



No. AC 070/2562

KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD  
503 K.S.L. TOWER, 9th FLOOR, SRIAYUDHYA ROAD,  
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16 September 2019

SUBJECT EXPLANATION FOR THE DECREASE IN NET PROFIT OVER 20 PERCENT FOR THE 3<sup>rd</sup> QUARTER  
YEAR 2019 COMPARE TO THE PREVIOUS YEAR

ATTENTION PRESIDENT, THE STOCK EXCHANGE OF THAILAND

Khon Kaen Sugar Industry Public Company Limited and its subsidiaries ("KSL") would like to report our financial performance of the 3<sup>rd</sup> quarter year 2019 (May 2019 – Jul 2019). The Company recorded total revenue of THB 4,421 million compared to THB 5,293 million last year, representing a decrease of 16% and recorded net profit of THB 217 million compared to the net loss of THB 95 million at the same period last year, representing an increase of 328%. The details were as followings;

#### Total Revenue

Decrease in total revenue in the 3<sup>rd</sup> quarter year 2019 due to sugar sales volume decreased from 355,988 tons to 306,723 tons compared to the same period last year or decreased by 14% which effect from delay export sale. Moreover, the average selling price decreased from 12,151 THB/ton to 11,120 THB/ton or decreased by 8% in line with the reduction of global sugar price. Therefore the net effect is total revenue decreased. Increase in gross profit from 14% to 18% due to the cost of raw materials decreased.

#### Other incomes

Increase in other income in the 3<sup>rd</sup> quarter year 2019 due to the company had refund from the Office of Cane and Sugar Fund according to the assistance project to support sugar cane planter and sugar plants by THB 234 million.

#### Distribution Cost

Decrease in distribution cost in the 3<sup>rd</sup> quarter year 2019 from THB 557 million to THB 523 million compared to the same period last year due to total sugar sales volume decreased. However domestic sugar sales had remittance to fund, the domestic sugar sales volume increased compared to the same period last year. Therefore the distribution cost decreased by 6%.

Administration Expense

Decrease in administration expense in the 3<sup>rd</sup> quarter year 2019 from THB 152 million to THB 137 million compared to the same period last year or decreased by 10% mainly due to decrease in personnel expenses and other expenses.

Financial Cost

Decrease in financial cost in the 3<sup>rd</sup> quarter year 2019 from THB 233 million to THB 195 million compared to the same period last year or decreased by 16% due to the efficiencies of financial management.

For overall 3<sup>rd</sup> quarter year 2019 performance, the Company recorded total revenue of THB 4,421 million compared to THB 5,293 million last year, representing a decrease of 16% and net profit of THB 217 million compared to net loss same period last year at THB 95 million, representing an increase of 328%. The Company's total assets were recorded at THB 49,840 million, with total liabilities of THB 30,879 million and total shareholders' equity of THB 18,961 million. Debt to Equity Ratio (D/E) and Interest Bearing Debt to Equity Ratio represented at 1.63 and 1.44, respectively.

Yours faithfully,

Mr.Chamroon Chinthammit  
Chief Executive Officer and President  
Khon Kaen Sugar Industry Public Company Limited