

Ref. No. 0860/47E

August 15, 2017

Subject: Clarification on the Operating Results of the 2nd Quarter 2017 and the First 6-Month Period of 2017

Attn: President

The Stock Exchange of Thailand

The Company wishes to report on the Company's operating results of the 2nd quarter 2017 and the first 6-month period of 2017. Details of the changes and impacts are described in the Management Discussion and Analysis (MD&A). The Company and subsidiary companies had a net profit during the 2nd quarter 2017 and the first 6-month period of 2017 totaling Baht 161.22 and 301.62 million, or net earnings per share of Baht 0.31 and 0.57, respectively. When compared with the same period last year, the net profit increased by Baht 111.78 and 117.13 million or 226.09 and 63.49 percent, respectively, due to the following reasons:

(1) Net profit of the Company and subsidiary companies in the 2nd quarter 2017 totaling Baht 161.22 million or Baht 0.31 per share, which increased from the same period last year by Baht 111.78 million, or an increase of Baht 0.22 per share or 226.09 percent, due to the following reasons:

(1.1) Net profit from coal business derived from shareholding proportion of the Company was Baht 128.45 million or 79.67 percent of the total net profit, which increased from the same period last year by Baht 112.96 million or 729.24 percent. This was due to the increase in coal sales volume and average coal selling price of 0.27 and 34.54 percent.

(1.2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 20.05 million or 12.44 percent of the total net profit, which increased from the same period last year by Baht 1.24 million or 6.59 percent. This was due to an increase in ethanol sales volume and average ethanol selling price of 0.67 and 14.84 percent.

(1.3) Share of income from associated company and other revenues were Baht 12.72 million or 7.89 percent of the total net profit, which decreased from the same period last year by Baht 2.42 million or 15.98 percent, due to the decrease in foreign exchange gain and interest received.

(2) Net profit of the Company and subsidiary companies in the first 6-month period of 2017 was Baht 301.62 million or Baht 0.57, which increased from the same period last year by Baht 117.13 million or an increase of Baht 0.22 or 63.49 percent, due to the following reasons:

(2.1) Net profit from coal business derived from shareholding proportion of the Company was Baht 204.95 million or 67.95 percent of the total net profit, which increased from the same period last year by Baht 143.81 million or 235.21 percent. This was due to the increase in average coal selling price by 32.39 percent.

(2.2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 56.35 million or 18.68 percent of the total net profit, which decreased from the same period last year by Baht 7.70 million or 12.02 percent. This was due to an increase in average cost of ethanol sales of 16.14 percent.

(2.3) Share of income from associated company and other revenues were Baht 40.32 million or 13.37 percent of the total net profit, which decreased from the same period last year by Baht 18.98 million or 32.01 percent due to the decrease in foreign exchange gain and interest received.

Please be informed accordingly.

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

(Mrs. Petcharat Chayanon)
Chief Officer – Accounting and Finance