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KHON KAEN SUGAR INDUSTRY PUBLIC CO.,LTD  
503 K.S.L. TOWER 9 th FLOOR, SRIAYUDHYA,  
RAJATHEVI, BANGKOK 10400

12 June 2015

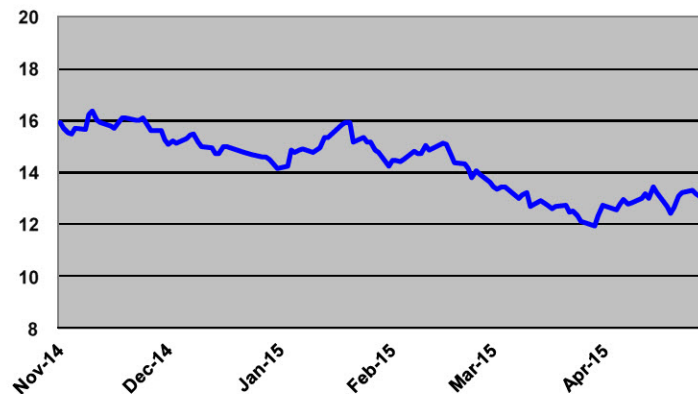
SUBJECT EXPLANATION FOR THE DECREASE IN REVENUE OF OVER 20 PERCENT FOR THE SECOND  
QUARTER OF YEAR 2015 COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR

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 second quarter year 2015 (February 2015 – April 2015). The Company recorded a net profit of THB 464 million this year compared to the net profit of THB 627 million in the previous year, representing a decrease of 26%. The main reasons for the decrease in our performance were due to;

1. The decrease in World sugar price. The average raw sugar price in NYBOT market (NY#11) was 13.36 cent/lb in the second quarter of 2015, compared to the same period of last year (2014) at 16.98 cent/lb, representing a decrease of 21%. The main reasons for the decrease in sugar price were due to Brazilian Real currency depreciation that makes them gain competitive advantage (Brazil is the largest sugar exporter). The Brazilian Real was depreciated from 2.40 BRL/USD (as of 3 February 2014) to 2.95 BRL/USD (as of 30 April 2015) and currently trade at 3.11 BRL/USD (as of 9 June 2015) which can be expected that the sugar mills in Brazil will use sugarcane to produce more sugar instead of producing ethanol for domestic consumption and induce speculator sell-off sugar in the future market.

*The chart shows the trend of World Sugar price (NY#11-Raw Sugar), unit : cent/lb from 14 November 2014 to 9 Jun 2015*



The chart shows the trend of Brazilian Real Currency against US Dollar (BRL/USD) from 1 February 2014 to 9 Jun 2015



The world sugar price, dropped dramatically, has the impact on the company performance, as follows :

(1) Sugar factory Projects in Oversea (Laos and Cambodia)

Most of the sugar cane crushed came from our own plantation which the plantation cost incurred 1 year in advanced. (Sugarcane matures at 12-14 months) In 2015, because of the decrease in sugar price, the recorded cost exceeded the expected selling sugar price. As a result, the Oversea performance incurred loss.

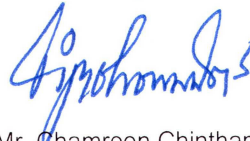
(2) Sugar business in Thailand,

The sugarcane price is under 70:30 revenue sharing system that make raw material cost (sugarcane) correlate to world sugar price but other cost of production did not decrease in the same proportion, so gross margin for sugar business in Thailand in 2015 dropped, compared to last year performance.

2. The Renewable energy business, comprised of Power and Ethanol business, in overall, performs as usual, closed to last year performance. For the first half of 2015, the electricity sales volume to EGAT increase 10% from 157,968 MW-hr to 172,985 MW-hr and Ethanol sales volume increase 14% from 42.95 million liters to 48.92 million liters, compared to the same period of 2014. However the Company incurred more taxes since BOI privilege for the powerplant in Nampong site, Khon Kaen province, expired after 8 year operation.

Overall, based on the first half performance, the Company recorded a net profit of THB 860 million this year compared to the net profit of THB 1,055 million in the previous year, representing a decrease of 18%. However, in term of EBITDA in 6 months period, the Company recorded EBITDA of THB 2,191 million, closed to THB 2,243 million last year.

Yours faithfully,



Mr. Chamroon Chinthammit

President and Chief Executive Officer