



LANNA RESOURCES Public Company Limited

บริษัท ลานนา รีซอร์สเซส จำกัด (มหาชน)

Ref. No. 0263/13E

February 27, 2020

Subject: Clarification on the Operating Results of Year 2019

Attn: President

The Stock Exchange of Thailand

The Company wishes to report on the Company's operating results of year 2019, having details as follows:

The Company and subsidiary companies had a net profit in year 2019 totaling Baht 420.58 million, which decreased from the previous year by Baht 180.10 million with net earnings per share of Baht 0.80, a decrease from the previous year of Baht 0.34 per share or 29.98 percent, due to the following reasons.

(1) Net profit from the coal business derived from the shareholding proportion of the Company was Baht 91.40 million or 21.73 percent of the total net profit, which decreased from the previous year by Baht 310.76 million or 77.27 percent. This was due to the decrease in coal sales volume and the average coal selling price from the previous year of 14.05 and 20.53 percent, respectively.

(2) Net profit from the ethanol business derived from shareholding proportion of the Company was Baht 218.73 million or 52.01 percent of the total net profit, which increased from the previous year by Baht 70.42 million or 47.48 percent. This was due to the increase in ethanol sales volume from the previous year of 1.03 percent but the average ethanol selling price decreased from the previous year by 7.00 percent; and

(3) Other revenue and share of income from associated company were Baht 110.45 million or 26.26 percent of the total net profit, which increased from the previous year by Baht 60.24 million or 119.98 percent. This was due to the subsidiary company having received insurance compensation for damage from flooding incident in year 2017 of Baht 40 million and increase in foreign exchange gain of Baht 17.56 million.

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