investment in TAE Using the Book Value Approach as of June 30, 2024

Items	Value (THB million)
Issued and fully paid-up capital	1,000.00
Share Premium	188.80
<u>Add Retained earnings</u>	
Appropriated - Statutory reserve	292.00
Unappropriated	193.01
Other components of shareholders' equity	0.56
Equity attributable to owners of TAE as of June 30, 2024	1,674.36
Shareholding proportion held by LANNA (%)	51.00
Value of investment in TAE	853.92

Based on the table above, **the fair value of investment in TAE using the Book Value Approach is THB 853.92 million.**

2) Historical Market Price Approach

For the Historical Market Price Approach, the IFA assesses the value and volume of TAE's common shares traded in the SET by calculated the volume-weighted average price ("VWAP") for the previous 15 - 360 business days until August 16, 2024, which is the last trading day before Sunrise Equity submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) of SCCC. This submission triggered Sunrise Equity's obligation to make a Mandatory Tender Offer for TAE's shares under the Chain Principle Rules. The details of valuation are as follows:

Valuation of Investment in TAE Using Historical Market Price Approach

Historical business day	Average daily trading value (THB thousand)	Average daily trading volume (Thousand shares)	VWAP (THB per share)
15	177.77	248.06	0.72
30	227.66	304.59	0.75
60	218.23	286.17	0.76
90	255.02	303.50	0.84

Historical business day	Average daily trading value (THB thousand)	Average daily trading volume (Thousand shares)	VWAP (THB per share)
180	497.74	485.58	1.03
270	428.82	400.44	1.07
360	603.30	496.90	1.21
Range of TAE's share price (THB per share)			0.72 - 1.21
Issued and paid-up shares (million shares) - par value of THB 1.00			1,000.00
Range of TAE's shareholders' equity (THB million)			716.64 - 1,214.14
Shareholding proportion held by LANNA (%)			51.00
Value of investment in TAE			365.49 - 619.21

Source: www.setsmart.com as of August 16, 2024

Based on the table above, **the fair value of investment in TAE using Historical Market Price Approach is THB 365.49 - 619.21 million.**

3) Market Comparable Approach

With the Market Comparable Approach, the IFA assessed various ratios of the listed companies traded in the SET that have majority of revenues contributed from manufacturing and distributing of denatured ethanol for use as fuel as TAE. The main assumption is that companies with similar business operation as abovementioned should have similar financial ratios, such as the price to book value ratio, the price to earnings ratio and the enterprise value to earnings before interest, tax, depreciation, and amortization (EV/EBITDA ratio). Therefore, the IFA selected listed companies with similar businesses to TAE's business based on the above considerations for comparison. The details of the comparable companies are as follows:

General Information of TAE and Comparable Companies

Company	Business description	(THB million)		
		Asset as of June 30, 2024	Last twelve months (LTM) ended June 30, 2024	
			Revenue	Net profit
Thai Agro Energy Public Company Limited ("SET:TAE")	Operates main business as a producer and distributor of Denatured Ethanol for use as fuel.	2,976.97	2,504.07	41.29
Comparable Companies				
BBGI Public Company Limited ("SET:BBGI")	Operate through holding company within 1) the business of Biofuel including Ethanol, Biodiesel, and 2) High Value Bio-Based Products in Health and Well-Being which utilizing advanced technology.	15,131.85	17,933.53	240.27
Ubon Bio Ethanol Public Company Limited ("SET:UBE")	Operate main business in producing and distributing of processed cassava products which include cassava-based ethanol, cassava starch, cassava flour and other organic products	8,193.82	6,556.78	185.89

Source: www.setsmart.com and Capital IQ

Details of the valuation of TAE's shares using Market Comparable Approach are as follows;

Price to Book Value Ratio Approach

For the valuation of TAE's shares using the Price to Book Value Ratio Approach, the IFA determined the cut-off date for the calculation of average historical P/BV on the date of August 16, 2024, which is the last trading day before Sunrise Equity announced the intention to make the Tender Offer of SCCC (Form 247-3). As a result, Sunrise Equity is obliged to perform the tender offer for all securities of TAE according to Chain Principle regulations. Hence, the obligation will not affect TAE's market price used in the consideration. Then, the IFA calculated average historical P/BV for 15 - 360 business days of comparable companies as follows:

Comparable companies	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
SET:BBGI	0.84x	0.91x	0.88x	0.86x	0.76x	0.73x	0.76x
SET:UBE	0.54x	0.56x	0.55x	0.55x	0.56x	0.58x	0.61x
Average	0.69x	0.73x	0.71x	0.70x	0.66x	0.66x	0.69x

Source: Capital IQ as of August 16, 2024, and the IFA's calculation

From the above table, the IFA used the average historical P/BV ratio to multiply with the book value of TAE based on the book value of shareholders' equity in the reviewed financial statement as of June 30, 2024, at THB 1,674.36 million or THB 1.67 per share. The details are as follows:

Historical Period (Business Days)	Average P/BV (Times) (1)	Book Value (THB per Share) (2)	Fair Value (THB per Share) (3) = (1) x (2)
15	0.69x	1.67	1.16
30	0.73x		1.23
60	0.71x		1.20
90	0.70x		1.18
180	0.66x		1.10
270	0.66x		1.10
360	0.69x		1.15
Range of Equity Value of TAE (THB per share)			1.10 - 1.23
Issued and paid-up shares (million shares) - par value of THB 1.00			1,000.00
Range of Equity Value of TAE (THB million)			1,097.92 - 1,225.59
Shareholding proportion held by LANNA (%)			51.00
Value of investment in TAE			559.94 - 625.05

From the calculation above, based on the Price to Book Value Ratio Approach, **the fair value of investment in TAE is THB 559.94 - 625.05 million.**

Price to Earnings Ratio Approach

For the valuation of TAE's shares using the Price to Earnings Ratio Approach, the IFA determined the cut-off date for the calculation of average historical P/E on the date of August 16, 2024, which is the last trading day before Sunrise Equity announced the intention to make the Tender Offer of SCCC (Form 247-3). As a result, Sunrise Equity is obliged to perform the tender offer for all securities of TAE according to Chain Principle regulations. Hence, the obligation will not affect TAE's market price used in the consideration. Then, the IFA calculated average historical P/E for 15 - 360 business days of comparable companies as follows:

Average Historical P/BV Ratio of Comparable Companies for TAE's Share Valuation

Comparable companies	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
SET:BBGI	39.54x	48.45x	49.24x				N/A ¹
SET:UBE	49.44x	69.75x	77.85x				N/A ¹
Average	44.49x	59.10x	63.54x				N/A¹

Source: Capital IQ as of August 16, 2024 and the IFA's calculation

Remark /1 The net profit during the period cannot be calculated due to comparable companies' negative profit.

The IFA calculated the average historical P/E ratio of comparable companies. Then IFA multiplied such ratios shown in the table above with the last twelve-month profit of TAE ended June 30, 2024, which has net loss of THB 8.21 million. Then, the profit shall be adjusted by net loss from the fire incident of THB 49.49 million, which results to the adjusted profit of THB 41.29 million or THB 0.04 per share. The details are as follows:

Valuation of Investment in TAE Using Average Historical P/E Ratio Approach

Historical Period (Business Days)	Average P/E (Times) (1)	Net profit (THB per Share) (2) ¹	Fair Value (THB per Share) (3) = (1) x (2)
15	44.49x	0.04	1.84
30	59.10x		2.44
60	63.54x		2.62
90	N/A		N/A
180			
270			
360			
Range of Equity Value of TAE (THB per share)			1.84 - 2.62
Issued and paid-up shares (million shares) - par value of THB 1.00			1,000.00
Range of Equity Value of TAE (THB million)			1,836.97 - 2,623.45
Shareholding proportion held by LANNA (%)			51.00
Value of investment in TAE			936.86 - 1,337.96

Remark /1 The net profit for the 12-month period ended June 30, 2024 does not include net loss from fire accident of THB 49.49 million as it is considered one-time expense.

From the calculation above, based on the Price to Earnings Ratio Approach, **the fair value of investment in TAE is THB 936.86 - 1,337.96 million.**

EV/EBITDA Ratio Approach

For the valuation of TAE's shares using the EV/EBITDA Ratio Approach, the IFA determined the cut-off date for the calculation of average historical EV/EBITDA on the date of August 16, 2024, which is the last trading day before Sunrise Equity announced the intention to make the Tender Offer of SCCC (Form 247-3). As a result, Sunrise Equity is obliged to perform the tender offer for all securities of TAE according to Chain Principle regulations. Hence, the obligation will not affect TAE's market price used in the consideration. Then, the IFA calculated average historical EV/EBITDA for 15 - 360 business days of comparable companies as follows:

Average Historical EV/EBITDA of Comparable Companies for TAE's Share Valuation

Comparable companies	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
SET:BBGI	11.17x	12.12x	11.89x	11.99x	11.84x	13.85x	15.90x
SET:UBE	9.34x	10.49x	10.92x	11.20x	11.32x	11.56x	11.02x
Average	10.26x	11.31x	11.40x	11.60x	11.58x	12.70x	13.46x

Source: Capital IQ as of August 16, 2024 and the IFA's calculation

From the above table, the IFA used the average historical EV/EBITDA ratio to multiply with the last twelve-month EBITDA of TAE ended June 30, 2024, to get the Enterprise Value ("EV"). The IFA then adjusted the EV figures by adding TAE's cash and cash equivalents, as well as deducting with interest-bearing debts as of June 30, 2024, to get the equity value. The details are as follows:

Valuation of Investment in TAE Using Average Historical EV/EBITDA Ratio Approach

Comparable companies (Unit: THB million)	Historical Period (Business days)						
	15 Days	30 Days	60 Days	90 Days	180 Days	270 Days	360 Days
Average EV/EBITDA (1)	10.26x	11.31x	11.40x	11.60x	11.58x	12.70x	13.46x
EBITDA ¹ of TAE (2)	294.47						
Enterprise Value (1) x (2)	3,019.86	3,329.36	3,357.70	3,414.50	3,410.30	3,740.00	3,963.65
Plus: Cash and equivalent ²	50.10						
Less: Interest-bearing debt ²	(1,177.64)						
Equity Value	1,892.33	2,201.83	2,230.16	2,286.97	2,282.76	2,612.46	2,836.11
%Shareholding held by LANNA	51.00						
Value of investment in TAE	965.09	1,122.93	1,137.38	1,166.35	1,164.21	1,332.36	1,446.42

Remark : /1 EBITDA of TAE is calculated based on last twelve-month performance ended June 30, 2024 based on TAE's EBIT of THB 58.34 million plus depreciation and amortization of THB 186.64 million, and net loss from fire incident of THB 49.49 million. As a result, EBITDA of TAE is THB 294.47 million

/2 Values of those items are based on the book value from financial statements of TAE as of June 30, 2024

Based on the EV/EBITDA Ratio Approach, **the fair value of investment in TAE is THB 965.09 - 1,446.42 million.**

4) Discounted Cash Flow Approach

The valuation of TAE's shares using the DCF method is an assessment of TAE's future cash flow generation capability by discounting the estimated free cash flow from the financial projections using the Weighted Average Cost of Capital ("WACC") of TAE, with a projection period of 5 years 6 months, from July 1, 2024, to December 31, 2029. The IFA refers to the actual performance results from the audited/reviewed financial statements of TAE for the fiscal years 2021-2023 ending December 31 and for the 6-month period ending June 30, 2024. After the end of the projection year, the IFA assumes that the businesses of TAE will continue to operate on a going concern basis without any significant changes under the current economic conditions and circumstances to obtain the net present value of TAE common shares as of August 16, 2024, which is the last trading day before Sunrise Equity announced the Intention to Make the Tender Offer of SCCC (Form 247-3). As a result, Sunrise Equity is obliged to perform the tender offer for all securities of TAE according to Chain Principle regulations.

In this equity valuation of TAE, the IFA has prepared financial projections under key financial assumptions that are material to the valuation, referring to various publicly disclosed information, news, including information received from TAE, and information from executive interviews. The assumptions in valuing TAE's shareholders' equity by the IFA are as follows:

A) Overall assumptions

Assumption	Detail	Reference
Valuation date	August 16, 2024, which was the last trading day before Sunrise Equity submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) of SCCC. This submission triggered Sunrise Equity's obligation to make a mandatory tender offer for TAE's shares under the Chain Principle Rules.	Announcement of Intention to Make a Tender Offer of TAE (Form 247-3)
Projection period	5 years and 6 months from July 1, 2024, - December 31, 2029	The IFA
Corporate income tax	Corporate income tax rate at 20.00%	The Revenue Department

B) Revenue assumptions

Assumption	Reference																				
Revenue from Ethanol sales																					
<p>The IFA estimates revenue from Ethanol sales based on the quantity of Ethanol sold (million liters) multiply by the selling price of Ethanol. The quantity of Ethanol sold is calculated from the total national consumption of Ethanol multiply by the TAE's market share. The details are as follows:</p> <p>1. Total national consumption of Ethanol</p> <table border="1"> <thead> <tr> <th>(million liters)</th> <th>2020A - 2023A</th> <th>Jan – Jun 2024A</th> <th>Jul – Dec 2024F</th> <th>2025F - 2029F</th> </tr> </thead> <tbody> <tr> <td>Total national consumption of Ethanol</td> <td>1,288.45 - 1,519.98</td> <td>624.26</td> <td>685.96</td> <td>1,394.75 - 1,433.54</td> </tr> </tbody> </table> <p>The IFA estimates the total national consumption of Ethanol for the period from July to December 2024 and for the years 2025 to 2029 based on the average data from 2020A to 2023A and January to June 2024A. Then, the IFA assumes a growth rate of 2.50% for the years 2025 and 2026, referencing Krungsri Research. Since Ethanol consumption typically depends on various factors such as economic conditions, price fluctuations, and government fuel support policies, examining data from the past 5 years can better reflect Ethanol consumption under different scenarios.</p> <p>2. Market share</p> <table border="1"> <thead> <tr> <th>(%)</th> <th>2020A - 2023A</th> <th>Jan – Jun 2024A</th> <th>Jul – Dec 2024F</th> <th>2025F - 2029F</th> </tr> </thead> <tbody> <tr> <td>Market share</td> <td>5.26 - 6.88</td> <td>7.23</td> <td>6.51</td> <td>6.51</td> </tr> </tbody> </table> <p>The IFA estimates the market share for the period from July to December 2024 and for the years 2025 to 2029 based on the average data from 2020A to 2023A and January to June 2024A, assuming no growth rate. This is due to the high level of competition in the Ethanol industry, with a total of 29 Ethanol production facilities currently in operation. However, since TAE's customer base consists of long-standing clients with established business relationships, TAE's management believes it is likely to maintain its current market share.</p>	(million liters)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	Total national consumption of Ethanol	1,288.45 - 1,519.98	624.26	685.96	1,394.75 - 1,433.54	(%)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	Market share	5.26 - 6.88	7.23	6.51	6.51	<ul style="list-style-type: none"> - Management interview - Financial information for the years 2020-2023 and for the 6-month period ending June 30, 2024
(million liters)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F																	
Total national consumption of Ethanol	1,288.45 - 1,519.98	624.26	685.96	1,394.75 - 1,433.54																	
(%)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F																	
Market share	5.26 - 6.88	7.23	6.51	6.51																	

Assumption					Reference
3. Selling price of Ethanol					
(THB per liter)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Selling price of Ethanol per liter	23.04 - 29.39	30.57	29.00	27.24	
<p>The IFA estimates the selling price of Ethanol per liter for the period from July to December 2024 based on management's projections and the current situation. For the years 2025 to 2029, the estimate is based on the average data from 2020A to 2023A and January to June 2024A, assuming no growth rate. This is because the selling price of Ethanol per liter often depends on various factors such as economic conditions, climate, and changes in raw material prices. Therefore, examining data from the past 5 years can better reflect the Ethanol selling price per liter under different circumstances.</p>					
Revenue from soil conditioner sales					
<p>The IFA estimates revenue from soil conditioner sales based on the quantity of soil conditioner sold (tons) multiply by the selling price of soil conditioner. The details are as follows:</p>					
1. Quantity of soil conditioner sold					
(Ton)	2022A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Quantity of soil conditioner sold	1,281.10 - 2,093.50	901.00	2,299.00	5,000.00 - 8,000.00	
<p>Soil conditioner, or potassium humate, is a product derived from process of stillage, which is a byproduct of Ethanol production for fuel. The IFA estimates the quantity of soil conditioner sales for the period from July to December 2024 and for the years 2025 to 2029 based on management's projections. Since TAE began operating its commercial stillage evaporation plant in 2023, past performance does not yet reflect the actual results.</p>					
2. Selling price of soil conditioner					
(THB per ton)	2022A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Selling price of soil conditioner	19,527.75 - 20,112.72	19,836.24	19,825.57	19,825.57	
<p>The IFA estimates the selling price of soil conditioner per ton from July to December 2024 and for the years 2025 to 2029 based on the average data from 2022 to 2023 and January to June 2024, assuming no growth rate according to historical financial data.</p>					
					<ul style="list-style-type: none"> - Management interview - Financial information for the years 2020-2023 and for the 6-month period ending June 30, 2024

C) Cost assumptions

Assumption		Reference
Cost of Ethanol sales		
<p>The cost of Ethanol sales includes raw materials used in production, such as cassava, molasses, raw sugar, and wood chips, as well as salaries and wages, and maintenance and repair costs. The IFA estimates the cost of Ethanol sales as a proportion of revenue from Ethanol sales as follows:</p>		<ul style="list-style-type: none"> - Management interview - Financial information for

Assumption					Reference
(%)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Cost of Ethanol sales	(90.35) - (84.89)	(82.85)	(86.72)	(86.72)	the years 2020-2023 and for the 6-month period ending June 30, 2024
<p>The IFA estimates the cost of Ethanol sales for the period from July to December 2024 and for the years 2025 to 2029 based on the average data from 2020A to 2023A and January to June 2024A, according to historical financial data. Since the cost of Ethanol sales tends to fluctuate with agricultural commodity prices, which are influenced by various factors such as supply and demand, global market prices, climate conditions, rainfall, and changes in raw material prices, examining data from the past 5 years provides a better reflection of Ethanol sales costs under different circumstances.</p>					
Cost of soil conditioner sales					
<p>The cost of soil conditioner sales includes items such as fuel, salaries and wages, and maintenance and repair costs. The IFA estimates the cost of soil conditioner sales as a proportion of revenue from soil conditioner sales as follows:</p>					
(%)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Cost of soil conditioner sales	(63.58) - (41.49)	(106.55)	(75.00)	(75.00)	- Management interview - Financial information for the years 2020-2023 and for the 6-month period ending June 30, 2024
<p>The IFA estimates the cost of soil conditioner sales for the period from July to December 2024 and for the years 2025 to 2029 based on management's projections. Since TAE began operating its commercial stillage evaporation plant in 2023, past performance does not yet reflect the actual results.</p>					

D) Expense assumptions

Assumption					Reference
Selling and administrative expenses					
<p>Selling and administrative expenses include items such as transportation costs, salaries and wages, utilities, travel expenses, and professional service fees. The IFA estimates selling and administrative expenses as a proportion of total revenue as follows:</p>					
(%)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Selling and administrative expenses	(5.09) - (4.61)	(3.28)	(3.93)	(3.93)	- Management interview - Financial information for the years 2020-2023 and for the 6-month period ending June 30, 2024
<p>The IFA estimates selling and administrative expenses for the period from July to December 2024 and for the years 2025 to 2029 based on the average data from 2020A to 2023A and January to June 2024A, according to historical financial data.</p>					

E) Other assumptions

Assumption					Reference
Other revenues					
1. Other revenue					
Other revenue, such as revenue from the sale of cassava byproducts and fuel oil, as well as miscellaneous income.					- Management interview - Financial information for the years 2020-2023 and for the 6-month period ending June 30, 2024
(%)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Other revenue	0.03 - 1.30	0.95	0.95	0.95	
The IFA estimates other income for the period from July to December 2024 and for the years 2025 to 2029 based on the average data from January to June 2024A. This is because TAE sells cassava byproducts, or cassava residue, from the production process for use as animal feed.					
2. Revenue from the sale of carbon dioxide					
Revenue from the sale of carbon dioxide comes from TAE's contract to sell carbon dioxide generated from the Ethanol production process to Sicgil (Thailand) company limited for a period of 15 years. TAE expects to start recognizing this revenue in 2025, amounting to THB 17.58 million per year.					
(THB million)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Revenue from the sale of carbon dioxide	-	-	-	17.58	
The IFA estimates revenue from the sale of carbon dioxide for the years 2025 to 2029 based on management's projections.					

F) Depreciation and amortization assumptions

Assumption		Reference
Depreciation and amortization are calculated based on the cost of assets and are depreciated and amortized using the straight-line method over the estimated useful life of the assets.		Accounting policies as shown in the financial statements
Items	Estimated useful life of the assets	
Buildings and structures	5 - 30, 50 years	
Machinery and equipment	5 - 30, 50 years	
Office equipment	3, 5, 15 years	
Vehicles	5 years	
Computers and software	3, 5, 10 years	

G) Working capital assumptions

Assumption					Reference
The IFA estimates the working capital as follows:					<ul style="list-style-type: none"> - Management interview - Financial information for the years 2020-2023 and for the 6-month period ending June 30, 2024
(Days)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Average collection period	24.69 - 33.38	30.80	29.77	29.77	
Average inventory turnover period	17.81 - 32.88	23.14	24.65	24.65	
Average payment period	10.45 - 20.71	10.05	13.53	13.53	
The IFA estimates the assumptions for working capital for the period from July to December 2024 and for the years 2025 to 2029 based on the average data from 2020A to 2023A and January to June 2024, according to historical financial data.					

H) Capital expenditure assumptions

Assumption					Reference
The IFA estimates the investment costs related to maintenance activities the factory and production lines, as well as intangible assets, as follows:					<ul style="list-style-type: none"> - Management interview - Financial information for the years 2020-2023 and for the 6-month period ending June 30, 2024
(THB million)	2020A - 2023A	Jan – Jun 2024A	Jul – Dec 2024F	2025F - 2029F	
Maintenance budget for factory and production line upgrades	85.96 - 160.10	22.74	22.26	45.00	
Investment budget for intangible assets	0.11 - 1.63	0.04	0.74	0.78	
The IFA estimates Capital Expenditure (CAPEX) for the period from July to December 2024 and for the years 2025 to 2029 based on management's projections.					

I) Terminal value assumptions

Assumption		Reference
Terminal Value	The estimation of the terminal value as of December 31, 2029, is based on the free cash flow for the year 2029, with no growth rate applied due to the volatility of the Ethanol industry and the challenges facing the sector, such as the rise of electric vehicles (EVs). This approach follows a conservative basis to account for these uncertainties.	Estimates by the IFA

Assumption		Reference
	However, the IFA assumes that TAE will continue its operations beyond the projected year on a going concern basis, with no significant changes expected.	

J) Discount rate assumptions

The IFA has considered Weighted Average Cost of Capital (WACC) as discount rate for calculating the present value of free cash flow to firm of TAE. The WACC can be calculated as the following formula:

$$WACC = K_e \times [E/(IBD+E)] + K_d \times (1 - t) \times [IBD/(IBD+E)]$$

However, in calculating WACC, K_e must be determined using Capital Asset Pricing Model (CAPM) according to the following formula:

$$K_e = R_f + \beta_L (R_m - R_f)$$

Whereby

- R_f = The risk-free rate based on the 25-year Thai government bond yield on August 16, 2024, of 3.25% per year (Source: www.thaibma.or.th).
- R_m = Market return rate based on the average changes in the SET index over the past 25 years up to June 30, 2024, which is 9.26% (source: www.set.or.th and the IFA's calculation).
- β_L = The coefficient of the volatility of stock price of TAE and listed companies operating similar business as TAE and the stock market return over the last 2 years up to August 16, 2024 since BBGI and UBE were listed on the SET on March 17, 2022 and September 30, 2021, respectively. The details are shown below.

Company Names	Beta
Thai Agro Energy Public Company Limited ("SET: TAE")	1.07
BBGI Public Company Limited ("SET: BBGI")	1.23
Ubon Bio Ethanol Public Company Limited ("SET: UBE")	1.16

Source: Capital IQ

The IFA then adjusted for the impact of debt by using the capital structure of each firm to derive the Unlevered Beta using the formula: (Unlevered Beta = Levered Beta / (1+(1-tax) x (D/E)_{Peers})). The calculated Unlevered Beta was then applied to TAE's target capital structure using the formula: Levered Beta = Unlevered Beta x (1+(1-tax) x (D/E))_{TAE}. This resulted in a beta value of 1.08.

- t = Corporate income tax rate at 20.00%
- $\frac{IBD}{IBD+E}$ = The ratio of interest-bearing debts to equity, which is equal to 24.75%.

From the above assumptions, K_e can be calculated as follows:

Calculation of the Cost of Equity of TAE

Factors	Assumptions (%)
Risk-free Rate (1)	3.25
Risk Premium (Rm - Rf) (2)	6.00
β_L (3)	1.08
Cost of Equity or Ke (4) = (1) + [(3) x (2)]	9.76

From the cost of equity (Ke) shown in the table above, the IFA has calculated the WACC with details as follows:

- Ke = Cost of equity of 9.76%, calculated using the Capital Asset Pricing Model (CAPM).
Kd = Weighted-average interest rate of TAE, which is equal to 5.01%.
t = Corporate income tax rate at 20.00%
IBD/(IBD+E) = The ratio of interest-bearing debts to equity, which is equal to 24.75%.

Calculation of WACC of TAE

Factors	Assumptions (%)
Cost of Equity or Ke (1)	9.76
Cost of Debt or Kd (2)	5.01
IBD/(IBD+E) (3)	24.75
Corporate income tax rate or t (4)	20.00
WACC (5) = {(1) x [1-(3)]} + {(2) x [1-(4)] x (3)}	8.34

From the table above, WACC of TAE is equal to 8.34%.

K) Discounted cash flow approach

Based on the above assumptions, the IFA has projected the free cash flows to firm and discounted them with WACC to calculate the present value of TAE's businesses details as follows:

TAE's Projected Free Cash Flow (July 2024 - December 2029)

(THB million)	1 Jul - 31 Dec			1 Jan - 31 Dec		
	2024F	2025F	2026F	2027F	2028F	2029F
Earnings before interests and income tax (EBIT)	49.35	107.50	126.30	124.64	123.69	121.46
<u>(Less):</u> corporate income tax	(9.87)	(21.50)	(25.26)	(24.93)	(24.74)	(24.29)
<u>Add:</u> Depreciation and amortization	93.99	186.49	187.16	188.82	190.49	192.00
<u>Add (Less):</u> Change in working capital	35.65	2.50	(20.94)	(7.45)	(7.39)	(7.51)
<u>(Less):</u> Capital expenditure	(23.00)	(45.78)	(45.78)	(45.78)	(45.78)	(45.78)
Free cash flow	146.12	229.22	221.48	235.30	236.27	235.88
<u>Add:</u> Terminal Value	-	-	-	-	-	2,829.50
Total free cash flow	146.12	229.22	221.48	235.30	236.27	3,065.38
Net present value of free cash flow	2,869.19	<i>The discount rate of 8.34% is used to discount the free cash flows from 2024 to 2029 to calculate the net present value (NPV) of cash flows as of August 16, 2024</i>				
<u>Add:</u> Cash and cash equivalents as of June 30, 2024	50.10					

(THB million)	1 Jul - 31 Dec			1 Jan – 31 Dec		
	2024F	2025F	2026F	2027F	2028F	2029F
(Less): interest bearing debts as of June 30, 2024	(1,177.64)					
Equity value	1,741.66					
% Shareholding held by LANNA	51.00					
Fair value of investment in TAE	888.25					

From the above table, **the fair value of investment in TAE is THB 888.25 million.**

L) Sensitivity analysis

The IFA has conducted sensitivity analysis for valuation of TAE's common shares considering main factors that will affect TAE's operating performance, which includes changes in the growth rate of total national Ethanol consumption and changes in the cost of producing Ethanol and soil conditioner. The details are as follows:

Sensitivity analysis of operating results	
Sensitivity analysis	Fair value (THB million)
Changes in the growth rate of total national ethanol consumption	
Decrease 1.00 percent	853.14
Base case	888.25
Increase 1.00 percent	924.16
Changes in the cost of producing ethanol and soil conditioner	
Increase 0.50 percent	821.62
Base case	888.25
Decrease 0.50 percent	954.87
Value Range	821.62 - 954.87

From the sensitivity analysis above, the fair value of **investment in TAE based on the discount cash flow approach is THB 821.62 - 954.87 million (base case at THB 888.25 million).**

Summary of Valuation of Investment in TAE

Valuation approach	Fair value of investment in TAE (THB million)	Appropriateness of the approach
1. Book Value Approach	853.92	Inappropriate
2. Historical Market Price Approach	365.49 - 619.21	Inappropriate
3. Market Comparable Approach		
- P/BV ratio	559.94 - 625.05	Inappropriate
- P/E ratio	936.86 - 1,337.96	Inappropriate
- EV/EBITDA ratio	965.09 - 1,446.42	Inappropriate
4. Discounted Cash Flow Approach	821.62 - 954.87	Appropriate

The IFA believes that **the valuation of the investment value in TAE using the Discounted Cash Flow approach is appropriate** because it considers TAE's ability to generate profits and cash flow in the future. **Therefore, the fair value of investment in TAE, based on the Discounted Cash Flow Approach, is THB 821.62 - 954.87 million.**