



South Nyanza Sugar Company Limited

COMMUNICATION TO FARMERS

PART PAYMENT OF FARMERS' ARREARS BY THE GOVERNMENT

In his address to the Nation on 20th October, 2021 during Mashujaa Day Celebrations in Kirinyaga, His Excellency The President pledged Ksh. 1.5 Billion towards farmers' arrears and maintenance of all Government-owned sugar factories.

SonySugar therefore, forwarded individual farmers' arrears to the Ministry of Agriculture, Livestock, Fisheries and Co-operatives for processing.

On 2nd December, 2021, the Ministry presented a dummy cheque of Ksh. 138,900,000 (Kenya shillings One Hundred Thirty Eight Million, Nine Hundred Thousand only) to the Company at SonySugar Guest House Grounds. Amount similar to the presented one had been disbursed directly by the Ministry to individual farmers' accounts the previous evening.

However, considering the huge amount of money the Company owes farmers, the amount allocated to SonySugar only managed to pay 16% of each farmer's net balance (for the submitted cases).

Management regrets that this payment has not met farmers expectations, but commits to find ways of enhancing the weekly allocation to farmers' payment.

In the meantime, we continue to appreciate the overwhelming support we have received from farmers and appeal for patience and understanding as we strive to reduce the arrears in the best way possible.

Stephen Ligawa
Managing Director (Ag)

6th December 2021