

Ref. No. 1163/65E

November 12, 2020

Subject: Clarification on the Operating Results in the 3<sup>rd</sup> Quarter 2020 and the First 9-Month Period of 2020Attn: President  
The Stock Exchange of Thailand

The Company wishes to report on the Company's operating results in the 3<sup>rd</sup> quarter 2020 and the first 9-month period of 2020, having details as follows:

(1) Net profit of the Company and subsidiary companies in the 3<sup>rd</sup> quarter 2020 totaled Baht 6.51 million, which decreased from the same period last year by Baht 98.62 million and net earnings per share was Baht 0.01 per share, which decreased from the same period last year by Baht 0.19 per share or 93.81 percent, due to the following reasons:

(1.1) Net loss from coal business derived from shareholding proportion of the Company was Baht 23.22 million, which decreased from the same period last year by Baht 31.45 million or 382.14 percent. This was due to the decrease in coal sales volume and the average coal selling price from the same period last year of 9.84 and 11.28 percent, respectively.

(1.2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 4.63 million, which decreased from the same period last year by Baht 33.31 million or 87.80 percent. This was due to 25.55 percent increase in the molasses price, which is the raw material and a major cost of ethanol production; and

(1.3) Share of income from associated company and other revenue were Baht 25.10 million, which decreased from the same period last year by Baht 33.86 million or 57.43 percent. This was due to the subsidiary company having received insurance compensation in the 3<sup>rd</sup> quarter 2019 for damage from flooding incident of year 2017.

(2) Net profit of the Company and subsidiary companies in the first 9-month period of 2020 totaled Baht 224.87 million, which decreased from the same period last year by Baht 153.28 million and net earnings per share was Baht 0.43 per share, which decreased from the same period last year by Baht 0.29 per share or 40.53 percent, due to the following reasons:

(2.1) Net profit from coal business derived from shareholding proportion of the Company was Baht 126.12 million or 56.09 percent of the total net profit, which increased from the same period last year by Baht 37.33 million or 42.04 percent as costs and expenses of coal business could be reduced more than the decrease in revenue from coal sales.

(2.2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 49.98 million or 22.23 percent of the total net profit, which decreased from the same period last year by Baht 149.80 million or 74.98 percent due to 28.58 percent increase in the molasses price, which is the raw material and a major cost of ethanol production; and

(2.3) Share of income from associated company and other revenue were Baht 48.77 million or 21.68 percent of the total net profit, which decreased from the same period last year by Baht 40.81 million or 45.56 percent. This was due to the subsidiary company having received insurance compensation in the first 9-month period of 2019 for damage from flooding incident of year 2017.

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