

Ref. No. 0862/39E

August 14, 2019

Subject: Clarification on the Operating Results in the 2<sup>nd</sup> Quarter 2019 and the First 6-Month Period of 2019Attn: President  
The Stock Exchange of Thailand

The Company wishes to report on the Company's operating results in the 2<sup>nd</sup> quarter 2019 and the first 6-month period of 2019, having details as follows:

(1) Net profit of the Company and subsidiary companies in the 2<sup>nd</sup> quarter 2019 totaled Baht 106.20 million, which decreased from the same period last year by Baht 151.29 million with net earnings per share of Baht 0.20, which decreased from the same period last year by Baht 0.29 per share or 58.76 percent, due to the following reasons:

(1.1) Net profit from coal business derived from shareholding proportion of the Company was Baht 25.03 million or 23.57 percent of the total net profit, which decreased from the same period last year by Baht 182.99 million or 87.97 percent. This was due to the decrease in coal sales volume from the same period last year of 25.76 percent, and the average coal selling price decreased from the same period last year by 16.98 percent.

(1.2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 70 million or 65.91 percent of the total net profit, which increased from the same period last year by Baht 37.62 million or 116.18 percent. This was due to the decrease in molasses price, a raw material and a major cost in ethanol production, of 25.32 percent; and

(1.3) Other revenue and share of income from associated company were Baht 11.17 million or 10.52 percent of the total net profit, which decreased from the same period last year by Baht 5.92 million or 34.64 percent, due to the decrease in interest received and share of income from associated company.

(2) Net profit of the Company and subsidiary companies in the first 6-month period of 2019 totaled Baht 273.03 million, which decreased from the same period last year by Baht 206.81 million with net earnings per share of Baht 0.52, which decreased from the same period last year by Baht 0.39 per share or 43.10 percent, due to the following reasons:

(2.1) Net profit from coal business derived from shareholding proportion of the Company was Baht 80.56 million or 29.51 percent of the total net profit, which decreased from the same period last year by Baht 304.75 million or 79.09 percent. This was due to the decrease in coal sales volume from the same period last year of 9.50 percent, and the average coal selling price decreased from the same period last year by 20.74 percent.

(2.2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 161.85 million or 59.28 percent of the total net profit, which increased from the same period last year by Baht 99.89 million or 161.22 percent. This was due to the decrease in molasses price, a raw material and a major cost in ethanol production, of 26.48 percent; and

(2.3) Other revenue and share of income from associated company were Baht 30.62 million or 11.21 percent of the total net profit, which decreased from the same period last year by Baht 1.95 million or 5.99 percent due to the decrease in interest received and share of income from associated company.

Details of the changes and impacts are described in the Management Discussion and Analysis (MD&A).

Please be informed accordingly.

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



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