



KBS.BKK 300/2020

November 12, 2020

Subject : Management Discussion and Analysis (MD&A) for Quarter 3/2020

To : President, The Stock Exchange of Thailand

Khonburi Sugar Public Company Limited and subsidiaries ("The Company") would like to provide the explanation on the operating result for Quarter 3/2020. The Company had consolidated net loss amounting to THB 302.7 million for the three month period ending 30 September 2020, which increased net loss by THB 271.3 million or 866.4% compared with the same period of previous year. The Company had Loss before Finance Costs, Taxes, Depreciation and Amortization (EBITDA) of THB 79.3 million which was decreased by THB 232.8 million or 151.7% compared with the same period of previous year. The change in operating result were as following main factors below:

- The Company had the cane crushed in total 1.7 million ton cane for Crop year 2019/20 which decreased by 1.6 million ton cane or decreased by 48.3% from Crop year 2018/19 due to drought weather. Then, the total cane volume in Thailand was 74.9 million ton cane which decreased by 42.8%. Then, it's lead to decrease in our sale volume of sugar. In addition, the quantity of own fuel bagasse for supporting power plant operation also decreased from previous year. The average cost of sugarcane transportation also increased by 88.9 Baht per ton cane or increased by 130.8%.
- The estimated final sugar cane price in Crop year 2019/2020 was THB 825.9 per ton cane at a sweetness of 10 C.C.S. that increased by 148.4 Baht per ton cane or 21.9% from Crop year 2018/2019. Then, the average cost of raw material was higher from previous year.
- Sales sugar revenue decreased by THB 258.8 million or 24.4% due to decrease in sale sugar volume by 30.5%. However, sugar price average increased by 9.4%.

**บริษัท น้ำตาลนครบุรี จำกัด (มหาชน)**

สำนักงานใหญ่ : 5 ซอยสุขุมวิท 57 แขวงคลองตันเหนือ เขตวัฒนา กรุงเทพมหานคร 10110 โทรศัพท์ (662) 725 4888 โทรสาร (662) 725 4877 ทะเบียนเลขที่ 0107553000191  
โรงงาน : 289 หมู่ที่ 13 ตำบลจรเข้หิน อำเภอนครบุรี จังหวัดนครราชสีมา 30250 โทรศัพท์ (6644) 448 338 โทรสาร (6644) 448 500

**Khonburi Sugar Public Company Limited**

Head office : 5 Soi Sukhumvit 57 Klongton-Nue Wattana Bangkok 10110 Tel (662) 725 4888 Fax (662) 725 4877 Registration No.0107553000191  
Factory : 289 Moo 13 Jarakhe-Hin Khonburi Nakhonratchasima 30250 Tel (6644) 448 338 Fax (6644) 448 500



- Sales molasses revenue decreased by THB 161.3 million or 81.2% compared with the same period of previous year mainly due to decrease in sales molasses volume by 87.5%. However, the average molasses selling price increased by 32.1%.
- Sales of agricultural products, gasoline and agriculture service increased by THB 5.7 million or 38.5% when compared with the same period of previous year. This was mainly due to have more cane promotion for Crop year 2020/21.
- A subsidiary had increased in electricity sales to government by THB 13.2 million or 7.2%, due to increase in sale volume or 9.8%, compared with the same period of previous year.
- A subsidiary had decreased in cost of electricity production by THB 30.2 million or 13.6%, due to decrease on cost of biomass fuel cost per unit.
- In Quarter 3/2020, the Company had loss on derivatives that increased by THB 1.0 million or 144.3%. However, The Company had gain on exchange rate that decreased by THB 6.1 million or 49.2%, compared with the same period of previous year.
- The selling expenses decreased by THB 55.5 million or 52.8% in line with reduction in sugar sale volume. The administrative expenses decreased by THB 11.4 million or 17.1%. Bad debt allowance expenses increased by THB 2.3 million.
- Finance expenses increased by THB 20.0 million or 43.8%, compared with the same period of previous year. In during Quarter 3/2020 a subsidiary and Khonburi Sugar Power Plant Infrastructure Fund (“KBSPIF”) have signed the Revenue Transfer Agreement relating to a subsidiary will transfer 62 percent of the right of revenue from the electricity business operations for a period 20 years to KBSPIF” from sales of electricity for 22 megawatts with Electricity Generating Authority of Thailand (“EGAT”) only in respect of such revenues not affected by USD currency fluctuations and those not affected by average coal price and



sales of electricity for 3.5 megawatts with Khonburi Sugar Public Company Limited. As a result, the subsidiary company recognized financial costs increased by Baht 35.7 million in this quarter.

- Income tax revenue decreased by THB 10.0 million compared with the same period of previous year. The Company has recognized deferred income tax in during the period.

Please be informed accordingly,

Sincerely Yours,

A handwritten signature in blue ink, appearing to read 'Rakkiti Tanglamlert', is written above the printed name.

(Mr. Rakkiti Tanglamlert)

Chief Financial Officer