



COMMUNICATION TO FARMERS

SUGARCANE PRICE

This is further to our communication of 15th September, 2020 regarding payment for delivered sugarcane. We have so far kept our word on what we promised you.

It is our desire to ultimately get to a point where we are able to pay for farmers' sugarcane promptly and in full. However, this will not be possible unless we rationalize our costs of production, in order to be able to clear the backlog as well as stay current. Whereas Management has done a lot of cost containment in the various areas of operation, the cost of cane still remains the most significant single component of the cost of producing a ton of sugar. This is unsustainable considering the average sugar price over the last two years.

For a win-win situation, Management has reviewed cane price as well as percentage payable for delivered sugarcane going forward.

In this regard, the following shall apply with **effect from 12th October, 2020:-**

- i) Sugarcane price shall be **KShs. 4,010.00 per tonne**;
- ii) **70%** of net proceeds will be paid after 30 days of delivery/JCC.

We look forward to your continued cooperation and support in this long journey towards SonySugar revival, for the benefit of all stakeholders.

Thank you.

Stephen Ligawa
Managing Director (Ag)

Thursday, October 8, 2020