

Ref. No. 0261/08E

February 26, 2018

Subject: Clarification on the Operating Results of Year 2017

Attn: President

The Stock Exchange of Thailand

The Company wishes to report on the Company's operating results of year 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 in year 2017 totaling Baht 729.44 million or net earnings per share of Baht 1.39, which increased from the previous year by Baht 457.99 million or an increase of net earnings per share by Baht 0.87 or 168.72 percent, due to the following reasons.


(1) Net profit from coal business derived from the shareholding proportion of the Company was Baht 631.96 million or 86.64 percent of the total net profit, which increased from the previous year by Baht 518.38 million or 456.40 percent. This was due to the increase in coal sales volume and average coal selling price by 18.87 and 27.38 percent, respectively.

(2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 22.89 million or 3.14 percent of the total net profit, which decreased from the previous year by Baht 64.67 million or 73.86 percent. This was due to the flood incident causing damage to the treated wastewater pond of the ethanol production plant of the subsidiary company. As a result, the ethanol production was temporary halted for more than two months during the 4th quarter year 2017 in order to resolve such problem, by which compensation was paid to the affected villagers totaling Baht 73.32 million. The ethanol production plant was reopened and continued with ethanol production and distribution as normal in early December 2017. The net profit from ethanol business in year 2017 therefore decreased as mentioned above.

(3) Net share of income from associated company and other revenues were Baht 74.59 million or 10.22 percent of the total net profit, which increased from the previous year by Baht 4.28 million or 6.09 percent. This was due to the increase in net share of income from associated company 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