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KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD
503 K.S.L. TOWER, 9th FLOOR, SRIAYUDHYA ROAD,
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14 September 2017

SUBJECT EXPLANATION FOR THE CHANGE IN FINANCIAL PERFORMANCE OF OVER 20 PERCENT FOR THE
THIRD QUARTER OF YEAR 2017 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 quarter 3 year 2017 (May 2017 – July 2017). The Company recorded a net profit of THB 58 million, compared to the net profit of THB 93 million the same period of previous year, representing a decrease of 37%. The details were, as followings;

- (1) Thai Sugar Business, the company recorded the performance from normal operation, the same as those of previous year. The total sugar volume sale decreased from 202,451 tons (Q3- 2016) to 196,221 tons (Q3- 2017)
- (2) Oversea Sugar Business, in year 2017, the company exported raw sugar and recognized the revenue from sugar sale in second quarter. However, last year 2016, the company exported raw sugar and recognized the revenue in third quarter. As a result, the total revenue from sales in third quarter 2017 decreased.
- (3) Ethanol Business, in third quarter 2017, compared to the same period of previous year, the company had increased in performance from the increase in selling price.
- (4) In third quarter 2017, the Company electricity sale volume to grid decreased, due to annual maintenance.
- (5) In third quarter 2016, the Company recorded the extraordinary item which came from the gain on sales of investment of THB 45.22 million.



As a result, the performance on third quarter 2017 dropped, however, overall performance for 9 months period in 2017 (November 2016 – July 2017), the Company recorded a net profit of THB 1,151 million, compared to the same period of net profit last year at THB 635 million, representing an increase of 81%. The Company's total assets were recorded at THB 44,714 million, with total liabilities of THB 27,428 million and total shareholders' equity of THB 17,286 million. Debt to Equity Ratio (D/E) and Interest Bearing Debt to Equity Ratio (IBD/E) represented at 1.59 and 1.42, respectively.

Yours faithfully,

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