



LANNA RESOURCES Public Company Limited

บริษัท ลานนารีซอร์สเซส จำกัด (มหาชน)

Ref. No. 0560/032E

May 12, 2017

Subject: Clarification on the Operating Results of the 1st Quarter of Year 2017

Attn: President

The Stock Exchange of Thailand

The Company wishes to report on the Company's operating results of the 1st quarter 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 during the 1st quarter 2017 totaling Baht 140.40 million or net earnings per share of Baht 0.27, which increased from the same period last year by Baht 5.36 million or an increase of net earnings per share by Baht 0.01 or 3.97 percent, due to the following reasons:

(1) Net profit from coal business derived from the shareholding proportion of the Company was Baht 75.27 million or 53.61 percent of the total net profit, which increased from the same period last year by Baht 29.63 million or 64.92 percent. Despite the decrease in coal sales volume by 17.55 percent but the average coal selling price increased by 30.69 percent.

(2) Net profit from ethanol business derived from shareholding proportion of the Company was Baht 36.30 million or 25.85 percent of the total net profit, which decreased from the same period last year by Baht 8.93 million or 19.74 percent. Despite the increase in ethanol sales volume and the average ethanol selling price from the same period last year by 6.22 and 8.62 percent, respectively. Accordingly, the demand for ethanol increased but molasses price, which is a main raw material for ethanol production, also increased by 16.73 percent.

(3) Net share of income from associated company and other revenues were Baht 28.83 million or 20.54 percent of the total net profit, which decreased from the same period last year by Baht 15.34 million or 34.73 percent. This was due to the decrease in foreign exchange gain.

Please be informed accordingly.

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

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